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Pro-poor Commercial Management of Non-timber Forest Products in Nepal's Community Forest User Groups: Factors for Success

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This article explores the factors that influence pro-poor commercial management of non-timber forest products (NTFPs) in 3 community forest user groups (CFUGs) in the Dolakha district in Nepal.

Management of NTFPs through CFUGs is an important poverty-reduction strategy in rural Nepal. National policy documents encourage management of NTFPs by CFUGs for commercial purposes, particularly by involving marginalized communities. It is therefore important to understand the existing mechanisms of their involvement. We followed a case study approach and collected data through key informant interviews, focus group discussions, formal and informal discussions, participant observations, and study of secondary data, such as the constitutions and operational plans of the CFUGs. Because institutional arrangements varied across the 3 study CFUGs, the ability of marginalized people to benefit from the

commercial management of NTFPs also differed. Results suggest that the involvement of external agencies, and the consequent conducting of NTFP-based pro-poor programs, positively influences commercial management of NTFPs and minimizes elite domination. Likewise, inclusion of representatives of marginalized people in the CFUG executive committees empowers them to lobby with external agencies for pro-poor programs. Furthermore, the geographic location of the community forest limits the involvement of external agencies and marketing of NTFPs. Therefore, because members of CFUGs in remote areas are heavily dependent on collection and sale of NTFPs for their livelihoods, we suggest increasing the focus of external agencies in such areas and including marginalized people in CFUG executive committees.

Keywords: Community forest user groups (CFUGs); inclusion; institutional arrangements; NGOs; non-timber forest products (NTFPs); pro-poor programs; Nepal.

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Introduction

In Nepal, non-timber forest products (NTFPs) have great conservation and economic value. NTFP-related economic activities can contribute up to 90% of a rural household's income (Bista and Webb 2006). The importance of NTFPs is also reflected at the national level. In 2002, the government earned US\$ 1.11 million in revenue from the sale of NTFPs or almost 18% of the total revenue from the forest sector (HMG 2003). Olsen (2005) estimates that from 7000 to 27,000 tons of NTFPs, with a value of US\$ 7–30 million, are harvested and traded in Nepal every year. In recognizing this economic value, the Ninth Five-Year Plan (1997–2002) recommended sustainable NTFP management for poverty reduction (NPC 1997). The Tenth Five-Year Plan (2002–2007) aimed to further strengthen this by incorporating NTFP management plans in the operational plans of community forest users groups (CFUG) (NPC 2002).

CFUGs are the local institutions authorized to manage, consume, and sell excess forest products,

including NTFPs, from the forests handed over to them by the government. NTFP management in community forestry is considered one of the approaches for reintegrating marginalized communities in the mainstream of development (HMG 2004). In the socioeconomic context of Nepal, marginalized communities refer to communities that are marginalized because of historical discrimination on the basis of caste, ethnicity, and sex. For the purpose of reintegration, a growing number of CFUGs are including NTFP management plans and provisions for the betterment of such communities in their operational plans and constitutions. These documents have to be approved by the district forest office (DFO).

Commercial management of NTFPs for livelihood improvement has been well researched in Nepal and elsewhere. The factors that determine the commercialization of NTFPs are mostly socioeconomic, technical, financial, and political in nature, or are related to market access (Marshall et al 2003; Nygren et al 2006). Most of the studies focus on commercial collection of, and

TABLE 1 General characteristics of the selected CFUGs.

