

PPA

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Alliance (PPA)

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ACRONYMS

ANSAB	Asia Network for Sustainable Agriculture and Bioresources
CBFE	Community Based Forest Enterprise
CF	Community Forest
CoC	Chain of Custody (Certification)
DCSI	Department of Cottage and Small-scale industries
DDC	District Development Committee
DFO	District Forest Office
DoF	Department of Forests
DPR	Department of Plant Resources
FECOFUN	Federation of Community Forestry Users, Nepal
FM	Forest Management
FSC	Forest Stewardship Council
FUG	Forest User Group
GAC	Gorkha Ayurved Company (P) Ltd.
GCP	Global Conservation Program of USAID
HBTL	Himalayan BioTrade Pvt. Ltd.
HJSS	Himali Jadibuti Sarokar Samuha
HMG	His Majesty's Government
HNTFPCC	Herbs and Nontimber Forest Products Coordination Committee
M&E	Monitoring and Evaluation
MFSC	Ministry of Forests and Soil Conservation
MIS	Marketing Information System
MOU	Memorandum of Understanding
NGO	Non-Governmental Organization
NNN	Nepal NTFP Network
NSCFP	Nepal Swiss Community Forestry Project
NTFP	Non-Timber Forest Product
P&C	Principles and Criteria
PPA	Public Private Alliance
RA	Rainforest Alliance
SDC	Swiss Agency for Development and Cooperation
SNV	Netherlands Development Organization
US	United States
USAID	United States Agency for International Development
VDC	Village Development Committee

INTRODUCTION

The goal of the Certification and Sustainable Marketing of Non-Timber Forest Products (NTFP) Public Private Alliance (PPA) project is to link Nepal and foreign NTFP buyers, Nepali producers, and NGO and government programs assisting the NTFP sector in order to:

- increase incomes and employment for Nepal's NTFP producers (especially in remote rural areas);
- promote sustainable resource management;
- institute a certification program for NTFP in Nepal; and
- expand responsible buying practices among industry members in the West.

This new alliance brings together U.S. product buyers and designers (Aveda and its extended industry contacts of the American Herbal Products Association); certification expertise (Rainforest Alliance); a diverse range of Nepali companies (Himalayan BioTrade Pvt. Ltd. and Gorkha Ayurved Company (P) Ltd); Nepali Networks and NGOs (Asia Network for Sustainable Agriculture and Bioresources – ANSAB, Nepal NTFP Network, Himali Jadibuti Sarokar Samuha, and Federation of Community Forestry Users, Nepal); and donors (The Ford Foundation, SNV, and SDC) that have been developing community forest user groups and NTFP industry coordination within Nepal. Aveda and Rainforest Alliance are new partners in the alliance and bring global cutting edge industry and certification expertise to the alliance.

The alliance members have worked together to contribute ideas and direction to the project proposal as well as work plan and its implementation. With its solid track record in coordinating the Nepali partners and delivering NTFP enterprise and forest management services to community forest user groups, ANSAB has been coordinating overall alliance activities by holding meetings, providing business development services to NTFP enterprises, and administer product design and product development research grants in order to achieve the following specific objectives of the project.

- 1) Promote Community Based Forest Enterprises (CBFE) to ensure sustainable use of NTFP, alleviate poverty in rural areas, and consolidate Forest User Groups' supplies to make attractive to buyers
- 2) Implement certification model for Nepal that takes into account its NTFP and forest user group (FUG) resources and encourages good governance of community resources
- 3) Improve and maintain quality and consistency of Nepali NTFPs
- 4) Gain better market position for Nepali NTFP in international markets; including exploration of certification options and design coordination with buyers
- 5) Educate NTFP buyers on how to support Nepal NTFP industry to achieve sustainable long-term supplies of quality products
- 6) Lobby for an enabling policy environment for free and fair trade practices

This annual performance report presents the progress of the PPA project, which is principally funded by USAID Nepal, for the period from September 27, 2002 to September 30, 2003. With the project, the NTFP promotion alliance has been developed and strengthened. The alliance offers opportunities for demonstrating and generating leading practices in: 1) certification models for NTFP and forest communities; 2) poverty alleviation for forest communities through industry/producer product design collaboration; and 3) NTFP industry “responsible buying” practices. Each of the alliance members has a proven track record in their area of expertise and the activities have potential for replication across Nepal as well as other parts of the world.

As the direct fieldwork under this project is only concentrated for a pilot certification and product development, the project intends to achieve its objectives by coordinating with other stakeholders (mostly alliance members or through them other relevant stakeholders) and their programs. Bajhang and Dolakha have been identified for pilot product certification initiative (see **Figure 1: Location Map in Annex 17** for the pilot districts).

The first year of the project is to strengthen coordination among alliance members, and explore the possibilities and initiate activities for product certification, product development, international marketing and policy alignment for free and fair trade of NTFPs. In this year, most of the efforts were directed towards developing understanding and coordination among alliance members for NTFP promotion. The project brought together alliance members and key stakeholders of NTFPs to promote sustainable management of NTFPs and community based forest enterprises. Apart from alliance building, many of the activities planned for enterprise promotion, certification initiatives, product design and development, NTFP marketing, and policy improvement have been completed successfully. The first year work has laid a good foundation to launch the alliance activities to achieve the alliance objectives in the future.

The alliance activities planning meeting was held to identify the alliance activities and coordination mechanism to promote NTFPs. With various interaction programs and collaboration developed between the concerned stakeholders, coordination among the alliance members in product development, marketing, and NTFP certification strengthened. The project undertook a baseline study in Dolakha and Bajhang, a field visit of alliance members and policy makers to Dolakha, and a multi-stakeholders workshop on certification and marketing. The project furthered product development initiatives, and organized a “get certified” workshop and training on NTFPs and forest certification.

On the policy front, the project carried out an NTFP policy analysis study and organized district level policy surveys and workshops and NNN sharing meetings, and shared NTFP policy issues through meetings, workshops, and task force meetings of Herbs and NTFPs Coordination Committee. In the field, the project organized workshops on NTFPs supplies consolidation and network development, and provided training on enterprise management, accounting and record keeping, and NTFP management. Networks of

FUGs for NTFP marketing and supply have been developed and initial feasibility studies for community based enterprise development undertaken.

The alliance received appreciation and participation from several other organizations including Nepal Foresters Association (NFA), Nepal Swiss Community Forestry Project (NSCFP), Intermediate Technology Development Group (ITDG), Nepal Australia Community Resource Management & Livelihood Project (NACRMLP), District Forest Offices (Bajhang and Dolakha), Livelihoods and Forestry Programme, Alternative Herbal Pvt. Ltd., Natural Resource Management Sector Assistance Programme (NARMSAP) and SeedTree in its certification and NTFP marketing related activities.

SUMMARY OF PROGRESS

a) Activities Planned for Year 2003

Activity Number	Activity Title
Objective 1: Promote Community Based Forest Enterprises...	
1.a	Alliance planning meeting and work plan completion
1.b	Prioritization of geographic areas, FUGs, and community based forest enterprises
1.c	Workshop of FUGs for networking and consolidation of their NTFP supplies
1.d	Linkage between CBFEs and FUGs and their trade networks
1.e	Marketing Information support system
1.f	Enterprise and management training
1.g	Monitoring and Evaluation plan and impact tracking
1.h	Alliance coordination
1.i	Documentation of best practices and lessons learned
Objective 2: Implement certification model for Nepal...	
2.a	Information collection and documentation on NTFP certification models
2.b	Certification prioritization
2.c	Certification visit to Latin America
2.d	Requirement analysis and development of certification model
2.e	Technical and logistical support to install certification system in Nepal
2.f	Certification Training/workshops
2.g	Publication on NTFP certification initiatives in Nepal
Objective 3: Improve and maintain quality and consistency of Nepali NTFPs	
3.a	Training to FUGs/CBFEs on NTFP harvesting, processing and marketing
3.b	Promotion of certification program with NTFP industry
3.c	Product certification
Objective 4: Gain better market position for Nepali NTFP in international markets...	
4.a	Product selection and product design option exploration
4.b	Product design and product development
4.c	Training on product development and marketing to CBFEs
4.d	Establishment of linkage between Nepali NTFP producers and international buyers
4.e	Nepali NTFP promotion
Objective 5: Educate NTFP buyers on how to support Nepal NTFP industry...	
5.a	Promotion of Nepali NTFP certification system in NTFP industry abroad
5.b	Industry leadership conference in US
5.c	Documentation and dissemination of NTFP related issues
Objective 6: Lobby for an enabling policy environment...	
6.a	Review and analyze NTFP
6.b	Organize forums for policy advocacy

Table 3 – Summary of Accomplishments

Objective 1: Promote Community Based Forest Enterprises...

