
**IMPACT OF SUB-GROUP MODEL ON PARTICIPATION
AND LIVELIHOOD IMPROVEMENT OF POOR AND
WOMEN**

(A Case Study of Dharedhunga and Jhingan Sub-Groups)

Shankhadevi CFUG, Lakuridanda -9

Dolakha District, Nepal

A thesis for the partial fulfillment for the requirement of B. Sc. Forestry

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Institute of Forestry

Tribhuvan University

December 2009

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December 2009

LETTER OF ACCEPTANCE

This thesis entitled “**Impact of Sub-group Model on Participation and Livelihood Improvement of Poor and Women**” a case study of Dharedhunga and Jhingan sub-groups of Shankhadevi Community Forest User Group, Dolakha district, Nepal, has been prepared and submitted by Babu Ram Pokhrel under my supervision and guidance for the partial fulfillment for the requirements of degree of Bachelor of Science in Forestry, is hereby accepted.

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APPROVAL SHEET

The Evaluation Committee has approved this thesis entitled “**Impact of Sub-group Model on Participation and Livelihood Improvement of Poor and Women**”- a case study of Dharedhunga and Jhingan sub-groups of Shankhadevi Community Forest User Group, Dolakha district, Nepal, submitted by Mr. Babu Ram Pokhrel for the partial fulfillment for the requirement of B. Sc. Forestry Degree.

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DECLARATION

I hereby declare that this thesis entitled “ **Impact of Sub-group Model on Participation and Livelihood Improvement of Poor and Women**”, submitted in the partial fulfillment of the requirement for the Bachelor of Science in Forestry (B.Sc. Forestry) in Kathmandu Forestry College, is genuine work done originally by me. The thesis entitled or any part of it thereof has not been published or submitted elsewhere for the academic award of any other university or institution. Any literature, data or works done by others and cited within this report has been given due acknowledgement and listed in the reference section.



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B.Sc. Fourth Year

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Date- Dec 15, 2009

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ABSTRACT

The study entitled “**Impact of sub-group model on participation and livelihood improvement of poor and women**” - A case study of Dharedhunga and Jhingan sub-groups of Shankhadevi CFUG, Dolakha was conducted to fulfill the objective of analyzing the impact of sub-group model for participation and Livelihood Improvement of Poor and Women. The study is descriptive in nature. Out of the twenty-two sub-groups in the district, 10% of sampling intensity was conceded. For the primary data collection, household interviews, key informants interviews, direct observation, **sub-group** meeting, and group discussion were used. Data were analyzed using simple statistical tools. Secondary data were collected mainly from the CFUG records, ANSAB records and other various sources. Questionnaire and checklist were used as the tools of data collection. The study **sub-groups** were formed in 2005 through ANSAB support programme. About ten ha of community forest land has allocated to each **sub-groups**. The **sub-groups** have 45 households comprising of all from ethnic community. Potato farming, domestic alcohol production, retail shop and labour work for construction are the major occupations of these households. The educational status for higher education was found **poor**. The sub-group representation of women and men were 89% and 11% respectively. Study reveals that one- third of the **sub-group** members are of identified **poor** households. These **poor** were selected simply from the general assembly as many CFUGs select using well being ranking method. The positive impact of **sub-group** is seen as the plantation of Argeli (*Edgeworthia gardnerii*) with a good stock of approximately 225 kg per ha (dry weight). They have mobilized their **micro-saving fund** of Rs 38,445/- three times in a year for different **income generation** activities. A good participation for general assembly and **sub-group** meeting from women and **poor**, well inclusiveness of **poor** and women in **sub-groups**, the decrease in the demand of fuelwood by 29%, availability of leaf litter in allocated land are the major findings of the study. Overall conclusion shows that the impact of **sub-group** model for participation and livelihood improvement of **poor** and women is very constructive and encouraging so that it can influence a wide range of community forestry programme in Nepal.

Key Words: Sub-group, poor, income generation, micro-saving fund.

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ABBREVIATIONS

ANSAB	Asian Network for Sustainable Agriculture and Bio-resources
CF	Community Forest
CFUG (s)	Community Forest User Group (s)
DAO	District Agriculture Office
DDC	District Development Committee
DFO	District Forest Office
DLSO	District Livestock Office
DoF	Department of Forest
ECARDS	Environmental, Cultural, Agricultural and Rural Development Society
F/Y	Fiscal Year
FAO	Food and Agriculture Organization
FECOFUN	Federation of Community Forest Users Nepal
FUG	Forest User Group
GoN	Government of Nepal
Ha	Hectare
HHs	Households
IG (A)	Income Generation (Activities)
LFP	Livelihood and Forestry Project
LIP	Livelihood Improvement Programme
MoFSC	Ministry of Forest and Soil Conservation
MPFS	Master Plan for Forestry Sector
NGO	Non Governmental Organization
NPC	National Planning Commission
NSCFP	Nepal Swiss Community Forestry Project
NTFPs	Non Timber Forest Products
OP	Operational Plan
SDC	Swiss Development Cooperation
VDC	Village Development Committee

CHAPTER 1: INTRODUCTION

1.1 Background

There is an important links between the livelihoods of rural people and natural resources in Nepal. The case is rather pronounced for poor, women and marginalized people. The economy of country is based on subsistence farming with its strong links to forestry. Besides, the pattern of use of forest resources has been changing and its value is increasing due to the development of a market economy and contribution to the rural economy. Diverse options have been executed in different period of time for the better protection and management of the forest in Nepal (Niraula, 2004; Chaulagai, 2006).

The traditional forest management policies and practices failed to improve the deterioration situation of the forest. The poorer situation forced to formulate a new approach and policy to address the problem. In order to apprehend the deterioration of forest, the concept of community forestry began by the endorsement of National Forestry Plan (1976) and promulgating Panchayat forest and Panchayat protected forest legislation of participatory approach in 1978, which became basis for implementing community forestry programme. The government initiated a master plan for the forestry sector (MPFS) in 1988, which identified community forestry programme as the primary one. Under this programme, all accessible hill forests will be handed over to local communities. The overall forest policy strategy is to improve the management of the country's forest resources, with a sustainable balance between people's needs, the production system and the environment.

Forest Act (1993) and Forest Regulation (1995) were enacted which are encouraging the CF programme until now in Nepal. The focus of the act and regulation was on institutionalizing CFUG as an independent and self-governing entity providing and utilizing management right to these CFUGs. Community forestry is the forest protected, managed, and utilized by local forest user group. CF is a part of national forest that is handed over to the group of users for the sustainable management. The user group can be defined as the managerial unit of the community forestry program. It refers to the group of the people, generally defined based on settlements or households, entitled to manage and utilize a specified area of community forests. Generally, a user group would

include those households utilizing a specified patch of forest to meet their basic needs of forest products. Community Forestry User Groups are widely accepted as community development institutions in Nepal.

There are many opportunities as well as challenges in the CF programme. Some of the challenges are how to enhance further productivity of CF, and ensure the equitable distribution of its benefits through transformation of natural resources into other assets that can be addressed the livelihood priorities of CFUGs, particularly those of the poorest. Good governance, livelihood improvement and sustainable forest management are taken as second-generation issues related to CF programme (Shrestha, et. al., 2004). However, issues related to governance are frequently raised. There are adequate opportunities to address governance related issues to ensure that the concerned CFUG can improve their institutional and organizational efficiency. Commercialization of Forest products like timber and NTFPs through active forest management including poor, women, and marginalized people using affordable funds, tools, and techniques is crucial in CF.

Different CFUGs have formed sub-groups for the better management of forest and community, direct and active involvement of poor, women and marginalized people and performance for the NTFPs protection, plantation, collection, processing, enterprise development and commercialization of forest products, fund saving and mobilization for different IGA activities to contribute livelihood of the rural people. The term “sub-group” is defined as the small group of people having common interest in terms of natural resource management, occupation etc. generally living very closely in the geographical location and all are the member of FUG. Each sub-group has separate management plan prepared under the constitution and OP of CFUG and approved by the CFUG.

ANSAB has been launching the project, entitled “Transforming Local Communities into Enterprises for Economic Security” supported by the Ford Foundation since 2005 in nine districts of Nepal. The key activities of the project are enterprise establishment and support, sub-groups within CFUGs and facilitation on OP revision. Since 2005, sub-group formation, management plan preparation, micro-fund saving and mobilization for

IG activities support has been practiced by the project in east cluster i.e. Sindhupalchok and Dolakha district of Nepal.

Nepal's policy about the provision of sub-groups formation within CFUGs is not obvious but the users are using their rights making provisions in their constitution and operational plan and approve through general assembly. Practically, this has been accepted by the DFOs and other stakeholders. Recently, the community forestry guideline (2065) has supported this practice as the provision for poverty reduction. According to this, the users can form poor group and some part of CF can be allocated for them for raising their income generation activities. These small groups can be recognized as sub-groups but it is still obvious about the inclusion of other users than poor who can have a great interest and role for NTFPs promotion and commercialization in the allocated lands. In the study area, the sub-groups are formed according to the OP provision of 'Interest group formation and CF land allocation for their IG activities.' Hence, the sub-groups are the representation of poor, women, NTFPs collectors and interest users within the same small settlement i.e. to be accessible to the allocated CF land in case of the study area..

This study aims to carry out the impact of these sub-groups for the livelihood improvement of poor and women people through CF programme. For this study, participation of women and poor people along with IGA activities in the sub-group is considered. The poor are the ultra poor people of CFUG who are clearly defined either using participatory wealth ranking method or directly from the CFUG assembly and they have special provision in constitution and OP for betterment of their livelihoods so that stakeholders give first priority for their supportive programme. In order to achieve this goal, this study was conducted in two sub-groups of Shankhadevi CFUGs in Dolakha district.

1.2 Statement of the Problem

Over the past thirty years, community forestry has developed into an increasingly central component of Nepal's forest development strategy. Nepal has been successfully applying a community owned forest management approach with the establishment of 14,439 CFUGs involving 1.66 million households (40% of Nepal's total households) handing over 1.23 million hectares (21.1% of the national forest area) of forest (MOFSC, 2066).

Remaining users are also trying to be member of community forest user groups. The community forestry program has created an opportunity to manage their forest themselves. The process of participatory management of forest by the people leads toward the sustainability. Users of forest are getting their basic needs related to the forest from their own decision and management. It has also been significantly positive environmental impact. There are many direct and indirect impact of community forestry in the Nepalese society.

The tenth plan has expected to reduce the poverty and stressed to obtain the people's participation for sustainable forest management. The program is conducted to enhance the livelihood of poor, women and marginalized people maintaining the social empowerment, gender equity, social justice and good governance in CF program (Tenth plan). CFUGs have proved to be effective institutions. Now, expectations of people on community forestry have increased widely. It is not confine single object of the forest management but also has to pay attention on the livelihood of the people. Good governance is the best way to achieve the twin goal as sustainable forest management and improvement of livelihood of people. Community Forestry is a vital source of income generation and is seen as an opportunity to reduce poverty, just as community driven development in many part of the world (Pokharel, R.K., 2008).

However, to increase the efficiency of community forestry programme, the stakeholders have developed different strategies. Sub-groups formation within a FUG is the one of the examples of this. It is still difficult to manage, protect, and develop the forest and user groups that cover large area with large number of users. A single CFUG may form many sub-groups.

Absence of good governance, active forest management, inequitable benefit-sharing practices, and elite domination in access and control over resources; exclusion of most vulnerable people of the community: women, ethnic, marginalized, and disadvantaged from the mainstream of forestry development, and benefits weak partnership between government, private sector and civil society resulting into marginal benefits are the major issues of CF programmes in Nepal (Sharma and Acharya, 2004).