| CFUG attribute | Name of CFUG | | |
|--|---|--|--|
| | Suspa | Kalobhir | Mahadevthan |
| Year handed over | 1998 | 2000 | 1995 |
| Forest area (ha) | 635 | 545 | 207 |
| Forest type | Mixed: containing pine, rhododendron, and oak species | Mixed: containing pine, rhododendron, and oak species | Mixed: containing pine, rhododendron, and oak species |
| Number of households | 303 | 215 | 125 |
| Major ethnic group | Thami | Jirel | Newar |
| Sources of income | Agriculture, livestock, forest resources, public sector employment, labor in foreign countries | Agriculture, livestock, forest resources, public sector employment, labor in foreign countries, business | Agriculture, livestock, forest resources, labor in Kathmandu |
| Representation of marginalized users in the CFUG committee | Dalit ^{b)} and women | Dalit, women, and poor | Women |
| Number of poorest users' households | 26 | 19 | 3 |
| NTFPs traded ^{a)} | Lokta (<i>Daphne bholua</i>), <i>argeli</i> (<i>Edgeworthia gardneri</i>), <i>machino</i> (<i>Gaultheria fragrantissima</i>), <i>allo</i> (<i>Giardina diversifolia</i>), mushrooms | Lokta (<i>Daphne bholua</i>), <i>argeli</i> (<i>Edgeworthia gardneri</i>), <i>machino</i> (<i>Gaultheria fragrantissima</i>), <i>allo</i> (<i>Giardina diversifolia</i>), <i>chiraito</i> (<i>Swertia chiraita</i>), mushrooms | Lokta (<i>Daphne bholua</i>), <i>simta</i> (cone of <i>Pinus</i> spp), <i>jhyau</i> (raw lichen), <i>chiraito</i> (<i>Swertia chiraita</i>), <i>sugandawal</i> (<i>Valeriana wallichaii</i>) |
| Time required to reach the nearest town from the CFUG | About an hour on foot | About 10 min on foot | About 1 h 30 min on foot, then 3 h by public transport |
| Associated enterprises | Bhimeshower Handmade Paper enterprise situated at Boch, 30 km from the CFUG, <i>machino</i> distillation enterprise situated within the CFUG | Everest Gateway Handmade Paper enterprise, situated within the CFUG | None |
| External agencies involved ^{c)} | ANSAB, ECARDS, DFO, FECOFUN, NSCFP | ANSAB, ECARDS, DFO, FECOFUN, NSCFP | DFO, FECOFUN, NSCFP |

^{a)} The scientific names of the NTFPs were identified with the help of NTFP experts at ANSAB (Source: field study 2007/2008).

^{b)} Dalits are so-called untouchable or low-caste people according to Hindu religion.

^{c)} ANSAB, Asia Network for Sustainable Agriculture and Bioresources; ECARDS, Ecology Agriculture and Rural Development Society; DFO, District Forest Office; FECOFUN, Federation of Community Forest Users of Nepal; NSCFP: Nepal-Swiss Community Forestry Project.

trade in, NTFPs in government-managed forests. Such forests often have free access and non-pro-poor management (Olsen and Larsen 2003; Ghimire et al 2008). However, poverty reduction is one of the objectives of community forestry (Pokharel 2009). Pro-poor commercialization of NTFPs in community forestry, that is, delivery of optimum benefits to poor users, must be an

integral part of NTFP management. Such management is determined by the institutional arrangements in the CFUG and consists of both formal and informal rules for managing resources. Acharya (2005) mentioned that the development of different institutional arrangements in CFUGs is influenced by various factors such as resource characteristics, community dynamics, and occupation

TABLE 2 Importance and uses of selected NTFPs in the three study sites.^{a)}

| Local name of NTFP | Frequencies | | | Uses |
|--|-------------|---------------|------------------|--|
| | Suspa CFUG | Kalobhir CFUG | Mahadevthan CFUG | |
| <i>Lokta</i> (bark of <i>Daphne bholua</i>) | 7 | 6 | 8 | Making Nepali handmade paper |
| <i>Argeli</i> (bark of <i>Edgeworthia gardneri</i>) | 10 | 8 | NA | Making Nepali handmade paper |
| <i>Simta</i> (cone of <i>Pinus</i> spp) | NA | NA | 10 | Making souvenirs |
| <i>Jhyau</i> (raw lichens) | NA | NA | 9 | Coloring textiles, preparing medicines |
| <i>Chyau</i> (raw mushroom) | 7 | 9 | 6 | Vegetables |
| <i>Machino</i> (leaf of <i>Gaultheria fragrantissima</i>) | 7 | NA | NA | Essential oil used in medicines |

^{a)} NA, not applicable.

type. Furthermore, Hertog and Wiersum (2000) added the economic value of NTFPs to the list of factors.