1.a. Alliance planning meeting and work plan completion

Project work plan: With inputs from the Nepali alliance members, the draft work plan was prepared and provided to USAID in October 2002. USAID comments were incorporated and the final work plan (for contractual provision) was submitted to USAID. The final work plan, which was still open for further discussion in the alliance activities planning meeting in January 2003, was distributed to the alliance members to review and discuss.

NTFP promotion alliance meeting: A meeting among Nepali alliance members and key stakeholders was held on January 2 in Kathmandu, where total representatives from the organizations in Kathmandu including FECOFUN, SNV, MFSC, DPR, DoF, New Era, NSCFP, HJSS, HBTL, NNN, ANSAB, and USAID were present. The meeting discussed on the work plan, identified criteria for the geographic area as well as product selection. Preliminary lists of potential products for NTFP certification and product development and international marketing were also discussed. The meeting also discussed on the alliance coordination mechanism and identified the agenda for the alliance activities planning meeting.

Alliance activities planning meeting and proceedings of Alliance meeting: Alliance members in the country (ANSAB, NNN, HJSS, DoF, MFSC, DPR, HBTL, GAC, and SNV) as well as in the US (Aveda, Rainforest Alliance) were present. The meeting enhanced coordination among the members; discussed on and finalized the draft work plan and M&E plan; discussed on issues related to product certification, product development, and international marketing; and developed criteria and prioritized products for certification and product development. The proceedings of the alliance meeting prepared and distributed to alliance members. The proceeding of the alliance activities planning meeting is provided in **Annex 1**.

Finalization of work plan: The work plan prepared beforehand served as a basis for discussion during the alliance activities planning meeting and other planning processes. With the inputs from the alliance members and USAID during various occasions, more importantly during the alliance activities planning meeting, the draft work plan was further revised. The final work plan was shared with alliance members and submitted to USAID.

1.b. Prioritization of geographic areas, FUGs, and community based forest enterprises

Prioritization criteria development and geographical areas selection: Criteria for prioritization of geographic areas were discussed among the alliance members in the planning meetings. The criteria for the areas selection included accessibility for pilot test, community forestry support system, high potential for commercial production and marketing of NTFPs, and FUGs capacity and willingness to participate in the project initiatives. From the discussions, districts of Bajhang and Dolakha were selected for pilot NTFP certification and product development initiatives. A field visit to Dolakha was organized for all the Nepali alliance members in and other several field visits were organized in the pilot districts for prioritization of the field areas and field activities.

As the alliance got to know more about the NTFP certification process and issues and the potential of the FUGs in selected districts, the criteria for FUGs selection were prepared. The criteria are provided below.

List 1: Criteria for Prioritization of FUGs

1. Richness in NTFPs
2. Potential for sustainable management, harvesting and marketing of NTFPs including export products (enterprise oriented FUGs)
3. Institutional and resource management capacity showing potential to meet the FSC P&C
4. FUGs already gaining external support in institutional and forest management or potential to get such support soon
5. FUGs with bigger forest area handed over or potential for expansion
6. FUGs potential for clustering and networking for consolidated supply of NTFPs and coordination for forest management
7. FUGs initiating or interested to improve their monitoring and auditing systems
8. FUGs showing interest to participate in forest certification and ready to improve their institutional and forest management systems

Based on the criteria, FUGs likely to be involved in this pilot initiative have also been identified in these two districts. However, as the program unfolds further, the FUGs and CBFEs to be involved in pilot activities will be selected for and involved in the certification and enterprise promotion and marketing activities. Below is the list of prioritized FUGs/CBFEs in the pilot districts.

List 2: Prioritized FUGs in Pilot Districts

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Shree Binayak Pimidanda CFUG
<i>Kailash, Bajhang</i> 2. Lahare CFUG
<i>Gadaraya, Bajhang</i> 3. Binayak CFUG
<i>Gadaraya, Bajhang</i> 4. Hemantawada CFUG
<i>Hemantawada, Bajhang</i> 5. Ranada CFUG
<i>Kotdewol, Bajhang</i> 6. Kailash Kachaharikot Women CFUG
<i>Kailash, Bajhang</i> | <ol style="list-style-type: none"> 7. Bhitleri FUG
Boch, Dolakha 8. Pandit Kamala FUG
Jhyaku, Dolakha 9. Bhatekhola Kamalamai FUG
Jhyaku, Dolakha 10. Thulonagi FUG
Jiri, Dolakha 11. Kalobhir FUG
Jiri, Dolakha 12. Suspa FUG
Jiri, Dolakha 13. Dhadesingdevi FUG
Boch, Dolakha |
|--|---|

List 3: Prioritized CBFEs for Enterprise Development Support

1. Malika Handmade Paper Pvt. Ltd.
Kailash, Bajhang
2. Bhitleri Forest Products Processing Enterprise
Boch, Dolakha
3. Pandit Kamala Forest Products Processing Enterprise
Jhyaku, Dolakha
4. Devdhunga Multipurpose Cooperative
Charikot, Dolakha
5. Humla Oil Pvt. Ltd.
Simikot, Humla
6. Tripura Sundari Enterprise
Tripurakot, Dolpa
7. Bhagwati Oil Processing Enterprise
Urthu, Jumla

I.c. Workshop of FUGs for networking and consolidation of their NTFP supplies

For community based enterprise promotion and marketing of NTFPs, the project organized workshops and interaction programs to discuss and develop networks of FUGs and CBFEs. These workshops were participated by FUGs, district FECOFUN, CBFEs, NTFP traders, DFO, District Development Committee (DDC), Village Development Committee (VDC), and NGOs. With the project efforts, new enterprises and NTFP marketing networks are being developed.

Workshops/meetings: A workshop on networking opportunities of FUGs producing NTFPs for marketing was held in Dolakha along with a district level NTFP policy analysis workshop. The workshop was organized on 12-13 August, 2003 in Charikot where about 22 participants were involved. The workshop identified major six NTFPs that have potential for marketing and enterprise development purpose. Those products are Lokta, Argeli, Chiraito, Machhino, Lauthsall, and Allo. The workshop also decided to develop the extension materials of these products to create awareness among forest users. The workshop further decided to develop one co-operative for NTFPs trade and promotion. One small task force was formed to carry on the network and cooperative development activities.

Similarly two workshops on NTFPs supply consolidation network were organized in Jiri area, the first one on August 12, 2003 with 16 participants and the other on October 21, 2003 with 13 participants mostly from Jiri area representing FUGs, district FECOFUN, NTFP traders, paper producers, NGO facilitators, and forestry officials. The objectives of the workshops were to network the NTFPs producers and consolidate the NTFPs supply for the better marketing coordination and improvement in NTFPs quality. The workshop discussed on the possibilities of promoting community based enterprises and marketing efforts of FUGs and other producers. To further the network development and enterprise promotion activities, the workshop formulated a 5 member task force comprising of FUG members, individual entrepreneurs, and district FECOFUN. The several task force meetings were held and concluded to register NTFPs

cooperative in Jiri area. The legal documents for registration are being prepared by the task force.

A planning workshop for consolidation of NTFP supplies was held among members of ShreeHERBIL (Shree Binayak Pimidanda FUG, Hemantawada FUG, Ranada FUG, Binayak FUG, and Lahare FUG) from June 16-17, 2003 in Hemantawada VDC, Bajhang. Major agenda of discussion were organizational structure, system development for the enterprise, business strategy, and process of NTFP collection, transportation and marketing. The workshop discussed on business planning, organizational structure, and defined functions for each structural area. In addition, the workshop developed a vision for five year, finalized the business processes of the network and the business planning for year one. All together 18 participants were present.

As a follow up activity, a workshop among 59 members from the participating FUGs of Shree HERBIL network was organized on June 21 in Chainpur, Bajhang to discuss and finalize the organizational structure, businesses and other issues discussed during the planning workshop. The workshop approved HERBIL organizational structure, business plan and organizational systems. With the workshop and other interaction programs, the HERBIL members have become aware on HERBIL organizational structure, policies, strategies, and long-term and short term organizational plans, and networking and coordination among the participating FUGs has strengthened in the areas of management and marketing of NTFPs.

Similarly, a workshop on network development for Allo production and marketing was held on June 19, 2003 in Rilü, Bajhang. A total of 56 participants, mostly from FUGs and Allo production, were present to discuss on development of Allo enterprises and collective initiatives for improved marketing. The workshop has raised awareness on Allo enterprise opportunities in the district and developed a plan to establish a collective enterprise for Allo processing. The preliminary plan has identified about 20 settlements to be potential for Allo production and processing.