In the absence of proper mobilization of CFUG fund for IG activities, poor's livelihood support and poverty reduction, commercialization of forest products with pro-poor

enterprise development within the group, CFUG neither can fulfill the demand of users nor manage the forest sustainably. Sub-group formation is a new emerging issue in the context of forest resource management. However, there may be some challenges to support sub-group model for the livelihood improvement of poor, women, and marginalized people.

1.3 Significance of the Study

Livelihood improvement is the one of the major themes of millennium development goals and is considered as the second-generation issue of CF programme with good governance and sustainable forest management. Therefore, this study will indicate whether this millennium goal is addressed by the community forestry programme or not. Globally, Michael Arnold (2001) highlights CFUGs to turn into more inclusive and pro-poor in order to ensure poor people's right for their livelihoods (Pokharel and Niraula, 2004). In Nepal, the three years interim plan (2008) has developed its policy and strategy for spending 35% of CF income for the poor support programme. The significance of the community forestry is increasing throughout the world. It has significant role for sustainable forest management improving the livelihood of the people. CF program can contribute to reduce the poverty. The sub-groups are the small and specific groups of CFUGs. Community forestry contributes to:

- ❖ People's livelihood: Community forest is the means of poverty reduction and fulfills basic needs of people. CFUGs may be crucial for providing equitable access and benefits from forest resources to all people. The sub-group may be more inclusive, responsive, and participatory.
- ❖ Sustainable management of the forest: Users of forest are directly involved in the forest management activities. They have prepared a plan for the proper management of forest based on sustainable use. Some parts of forests are allocated to the sub-groups making their IG plan where active forest management may be existed.
- ❖ Inclusive and equity: Participation from different segments of society, particularly women, poor and different minorities ensured to reflect their

concerns and raise ownership feeling as well as contribute to equitable benefit sharing.

- ❖ Holistic community development: Users can use their fund on the various community development activities like training to the users, school support, IG activities, and road /trail construction and others according to their need.
- ❖ Forest based enterprise development: The commercialization of NTFPs other forest products with enterprise development may be ongoing progressively. The sub-groups may be a specific unit for NTFP management.
- ❖ Peace building: Beside environmental conservation, CF can be justified as an important sector contributing to poverty alleviation, benefit directly accruing to women and disadvantaged groups residing in remote hills and an important approach of peace building at least at local level (Pokharel and Niraula, 2004)
- ❖ Biodiversity conservation and ecological balance: Community forestry is also a means of conserving ecosystems, genetic resources, and an instrument to protect land against degradation and other ecological imbalances. It is being a habitat of different wild flora and fauna.

The sub-groups in the CFUGs may be crucial for forest resource management as it has many contributing aspects in Nepal. Now, community forestry program has many challenges that can be addressed or not by sub-group formation. The sub-groups are formed only in few districts within very little CFUGs for e.g. some part of ANSAB support area and LFP area districts. Therefore, the study of the impact of sub-group models is very significant to determine the further extension in other CFUGs.

Many researchers have described on the various aspect of community forestry. It is found that only few research have been carried regarding the CFUG sub-group though it is in a very small scale and may not be adopted in all CFUGs. This research emphasizes to explore the impact of sub-groups for participation and livelihood improvement of people. As CF programme has many emerging issues, this research will be productive to the planner of forestry, policy maker, stakeholders as well as CFUGs.

1.4 Objectives of the study

The general objective of the study is “To analyze the impact of sub-group model for participation and Livelihood Improvement of Poor and Women through CF Programme.”

The specific objectives are:

1. To assess the income generation status for sub-group members for their livelihood support and poverty reduction.
2. To analyze the social inclusion status in sub-groups.
3. To assess the level of participation of ultra-poor and women sub-group member

1.5 Limitation of the study

Community Forestry Programme has been implementing throughout the whole area of country. Different CFUGs have their own constitution, operational plan, strategies, and practices. But the sub-groups formation process is practiced formally or informally in a limited number of CFUGs. Even within a CFUG, the sub-groups have their own status, plan, practices, and strategies. This study is concentrated to two sub-groups of Shankhadevi CFUG of Dolakha district having ethnic communities in mountain region of Nepal. Therefore, this research has the following limitations:

- It is only confined to two sub-groups of a CFUG that may not represent the sub-group activities completely even within a district.
- Lack of enough time and budget, the informant can't give enough information. So, detail research work can't be completed.
- The research is conducted only in ANSAB support area with regular monitoring and support from initial stage of sub-group formation in Dolakha district.

1.6 Organization of the Thesis

The first chapter of the thesis outlines the introduction of the study. It covers background, problem statement, significance of the study, objective of the study, limitation of the study and organization of the thesis. The second chapter presents the literature review. This chapter deals with review of some literatures on definition of

some terms with concept and emergences of community forestry sub-groups. Some provisions and challenges in sub-groups are also described in it.

The third chapter is about the study area description. It also consists of status of community forests and sub-groups in the district with process of sub-group formation.

The methodology of the research has been mentioned in the fourth chapter.

The fifth chapter deals with the result and discussion status of study sub-groups. Very simple statistical tools have been used to analyze the data. Finally, the sixth chapter presents the conclusion, and recommendations.

CHAPTER 2: LITERATURE REVIEW

This chapter deals with review of literature related to community forestry sub-groups and its impacts on beneficiaries. The review focuses on definition of livelihood, participation and social inclusion and equity with concept and emergence of sub-groups, land allocation and saving-credit schemes provisions with challenges.

2.1 Definition of Some Terms Related to the Research

Livelihood

The term 'livelihood' comprises the capabilities, assets, and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stress and shocks and maintains or enhances its capabilities and assets both now and in the future without undermining the natural resource base (Chambers and Conway 1992). Livelihood analysis is supportive in allowing us to compare between different households and to understand different livelihood strategies of different wealth ranks and helps us to understand impact of interventions on poverty. The sustainable livelihoods frame identifies five capital assets i.e. social/institutional capital, human capital, natural capital, physical capital and financial capital, which people can build up and/or draw upon. These assets constitute livelihood building blocks. A range of assets is needed to achieve positive livelihood outcomes: no single category of assets sufficiently provides many and varied livelihood outcomes that people seek. An access of poor people to any of category of assets tends to be limited. The ability to move out of poverty is critically dependent on access to assets (DFID and Warner, 2000). Different households within the same local level have diverse level. The poorest may have to rely simply on their own human capital and entitlement to their common property.

Participation

People's participation is an essential part to carryout all the development efforts because it enhances local capacities to adapt to changing conditions and to improve the efficiency of resource use. UN (1975) defines people's participation as a means of mass sharing benefits of development, mass contribution to development and mass involvement to decision-making process to development. According to Pretty (1995), there are two schools of thoughts and practice on local participation. One views local participation as a means to achieve specific goals such as building a better management structure, obtaining improved goods and services and getting natural resources in a good condition. The other prospective sees local participation as its potential to enhance the power of

resources. Participatory approach has positive economic and social impacts, may meet the desired ecological/ physical characteristics, well management of local resources, proper functioning of local user groups. Success of the programme depends on the quality of the participation by the people.

Inclusion and Equity

Inclusion and Equity means that there is equitable and liberal distribution of services, resources and opportunities based on gender, class, caste, ethnicity and geographic coverage. The issue of inclusion in community forestry of Nepal has multidimensional forms (Agrawal 2000-2001) and intensities (Banjade, 2003a; Agrawal, 2001). Local government association (1999) defines social exclusion in terms of processes and outcomes of an intervention- “The process through which individuals and groups are wholly or partially excluded from participation in the society in which they live.” Social exclusion is shaped in the form of historically constructed hierarchical caste, class and gender relation as well as affected in the current form by the resource and institutional attribute (Bista, 1991). The equitable benefit sharing system is the recent emerging issue to displace the equal benefit sharing mechanism in community forestry.

The participation and inclusive and equitable features are the factors of good governance and are directly and indirectly linked with livelihood improvement of the poor, woman and marginalized people in the society.

2.2 Concept and Emergence of Sub-groups

It has been recognized that community forestry has proven to be an effective tool for managing and conserving the forest where local people are dependent for their daily subsistence. However, at the same time it has also been observed that in many cases, the poorest users who depend relatively more on the forest for their livelihoods has limited participation in the whole process of community forestry programme. The communities are able to protect, manage and utilize the forest resources in a sustainable manner. Nevertheless, the contribution of CF towards supporting the poorest, most vulnerable and marginalized members of society has been limited. Much concern has been expressed regarding the success of CF programmes in terms of reaching and benefiting the poorest users. Therefore, the community forestry stakeholders have taken many initiatives to identify and target the poorest by devising innovative mechanism of improving the livelihoods of the poorest people. Various models and approaches have

been developed and put into practice to include these issues (Kandel and Subedi, 2004). The concept of sub-group model is the one of the models and approaches emerged for the last few years.

According to Dhuniya (2004), the majority of CFUGs have a large number of households distributed in a wide geographical area. The participatory decision making process, transparency, people empowerment and concerned issues and requirements of poor and marginalized people was found to be less effective. Hence, the sub-group or hamlet group model was emerged with the goal of achieving contact, coordination and access of all users to resources. Especially in LFP area districts, keeping the forest management issue on a focal point, the main objectives for sub-group formation were:

- To include the issues related to interest and requirement of poor and marginalized group with their direct involvement for planning and implementation
- To manage the CFUGs which has a large number of households making effective transparency and participatory decision making approach
- To establish and develop the equitable resource distribution system in CFUGs
- To establish the access of poor, women and marginalized group in CFUG committee to VDC level CFUG network.

2.3 Some Provisions and Challenges in Sub-group Formation

Though there are very few literatures focused on sub-groups and their activities, some of the provisions and their challenges are described as follows:

2.3.1 CF Land Allocation to Poor

Many community forests even after the hand over, are not densely covered with vegetation and that many barren lands are still available. If these barren and degraded community forest lands are allocated to the poor households and properly managed it would enhance poor people's access to productive resources and ultimately increase their income and employment opportunities. The purpose of the community forest land allocation is to improve the livelihood of the poorest CFUG members living in poverty,

especially women and people of lower casts called dalits, through the effective management of barren lands in their community forests. Although specific legal mechanism for CF land allocation does not exist, CFUGs are free to make such decisions through GA and to amend the OP accordingly. Therefore, the DFO, CFUG executive and beneficiaries sign a memorandum of understanding and CFUG monitors the allocated land activities (Kandel and Subedi, 2004).

A specific area of land within CF is allocated to the poorest member of CFUG for a fixed period usually of five or ten years to improve their socioeconomic conditions. They are allowed to use the land for IG activities. Majority of CFUGs has allocated the land for fodder production. Only few examples exist for NTFPs cultivation and enterprise development. In LFP project area total 164 ha has been allocated to 526 households (i.e. 0.31 ha per family) in 118 CFUGs to carry out income generation activities. The community forest area allocated to 139 poor households in 18 CFUGs was 31.5 hectares i.e.0.23 ha per family in LFP supported western hill districts (B.K.et al., 2003). Only in Dhankuta District, 70 ha of CF land have been allocated to 1616 households (i. e. 0.04 ha per family) of the poor and disadvantage groups (LFP 2006). In case of Bhojpur district, land allocated group get economic and technical support from DDC, DLSO and DAO (Dhuniya, 2004).

Many challenges may arise due to land allocation. Ascribing use and access rights to a limited number of people can cause conflict within CFUGs. Diverse types of CF land have been allocated to the poor. There are no specific rules, regulations, and guidelines mentioning the types of CF land to be allocated (Kandel and Subedi, 2004).