However, it is still unknown which of these factors in particular influences such arrangements for pro-poor commercialization of NTFPs in CFUGs. Therefore, this article presents our analysis of the factors at 3 levels of NTFP management: production, marketing, and benefit sharing. The production level describes the arrangements for managing NTFPs within the forest, the marketing level deals with their marketing within the district, and benefit sharing deals only with NTFP-based pro-poor programs in CFUGs.

General overview of the study site

The study was conducted in the Dolakha district, which is located about 150 km east of Kathmandu, the capital city of Nepal. It lies between 27°28'N to 28°00'E and 85°50'N to 86°32'E. The district is 1 of the 20 mountainous districts of Nepal. Many CFUGs in the district have been managing NTFPs commercially (Paudel 2004). For selecting study sites, DFO, a number of nongovernmental organizations (NGOs), and CFUGs were visited, and their personnel were consulted, as were several traders. Finally, 3 CFUGs, Suspa, Kalobhir, and Mahadevthan, were selected based on 3 criteria:

1. Forests had been handed over to the CFUGs at least 5 years ago.
2. The CFUGs were managing the NTFPs commercially.
3. The distance between the CFUG and the closest major town varied across the 3 sites.

A general overview of the study sites is presented in Table 1.

Suspa lies near the largest headquarters, Charikot, which is also the biggest town in the district, whereas Kalobhir lies very close to Jiri Bazaar, the second largest town in the district. Among the 3 CFUGs, Mahadevthan lies farthest from any town. The users of Kalobhir are better off economically than those of Suspa and Mahadevthan, because Kalobhir lies closest to a town, so that its users can sell their labor and agricultural goods more easily. Moreover, a few of its households run businesses in Jiri Bazaar. The poorest users' households were identified through participatory well-being ranking in Suspa and Kalobhir, and through an ad-hoc process in Mahadevthan. Identification in all CFUGs was approved by the general assemblies, the highest decision-making body in CFUGs.

In Suspa and Kalobhir, external agencies, mainly the Nepal-Swiss Community Forestry Project (NSCFP) and the Asia Network for Sustainable Agriculture and Bioresources (ANSAB), provided technical support for inventorying forest products, preparing NTFP management plans, strengthening market linkages, and conducting pro-poor programs, whereas in Mahadevthan, they were only involved in the handing over of the forest to the community and in conducting some forest management training. The NSCFP has been working in the district since 1990, with the objective of reintegrating marginalized communities in the mainstream of community forestry development. The ANSAB has been working in the same district since 1998 on NTFP-based pro-poor enterprise development. The DFO has largely supported the administration and, in some cases, the financing of activities initiated by the other external agencies. The external agencies that supported the studied CFUGs are presented in Table 1.

FIGURE 1 Nonmembers of Kalobhir CFUG cleaning *lokta* bark after harvesting from Kalobhir community forest. (Photo by Kalyan Gauli)



Methods

The study used a case study approach. Data were collected between October 2007 and April 2008, with qualitative and quantitative social science methods as used by Acharya (2005). In the first step, free listing exercises, as described by Weller and Romney (1988), were administered to 10 persons, NTFP collectors and CFUG committee members, from each CFUG to identify the NTFPs important to the forest users. Informal discussions with the CFUG members were conducted before the free listing exercise to identify the appropriate collectors and committee members. These collectors and committee members were asked to mention the forest products that they and other users were collecting from community forests. NTFPs, plant-based forest products other than timber, fuelwood, and fodder, with frequencies higher than 5 were considered important and, therefore, were selected for the study. This study did not consider fuelwood and fodder as NTFPs because none of the operational plans of the studied CFUGs had mentioned them as NTFPs.

In the second step, institutional arrangements associated with pro-poor commercial management of NTFPs and factors that influence such arrangements were identified for each of the selected NTFPs by reviewing the CFUG records and key informant interviews. Eighteen key informants were sampled through the snowball method (Bernard 2002) from various groups of stakeholders and were interviewed by using a checklist. The key informants consisted of 2 NTFP collectors and 2 CFUG committee members from each CFUG, 2 traders, 2 entrepreneurs, 1

NGO representative, and 1 DFO staff member from the district. In addition, informal discussions, observations, and group discussions were used for information collection (Acharya 2005).