Enterprises/Networks: With the workshops and other interactive activities as mentioned above, 4 network enterprises are being developed. A FUG network called ShreeHERBIL represents five FUGs (Shree Binayak Pimidanda FUG, Hemantawada FUG, Ranada FUG, Binayak FUG, and Lahare FUG) in Kailash area in Bajhang. This network enterprise plans to initiate NTFP trading activities in the district. Another product network for *Allo* production and marketing is being developed in Bajhang to produce, process, and market Allo from Bajhang. In Dolakha, two networks are being developed, one in Jiri area and the other in Charikot. Both networks plan to undertake handmade paper processing and NTFPs trading activities in the district. The project is supporting these network enterprises in feasibility study, business planning, organizational management, and skill development areas.

1.d. Linkage between CBFs and FUGs and their trade networks

Linkages between community based enterprises and FUGs are being developed and strengthened in the pilot districts. In Dolakha, apart from the two networks that are being developed, Devdhunga cooperative has established linkages with surrounding FUGs for consolidation and marketing of wintergreen. In Bajhang, Malika has developed a linkage with FUGs around (Shree Binayak Pimidanda, Binayak, and Ranada) to source Lokta bark for its operations. HBTL and

other community based enterprises like Malika in Bajhang, Pandit Kamala in Dolakha, and Humla Oil in Humla are involved in marketing of paper and essential oil. HBTL is buying products and providing marketing services to these enterprises. HBTL made a trip to Malika, Devdhunga, and Pandit Kamala to develop business linkages and improve coordination in marketing of NTFPs. The relationship between GAC and HBTL has enhanced. These enterprises are exploring possibilities of using each other's services for sourcing raw materials and marketing their products.

1.e. Marketing Information support system

ANSAB has been maintaining a marketing information support system in NTFP sector in Nepal. It has been providing price, technology, quality, and buyers contact information to various development organizations, NNN members, FECOFUN, and through its local partners to district based traders and development organizations, and FUGs and NTFP collectors. For the marketing information system, ANSAB has leveraged funds from SDC, SNV, and other organizations working in forestry sector in Nepal.

Market information, primarily demand, price, buyers, in major market centers in Nepal and India (Nepalgunj, Kathmandu, Lucknow, Delhi) for main 22 products (Alainchi, Amalbed, Amala, Atis, Bojho, Chiraita, Dalchini, Guchhi Chyau, Jatamansi, Kakarsinghi, Majitho, Padamchal, Pakhanbed, Rittha, Satawari, Satuwa, Sikakai, Silajit, Sugandwal, Suntho, Tejpat, Timur) collected and disseminated to the organizations working in NTFPs and through ANSAB partner NGOs and field staff to FUGs, local traders and communities in Karnali region and Darchula. From the second half of the year the price information of the other markets (Tanakpur and Kolkatta) was also included in the regular Marketing Information system. In addition to the regular marketing information, ANSAB provides information on processing technology, demand, business management and promotion services to the entrepreneurs, NGO and project facilitators and community based organizations on demand. As the demand of the marketing information has increased, ANSAB is planning to expand the marketing information services reach to the grassroots through regional MIS centers in the country. (**Annex 2** provides a sample sheet of NTFPs price information)

1.f. Enterprise and management training

To improve the business practices, Enterprise Management Training Workshop was organized for Malika Paper in Bajhang. A total of 34 participants representing enterprise management, executive committee, audit committee, and FUG members were present in the training workshop. The training workshop discussed on enterprise management issues of community based forest enterprises. As a result, the production system of the enterprise has been changed and new system has been introduced to the enterprise.

From August 16-18, 2003, Accounting and Record Keeping Training was organized for the members of the enterprise management, executive committee, and audit committee of Malika Paper in Bajhang. About 18 individuals including three females were trained during the training.

As the ShreeHERBIL stood out to be the potential collective enterprise in Bajhang, Basic Enterprise Management Training was provided to ShreeHERBIL FUG network. A total of 14 members from the board of the network participated the training. The training gave an exposure to the participants on business processes and management techniques of an enterprise.

A pre-feasibility study for a new enterprise development was undertaken in Bajhang. The study revealed Allo as a most prominent product for enterprise development in the district. Based on the outcomes of the study, the networking activities as mentioned above have initiated in the district.

Entrepreneurship Development and Management Training was held on August 3-6, 2003 in Dolakha for potential entrepreneurs, FUG leaders, traders, and community based enterprises. Twenty two participants including three females participated in the training. As a result of the training, two individuals and two FUGs have initiated new enterprises in NTFP sector. Other individuals have also applied the learning of the training to improve the business management activities. For example, Pandit Kamala Forest Product Processing Enterprise used to produce paper without a market survey. After the training, two key management staff attempted to survey the market demand of the paper before starting the paper production.

To promote community based enterprises, a feasibility study has been initiated in Jiri and Charikot areas in Dolakha. The preliminary survey has indicated Argeli and Lokta as most prominent products for FUGs and entrepreneurs to initiate a new enterprise.

1.g. Monitoring and Evaluation plan and impact tracking

Design, preparation of M&E Plan: With the inputs from the alliance members in Nepal, first draft of M&E was prepared and submitted. While incorporating the comments from USAID and inputs and suggestions from Alliance Activities Planning Meeting and the alliance members, the draft plan was revised and the final M&E Plan prepared and submitted to USAID.

Role distribution among alliance member for M&E: M&E Plan was discussed among the alliance members in a meeting held on February 3, 2003 and role division among alliance member was made for monitoring and evaluation of the project performance.

Baseline study design and baseline establishment: To track the project performance, a project monitoring system has been designed. In accordance with the monitoring design, the baseline information has been collected from the select two districts (Bajhang and Dolakha). Collection of data as planned in the baseline study while maintaining reliability and accuracy became rather difficult given the context of limited budget for this purpose and under developed record keeping and information management system of FUGs, CBFs, and other concerned stakeholders in the districts. The project has heavily utilized the information available at district forest offices for NTFP transactions and community forestry related activities. Information on employment at the district level has been pooled from the records at district cottage and small industry development boards. And the FUGs and CBFs level information has been collected by reviewing the available documents and interviewing the responsible persons. The following table provides summarized information on each indicator set in the (M & E) Plan.

Table 1: Information for each indicator for year 2002 (Year 0) for Bajhang and Dolakha districts

INDICATORS	Bajhang	Dolakha
Total production from FUGs (kg)	8000	195600
Total production from CBFEs (kg)	1400	1476
Gross sales from FUGs	192000	2338703
Gross sales from CBFEs	525200	922975
Employment	96	947
Types of NTFP buyers		
• Responsible	1	3
• Without concern	26	28
Gross margin per unit quantity for select products		
• Nepali Handmade Paper in CBFE (Kg.)	75	69.25
• Wintergreen oil (Kg.)	0	190
Number of producer groups organized for consolidated supply	0	0
Quantity of NTFPs supplied by consolidated groups	0	0
FUGs with NTFPs provision in OP		
• 0 Level	224	145
• 1 Level	8	86
• 2 Level	3	3
• 3 Level	1	0
• 4 Level	0	0
FUGs that have included biological monitoring		
• 0 Level	226	95
• 1 Level	5	75
• 2 Level	4	64
• 3 Level	1	0
• 4 Level	0	0
FUGs that have implemented biological monitoring		
• 0 Level	231	170
• 1 Level	4	64
• 2 Level	1	0
• 3 Level	0	0
• 4 Level	0	0
Quality standards defined	-	-
Quality standards adopted	-	-
Change in buying practices	-	-
Industry members educated	-	-
Industry linkages / networks cultivated	-	-

Note: Grade 0 refers "no" to 4 refers "sufficient consideration"

The baseline data was collected as of December 2002. As per the project monitoring and evaluation plan, the yearly project monitoring data which reflects the changes in the key indicators over the year will be collected in January - February 2004. The monitoring data will be analyzed and shared with the alliance members in March - April 2004. **Annex 3** provides the detail on the baseline information.

1.h. Alliance coordination

ANSAB has already established formal Memorandum of Understanding (MOU) with many of the alliance members. As the alliance keeps expanding, the MOUs with new members will be established as needed. The project has arranged meetings, workshops, and visits for the alliance members and key stakeholders in this sector, and has kept the alliance members informed and involved in the related project activities. Apart from occasional meetings and discussions for the alliance activities coordination, alliance members participated in the Dolakha field visit, multi-stakeholders workshop on NTFP certification and marketing, 'get certified' workshop, NTFP certification training, national level policy workshop on NTFPs, and NNN sharing meeting on NTFP policy and program coordination.

Preparation of communication product guideline and PPA press release: Since the alliance involves various types of stakeholders, guideline for communication was felt necessary in the planning meeting. Accordingly, with the consultation of the alliance members including in the US, guideline for preparation of communication product was prepared. A draft press release (particularly for US press) was prepared with the inputs and consultation of the alliance members. **Annex 4** provides the communication guideline and **Annex 5** provides the PPA press release.