2.2.2 Saving and Credit Schemes

Saving and credit scheme are practiced in sub-groups formed to allocated land. In some CFUGs, separate saving and credit sub-committees have been formed involving the poor households of the group. CFUGs allocate certain proportion from their fund as seed money. Each member also deposits a monthly fixed amount as sub-group saving. The money thus collected will mobilized within the sub-group member on rotation basis at low interest rate. The fund is utilized for income generation activities and emergency use. Some groups have been receptive to the idea of allocating a proportion of their funds for the poorest member of their community for medical use. In some groups,

provisions have been made to provide fund to the poor in case of natural disasters and death of family members.

Before sub-group formation, the CFUG fund was only limited to bank and household use of committee member. However, in most of the sub-groups, monthly saving and mobilizing for their necessary effort is being functioned now. Of the total amount of Rs 3, 40,000/-, about 91 % (Rs 3, 09,000/-) is being mobilized for different IG activities (Dhuniya, 2004).

IG Activities focused on livestock related activities can have negative indirect consequences in terms of female child labour who are withdrawn from school to tend the livestock (LFP, 2003b). Poor people are less likely to invest loans in productive activities because they have many other urgent needs and have a very difficult for repaying the fund. There are many cases where the use of the loan is not made public, so it is used for anti-social enterprises such as alcohol production (Kandel, et. al., 2004).

Dhuniya (2004) has recommended that hamlet level sub-group formation and programme identification with planning and implementation would give the exact output for achievements as it is only possible from the active participation of sub-group members.

CHAPTER 3: STUDY AREA DESCRIPTION

3.1 Description of Study Area

This study was carried out in two sub-groups of Shankhadevi CFUG in Dolakha district, Nepal. Dolakha is a mountainous district covering a total area of 2,143 Km², which lies in the central region of Nepal. This district is located at 132 km east of Kathmandu. Geographically, it is located at 27⁰ 28' to 28⁰ 0' north latitudes and 85⁰ 50' to 86⁰ 32' east longitudes. It divulges a border with Solukhumbu and Ramechhap districts to the east, Ramechhap district to the south, Sindhupalchok district to the west and China to the north.

About 48% and 26% of area is covered by forest and agricultural land in the district. By the F/Y 065/66, 37% of forest is handed over to 335 CFUGs covering 68, 875 HHs with 2, 61,963 population. Eighty Seven percent of CFUGs have identified ultra-poor, 37 % from well-being ranking and 63% from general assembly. The representation of women and poor in executive committee in the district is 25% and 4% respectively. Nine hundred sixty seven HHs are obtaining allocated land (Annual Report, DFO, Dolakha).

Dolakha district has low land hard wood forest. The district is rich with many commercial NTFPs as it is the one of the Himalayan district of Nepal. The district is also a potential area for timber and other forest enterprises.

Of the total 45 sub-groups, only 22 sub-groups are of older ones in the district and formed with complete business plan in June 2005. However, the remaining are newly formed in 2008.

For the study, Shankhadevi forest user group (FUG) was selected. It is one of the oldest FUGs of the Dolakha district with rich NTFPs such as *Daphne spp.*, *Edgeworthia gardneri*, *Gaultheria fragrantissima*. This CFUG is in ward no.9 of Lakhuridanda VDC. It is 25 Km far & in south-west direction from Charikot Bazaar, Dolakha. The settlements are in accessible area from the motorable road. The elevation of this location is about 2100m to 2600m. This forest is situated to the west of Napke Yanmara CF, to the east of the Setidevi CF and to the north of Lamosanghu Jiri highway with cultivated land of local people and settlement.

The selected sub-groups are located towards the west and middle part of CFUG. The CFUG has allocated some part of accessible forest area to different sub-groups with NTFPs plantation and management. However, there are four sub-groups in the CFUG, only two subgroups were selected for study. They are: Dharedhunga Income Generation sub-group and Jhingan Income Generation sub-group. In both sub-group, women are the key leader and responsive person with ethnic community. The majority of sub-group member is women in both Hence, the modality of sub-groups for participation and livelihood support can be distinctly seen in these sub- groups. According to the issues to be explored, study units of this research vary. Mostly study unit was individual household. In addition, some committee member of CFUG based on gender, social class and economic class were also taken as the study unit to identify the livelihood strategies and priority that is linked to sub-group for IGA activities.

A Map of the Study Area

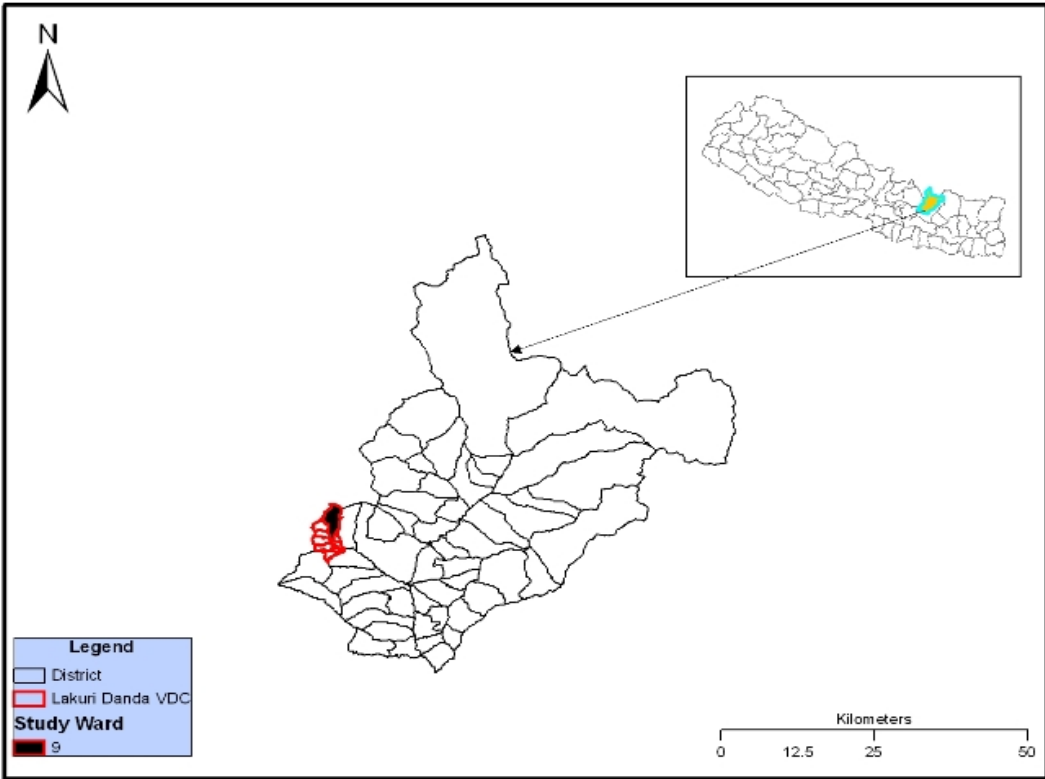


Figure: 3.1 A Map Locating the Study Area

CHAPTER 4: RESEARCH METHODOLOGY

This chapter explains about research design, sampling method, the universe of the study and sampling, data collection techniques and data analysis.

4.1 Research Design

As being the descriptive type study, descriptive research design has been used for this research

Description and necessary data are assembled based on study design.

4.1.1 Conceptual framework of research (Fig: 4.1)

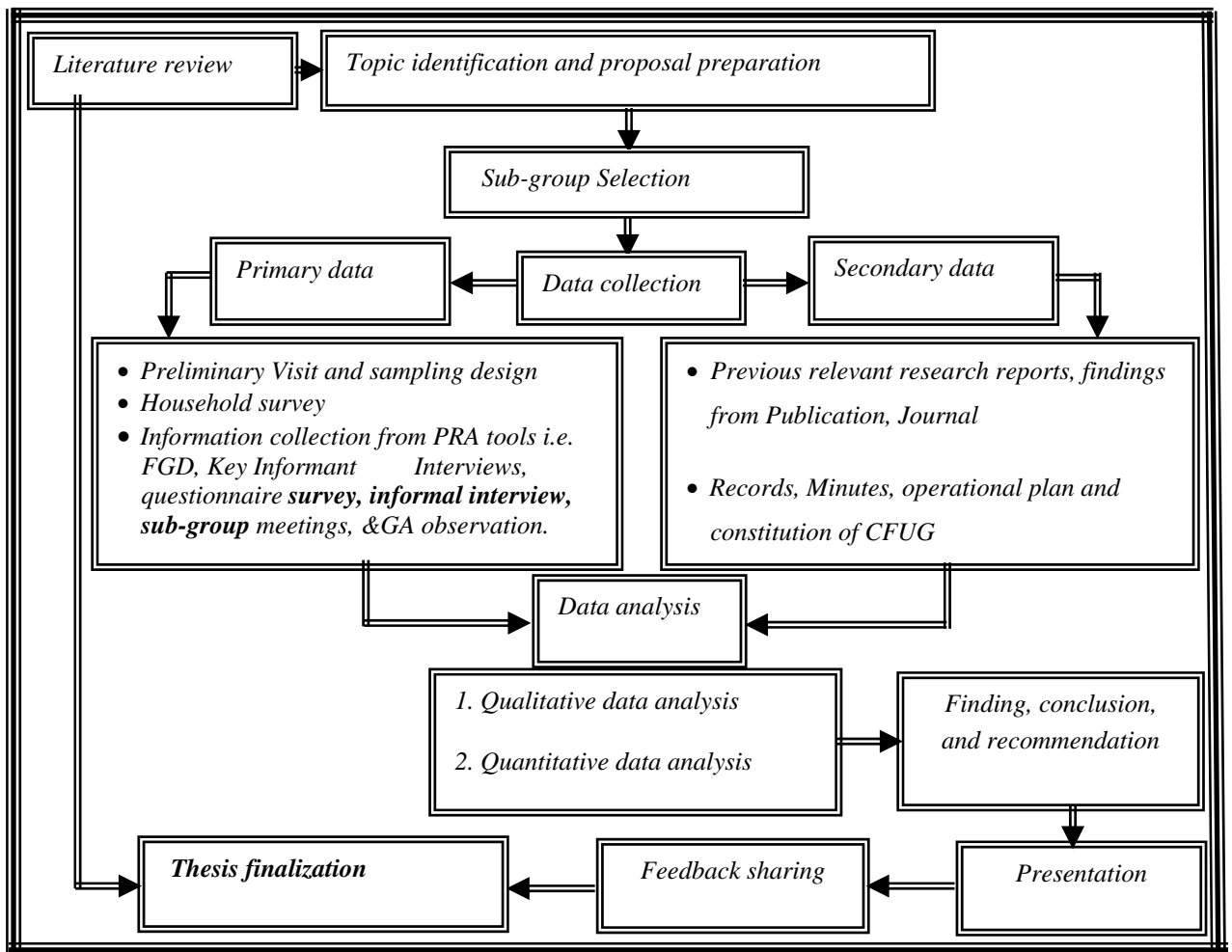


Figure: 4.1 Conceptual framework of research

4.1.2 Study Unit

According to the issues to be explored, study units of this research vary. Mostly study unit was individual household and group discussion.. In addition, some committee member of FUG based on gender, social class and economic class were also taken as the study unit to identify the livelihood strategies and priority that is linked to sub-group for IG activities.