Several triangulation loops were used to cross-check the selection of key informants and the collected information. All interviews and group discussions were recorded on a digital voice recorder, and the recorded information was transcribed into Microsoft Word. The transcript was then coded by using Atlas.ti 5.0 qualitative analysis software. As suggested by Miles and Huberman (1994), a mixed approach that comprised both inductive and deductive coding was induced. Before coding, a list of the codes was drawn up, and additions were made to the list as work progressed. This was followed by a cause-and-effect analysis between the codes, and, finally, the factors influencing the institutional arrangements were identified.

Results

Important NTFPs for community forest users

Frequencies of NTFPs and CFUG documents showed that NTFPs important to the users were those in trade. These NTFPs were important sources of income for both users and CFUGs. The important NTFPs, their frequencies, and uses are shown in Table 2.

Lokta (*Daphne bholua*) and *argeli* (*Edgeworthia gardneri*) bark are used to make Nepali handmade paper. This paper has a big market within Nepal and also in the United States and Europe. *Simta* (cone of *Pinus* spp) is exported to India without any value addition, whereas

TABLE 3 Institutional arrangements at different NTFP management levels and factors influencing them.^{a)}

| NTFP management level | Institutional arrangements | Factors ^{b)} | | |
|---|--|----------------------------------|--------------------------|------------------------|
| | | Involvement of external agencies | Economic status of users | Alternative employment |
| NTFP management within community forest | Presence of detailed NTFP management plan | * | * | NA |
| | Restriction or permission to outsiders to collect NTFPs | NA | * | * |
| NTFP marketing | Agreements for regular marketing | * | NA | NA |
| NTFP-related pro-poor programs | Allocation of community forestland to the poorest | * | NA | NA |
| | Support for the poorest for purchasing shares of enterprises | * | * | NA |

TABLE 3 Extended.

| NTFP management level | Factors ^{b)} | | | |
|---|------------------------|-----------------------------|--|----------------------------------|
| | Distance to NTFP sites | Established market linkages | Inclusion of representatives in CFUG committee | Geographic location of the CFUGs |
| NTFP management within community forest | NA | NA | NA | * |
| | * | NA | NA | NA |
| NTFP marketing | NA | * | NA | * |
| NTFP-related pro-poor programs | NA | NA | * | NA |
| | NA | NA | NA | NA |

^{a)} NA, not applicable.^{b)} The asterisk (*) indicates the influence of the factor on the respective institutional arrangement.

jhyau (raw lichen) is processed, mostly in the Terai region (a strip of flat land that stretches from east to west in the south of Nepal and bordering India), and exported to India. In addition to being used for household consumption, mushroom had a market nearby. Similarly, *machino* (*Gaultheria fragrantissima*) was distilled locally to extract essential oils and sold in Kathmandu.

Arrangements for managing NTFPs within the forests, their marketing, and pro-poor programs

Arrangements for managing NTFPs differed across the 3 study sites. The operational plans of both Suspa and

Kalobhir had detailed management plans for most of their important NTFPs. The descriptions included harvestable age, size, and quantity; harvesting months or seasons; and royalties on individual NTFPs. Such details were lacking in Mahadevthan, where only the names of NTFPs, their harvestable quantities, and royalties were mentioned. The former 2 CFUGs had been harvesting and selling NTFPs almost regularly as per their operational plans, whereas such activities were irregular in the latter. In all CFUGs, the users were allowed to harvest specific NTFPs only when the CFUG committee opened the forest for this purpose. None of the CFUGs allowed outsiders to

harvest NTFPs, the only exception being *lokta* in the case of Kalobhir (Figure 1). By contrast, none of the operational plans had provisions for mushrooms, so both users and nonusers were eligible to collect them.

Suspa and Kalobhir, partners in the community-based NTFP enterprises that also signed agreements to supply NTFPs to enterprises, had an ensured market for some NTFPs (Table 1). Mahadevthan, however, had no market linkages with any enterprise and depended mostly on individual traders to sell its NTFPs. All 3 CFUGs levied taxes on NTFPs exported from their CFUGs and deposited the revenue collected into their community fund. This fund was mainly used for forest and/or community development activities, such as hiring forest guards, constructing roads, building school infrastructure, etc. Upon approval by the general assemblies, both Suspa and Kalobhir conducted some NTFP-based pro-poor programs for the poorest households identified. For instance, in Suspa, 2 of the 26 poorest users' households were shareholders in a paper enterprise, and 4 were shareholders in a distillation enterprise. Similarly, all 19 of the poorest users' households in Kalobhir were shareholders in a paper enterprise. In addition, a subgroup of the poorest users' households in Kalobhir is cultivating *argeli* on community forestland. By contrast, Mahadevthan had no pro-poor program.