MOUs: Various issues of coordination and collaboration for PPA project activities discussed with already identified alliance members and potential new members. Memorandum of Understanding (MOUs) with FECOFUN, HJSS, GAC, SNV and HBTL have been established and the alliance has expanded to include SNV, MFSC, DPR, and DoF. A sample of MOU is provided in **Annex 6**.

PPA introduction piece (Nepali) and meeting with MFSC: To introduce the PPA project to the minister and the high ranking officers in the MFSC, one page write up on PPA was prepared and meeting with MFSC was held. MFSC showed its full support for the project and hoped PPA could play an instrumental role in feeding required policy inputs to the newly formed NTFP Development Committee. **Annex 7** provides the PPA introduction piece in Nepal.

Alliance coordination meeting and updating: Alliance coordination meetings among Nepali alliance members (ANSAB, HJSS, MFSC, HBTL, FECOFUN, SNV, and USAID Nepal) were held on February 3, 2003, and September 9, 2003 to update the members on the project progress and upcoming activities. In addition to these meetings, separate meetings with individual members were held to coordinate the PPA activities. The project discussed on about alliance activities coordination issues during other activities like certification workshops, certification training, national policy workshop, and NNN sharing meetings. These meetings reviewed the progress of the alliance and discussed about the activities to be held.

Field visit to Dolakha: To create greater impact by involving wider range of stakeholders including policy makers, this field visit activity was planned to coincide with multi-stakeholders workshop under the PPA project and the policy makers' visits under GCP project. The participating organizations for this activity included MFSC, DoF, DPR, DCSI, FECOFUN, SDC, NSCFP, SNV, USAID, FNCCI, HJSS, NNN, HBTL, GAC, DFO-Dolakha, DDC-Dolakha, DAO-Dolakha, Ex-MPs-Dolakha, and ANSAB. The field visit interacted with the district level

stakeholders as well as forest user groups and community based enterprises in the district. During the reflection session, the field visit team discussed about the issues grouped into three areas namely: enterprise oriented resource management, NTFP certification, enterprise development. The detail of the field visit is provided in **Annex 8**.

1.h. Documentation of best practices and lessons learned

As the project is venturing a new initiative in Nepal in partnership with key participants from private and public sectors, the project plans to document new learning from implementation of the alliance activities. Though the alliance had planned to document best practices and lessons learned in the first year, it was realized that it was too early to come up with a written document on best practices and lessons learned for a wider audience. In year two, the project will try to document best practices and lessons learned in the areas of NTFP management, community based enterprise development, product development, and international marketing for sharing the learning with wider audience. All the interested alliance members will take part in documenting best practices and learning related to their areas of expertise.

Objective 2: Implement certification model for Nepal

With its NTFP certification initiative, the project intends to establish recognition for NTFPs of Nepal in order to increase incomes and employments to the local communities. The NTFP certification combined with international marketing efforts of alliance members has been taken as a potential tool to create market based incentives for sustainable harvesting and use of NTFPs. In year one, the alliance did the following activities.

2.a. Information collection and documentation on NTFP certification models

The project has collected a lot of information related to forest and NTFPs certification, especially on FSC forest and NTFP certification, in its first year of operation. Through various mechanisms (document sharing, meetings, workshops, and planning exercises), the information has been shared among the alliance members and the key stakeholders involved in the pilot certification activities. With the information, FSC group certification system has been identified as a most appropriate option for Nepal in which FECOFUN will play a central role as a group certificate holder.

To educate the community stakeholders on forest and NTFP certification, Nepali translation of Forest Stewardship Council (FSC) principles and criteria has been completed. In addition, a Nepali document on forest and NTFP certification process has been prepared. These documents have been used for extension as well as NTFP certification training and workshops in the field. During the certification training in Dolakha, the Nepali materials on certification were tested. With the inputs collected from the field as well as from the ANSAB program staff working with grassroots communities, the Nepali materials are being improved.

2.b. Certification prioritization

Criteria for products selection for certification: In the pilot certification, the alliance plans to initiate NTFPs certification for only select products. For this purpose, Nepali Alliance Member

Meeting on January 2, 2003 developed the draft criteria. In the Alliance Activities Planning Meeting on January 7-8, the draft criteria discussed and finalized. The criteria for product selection for certification as well as product development are as follows.

List 4: Criteria for Product Certification and Product Development

- 1) Volume of product
- 2) International market demand
- 3) Consistent quality
- 4) Local knowledge on harvesting/management systems and technical processing issues
- 5) Benefits (employment and income) large number of poor rural women and men
- 6) Potential for sustainable management
- 7) High value (margin to producers)
- 8) Potential for value addition locally
- 9) Mostly found in Nepal
- 10) Resource managed by Community Forest User Groups, management plan and biological monitoring in place

Prioritization of Products for certification: The Nepali Alliance Members Meeting also identified the potential products for NTFP certification and product development. The products identified by the meeting were presented in the Alliance Activities Planning Meeting and prioritized using the criteria developed for certification. The two top rated products are handmade paper (Lokta) and essential oils (Wintergreen). The select products and products rating are provided in the table below.

Table 2: Prioritized Products for Certification and Product Development

Product	Product Selection Criteria									
	1	2	3	4	5	6	7	8	9	10
<i>Abies spectabilis</i>	H	?	H	A	H	M				
<i>Artimisia vulgaris</i>	H	H	H	A	H	H	M			
<i>Cinnamomum glaucescens</i>	M	?								
<i>Cinnamomum tamala</i>	H	L		A						
<i>Cordyceps sinensis</i>	M	H		A						
<i>Daphne species</i>	H	H		A	H	H	H	H	H	H
<i>Edgeworthia gardneri</i>	H	M?*		A						
<i>Gaultheria fragrantissima</i>	H	H	H	A	H	H	H	H	M	H
<i>Juniperus indica recurva cummunis</i>	M	H	H	M						
<i>Morchella conica</i>	H	H		A	H	H	H	N/A	M	H
<i>Nardostachys grandiflora</i>	H	L*	H							
<i>Valeriana jatamansi</i>	H	H*	H							
<i>Zanthoxylum armatum</i>	H	L								
<i>Rhododendron anthopogon</i>	H	L*	H							
<i>Tagetes minuta</i>	M	H	L							
<i>Swertia chirayita</i>	H	H	M							

L = low; M = medium; H = high; A = available; *Potential

Note: Products had to be scored as high or be qualified with potential on items one and two to continue on scoring.

Prioritization of geographic area and FUGs/CBFEs for certification: Considering the products rated high for certification and product development, potentiality of availing supports for the certification initiatives, and potential capacity and interest of FUGs to participate in the new initiatives, Dolakha and Bajhang districts have been selected for the certification initiatives. Technical support of NSCFP to FUGs in Dolakha and technical support of ANSAB under GCP project to FUGs in Bajhang also was counted. FUGs/CBFEs that are supported by NSCFP and ANSAB in Dolakha and those by ANSAB in Bajhang, as these organizations together with DFOs and other stakeholders in the districts have developed their capacity in community forest management and NTFP based enterprises, have been identified as most potential for the pilot certification. The lists of the prioritized FUGs and CBFEs in these two districts are given above under activity 1.

2.c. Certification visit to Latin America

To gain the knowledge and insight on requirements, process, and design issues of NTFP certification, three certification sites in Brazil were selected as these sites were the most appropriate to learn NTFPs certification issues. Rainforest Alliance developed the field visit plan and made coordination with the local organizations to support the Nepali team in site visit program including the logistic arrangement and visit facilitation. With the consultation of the alliance members including Rainforest Alliance, the Latin America visit was planned for July 13-23, 2003. However, the field study visit dates changed to adjust with the schedule of the Nepali and Brazilian participants in the program. The visit took place in the second week of August 2003. The following persons from Nepal participated in the study visit program.

Dr. Bijnan Acharya, CTO, USAID Nepal
 Dr. Keshav R. Kanel, Deputy Director General, Department of Forests
 Mr. Francisco Tolentino, Advisor, SNV Nepal
 Mr. Bhishma P. Subedi, Alliance Coordinator/Executive Director, ANSAB

The experience of the visit was shared among the PPA alliance members during the alliance coordination meeting in September 2003. **Annex 9** provides the details on the study visit program and insights and lessons learned from the experience of Brazil in NTFP certification.

2.d. Requirement analysis and development of certification model

Selection of certification model: The project initiated requirement analysis for NTFP certification in Nepal from very beginning of the alliance activities planning meeting and continued it during the various activities of the alliance including the visits of Rainforest Alliance, NTFP certification workshops and training, and Latin America visit. FSC (Forest Stewardship Council) NTFPs certification was identified as it is the widely recognized certification system in forestry and looks into issues of environmental, social and economic sustainability. From the discussion and analysis, a group certification model (FECOFUN as the principle group certificate holder) has been identified as a most appropriate option for Nepal's FUGs and chain of custody certification for the community based enterprises involved in NTFPs businesses.