4.1.3 Nature and Source of the Data

The research is based on both primary and secondary data. Primary data has been collected using various tools and techniques. Secondary data were also found useful and it was collected from the various sources like operational plan, FUG records, books, journals, thesis, and official records

4.2 Universe and Sampling

The universe of this study is the 22 sub-groups formed before February 2005 (also known as old sub-groups). It means all households of these sub-groups are included in the universe. Firstly, the Shankhadevi FUG was selected purposively because it represents a number of old sub-groups formed before February 2005 and easily accessible for the study. Then, all of the households of these two sub-groups were selected. These sub- groups are the representation of potential enterprise groups specially leaded by women.

4.3 Data Collection Tools and Techniques

Certain tools and techniques are needed to obtain the expected information. Primary data were collected using following tools and techniques.

4.3.1 Household Survey

The household survey was the main sources of information for this study. Open ended and close-ended questionnaires were prepared before going to the households to collect the information (annex 1). Using the questionnaire, data were collected through in depth interview with the members of sub-group. The minority caste (Tamang) households were selected with special emphasis in the household survey.

4.3.2 Key Informant Interview

Some interviews especially in the qualitative content were done with teachers, elders and CFUG committee members and ex community members. They provided some key information regarding the income generation activities followed by the sub-group members with problems and suggestions. Checklists were used as a tool to collect the information with key informants.

4.3.3 Discussion in Sub-group meeting

Some information was collected from the discussion with sub-group members in their emergency meeting. The discussion was conducted by using checklist. The discussion was fruitful to be clear in the various aspects of sub-group activities and participation.

4.3.4 CFUG General Assembly

Some information was collected in the regular FUG general assembly. Participation of poor and women with discussion is mainly focused on GA.

4.3.5 General Observation

Observation is another technique to collect the viable information. Not all the information can be obtained through the household survey and interview method. Therefore, the settlement of the sub- group member and forest were observed and some information was gathered. Similarly decision making process, transparency of the decision, information sharing and transforming process, women participation etc were observed in the meeting of forest user committee.

Relevant secondary information was gathered from FUG records (OP, constitution, minute book, income, and expenditure record), District Forest office, and NSCFP office.

4.4 Data Analysis, Interpretation and Presentation

Both qualitative and quantitative data were collected using the above-mentioned techniques and are thoroughly analyzed. The data so analyzed are interpreted accordingly to satisfy objectives. Table, charts, and text are also used for the presentation of the data.

5.1 Sub-group Formation Process

There is a common sequential sub-group formation process in the district applying a number of steps consecutively. Feasibility study is the first step to study potential CFUG for sub-group formation. Then, committee meeting is conducted for the identification of common interest group. Focus group discussion and different PRA tools are also used and then, common interest groups are identified. Potential members are gathered and a sub-group is formed. With the discussion of sub-group members, potential IG Activities are fixed and sub-group management plan is prepared. The plan should be approved from the GA of CFUG. After approval, it is implemented with regular monitoring and evaluation. CFUG and committee members help for monitoring and evaluation of sub-groups (Figure: 5.1).

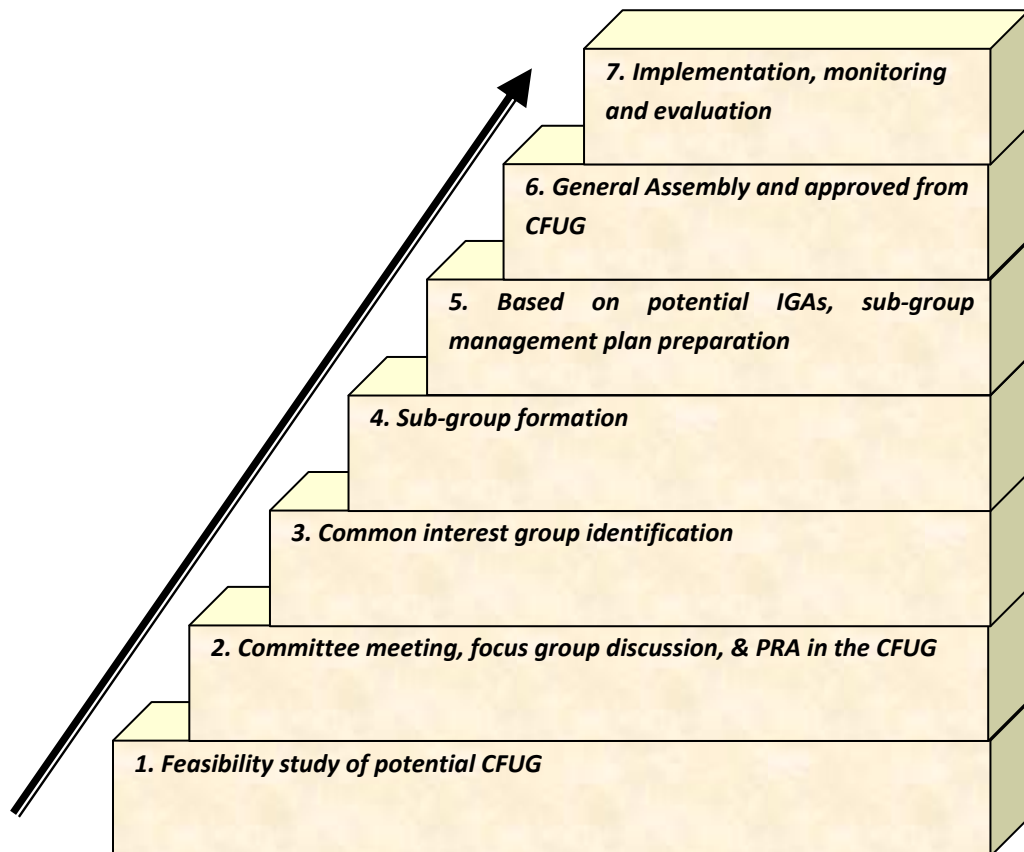


Figure: 5.1 Steps of ladder showing sub-group formation process

5.2 Sub-group Status in the District (brief)

Sub-group is not just a group of some members of CFUG. It is group of those homogenous members who are living in a same little cluster struggling for hand to mouth problem and wants to do some thing much better in the near area of forest. Every sub-groups have an own guideline for going ahead. This guideline is made by sub-groups and approved by CFUG. Regular saving, monthly meeting, commercially manage the given forest area and mobilize the fund in commercial activities are major four theme of sub-groups.

ANSAB has been supporting 34 CFUGs of 14 VDCs in Dolakha district covering 8,632.28 ha (8.5%) of CF land with 9,365 HHs and 45,741 population in which 22,885 (50.25%) are male and 22,756 (49.75%) female. The people from DAG are 481 (1.05%). The number of sub-groups in the district is 45 right now, which are formed within sixteen CFUGs. The collective fund of all sub-groups is Rs.8, 19,527/- at now. There are 546 male and 575 female with 238 DAG members in the sub-groups. About 21% of all the sub-group members are from DAG. 51% female are included in sub-group member (Figure:5.2).

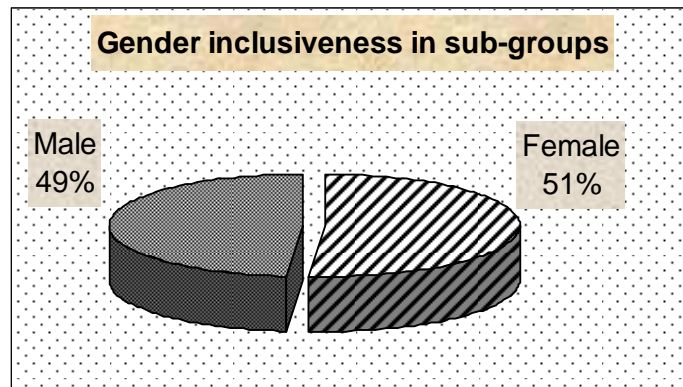


Figure: 5.2 Gender inclusiveness in sub-group membership

The livelihood programmes launched by the older sub-groups shows that 18 sub-groups (82%) are performing retail shop in their groups. The other livelihood programmes operating by the sub-groups are potato farming (59%), poultry (46%), goat rearing (41%), vegetable farming (37%) and pig farming (18%).

5.3 A Brief Status of Shankhadevi CFUG

There are 190 HHs in Shankhadevi CFUG. The population of CFUG is 1184 in which 576 (49%) are female and 608 (51%) are male. There are 13 members in committee with 10 male (77%) and three female (33%). No female are representative in the key post. Poor are not representative in committee member. The major occupation of the people is farming and livestock. Potato is the major crop produced here.

The area of Shankhadevi community forest is 270 ha which is in ward no. 9 of Lakuridanda VDC. Previously this forest was dense but later on illegal cutting, clearing for cultivation etc, destroyed it. After handing over to the community, the condition of the forest has improved. This is natural forest but some area have been found plantation. Community forest has been divided into five different blocks for the proper management of the forest. Users can get 787 cft of Gobre salla (*Pinus wallichiana*) and Thingre salla (*Abies pindrow*) timber with 8480 Bhari (in average) of fuel wood from the community forest annually on the sustainable basis. As an extra source of income, more people are involved in Lokta (*Daphne spp.*) and Argeli (*Edgeworthia gardneri*) collection, processing and selling in the paper industry.

5.2.1. Sub-groups in Shankhadevi CFUG

There is much blank area inside the community forest. If the sub-groups are formed uniting poor HHs with Lokta (*Daphne spp.*) and Argeli (*Edgeworthia gardneri*) collector; providing the responsibility of conservation, management and utilization to them, it may be a better source of income generation and may support for poverty reduction. Hence, utilizing the blank areas of CF and supporting for IG, four IG sub-groups are formed in Shankhadevi CFUG and “Enterprise development and sub-group management plan” is prepared and approved from CFUG. The three are the old sub-groups (Dharedhunga, Jhingan and Ganeshthan) and the one (Khanidanda) is newly formed but plan will be completed soon. As being the research site, the first two sub-groups i.e. Dharedhunga and Jhingan sub-groups are focused and described here. These sub-groups have only ethnic community of Tamang (92%) and Shrestha (8%).

5.2.2 A brief description about Sub-group Management Plan

Aim and Objective

The major objective is IG of poor and directly concerned NTFP collectors considering Forest Act, Regulation, and OP of CF. The specific objectives are:

- Income generation of poor and women by best utilization and management of local resources, techniques and equipments
- Perform forest management and development activities co-operating with CFUG
- Perform different IG activities co-operating with different organization.

Operational Strategy

- Priority for forest based IG activities
- Collection, simple processing and selling of NTFPs, e.g. *Daphne* spp., *Edgeworthia gardeneri*, *Swertia chiraita*, *Girardinia heterophylla*, *Gaultheria fragrantissima* etc.
- Regular meeting of sub-group member with active participation.

Production Strategy

- Cultivation and farming of NTFPs and agricultural crops that can give economic benefit rapidly from the year of sub-group formation from the CF allocated land
- Business plan preparation for *Edgeworthia gardeneri* cultivation
- Potato farming in allocated land but not more than two years continuously in the same area

Provision for blank forest area management

- Selective area accessible to sub-groups is allocated for ten years
- Use of timber and fuelwood is restricted to the approval of CFUG in the allocated land
- Based on sub-group management efficiency, allocated area and period can be enlarged
- Agreement can be cancelled if the sub-groups are out of rules and plans.

Sale and Distribution of Harvestable Products

- The royalty (as expressed in OP) of each harvested products should be collected in CFUG fund. Then, CFUG would provide “CHHODPURJEE”¹ to sub-groups.
- Only sub-group member HHs have right to harvest and sale the products from allocated land and local industry will get priority for selling.

¹ : A legal permission provided by the CFUG for collection & transportation of NTFPs from CF

5.3 Status of Study Sub-group

5.3.1 Socio-economic Status

Overall, socio-economic condition of sub-group members is not well enough in different aspects. Whatsoever, it is described in different topics to understand easily and to fulfill the objective of study. The average number of family per HH is five.