Factors influencing the arrangements for pro-poor commercial NTFP management

The study identified 7 determining factors that influence the pro-poor commercial management of NTFPs in the CFUGs. These factors are the following:

1. Involvement of external agencies;
2. Economic status of users;
3. Distance to NTFP sites;
4. Alternative employment;
5. Established market linkages;
6. Inclusion of representatives in the CFUG committee; and
7. Geographic locations of the CFUGs.

The influence of these factors on institutional arrangements at the 3 levels of NTFP management in CFUGs is presented in Table 3.

NTFP management in community forest: In contrast to Mahadevthan, external agencies were involved in a wide range of activities and played a significant role in drawing up NTFP inventories and formulating NTFP management plans in Suspa and Kalobhir, both of which are more accessible than Mahadevthan. Underscoring the importance of support from external agencies, a committee member of Suspa said:

It would have been very difficult for us to draft our constitution and operational plan if there was no support from ANSAB (an NGO). DFO has few rangers and they have to look after many CFUGs.

Mahadevthan, where external agencies were hardly involved, did not have a detailed NTFP management plan. Moreover, it could not sell NTFPs for 2 years because it could not renew its operational plan in time.

The lack of technical or financial resources, or both, in the CFUGs and an absence of such support from external agencies hampered preparation of an inventory and management plans. The involvement of external agencies was further determined by the geographic location of the CFUG. According to NGO personnel, a lack of financial and human resources made it difficult to conduct programs in remote CFUGs.

The economic status of users, alternative employment opportunities, and distance to NTFP sites determined the involvement of users in harvesting NTFPs. In Kalobhir, where the economic status of users was relatively good and alternative employment opportunities were relatively easily available, users' involvement in harvesting NTFPs was low and even lower for the forests far from the village. According to some key informants, an estimated 20% of the users were involved in harvesting *argeli*, whereas the figure for *lokta* was less than 5%. Users had to travel up into the hills for about an hour to reach the *lokta* forests, whereas they could reach the sites for *argeli* in about 10 minutes. A committee member of Kalobhir explained the reason for low involvement of users in *lokta* collection:

Who wants to do hard work? Collecting lokta is not an easy task. Since Jiri Bazaar is close to the village, most of the users collect firewood from the forest and sell it in the market to get instant money. For lokta, one has to climb the mountains, harvest it, clean it and dry it; it is a difficult and time-consuming task.

However, the annual audit report of Kalobhir for 2007 showed that royalty on *lokta* is one of its major sources of income. Therefore, the committee allowed outsiders to harvest *lokta* and levied a tax on the harvested quantity. In Suspa and Mahadevthan, about 40% and 90% of the users, respectively, were involved in NTFP harvesting (Figure 2). Because these CFUGs were located far from cities, their users had poor access to employment in the cities; hence, a large number of them were involved in the collection of NTFPs to sustain their livelihoods. Because of the users' high dependence on NTFPs, both Suspa and Mahadevthan had strictly forbidden outsiders to collect NTFPs from their forests.

According to some key informants from all CFUGs, mushrooms were found in forests during the monsoon season. Although most users consumed mushrooms as a subsistence vegetable, few, particularly those in Kalobhir

FIGURE 2 A user of Mahadevthan CFUG collecting *simta* in his community forest. (Photo by Kalyan Gauli)



and Suspa, sold them in nearby cities to supplement their household income. For most of the economically better-off users, mushrooms did not play much of a role in their livelihoods, neither as a commercial product nor as a subsistence product. Consequently, mushrooms were

overlooked in management plans and were an open-access NTFP.