Preliminary assessment for NTFPs certification: Preliminary assessment for certification was done and report on the assessment was prepared and disseminated to the alliance members. This activity was led by Rainforest Alliance. To meet the certification objectives and to plan for certification activities contained in the year one work plan, information was specifically collected for: a) analyzing Community Forest User Group's (FUG) readiness for certification; b) prioritizing FUG areas to be assessed in a pilot certification; c) analyzing potential group certificate holders readiness for certification; d) understanding chain of custody linkages; e) understanding the potential market benefits of certification; f) developing the training materials and sessions and to prepare for the implementing certification and; and g) developing a Latin American study tour that would be the most beneficial given the Nepalese context. Below in Box 1 given is a portion of the pre-assessment report. **Annex 10** provides the details of the workshop and training proceedings.

Box 1: A brief analysis of the FUG's management in comparison to the FSC Principles

Principle 1: Compliance with Laws and FSC Principles

Positives: FUGs are authorized under Nepali law. FUGs are monitored for law compliance by local government forestry offices. FUG ideology is compatible with the FSC P&C

Principle 2: Tenure and Use Rights and Responsibilities

Positives: FUGs have contracts for use right tenure. Government not politically in a position to change FUG laws substantially. Use rights are defined. Long-term forest management is being practiced. Security from illegal harvesting and occupation is part of the FUG responsibilities

Unknown: Resource agreements and settlements with secondary user groups

Principle 3: Indigenous Peoples' Rights

Unknown: Definition of "Indigenous Peoples" in the Nepalese context

Principle 4: Community Relations and Workers' Rights

Positives: Community is the primary authority in management. Community participation appears high. FUGs have institutionalized democratic processes. Focus on poverty alleviation

Workers receive training. Local processing a goal and is done when feasible. Focus on equal opportunity for women and disadvantaged

Unknown: Grievance procedures are in place. Equal opportunities actually exist. Fair distribution of opportunities. Worker health and safety considerations. Maturity of individual FUGs in community development/democratic process

Principle 5: Benefits from the Forest

Positives: Focus on poverty alleviation. Local processing when and where feasible. Traditional knowledge is compensated. Distribution of benefits go to community. Diversification of local economy

Unknown: Minimization of waste. Market value is being paid for products. Revenue is sufficient to cover forest management. Financial viability

Principle 6: Environmental Impact

Positives: Field assessments and inventories are made prior to active management. Low intensity management practices. No use of chemical pesticides or fertilizers or genetically modified organisms.

Regeneration and ecological information available for most commercial species. Landslide prone area or steep slopes and stream or water sources are considered for conservation zones

Unknown: Protection of wildlife and other non-commercial species in management. Protection of Rare, Threatened and Endangered species. Landscape level considerations. Harvesting of non-commercial species

Principle 7: Management Plan

Positives: FUGs have multi-year management plans that are revised every five years (required by law). Management plans target commercial species. Maps are available. Social impacts are included.

Incorporation of non-commercial species

Unknown: Landscape plan

Principle 8: Monitoring and Assessment

Positives: Socio-economic monitoring. Beginning biological monitoring. Annual Allowable. Harvest is monitored. Regeneration is monitored

Unknown: Extent and utility of the biological monitoring

Principle 9: Maintenance of High Conservation Value Forests (HCVF)

Positives: Low impact management. Concentration on NTFPs

Unknown: Definition of HCVF in the Nepalese context. Extent of fuelwood harvesting

Principle 10: Plantations

NOT APPLICABLE

For an entity to become a candidate for group certification, there are some fundamental elements needed to operate a group entity including: 1) a technically qualified staff who can manage the forest management, administration and fiscal responsibilities of the group entity; 2) the financial capacity and support to maintain the required systems and staff and pay for the annual audits over the length of the certification contract (5 years); 3) a legal structure that will allow the organization to enter into contracts and agreements; 4) have some standing or relationship with the FUGs. Although there may be more, two organizations in Nepal that appear to have the organizational capacity to be a group certificate holder are ANSAB and FECOFUN.

2.e. Technical and logistical support to install certification system in Nepal

Workshops, training, and other interactive events undertaken under other activities have contributed to raising awareness among FUGs, CBFs and other stakeholders in the pilot districts about the forest and NTFP certification. These activities have also contributed to strengthening the capacity of the participants in improving forest management planning and monitoring processes. To further the certification process, the alliance has discussed on the required support system for the pilot areas. From the certification training/workshop, the alliance has developed an action plan which, to some extent, is being implemented by the alliance members and the key stakeholders concerned. The action plan is given in the table below.

Table 3: Action Plan for a Pilot Certification in Nepal

S.N.	Activity/Event	Timeframe	Responsibility
1	Capacity strengthening and preparation of center FECOFUN to become a group certificate holder	July-April	FECOFUN
2	Selection of FUGs	July-August	Alliance members and other stakeholders
3	Preparation of extension materials in Nepali	July-August	ANSAB
4	Training to DFO and NGO staff, FUGs and CBFES on certification	August-October	Alliance members
5	Facilitation in developing an action plan for individual FUGs	July-April	Alliance members
6	Technical assistance on FUG capacity building and improvement of operational plans and monitoring system	July-April	Alliance members and other stakeholders (projects/NGOs)
7	Assessor training	November	Rainforest Alliance/ANSAB

Rainforest Alliance will extend its expertise to the alliance members in installing a certification model in Nepal. As a preparatory work, assessors training, development of system for group certification, institutional development and organization support to FECOFUN for certification, FUGs capacity building and improvement of operational plans will be done.

2.f. Certification Training/workshops

In year one, the following training and workshops were organized to clarify issues and processes and build the capacity of the NTFP stakeholders in forest and NTFPs certification.

Multi-stakeholders workshop (1 day workshop): Multi-stakeholders workshop on NTFP certification was held on 14th of April, 2003 in Dhulikhel to discuss on certification issues along with the field visit program under the PPA project and policy makers' field visit program under the GCP. The participating organizations in this workshop were MFSC, DoF, DPR, DCSI, FECOFUN, SDC, NSCFP, SNV, USAID, FNCCI, HJSS, NNN, HBTL, GAC, DFO-Dolakha, DDC-Dolakha, District Administration Office-Dolakha, Ex-MPs-Dolakha, and ANSAB. The workshop was instrumental in making understanding among participants about the certification programs and discussed on potential costs and benefits of certification, certification processes, and preparatory work for capacity building of FUGs for forest and NTFPs certification in the pilot districts (see **Annex 8** for further details).

Get Certified workshop and NTFP certification training: Get certified workshop and trainings were organized among the alliance members and key national level stakeholders in the country. The workshop was primarily designed and facilitated by Rainforest Alliance. The workshop and training took place over a four-day period beginning June 9, 2003. The objectives were to: 1) provide an understanding of the FSC and SmartWood certification process; 2) provide and understanding of how to get certified; 3) identify potential barriers to FUGs attaining certification; 4) develop Interim Nepal SmartWood Guidelines; 5) help participant develop some auditing skills; 6) choose a group certificate holder and potential FUG operations for the pilot certification assessment project.

“Get Certified” workshop: “Get Certified” workshop was dedicated to providing introductory information about the FSC, Rainforest Alliance/SmartWood and the certification process and procedures. This first day of the four-day training was open to a wide variety of participants. Thirty-eight people attended the workshop. The primary objective was to broaden the knowledge base about the project and FSC NTFP certification. The Get Certified Workshop included: a) a history, structure and accomplishments of the Rainforest Alliance and the FSC; b) a discussion of FSC markets and certification benefits; c) an overview of the Forest Management (FM) certification standards including both the FSC Principles and Criteria (P&C) and the SmartWood Generic Guidelines, d) an overview of the Chain of Custody (CoC) certification standards and FSC policies; e) the field assessment process; f) the field assessment protocols and data collection techniques; and g) data analysis, synthesis and report writing.

NTFP Certification Training: The Get Certified workshop provided the primary background on forest management and chain of custody certifications. The training participants were primarily from government, NGO, association, private industry and foreign aid staff directly involved with FUG financial or technical assistance and business. There were approximately 25 participants. The workshop focused on the remaining background information that would be important to certification in Nepal, namely group and NTFP certification requirements. The session included descriptions and discussion of: a) Group certification benefits; b) group certificate holder responsibilities; c) group member responsibilities; d) group certification assessment procedures; e) FSC Group certificate policies; f) FSC NTFP policies; g) SmartWood NTFP guidelines; and h) Current NTFP certified products.