5.3.1.1 Education and Population Status

Education is one of the major basic elements of social development and livelihood improvement and it is directly linked with the poverty reduction of people. Before one decade, there has been established a primary school in the village. CFUG also provides financial and other supports for the school. Almost all of the small children get opportunity for primary education. The illiterate are the persons of only greater than 35 years old. For secondary education, they have to go Kharidhunga, which is one half hour walk on foot. They can also get bus service. But, the no of users having secondary and higher education is poor (Table: 5.1). Lack of sufficient economic resources is the main cause for this. The total population of Dharedhunga and Jhingan sub-groups is 99 and 106 respectively. There is no variation for male and female children to provide education.

Table 5.1 Population and educational status in sub-groups

Sub-group	Population with educational status							
	Female	Male	Total	Illiterate	Literate	Primary	Sec	Higher
Dharedhunga	46	53	99	19	35	25	10	9
Jhingan	55	51	106	13	42	32	15	4
Total	101	104	205	32	77	57	25	13

Source: Field Survey, 2009

About one-sixth of the population is illiterate and 49% of total populations are female (Figure: 5.3 and 5.4).

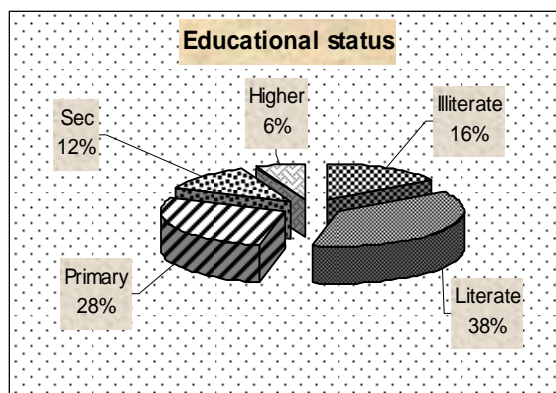


Figure: 5.3 Educational status

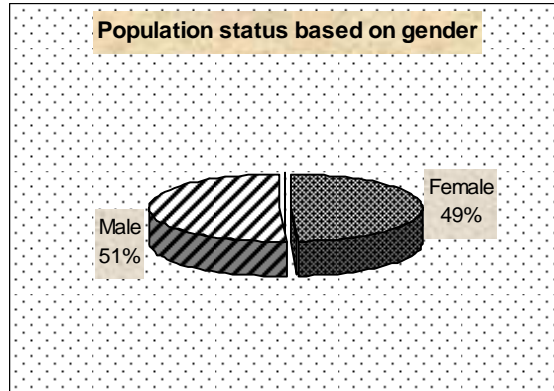


Figure: 5.4 Sex ratio

5.3.1.2 Occupational Status

Agriculture is the main occupations of this area. 100 % HHs are involved in potato farming. As being an ethnic community, more than 53 % HHs produce domestic alcohol for commercial purpose and household consumption. The main market for supplying alcohol is Kharidhunga bazaar. Charikot bazaar and local market are other accessory markets. About 33 % HHs are concerned in business/retail shop (Figure: 5.5). Most of the women also work in wage for making construction materials. Only two persons are engaged for foreign employment. As being near to the road, the new generation has been stepping towards driving like skilled work. There are six mini bus, trippers, and trucks in the sub-groups HHs. In addition, 38 % HHs are engaged in other occupation like wage work for construction, private job, foreign-employee etc (Table: 5.2).

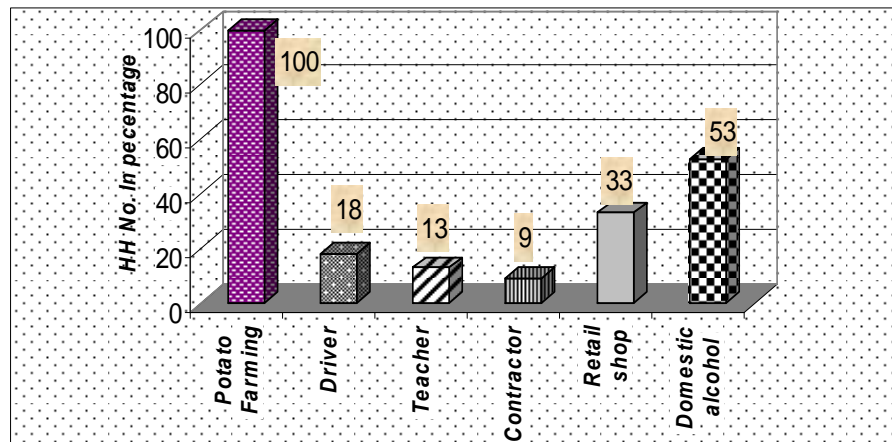


Figure: 5.5 Occupational Status of Sub-groups

Table 5.2 Occupational status in study sub-groups

Sub-group	Major occupation of households							
	Potato farming	Driver	Teacher	Contractor	Retail shop /business	Domestic alcohol production	Poultry	Other
Dharedhunga	23	3	1	1	8	20	3	10
Jhingan	22	5	2	1	7	4	5	7
Total in No.	45	8	3	2	15	24	8	17
Total in %	100%	18%	13%	9%	33%	53%	36%	38%

Source: Field Survey, 2009

5.3.1.3 Potato production

Potato production and selling is the common practice of each household. The selling amount is the overstock after HH consumption and 43% of HHs sell 10-20 muri (750 - 1500 kg) of potato each year from Dharedhunga whereas in Jhingan sub-group, the majority is 45% to sell 20-30 muri (1500-2250 kg) per year (Table: 5.3)

Table 5.3 Annual potato selling status of HHs

Sub-group	Potato selling household number				Remarks
	<10 muri	10-20 muri	20-30 muri	>30 muri	
Dharedhunga	4	10	8	1	1muri=75kg
Jhingan	3	7	10	2	
Total	7	17	18	3	

Source: Field Survey, 2009

This potato farming is directly related with sub-group formation and mobilization because users utilize sub-group fund for buying potato seed, poultry manure, other compost manure, and inorganic fertilizers. The high accessibility of leaf litter collection has also influenced for the production of compost manure better than before. The average total annual income from potato farming was Rs. 3, 51,550/- in Dharedhunga and Rs.3, 37,371/-in Jhingan sub-group. Hence, a total of Rs 6, 88,921/- is the average annual income of these sub-groups. The no. of HH selling 20-30 muri of potato is 39% and 7% sell more than 30 muri i.e. 2.25 tons annually (Figure: 5.6).

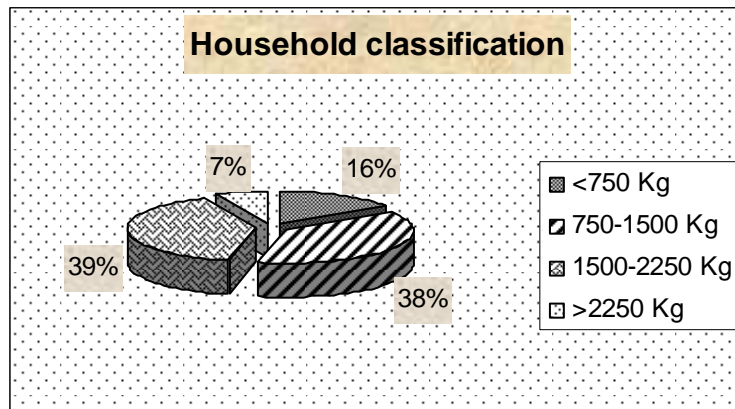


Figure: 5.6 Potato selling quantity based on HH classification

5.3.1.4 Livestock

The total no. of livestock in both sub-groups is 116. Most cows and buffaloes are of less productive type. The average annual income from livestock is Rs. 91,480/- only (Table 5.4)

Table 5.4 Livestock status in sub-groups

Sub-group	No. of Livestock		Total	Annual benefit in Rs.
	Cow/Buffalo	Goat		
Dharedhunga	34	29	63	49,850/-
Jhingan	27	26	53	41,630/-
Grand total	61	55	116	91,480/-

Source: Field Survey, 2009

5.3.1.5 Level of Participation

Participation, one of the most important pillars of good governance, is the significant character of community forestry programme. CF concept has emerged due to the efficiency for management of natural resources by participation of local people. Therefore, participation is most in sub-group activities. The level of participation for different activities in CF programme is described below.

Membership Status and Participation in GA

As women are the manager of forest and natural resources, they should be given high priority for sustainable forest management. For membership of each sub-group, there are four key posts i.e. coordinator, sub-coordinator, treasurer, and secretary. These key persons have the role of leadership for sub-group operation. 88% of the key posts are delegated for female. Thus, the majority of membership in these sub-groups is that of women but some male are also included for their better performance. The average calculation of both sub-groups combine shows, female has 89% representation as sub-group member. Similarly, 33% of the members are from identified poor HHs of CFUG.

In General Assembly of FUG, female from 60% HHs is participated. The participation of identified poor is very good (93%) in GA (Table: 5.5).

Table 5.5: Sub-group member's participation in General Assembly

Sub-group name		Description									
		Total HHs	Total Sub- group members				Participation in GA				
			Female	Male	Total	Poor	Female	Male	Total	Poor	
Female	Male					Female	Male				
Dharedhunga sub-group		23	22	1	23	6	14	21	35	6	6
Jhingan IG sub-group		22	18	4	22	9	13	12	25	8	8
Total	No.	45	40	5	45	15	27	33	60	14	14
	%		89	11	100	33	60	73	67	93	93

Source: Field survey, 2009

Actual status of gender inclusion was found good in case of female in the study sub-groups (Figure:5.7)

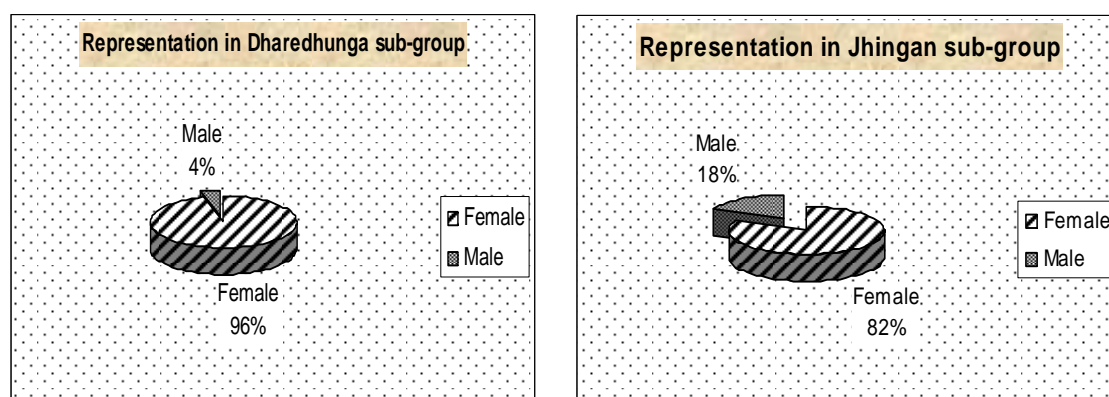


Figure: 5.7 Female and male representation in Dharedhunga and Jhingan sub-groups

Community forest User Group has identified ultra poor considering their physical, social, educational, economical, and natural capitals and approved from GA. There are 18 such identified poor in the CFUG. As CF programme, the focus of sub-group is also

to increase income source of such ultra-poor and support for their livelihood improvement. Therefore, each of the sub-groups has some representation of these poor. They will get first priority for IG activities from CF programmes. The inclusion of poor's membership in these sub-groups is also found well (Figure: 5.8)