Marketing of NTFPs: Established market linkage was the most important factor in the successful marketing of NTFPs in the CFUGs studied. Because the paper (Figure 3) and *machino* distillation enterprises were located close to Suspa and Kalobhir, they had easy access to markets for their NTFPs. In addition, they had ensured a market for some of their NTFPs by signing agreements to supply raw materials to these enterprises. Consequently, these CFUGs actively managed and regularly marketed these NTFPs. Mahadevthan, however, had neither an enterprise nearby nor an agreement with any enterprise; hence, it depended on individual traders operating in the area. At the same time, the CFUG could not harvest and sell NTFPs according to its operational plan because of irregular service from traders. In the voice of a collector:

Sometimes traders do not come; so it is risky to harvest NTFPs without an order; if we cannot sell them in time, they get spoiled.

In the case of Mahadevthan, district-level traders purchased NTFPs from the village traders and sold them to Kathmandu-based traders or enterprises. However, they did not do this regularly; therefore, the village traders did not buy them when there were financial constraints or a lack of demand. In such situations, trade in NTFPs could not take place.

FIGURE 3 Bhimeshower Handmade Paper enterprise situated at Boch, Dolakha. (Photo by Kalyan Gauli)



FIGURE 4 Poorest users of Kalobhir CFUG participating in their monthly meeting. (Photo by Kalyan Gauli)



NTFP-based pro-poor programs: In the CFUGs studied, inclusion of users from marginalized communities in executive committees and involvement of external agencies were the two most important factors in the execution of pro-poor programs. In Kalobhir, the poorest users were organized into a subgroup (Figure 4), one of whose members was an ex officio member of the executive committee of the CFUG. In a group discussion with some of the poorest users of Kalobhir CFUG, one member expressed that:

We can now ask the committee for financial support more easily. We are happy because we have got a piece of land in the community forest to cultivate argeli. Now we have a platform to talk directly to the representatives of the donor when they visit our CFUG. Earlier, we did not know who came and for what.

The poorest users raised their voices at committee meetings through their representatives and ensured that

NTFP-related activities did benefit them. Despite the identification of the poorest users in CFUGs, Suspa and Mahadevthan did not have their subgroups or representatives on their executive committees. Furthermore, they did not have any NTFP-related pro-poor program that involved all the poorest users in the CFUGs. For example, only 6 of the 26 poorest users in Suspa had shares in enterprises, whereas none in Mahadevthan benefited from any pro-poor programs.

Although both Suspa and Kalobhir were executing some NTFP-based pro-poor programs, most of the non-poor users, including CFUG committee members, did not favor such programs. One committee member of Suspa commented on the poorest users thus:

They are not actually poor; no one is rich in the village, all are poor. If the so-called poor worked hard like us, they would not be poor. We have to spend community funds for them as the DFO and NGOs ask us to do so.

Where there was extensive involvement by external agencies, their facilitative and financial support resulted in the execution of one or the other pro-poor program. In Kalobhir, external agencies helped all 19 of the poorest users to purchase shares in the handmade paper company and provided technical and financial support to cultivate *argeli*. Similarly, in Suspa, the 6 poorest users were partially supported in purchasing shares of local enterprises. A survey of their meeting minutes also showed that they mostly requested external agencies to support pro-poor programs.

Discussion

The first step toward pro-poor commercial NTFP management in CFUGs is to draw up a detailed inventory, at least of the NTFPs most important to the community, along with sustainable harvesting plans for them. This requires technical and financial resources, which CFUGs generally lack, whereas those of the DFO are insufficient (Ito et al 2005). Consequently, CFUGs depend heavily on NGOs to develop such plans. Among the CFUGs studied, Suspa and Kalobhir developed such plans with support from NGOs. Banjade et al (2007) also highlights the important role of external agencies in the development of community forestry by providing material and technical support. In addition, NTFPs such as mushrooms that have less commercial and subsistence value for economically better-off users do not have management plans. This could be because these users are usually decision-makers in CFUGs (Thoms 2008), and forest products of little interest to them may not get adequate attention for management. This finding contradicts the findings of Christensen et al (2008), who maintain that economically better-off users are more involved than poor users in collecting mushrooms. However, it also shows that poor users are the ones who collect mushrooms for commercial purposes. Because mushrooms are available only intermittently during the monsoon, their contribution to subsistence may not be significant for economically better-off users. Consequently, they get less management priority. Hertog and Wiersum (2000) also showed that the management of an NTFP, *Zanthoxylum armatum*, in a CFUG changes from open to regularized access as its economic value increases.