The participants performed a theoretical assessment of the Forest User Groups and reviewed the SmartWood guidelines within the Nepali context and proposed additional Criteria and Indicators. The assessment was based on the participants’ collective knowledge of FUG practices, policies and laws. The participants were first divided into the three FSC chambers, environmental, social and economic, according to their professional training or interest. Three assessment teams were then formed, each team being made up of a balanced representation of the three chambers. The teams were asked to compare each criterion to their knowledge of the Forest User Groups’ management.

The group as a whole went over the CoC guidelines and talked about whether community manufacturing operations and private businesses could meet the requirements. The group also went through the Group Certification requirements for both forest management and chain of custody. The group discussed and prioritized what organization would be the best candidate for

being the forest management group certificate holder, and what FUGs would be the best candidates to participate in the pool, for a certification pilot project. From the group discussion, FECOFUN was selected to serve as the forest management group certificate holder for the pilot initiative. In addition, an action plan was also developed to further the certification initiatives in Nepal. **Annex 11** provides the details on the get certified workshop and the NTFP certification training.

District level certification training: NTFPs and forest Certification training to district level stakeholders was organized on July 14- 16, 2003 in Dolakha. The objectives of the training were to: a) create awareness about sustainable forest management and forest certification to the district level stakeholders; b) discuss on the FSC P&C; and c) develop and finalize the action plan for the forest certification activities in the district. A total of 24 participants representing DFO, local NGOs, district FECOFUN, district HJSS, district FNCCI, DDC, District Cottage and Small Industries Board were present among others. The training has raised awareness regarding the process, methods, and agencies of the forest certification and identified the actions to be taken in the district. The action plan includes: a) group identification; b) gap analysis (between FSC P&C and FUG systems, operation plans and their capacity in forest management); c) technical assistance to FUGs capacity building and improvement of operational plans and their systems.

2.g. Publication on NTFP certification initiatives in Nepal

ANSAB and the other alliance members are working in publishing forest and NTFPs certification initiatives in Nepal through print as well as electronic media. Proceedings on the field visit program and the multi-stakeholders workshop, get certified workshop, NTFP certification training are among the major publications for wider audience to learn about the project activities and certification initiatives in Nepal. A video documentary on the field visit and multi-stakeholders workshop was prepared and broadcast on national television channel (NTV) in May. In addition, an article on forest and NTFP certification in Samayik Prakashan (a publication of FECOFUN) was published. The article was written by FEFOFUN Member Secretary, Bhola Bhattarai. **Annex 12** provides the article on forest and NTFP certification.

Objective 3: Improve and maintain quality and consistency of Nepali NTFPs

Inconsistent product quality is one of the main constraints to the promotion of Nepali NTFPs market, especially in international market. Quality standards of Western companies were and are being explored and communicated to CBFs (HBTL and through it to other enterprises in Bajhang, Dolakha, and other districts). On the request of western companies, especially of the alliance company in the US, analyses of essential oils were done and the analysis reports and samples were provided to the alliance company for product development and market assessment. To address quality issues of NTFPs, following activities were planned and undertaken in year one.

3.a. Training to FUGs/CBFEs on NTFP harvesting, processing and marketing

Trainings on Lokta Management (harvesting, processing, and marketing) were organized on May 7-9, 2003 at Daya and on May 16-18, 2003 at Gorkhali to provide Lokta harvesting, processing, and marketing knowledge and skills to FUGs/CBFEs from Talkot and Kotdeval range post areas in Bajhang. The participants were mainly FUG committee members, FUG members, Lokta collectors, and local level traders. About 67 participants (32 participants at Daya and 35 at Gorkhali) were trained on Lokta management.

3.b. Promotion of certification program with NTFP industry

To promote forest and NTFP certification in NTFP industry in Nepal, discussions on NTFP certification with various kinds of stakeholders including community based enterprises, NTFP traders, and manufacturing companies were done at the national level as well as in the districts of Bajhang and Dolakha through training, workshops, meetings, and other interactions which are described in other section of the report. No other specific activity was undertaken this year.

3.c. Product certification

The awareness raising and capacity strengthening activities were undertaken at various levels as described above. No product certification was done this year, as it was not planned for the year.

Objective 4: Gain better market position for Nepali NTFP in international markets

One of the main objectives of this project is to promote Nepali NTFPs in international markets to gain better market so as to generate increased incomes and employments for the communities in Nepal. Under this objective, the project initiated product development activities in collaboration with select alliance members, NTFP processing companies, and buyers in the West. The project has also been utilizing the certification system as a marketing strategy in attracting international buyers. Some product design exploration and product development activities have been initiated and the linkages between Nepali CBFEs and international buyers are being developed.

4.a. Product selection and product design option exploration

Product and design selection criteria developed and products selected: From the alliance planning meeting, the project finalized the criteria for product selection (please see 2.b above). Based on the criteria, the alliance prioritized the potential products, which are given in Table 1 above. The alliance further identified the following potential areas for the product development.

List 5: Potential Product Development Areas

1. Hand made paper products
2. Essential oil products
3. Herbal teas
4. Herbal incense
5. Herbal cosmetics (personal care)
6. Ayurvedic medicine

7. Handicrafts

Products categories for product development and international marketing were explored and Nepali handmade paper and essential oils categories were selected. In coordination with HBTL and Aveda, Nepali handmade paper product design and essential oil product options are being explored.

To further the product development work, Request for Proposal (RFA) for NTFP product development was prepared and advertised in Kantipur national daily (please see **Annex 13** for the advertisement copy of the RFA). Only a few interested and experienced companies applied for the product development research grant. The companies selected for the product development grant in year one are- a) Malika Handmade Paper for paper making from agricultural residue, b) Sherpan Herbal and Chemicals Pvt. Ltd. for Pagar soap making, and c) Himalayan BioTrade for essential oils and handmade paper product development.

4.b. Product design and product development

Apart from the product development work coordinated by Aveda, product development from essential oils, paper making from residue of cereal crops and waste materials, and Pagar soap making have been selected and implemented under product development work in year one.

Pagar Soap: Product design and development work on Pagar soap has been completed. Under the product development process, soap was developed from Pagar fruit and Naru roots. The developed soap was tested within ANSAB staff and the community volunteers in Mugu district where ANSAB is undertaking feasibility study to establish an enterprise. With the suggestions and inputs from the users, the product was further refined. The main areas of improvement were made in color, shape, odors, and quality of lather foam. The improved soap was tested in the national quality research lab. From the lab test, it is proven to be non-toxic and usable. In year two, the project intends to assess its market demand in the mountain districts, especially in Mugu, before promoting it for a large scale production.

Handmade paper from waste materials: Paper product development from residue of cereal crops is being done in Bajhang. This product development research aims to develop appropriate technology and product that utilizes the agricultural residues to fulfill the paper demand of local markets. This activity is believed to be important for creating employment opportunities in Bajhang and utilizing the unused production capacity of Malika handmade paper resources. If it is feasible from technical, economic, and market aspects, training and commercial production will be planned in the future.

Essential Oils product: HBTL proposed to develop pain relief massage oils from the combination of the various essential oils, primarily from Wintergreen, Eucalyptus, Mint, Citronella, Juniper, and Camphor extracts. The product development work is being undertaken with five different formulas. In year two, the product will be tested for financial and market feasibility.

4.c. Training on product development and marketing to CBFEs

A training on product development and marketing was organized for the staff of Himalayan BioTrade company in year one. The training provided the participants knowledge and skills on development of various types of paper products. The participants also learned about marketing strategies, techniques, and tips. With the training support, HBTL has initiated development of new paper products.

4.d. Establishment of linkage between Nepali NTFP producers and international buyers

Linkages among CBFEs (HBTL, GAC, Malika Paper-Bajhang, paper factories in Dolakha including Pandit Kamala, distillation enterprise in Dolakha) in the country and with Aveda are being developed. Samples of essential oils (Anthopogon) and product descriptions and analysis reports on Anthopogon, Wintergreen, Zanthoxylum) have been provided to Aveda and the US market. In addition, samples of Nepali handmade paper products have been provided to Aveda and US market. Paper product development work is being explored in coordination with HBTL and Aveda and Aveda is trying to promote Nepali hand made paper in the western market.

4.e. Nepali NTFP promotion

Communication with international buyers, especially to the alliance company- Aveda, has been undertaken to promote Nepali NTFPs. Through Rainforest alliance, Aveda and American Herbal Product Association, Nepal's initiatives towards NTFP certification, community based enterprise development and coordination for international marketing have been shared and communicated to American herbal industry. The alliance also utilized the Industrial Leadership Symposium to promote Nepali NTFPs by highlighting the potential of Nepali NTFP industry and sustainable NTFP management initiatives (please see below for Industrial Leadership Conference). In year two, apart from other promotional activities, a trade visit to the US will be organized where CBFEE promoters and management will participate in trade shows, expos, and international buyers' offices to promote Nepali products.