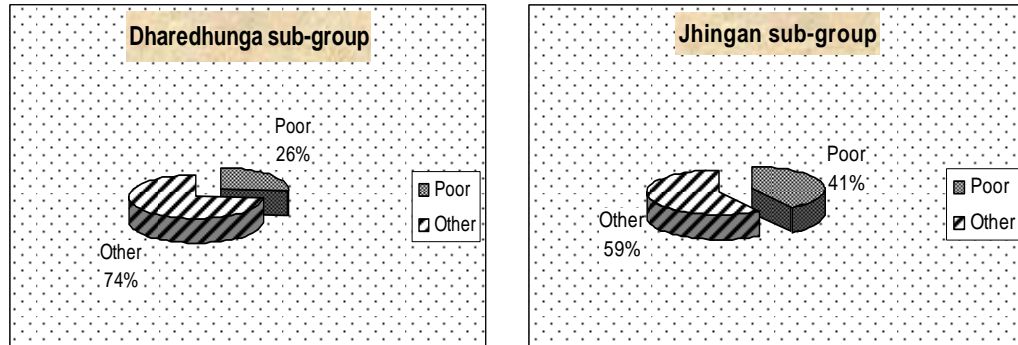


Figure: 5.8 Inclusiveness of poor in Dharedhunga and Jhingan sub-groups

The CFUG has provision to accomplish GA once in a year in Ashoj/Kartik (Sept, Oct) In general assembly, CFUG has rule to participate at least one male and one female from each FUG member households. As there are 23 HHs in Dharedhunga and 22 in Jhingan sub-group, there should be a participation of 23 male and 23 female from Dharedhunga to make 100 % participation. The information was collected from the direct observation of GA during field study. This year's GA of FUG was held in 25th Bhadra, 2066. It shows that the participation of poor male and female from both sub-groups is very high. The participation of female from both sub-groups is more than 50% The average participation of male and female is greater than 66% in Dharedhunga sub-group. The participation from Dharedhunga was better than that of Jhingan sub-group in GA (Figure: 5.9 & 5.10). More than 75% of all category members present in the assembly (female, male and poor) are actively participated in GA.

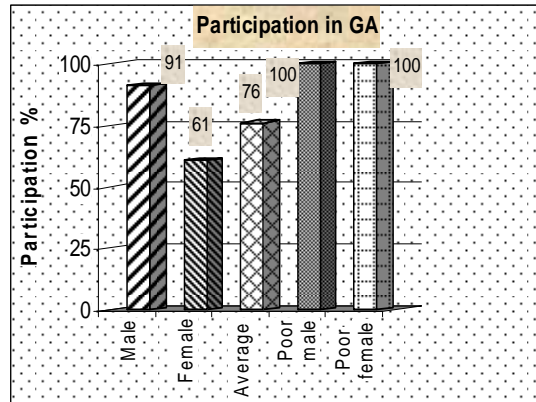


Figure: 5.9 Dharedhunga SG users

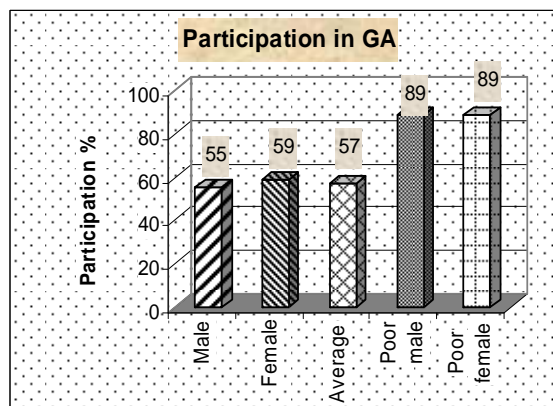


Figure: 5.10 Jhingan SG users

Participation in Sub-group Meeting

Generally, only the sub-group members are participated in their meeting. The female representatives are more in both. Only one member is present from each HH. The sub-group meeting is carried out once in a month. The main role of the meeting is monthly saving payment collection from each member, decision for fund mobilization for different IG activities and planning for community and forest development and NTFPs management activities. This information is collected from the direct observation of two sub-group meetings. The participation status shows that female’s participation is more than 90% in both sub-groups (Table: 5.6).

Table 5.6 Level of participation in sub-group meeting

Sub-group	Participation				Remarks
	Female	Male	Poor female	Poor male	
Dharedhunga	20 (91%)	1 (100%)	6 (100%)	-	The percentage is based on sub-group representation no. of each.
Jhingan	17 (94%)	4 (100%)	7 (88%)	-	
Total	37 (93%)	5 (100%)	13 (87%)	-	

Source: Field Survey 2009

Analysis of data shows that average participation in the meeting has 88% female that is the best participation of women (Figure: 5.11). Ninety five percent of the participated members are actively participated in the sub-group meeting.

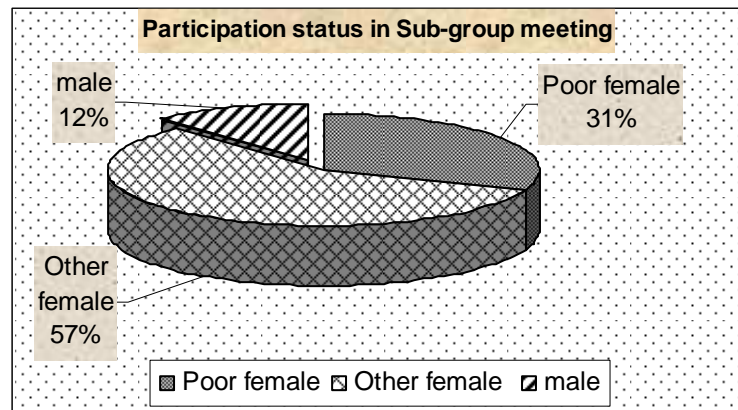


Figure: 5.11 Average participation statuses of two sub-groups

5.4 Forest Product Demand and Supply

5.4.1 Fuelwood and Timber collection

There is no such change for using timber before sub-group formation and now. CFUG has provided 100 cft. of timber to the identified poor this year. The reason is that 21 HHs in Dharedhunga and along with 18 HHs in Jhingan are using both fuelwood stove and charcoal using stove. The charcoal-using stove is made by local people for their domestic use. Generally, for vegetable cooking, domestic alcohol processing, and animal foodstuff cooking, fuelwood stove is used. During that time, charcoal is collected. The

collected charcoal is used in charcoal-using stove for cooking rice, meat, lentil and heating water. This trend was initiated after sub-group formation. Local people say that the foodstuff cooked in charcoal-stove has better test high heat, least smoke production and more comfortable to wash the cooking pots than cooked in fuelwood stove,. Women, who are the main victim for suffering from the fuelwood smoke, have preferred to use charcoal-stove. During charcoal collection, wastage of fuel is protected and it protects the environment from the global warming of the earth. This resulted that demand of fuelwood has decreased by 29 %.(Table: 5.7).

Table: 5.7 Fuelwood collections

Sub-group	Fuel wood collection in Bhari		Decrease in demand		Total time saved to collect fuelwood in hour @of 3 hour per Bhari	Monetary value @ of Rs 75/- per 8 hour
	Before sub-group	Now	Bhari	%		
Dhare dhung a	1377	1012	365	27%	1095	10,266
Jhingan	1180	825	355	30%	1065	9,984
Total	2445	1725	720	29%	2160	20,250

Source: Field Survey, 2009

Note: one Bhari of fuelwood is equal to 40 Kg

The women are the main fuelwood collectors. Due to decrease in demand, 2160 hours of time equivalent to Rs. 20,250/- is being saved in the sub-group HHs. It can justify that decrease in fuelwood is directly linked with the livelihood improvement of poor and women.

5.4.2 Fodder and Leaf litter Collection

The forest area in the allocated land is well protected and it is very accessible to the users. There is no enough resource for fuelwood, timber, and fodder in the allocated land; users are collecting these resources going outside from the CF area. About 68% of fodder is being supplied from the CF area. The availability of leaf litter is sufficient to fulfill their demand annually from the allocated land. The collection time for leaf litter is reduced by 64%, as they had to go inaccessible upper part of CF area before sub-groups.

If the saving time (8083 hour) is converted into monetary value at local rate, it is equivalent to Rs 75,779/-. The assumption is that this saving hour of time can be invested for wage works and other productive activities by the people.

Table: 5.8 Fodder and leaflitter collection

Sub-group Name	Fodder (Bhari)		Leaflitter (Bhari)	Time to collect 1 Bhari in hour		Total time saved in hour	Monetary value (@ Rs 75/- per day)
	Demand	Supply	Supply	Before sub-group	Now		
Dharedhunga	1,840	1,265	2,354	3	1	4,708	44,138
Jhingan	1,700	1,145	2,250	2.5	1	3,375	31,641
Total	3,540	2,410	4,604			8,083	75,779

Source: Field Research, 2009

Note: One Bhari of leaflitter is equal to 25 kg

5.4.3 NTFPs Collection Stock

Argeli plantation has been completed in the allocated land of sub-groups, which may be their main source of income generation. About 6,000 and 5,500 Argeli (*Edgeworthia gardneri*) plants are developed in allocated land of Dharedhunga and Jhingan respectively. The potential harvestable stock is about 900 kg of dry weight unitely per year from 4 ha of allocated land. At the local rate of Rs 48 per kg, the users may earn at least Rs 43,200/- this year.

5.5 Fund Collection and Mobilization

The sub-group members collect Rs 10/- from each household member and is the major source of saving in sub-group fund. In the initial stage, if the sub-group collects Rs 2,000/- in its fund, then ANSAB and ECARDS would provide Rs 4000/- as seed money of sub-group. CFUG granted RS 2,000/- to both sub-groups and they received the seed money. This provision of providing seed money from ANSAB and ECARDS is not in use for new sub-groups. The saving fund is being mobilized as loan to the sub-group members for different IG activities. The sub-groups have made provision to return the loan within three month with interest rate of 12%. Thus, saving fund is increased by

mobilization and collected interest amount, with monthly saving. The loan is provided according to the demand of sub-group members.

One member can receive loan up to three times in a year in both sub-groups. The range of loan received by per member per time is Rs 1,000/- to 3,000/- only but sometimes it may go higher. The sub-groups may have self-share in forest based and other enterprises. To support forest and community development activities, CFUG provides cash to each sub-group timely.

5.5.1 Saving Amounts in Sub-groups

The total saving amount in Dharedhunga and Jhingan sub-group is Rs 20,953/- and 17,500/- respectively. Besides this, Dharedhunga has share of Rs 15000/- in Shankhadevi briquette enterprise while Jhingan has only Rs 5,000/-. The total saving amount of Rs. 38,453/- is mobilized up to three time in a year equal to the amount of Rs 1,15,359/- earning interest amount of Rs 13,843/- annually

5.5.2 Annual Fund Mobilization and Income Generation Status

Domestic alcohol production is the one of the major source of income in these groups for immediate IG. Some part of money is used for non-productive activities like: food buying, loan paying in retail shop etc but there is no exact information about this. By investing Rs 1, 13,000/- the net profit gained is Rs. 1, 97,100/- annually in average. The fund used for patient treatment is in grant for emergence support (Table 5.9).

The average annual fund mobilization is maximum (33%) for crop buying for domestic alcohol production and about 5% of fund is being used for patient treatment (Figure: 5.12). Similarly, about 30 % of income is generated from production and selling of domestic alcohol in the sub-groups followed by 23% buying poultry manure for potato and 20% from potato seed buying (Figure:5.13). The users are motivated for vegetable production like kauli, radish, cabbage, beans etc., but this is not extended for commercial purpose because of low production, lack of local market and collection centre and poor market linkage. If the problems are addressed, they are willing to extend their vegetable farming system investing their sub-group fund.