The second step toward pro-poor commercialization is easy access to the market for NTFPs. Suspa and Kalobhir, being shareholders in community-based NTFP enterprises, had ensured markets and, therefore, were harvesting and selling NTFPs regularly. In contrast, Mahadevthan, being dependent on individual traders, could not trade its NTFPs regularly. When village traders are not aware of the market for an NTFP, they cannot approach collectors. Furthermore, collectors cannot take the risk of collecting and storing NTFPs, because some NTFPs are easily spoiled. Establishing and operating processing enterprises in rural areas can involve many

challenges related to finance, technology, coordination with external markets, etc (Subedi 2006). In such cases, involvement of external agencies could be inevitable. However, the tendency of external agencies to work in accessible areas could be a constraining factor in establishing such enterprises in remote areas.

The third and most crucial question for pro-poor commercial management of NTFPs in CFUGs is: Who gets the benefit? Nepal's community forestry program is frequently criticized for being dominated by the elite (Thoms 2008), due to fewer benefits for poor users compared to those who are better-off (Pokharel and Nurse 2004). Although the concept of inclusion of marginalized people in the decision-making forums of CFUGs is not new, "participation" of marginalized people is always a matter of discourse (Giri et al 2008). Including representatives of the poorest users, along with their empowerment by means such as forming and strengthening subgroups, as in Kalobhir, could be one of the best strategies for increasing the influence of the marginalized in CFUG decisions. This might be one of the reasons for the execution of some pro-poor programs, for example, the allocation of community forestland to the poorest for cultivating *argeli* in Kalobhir.

A similar approach is recommended by Gauli and Rishi (2004), in which importance is given to including the poor in the executive committee, along with capacity-building training for the poor separate from those for the dominant groups in the community. Although NTFPs are considered to be the wealth of the poorest, they may not be lucrative enough for them in some cases (Banjade and Paudel 2008). In such cases, involving these poor in the harvesting of NTFPs to reduce their poverty may not be the correct approach. Instead, making them shareholders in enterprises could help reduce poverty in the long run because they may have to wait for a few years to get a return on their share. In addition, further strengthening the poorest users by forming subgroups, as in Kalobhir, could benefit all the poorest users.

CFUGs in Nepal have a top-down social structure (Malla et al 2003), where the non-poor generally look at pro-poor programs unfavorably. However, being a CFUG committee member is a matter of social prestige. The members can exploit their positions to build personal relationships with external agencies that work with their CFUGs and with other agencies in the district (Pokharel et al 2007), apart from benefiting from training, workshops, and tours organized by them. Malla et al (2003), a study carried out in 2 districts in western Nepal, mentioned that almost 80% of the participants in training and workshops conducted by DFOs, which are mostly better paid and out-district, are committee members. Hence, committee members want regular involvement by external agencies in their CFUGs so that they can benefit from such programs. In such cases, external agencies can influence committee members to develop and implement pro-poor

programs. This argument is supported by Paudel and Vogel (2008), who mentioned that external agencies are able to convince rich users to launch pro-poor programs in CFUGs. This highlights the importance of the involvement of external agencies in orienting CFUGs toward the poverty reduction approach.

Conclusion

NTFP management in community forestry has become one of the most highlighted poverty reduction approaches in recent years. This study found that the role of external agencies is important in pro-poor commercial management of NTFPs in CFUGs. Because a patron-client relationship exists between external agencies and committee members, external agencies can convince committee members to implement pro-poor programs.

At the same time, a community structure dominated by the elite becomes more visible when there is little influence from external agencies. This results in neglect of pro-poor programs.

Based on our results, we argue that external agencies should focus more on remote CFUGs where alternative employment opportunities are limited and a large number of users depend on NTFPs for their livelihoods. The importance of including representatives of marginalized users in the executive committees of CFUGs to increase their influence over committee decisions cannot be ignored. Formation of subgroups of marginalized users, and building their capacity, not only helps them raise their voices strongly in the decision-making forum of CFUGs but also provides opportunities for them to interact directly with external agencies and to voice their concerns.

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