Objective 5: Educate NTFP buyers on how to support Nepal NTFP industry

Realizing that the existing market channels through India do support much on sustainability of the resource supply and the livings of the collector communities and Western buyers are buying NTFPs originated from Nepal through Indian channels, the project has planned to educate western buyers through industry leaders and associations about the issues related to NTFPs and their sustainable supply.

5.a. Promotion of Nepali NTFP certification system in NTFP industry abroad

From the very beginning of the development process of Nepali NTFP certification system, NTFP industry leaders and international buyers have been consulted to get their inputs and certification requirements. Participating in the industry leadership conference that was scheduled last year but held in the second week of October, the project shared initiatives taken in Nepal for sustainable management and responsible business practices among the industry members in the US and has promoted Nepali NTFPs in the US market. Discussions and communications are ongoing with

Aveda and American Herbal Products Association on NTFP issues and their potential roles in promotion of Nepali NTFPs. Through Rainforest Alliance, the initiatives taken in Nepal on NTFP certification are being shared abroad.

5.b. Industry leadership conference in US

Industry leadership symposium was scheduled last year. However, it was moved to the second week of October 2003. Ms. Ann Koontz, Mr. David Hircock, and Mr. Bhishma P. Subedi, the alliance coordinator, participated in the industry leadership symposium. Travel fund for Mr. Subedi was sourced from other project. As the NTFP industry leaders in the US were present in the conference, the presentation and participation from the Nepali alliance members was very important to educate the industry on Nepal's initiatives in NTFP certification and product development. The alliance coordinator shared with industry members present there about the NTFPs of Nepal and the issues related to NTFP development and business in Nepal. The US industry leaders and businesses were also presented on how they could support sustainable use of Nepali NTFPs and collector communities while also benefiting their business from sustainable supply of the raw materials. Among others, the conference was sponsored and coordinated by Aveda, and around 100 leaders from NTFP industry and sub sector largely in the US were present in the conference. Ms. Koontz played an important role in this symposium from the beginning as a member of the organizing committee and as a key facilitator of the symposium.

5.c. Documentation and dissemination of NTFP related issues

In year one, documentation and dissemination of NTFP related issues has been done in conjunction with the NTFP policy analysis and discussion activities described below under the objective 6 (see **Annex 16**). The issues related to social, cultural, economic, political, and environmental have been shared and discussed in various policy analysis and NTFP activities coordination forums. Forums like HJSS, NNN, and FECOFUN were also utilized for discussion and dissemination of NTFP related issues.

Objective 6: Lobby for an enabling policy environment

The project intends to contribute to creation of enabling policy environment for free and fair trade practices in Nepal so as to promote sustainable resource utilization and profitable NTFP business development in the country. In year one, the project along with other projects of ANSAB undertook policy survey and analysis workshops in the districts and organized a national policy workshop on NTFPs, which developed policy recommendations. The recommendations of the workshop and inputs of ANSAB through other various forums have been well received by the Herbs and NTFPs Coordination Committee. The committee has been working on improving NTFP policies and operational guidelines.

6.a. Review and analyze NTFP

While working with the alliance and other projects, ANSAB has acquired a wealth of knowledge on NTFP policy issues. Recognizing its capabilities, ANSAB has been selected by the government of Nepal to represent the NGOs and communities on Herbs and NTFP Coordination Committee, a policy making body chaired by Minister for Forests and Soil Conservation. As expected by the policy makers and anticipated under this project as well, ANSAB provided

suggestions and recommendations on NTFP policy to the task forces and the committee meetings. The main areas of NTFP policy concern for this reporting period were: a) development of national NTFP policy, b) prioritization of NTFPs for cultivation, c) review of royalty rates for major NTFPs, d) Collection and trade of some banned NTFP species (Kutki, Panchaule, and Okhar), e) NTFP trade and enterprise promotion policies (taxation, incentive mechanisms, etc.). In addition to various technical committee meetings, the coordination committee meeting that was held on March 14, 2003 under the chairmanship of the Minister of MFSC was participated to provide policy feedbacks and suggestions. **Annex 14** provides the meeting minutes of the coordination committee.

One NNN sharing meeting was held to discuss on NTFP policy and coordination of NTFP programs. Partnering with HJSS and other key NTFP stakeholders, district level policy analysis surveys and multi-stakeholders workshops were conducted in 9 districts (PPA funding utilized for the survey and workshops in Dolakha, Bajura, Kalikot, and Darchula). Each district workshop which reviewed and analyzed the policy survey results in the district consolidated the ideas and suggestions of the various NTFP stakeholders in the district and prepared policy recommendations. Incorporating the outcomes of the district level policy analysis workshops and reviewing the relevant NTFP policy documents, HJSS prepared a policy analysis and recommendation. The policy analysis and recommendation paper was presented in the national workshop on NTFPs by HJSS. Similarly, consolidating the policy outcomes of various forums, surveys, and analyses as well as the experiences and insights from the community forestry and enterprise development projects, ANSAB prepared specific policy recommendations which were also presented in the national policy workshop on NTFPs. The presentations are included in the workshop proceedings.

6.b. Organize forums for policy advocacy

Policy discussion forums: NTFP promotion issues were discussed in three NNN sharing meetings (**Annex 15** provides the minutes of the NNN meetings). As a result an understanding and coordination among NNN members for ground work for NTFP certification and promotion is being developed. NTFP policy issues were analyzed and shared in the meetings and task forces of Herbs and NTFPs coordination committee, meetings and workshops coordinated along with and by HJSS, FECOFUN, and NNN.

National NTFP policy development process and national workshop: As the Herbs and NTFPs Coordination Committee chaired by Minister of Forests and Soil Conservation created a task force to solicit recommendations for policy reform in this sector, and ANSAB was nominated to coordinate the this taskforce and the policy development process, ANSAB organized and coordinated various policy analysis surveys, workshops, meetings, and interaction programs as described above to solicit recommendations from the grassroots to national level stakeholders. To reconcile the various level of policy recommendation outcomes, ANSAB organized a national level policy workshop on July 4–5, 2003 at Nagarkot involving widest possible range of stakeholders that represent a variety of institution including Ministry of Forest and Soil Conservation (MFSC), Department of Forests (DoF), Department of Plant Resources (DPR), Federation of Community Forest Users Nepal (FECOFUN), Himali Jadibuti Sarokar Samuha (HJSS), NTFPs promotion Public Private Alliance (PPA), Nepal NTFPs Network (NNN), and donor organizations including USAID and SNV Nepal.

The workshop was to identify policy related opportunities and challenges in NTFPs sub-sector, and make policy recommendation addressing social, economic and environmental concerns. Seven NTFP policy analysis presentations were made by ANSAB, DoF, DPR, FECOFUN, HJSS, IDRC/MAPPA, and ANSAB/NEFEJ, each being followed by a short discussion on the pertinent issues. Three groups were made to have in-depth analysis and recommendations on the three main themes- *enterprise oriented resource management, enterprise development, and marketing and trade*. The group analysis and recommendations presented to a plenary and an action plan drafted. The task force that was formed to finalize the action plan prepared the final version of the action plan, which was forwarded to the coordination committee and shared, shared among relevant stakeholders. The action plan has identified 15 specific areas of potential interventions/actions along with their respective responsible institution and time frame. One of the major outputs of the workshop was Nagarkot declaration for NTFPs policy improvement and recommendations for further actions. **Annex 16** provides the proceedings of the national policy workshop on NTFPs.

b) Funds management for PPA Activities

In year one (1/3rd of the total project period), the project has invested Rs. 21,406,719 to undertake the project activities. Out of the total investment, USAID fund contributed nearly 29% and rest 71% came from the leveraged funds (see Table 4 below). Unlike other type of project, this alliance project needed to be flexible to accommodate the concerns of the alliance members. The activities planning meeting of the project was held in January. Before that no substantial work could be done. As a result most of activities were to be undertaken later part of the year. Nevertheless, the project became able to forge alliance among the key NTFP stakeholders and leverage funds from the alliance members. ANSAB did it best to be most effective and cost efficient while implementing the project activities by matching the interests and sharing the resources of other projects and organizations.

Table 4: Cumulative Funds for PPA Activities

S.N.	Organization	Amount in Rs.
1	USAID Nepal Fund	6,170,402
2	Leveraged Fund*	
a	Asia Network for Sustainable Agriculture and Bioresources (ANSAB)	7,863,017
b	Aveda	4,600,000
c	Nepal NTFP Network (NNN)	
	Federation of Community Forestry Users Nepal (FECOFUN)	103,000
	Himalayan BioTrade Pvt. Ltd.	347,000
	Enterprise, Environment, and Social Impact Consulting (E ² SIC)	1,131,250
	SNV Nepal	177,750
	Gorkha Ayurvedic Company (GAC)	414,000
	NNN members contribution	600,300
	<i>NNN Total</i>	<i>2,273,300</i>
	Total Leveraged Fund	15,236,317
	Grand Total	21,406,719

Note: *The leveraged fund is estimated by the concerned organizations for their in-kind and other contribution to the PPA. As some of the alliance members have not supplied their records for the entire period, the figures showed here are likely to go up.