Table: 5.9 Annual fund mobilization and income generation status

Purpose	Mobilized fund from Dharedhunga sub-group	Average annual income in Rs.	Mobilized fund from Jhingan sub-group	Average annual income in Rs.	Total fund mobilized in Rs	Total average annual income in Rs.
1. Crop buying for domestic alcohol production	29,500/-	46,500/-	7,500/-	13,500/-	37,000/-	60,000/-
2. Buying poultry manure, compost and inorganic fertilizer for potato farm	11,500/-	19,250/-	14,500/-	23,350/-	26,000/-	42,600/-
3. Potato seed buying	8,500/-	21,250/-	7,500/-	18,750/-	16,000/-	40,000/-
4. Poultry farm	5,000	11,500/-	5500/-	10,000/-	10,500/-	21,500/-
5. Goat farming	4000/-	9,000/-	6,000/-	10,500/-	10,000/-	19,500/-
6. Labour hire for potato production	4,500/-	7,000/-	3000/-	6,500/-	7,500/-	13,500/-
7. Patient treatment	1500		4500		6,000/-	
Grand Total	64,500/-	1,14,500/-	48,500/-	82,600/-	1,13,000/-	1,97,100/-

Source: Field survey, 2009

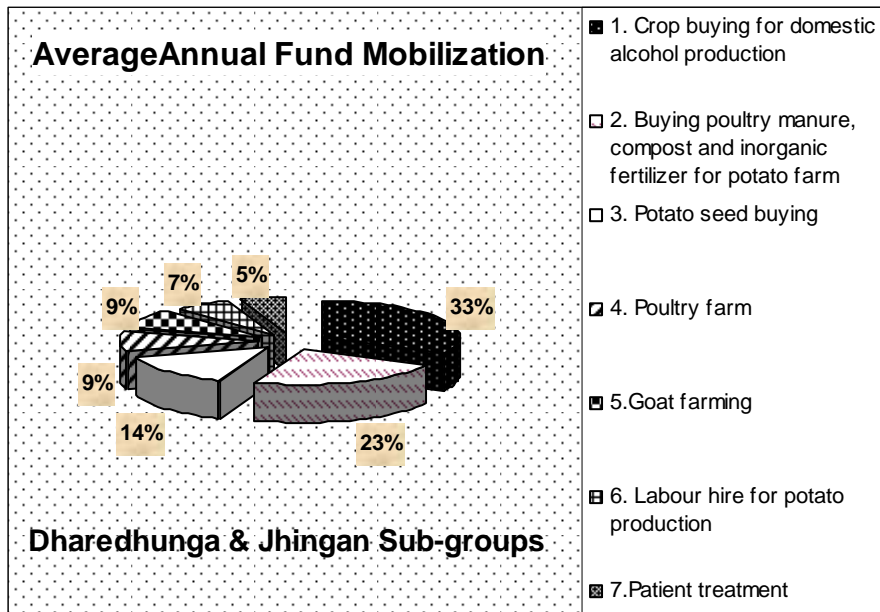


Figure: 5.12 Average annual fund mobilization status in Study Sub-groups

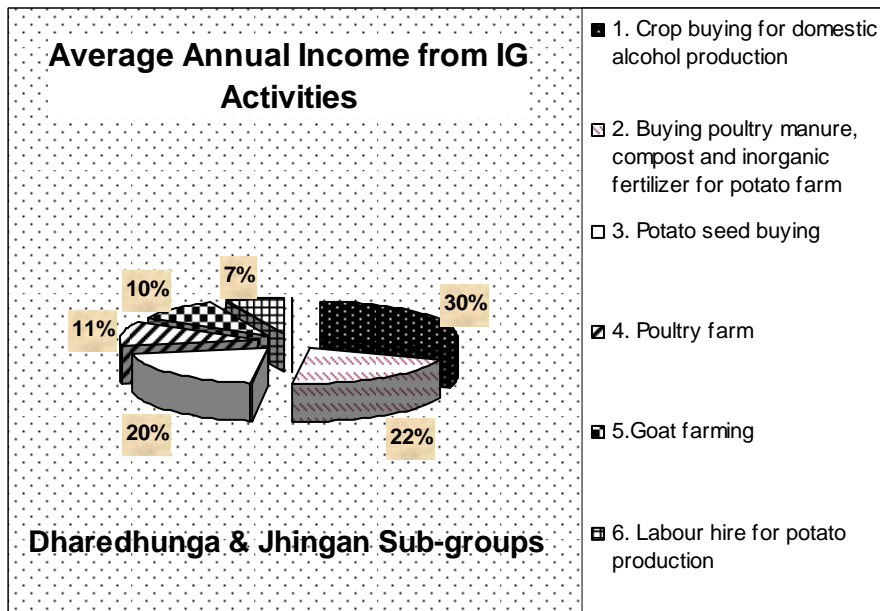


Figure: 5.13 Average Annual Income status from IG Activities in Study sub-groups

5.6 Shankhadevi Briquette Enterprise

This enterprise was started from Dec. 08. Within 3 months, they produced 12000 Briquettes and

sold all in 2009 Oct. ANSAB is supporting from the initial stage to market management of the products.

Enterprise is taking a small home in rent of Rs. 400/- per month and conducted enterprise development activities. They have four briquette-making keys and one grinding machine for grinding charcoal. Five persons from Dharedhunga sub-group are trained for charcoal making and they are paid Rs. 350/- per day per person for two months i.e. Rs. 1, 05,000/-. This has been handed to Dharedhunga Sub-group from Sep 2009. The women are highly emphasized to work in this enterprise.

This enterprise is established in Jhigan tole of. Lankuridanda VDC. Shankhadevi CFUG, two sub-group (Dharedhunga and Jhigan), and local private shareholders are the major shareholders of this enterprise (Table 5.10).

Table: 5.10 Name lists of shareholders for Shankhadevi Briquette Enterprise

S.N.	Name of share holders	Share amounts Rs.
1	Shankhadevi CFUG	20,000/-
2	Dharedhunga sub-group	15,000/-
3	Jhigan sub-group	5,000/-
4	Ramesh Lama (Local Entrepreneur)	10,000/-
	Total	50,000/-

Source: ANSAB, District Office Report, 2009, Dolakha

Forty percent of the share is owned by sub-groups for briquette enterprise. (Figure: 5.14)

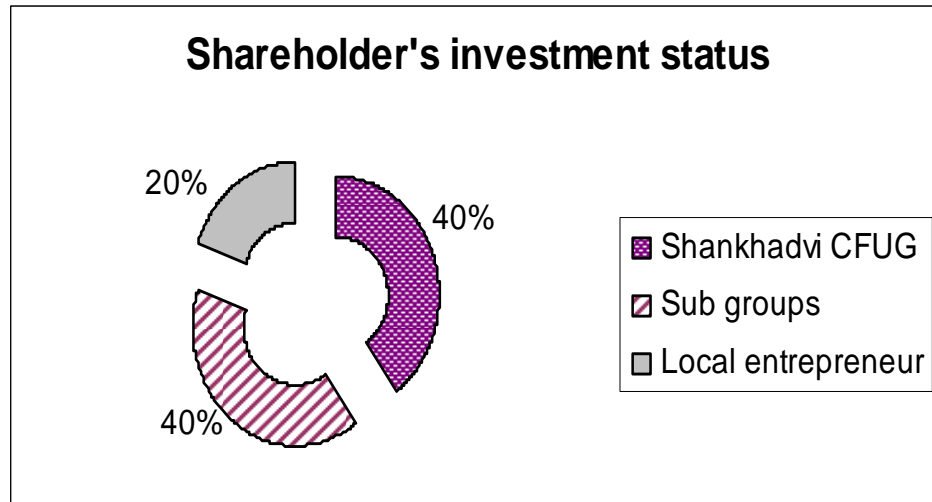


Figure: 5.14 Shareholder's status for investment in Briquette enterprise

To increase the effectiveness and efficiency, users have realized that sub-group formation and land allocation has supported for well management of CF land with designing of many income generation activities. Micro fund saving and mobilization has actively participated the women and poor for their benefits. The management issues of CF protection like grazing control, encroachment, illegal felling etc. are being automatically controlled in case of allocated land because the area is accessible for the sub-group member and they are managing it by planting NTFPs for their income generation. The unmanaged CF land is properly utilized by sub-groups. It also has supporting for biodiversity conservation, land management and environmental protection. Illegal cutting and felling were frequently occurred in the area before sub-groups. Records show that about 30 such events were captured in a year but now such activities are less than three. The women used to say that the responsibility was of committee only for protection and punishment before sub-group formation but now they feel that it is their responsibility. Inclusiveness and active participation with empowerment for all activities from women and poor, micro fund mobilization for IG,

forest based enterprise development and sustainable forest management is the major impacts of sub-group models in the study area.

Lack of boundary mapping with separate inventory record of allocated land; it is difficult to compare the change in status of forest but there are many proofs. Increase in access of leaf litter and NTFPs stock is the concrete example for this.

According to Maharjan (2004), active participation of the poor, vulnerable and marginalized households and their poverty reduction are still burning issues in community forestry. Such issues have been found to be considered through sub-group models with good and active participation of poor and women.

Shrestha (2004) has described that the leadership in decision making in CFUGs was in hands of men than women. However, in case of these study sub-groups, women are leading and they have a strong role for decision-making process especially within the sub-group activities.

Women CFUGs are also not considering equity perspectives in sharing benefits (Rai, et.al 2004). In mobilizing the fund, it was found that the women of wealth family have given higher priority to provide micro-fund for poorer ones in the study area.

The formation and implementation of “Tole Group” has improved the access of the poor and disadvantage groups to the resources (Dhuniya, 2004). Representation of women in CFUG committee has increased from 18% before sub-group formation to 35% now whereas in the study area, women representation was only 23% and is constant until now. However, the sub-group concept is same as that of “Tole Group” and the result is harmonized to each other.

The sub-groups are the group of tole people rather than groups of organization or institutions so they all are involved in forest and community development activities, high commitment for achievement and planning was found with more success.

CHAPTER 6: CONCLUSIONS AND RECOMENDATIONS

From the above chapters some conclusions and recommendations are drawn. This chapter provides insights of the finding from the study and recommendations for further improvement of sub-group models.

6.1 Conclusions

The study has been focused on different aspect of sub-group activities in ANSAB programme support area of Dolakha district. The conclusion has been made observing and analyzing the various finding of study sub-groups of Shankhadevi CFUG.

On the perspective of inclusive and equity, the sub-groups are the well representative of female (89%), CFUG identified poor (33%) and NTFP collector groups (women). The disadvantaged groups are also included well (21%) on overall status but they are totally absent in the study area which is composed of only ethnic communities of Tamang and Shrestha

The level of participation of sub-group members for CFUG general assembly was found high (67%) but based on gender's perspective, male's participation was higher (73%) than female (60%). Identified poor's participation was very excellent (male-93%, female-93%) as it may be the impact of sub-group model and poor focused community forestry programme. More than 75% of all category members present in the assembly (female, male and poor) are actively participated in GA, which is one of the evidence for testing their empowerment by sub-group function.

In case of sub-group meeting, as the key member of sub-group, the women has crucial role for information dissemination, membership cash collection, decision making and fund mobilization. The poor female are not selected for sub-group key member but they have active and better participation (87%) in meetings. The level of participation for allocated forest management activities is also found remarkable (>95%).

The active forest management concept is being fulfilled by sub-group model providing the limited accessible area to limited group of people for management. NTFPs plantation and success, proper utilization of unmanaged land, recovery of vegetation and leaf litter

in the degraded area to fulfill their annual demand, no illegal cutting and felling, grazing control and forest based enterprise establishment are some noteworthy facts. There is 900 kg stock of Argeli (dry wt.) in 4 Ha of allocated land. The ownership of users on allocated forest is high and they all feel it is their accountability to protect the forest.

Domestic charcoal collection and use of charcoal stove has decreased the demand of fuelwood by 29% and providing hygienic upholding of family members. The leaf litter collection time was found to be reduced by 68% due to availability in allocated land that can be used for other productive works

The micro fund saving and mobilizing has playing a crucial role for income generation of poor and women. Mobilizing Rs 37,000/- for crop buying to make domestic alcohol production, the poor and women are earning Rs 60,000/- annually as a net profit. Other activities like potato farming, goat farming, manure for crops etc are being used for IG. Sometimes, the fund is also used for patient treatment support. The sub-groups have a briquette enterprise share of 40% and that is being operated by one sub-group.

Overall conclusion shows that the impact of sub-group model for participation and livelihood improvement of poor and women with their active forest management is very constructive and encouraging and it can influence a wide range of community forestry programme in Nepal.

6.2 Recommendations

This section lists some recommendations from the insights gained through the fieldwork, existing literatures and the analysis of data collected from the study area. The recommendations focus on the area to be improved more. Some of the recommendations are related to the study Sub-group, CFUG and rests are applicable in a wider context.

- ❖ Sub-group people in the study area should be supported for vegetable collection center establishment with their market linkages. The area is potential for vegetable production. People are interested to grow vegetables commercially if their market assurance is made so that it would play a vital role for their livelihood improvement.
- ❖ The mapping and measuring of sub-group allocated land has not been practiced in the study area. Therefore, it will be better to locate them in CFUG operational

plan with separate inventory analysis. This record will also support for the reliable comparison of resource stock later. If this is not possible in time of sub-group formation, it can be included during OP revision of CFUG.

- ❖ The sub-group concept can be used for every programmes that requires a group of people with common interest, occupation and location i.e. cow farming, buffalo farming, goat farming, water user group, tea farming group etc. so that community forestry user group may monitor as a parent agency and there will be less risk of programme failure. In these sub-group models, people from all categories have active participation for discussion, decision making, planning and commitment for implementation.
- ❖ The sub-groups have provision to return the loan mobilized through their fund within three months. For all categories of income generation activities, it may not be practicable. Therefore, the time should be flexible.
- ❖ A detail study with resource inventory in the allocated land will provide great information about the forest condition. Therefore, the researcher should carry out these types of researches in the sub-groups.
- ❖ Sub-group concept should be extended in CFUGs to adopt the active forest management system with micro-saving and fund mobilization for IG activities.

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ANNEX 1: Community Forestry Sub-group level Household Survey Questionnaire and Checklist

August 2009

Name of Respondent:

Sex:

Age:

Education:

Sub-group Name:

1. Demography, and education

Male	Female	Total	Education					
			Illiterate	Literate	Primary	Secondary	Above SLC	

2. Major Occupations of Family Members (Please tick for correct answer)

- A. Potato farming
- B. Alcohol Production
- C. Poultry
- D. Retail shop/business
- E. Contractor
- F. Teacher
- G. Driver
- H. Other (Specify)
 - Selling Amount Per Year (If potato production is done):

3. Livestock:

Animal	Buffalo	Cow	Goat	Sheep	Other (Specify)
No.					
Income per year Rs.					

4. Forest Product Collection

A. Fuelwood supply from CF:

Before sub-group:Bhari, Now:..... Bhari.

Reason for decrease/increase in supply:.....

Average collection time per Bhari: Before sub-group: Bhari. Now:..... Bhari

B. Fodder and Leaf litter Collection per Year

Products	Demand (Bhari)	Supply (Bhari)	Collection time for 1 Bhari in Hour		Remarks
			Before	Now	
Fodder					
Leaf litter					

4. Participation

- Who participate in General Assembly from your HH? (Please)

- | | | |
|------|--------|------|
| Male | Female | Both |
|------|--------|------|
- Do you participate in discussion if you are present in GA?
 - Do you go to sub-group meeting?
 - Do you participate in discussion or not?
 - Do you participate for NTFPs plantation and other forest management activities?

Are you saving micro-fund in your sub-group?

For what kind of purposes, you mobilize the sub-group fund? (Take one years information).

Purposes	Loan in Rs	Income from the activity

Participation based questionnaires: Collection from group discussion of sub-group member

How many percentages of sub-group members go to CFUG general assembly?

Ultra-poor=

Women=

How many percentage of sub-group members speak in the assembly?

Ultra-poor=

Women=

What is the percentage of ultra-poor and women to be participating in the assembly?

Ultra-poor=

Women=

How many percentages of ultra-poor and women are participating in the sub-group meeting?

Ultra-poor=

Women=

How many percentages of ultra-poor and women can speak strongly in the sub-group meeting?

Ultra-poor=

Women=

Checklist for Information collection in subgroups (PRA, Focus group discussion, Minutes, records etc)

- Representation of ultra-poor and women in sub-group.
- Representation of sub-group members in FUG committee (If)
- Savings, source of income and fund mobilization status in sub-group
- Benefit sharing system in sub-group.
- Activities performed by sub-group member last year
 - Plantation, cultivation
 - NTFP collection from allocated land
 - Agricultural crops produced on allocated land (If)
 - Poor and women empowerment programme
 - Poverty alleviation programme
- Involvement of organizations before and after sub-group formation.
- Provision for ultra poor in OP and constitution
- Number and types of trainings/workshops involving sub-group members (If).
- SWOT analysis of sub-group model.

ANNEX 2: Name list of Identified Poors supported by Shankhadevi CFUG for IG activities

Name of Identified Poor	Sub-group Name	IG Activities	Amount
1. Gyan Bdr Tamang	Dharedhunga	Share holder for Bhimeswor paper enterprise(CFUG)	Rs 4700/-
2. Padam Bdr Tamang	Dharedhunga	Share holder for Bhimeswor paper enterprise(CFUG)	Rs 4700/-
3. Amar Bdr Shrestha	Jhingan	Goat farming(CFUG)	Rs 2000/-
4.Dhan Bdr tamang	Jhingan	Goat farming(CFUG)	Rs 2000/-
5.Nima Sherpa	Jhingan	Share holder for Dhasinge Enterprise (NSCFP)	Rs9262/-
6.Dhawadholma Tamang	Dharedhunga	Share holder for Dhasinge Enterprise(NSCFP)	Rs 9262/-
7. Ram Bdr Tamang	Dharedhunga	Share holder for Dhasinge Enterprise(NSCFP)	Rs 9262/-
8. Jhilke Tamang	Dharedhunga	Share holder for Dhasinge Enterprise(NSCFP)	Rs 9262/-
9. Phurwasange Tamang	Jhingan	Goat farming (CFUG)	Rs 2000/-
10. Shuka Lal Tammang	Dharedhunga	Goat farming(CFUG)	Rs 2000/-
11. Jit Bdr Tamang	Dharedhunga	Goat farming(CFUG)	Rs 2000/-
12. Nima Tamang	Jhingan	Goat farming(CFUG)	Rs 2000/-

Source: Shankhadevi CFUG OP and Bhimeshwor Paper Enterprise Business Plan

ANNEX: 3 Name List of Sub-groups Formed and Supported by ANSAB

<i>SN.</i>	<i>Name of Sub-group</i>	<i>CFUG</i>	<i>Category</i>
1	<i>Gipsingpakha</i>	<i>Bhitteri Pakha</i>	<i>Old</i>
2	<i>Sunsari</i>	<i>Bhitteri Pakha</i>	<i>Old</i>
3	<i>Milijuli</i>	<i>Bhitteri Pakha</i>	<i>Old</i>
4	<i>Nagthan</i>	<i>Bhitteri Pakha</i>	<i>Old</i>
5	<i>Devithan</i>	<i>Bhitteri Pakha</i>	<i>Old</i>
6	<i>Yarsa</i>	<i>Boldesetidevi</i>	<i>Old</i>
7	<i>Gamnage</i>	<i>Boldesetidevi</i>	<i>Old</i>
8	<i>Magargaun</i>	<i>Charnawoti</i>	<i>Old</i>
9	<i>SotreGhurmise</i>	<i>Charnawoti</i>	<i>Old</i>
10	<i>Khanidanda</i>	<i>Dhandesinghdevi</i>	<i>Old</i>
11	<i>Laligurash</i>	<i>Jhareni</i>	<i>Old</i>
12	<i>Dhandchaur</i>	<i>Majhkharka</i>	<i>Old</i>
13	<i>Bojhepani</i>	<i>Majhkharka</i>	<i>Old</i>
14	<i>Devithan</i>	<i>Majhkharka</i>	<i>Old</i>
15	<i>Dharedhunga</i>	<i>Shankhadevi</i>	<i>Old</i>
16	<i>Ganeshthan</i>	<i>Shankhadevi</i>	<i>Old</i>
17	<i>Jhingan</i>	<i>Shankhadevi</i>	<i>Old</i>
18	<i>Suspa</i>	<i>Suspa</i>	<i>Old</i>
19	<i>Chyandanda</i>	<i>Thansadeurali</i>	<i>Old</i>
20	<i>Gaudachape</i>	<i>Thansadeurali</i>	<i>Old</i>
21	<i>Guphachape</i>	<i>Thansadeurali</i>	<i>Old</i>
22	<i>Manetar</i>	<i>Thansadeurali</i>	<i>Old</i>
23	<i>Kande</i>	<i>Sirjana</i>	<i>New</i>
24	<i>Indra devi</i>	<i>Sirjana</i>	<i>New</i>
25	<i>Laligurans</i>	<i>Sirjana</i>	<i>New</i>
26	<i>Srijanshil</i>	<i>Sirjana</i>	<i>New</i>
27	<i>Sarswoti</i>	<i>Chanedanda</i>	<i>New</i>
28	<i>Odare</i>	<i>Sirjana</i>	<i>New</i>
29	<i>Thuldhunga</i>	<i>Sirjana</i>	<i>New</i>
30	<i>Nigale Setidevi</i>	<i>Kitnibhir</i>	<i>New</i>
31	<i>Khadadeve</i>	<i>Gairi</i>	<i>New</i>
32	<i>Lahare</i>	<i>Gairi</i>	<i>New</i>
33	<i>Sadung</i>	<i>Gairi</i>	<i>New</i>
34	<i>Jansrijansil</i>	<i>Jugedarkha</i>	<i>New</i>
35	<i>Gochet</i>	<i>Sirjana</i>	<i>New</i>
36	<i>Aankhebhume</i>	<i>Sirjana</i>	<i>New</i>
37	<i>Hilemaidane</i>	<i>Gairi</i>	<i>New</i>
38	<i>Chitre</i>	<i>Gairi</i>	<i>New</i>
39	<i>Srijana poor Group</i>	<i>Sirjana</i>	<i>New</i>
40	<i>Nigalebhanjyang</i>	<i>Gairi</i>	<i>New</i>
41	<i>Gothapani</i>	<i>Kitnibhir</i>	<i>New</i>
42	<i>Jagarkalika</i>	<i>Mahadevstan</i>	<i>New</i>
43	<i>Gurung danda</i>	<i>Phalampokhari</i>	<i>New</i>
44	<i>Setidevi</i>	<i>Phalampokhari</i>	<i>New</i>
45	<i>Jhor</i>	<i>Mahadevstan</i>	<i>New</i>