MANAGEMENT ISSUE

Collection of data as planned in the baseline study while maintaining reliability and accuracy became rather difficult given the context of limited budget for this purpose and under-developed record keeping and information management system of FUGs, CBFs, and other concerned stakeholders in the districts. The project has heavily utilized the information available at district

forest offices for NTFP transactions and community forestry related activities. Information on employment at the district level has been pooled from the records at district cottage and small industry development boards. And the FUGs and CBFEs level information has been collected by reviewing the available documents and interviewing the responsible persons. Since the record keeping system is yet to be improved in the districts, the project has realized that it has to work on this to improve the information management system and is planning to have some activities in the next year program.

Center level activities as well as field level activities in Bajhang went on successfully with a high level of participation of the alliance members and other stakeholders. The workshop and training on certification has increased awareness among most of the participating forestry stakeholders on sustainable forest management as the principles and criteria can serve as a basis for developing programs for capacity building of FUGs and improvement of community forest management operation plans. However, translation of this awareness into the field to develop FUGs capacity and improve the forest management practices will take time. The workshops and training provided in the field have increased their motivation level and knowledge base and contributed to strengthen networks and organizations. This has served as a foundation work, but there is a need of follow up activities so that the communities and their initiatives can land on proper place resulting to improved NTFP management, enterprise development, and NTFP marketing.

At the field level, since the most of the project activities are limited to training and workshops and these are not enough to develop the FUGs capacity to meet the criteria of NTFP certification, the project will have to find support from other programs and projects. So is the case with enterprise development and capacity building of CBFEs. In Bajhang, the project has tied up with the other projects of ANSAB so that the proper follow up is carried out in the field to further the NTFP certification and enterprise promotion activities. In Dolakha, the project expects to get support from Nepal Swiss Community Forestry Project and district forest office programs. The project has realized that there is a need of greater coordination and resources in the field. Nevertheless, the alliance from year two plans to extend technical assistance to FUGs and CBFEs in improving their management plans and strengthen their capabilities so as to improve the sustainable resource management and meet the criteria of industry as well as FSC NTFP certification.

The security situation in the both districts had improved some period and the confidence of communities in the forestry activities and enterprises had increased which helped create a better environment for implementation of the field activities. However, the later part of the year the situation changed and there is still a chance that the situation might even be further worse in the future to influence the field activities.

ANNEXES

Annex 1: Proceedings of the Alliance Activities Planning Meeting

**Certification and Sustainable Marketing of
Non-timber Forest Products (NTFPs) - Public Private Alliance**

**Alliance Activities Planning Meeting Proceedings
January 8-9, 2003, Kathmandu**

Asia Network for Sustainable Agriculture and Bioresources (ANSAB)

New Baneshwor

P.O. Box 11035, Kathmandu, NEPAL

Contact: Bishma P. Subedi, Executive Director

Introduction

Alliance activities planning meeting of the Certification and Sustainable Marketing of Non-Timber Forest Products (NTFPs) - Private Public Alliance was held in Kathmandu on January 8-9, 2003, and the detail program of the meeting is given in Annex 1. The meeting was organized by ANSAB with the following goals:

- Alliance partners get to know each other better and establish a working relationship;
- Each partner gains an understanding of the project goals and objectives and clearly provides their expectations for the project and these expectations are leveled off and rationalized among partners;
- Partners gain a preliminary overview of certification issues, industry dynamics and expectations, and NTFP issues in Nepal, especially for Community Forest User Groups (FUGs); and
- The year one draft work plan is reviewed and finalized.

Representatives from all alliance members identified so far were present in the meeting. They include U.S. product buyers and designers (Aveda and its extended industry contacts of the American Herbal Products Association); certification expertise (Rainforest Alliance); a diverse range of Nepali companies (Himalayan BioTrade Pvt. Ltd. and Gorkha Ayurved Company (P) Ltd); Nepali Networks and NGOs (Asia Network for Sustainable Agriculture and Bioresources – ANSAB, Nepal NTFP Network (NNN), Himali Jadibuti Sarokar Samuha (HJSS), and Federation of Community Forestry Users, Nepal (FECOFUN)); government (MFSC, DPR, DOF); and donors (USAID, SNV) that have been developing community forest user groups and NTFP industry coordination within Nepal. There were 20 participants, and the detail list is found in Annex 2.

The goal of the Certification and Sustainable Marketing of Non-Timber Forest Products (NTFP) alliance is to link Nepal and foreign NTFP buyers, Nepali producers, and NGO and government programs assisting the NTFP sector in order to:

- increase incomes and employment for Nepal's NTFP producers (especially in remote rural areas);
- promote sustainable resource management;
- institute a certification program for NTFP in Nepal; and
- expand responsible buying practices among industry members in the West.

The specific objectives are:

- Promote Community Based Forest Enterprises to ensure sustainable use of NTFP, alleviate poverty in rural areas, and consolidate Forest User Groups' supplies to make attractive to buyers
- Implement certification model for Nepal that takes into account its NTFP and forest user group (FUG) resources and encourages good governance of community resources
- Improve and maintain quality and consistency of Nepali NTFPs
- Gain better market position for Nepali NTFP in international markets; including exploration of certification options and design coordination with buyers
- Educate NTFP buyers on how to support Nepal NTFP industry to achieve sustainable long-term supplies of quality products
- Lobby for an enabling policy environment for free and fair trade practices

The meeting was also an important step to start in getting all the already identified and potential alliance members on board to promote Nepali NTFPs and community based enterprises.

HIGHLIGHTS OF THE MEETING

During the opening session, Dr. Bijnan Acharya from USAID/Nepal highlighted the scope and challenges of the project, and wished the commitment of all the alliance members for its successful implementation. He also shared that USAID has been assisting Nepal for sustainable management of the forest for a long time, and emphasized that only active participation by the alliance members would make this project successful in achieving its goal and objectives. The opening session was also addressed by Dr. Damodar P. Parajuli, Ministry of Forests and Soil Conservation (MFSC). On his opening remarks, he advised that MFSC is keen to develop different aspects of NTFPs, and appreciated the works carried out by ANSAB and other alliance partners in the areas of NTFPs promotion.

After the goals and expectations for the meeting were presented and discussed, a brief introduction session of Alliance Members with a go around the room, and have each individual/group introduce themselves gave some idea about the participants. A partners contact list was included in the handout packet. A series of presentations were made (followed by plenary discussion and clarification of issues) by alliance members on their areas of expertise, business and experience (see Table 1). These presentations and additional handout materials are found in Annex 3.

Table 1: List of Presentations

Topic of Presentations and Discussion	Presenter(s)
Introduction and overview of the certification and sustainable marketing of NTFPs – Public Private Alliance (PPA)	Mr. Bishma P. Subedi and Ms. Ann Koontz
Product certification and quality assurance initiatives in Nepal	Dr. Uday R. Sharma
Overview on certification processes and Rainforest Alliance initiatives	Mr. Walter Smith
Herbal products industry perspectives – Aveda’s experiences and work with product sourcing and traceability issues	Mr. David Hircock
Community Forest User Groups and sustainable forest management	Mr. Bhola Bhattra
Marketing of NTFPs produced from community based forest enterprises	Mr. Parbat Gurung, HBTL
Processing and marketing of NTFPs produced by local communities	Mr. Prem Tiwari
Overview of community forestry program in Nepal	Dr. Keshav Kanel
Community-based conservation	Ms. Ann Koontz

Wrap-up summary and recapitulation sessions before the end and beginning of the day as well as the clarification of the burning issues after all the presentations were useful to clarify the issues and define the roles of each partner. The consensus on few clarifications worth mentioning as follows:

Certification clarification

- “Certification” widely used but not a substitute for “quality, health, safety standards”
- Self certification, second party vs. third party certification (government involvement varies)
- Only seek certification with clear market in mind and/or as a tool to make business more sustainable
- This project focuses on third party certification (a very small subset of certification) so as to verify independently

Industry Clarifications

- The development of a long-term buyer relationship takes time and a series of trust building steps and demonstration of quality
- For herbal products (Western markets) semi-finished products, not final consumer products (as to minimize marketing cost and also to offer options in producing final products as consumer requirements)

Building on the progress made by the Nepali partners meeting held on January 2, 2003, few activities were selected for the discussions and exercises. These include product selection criteria, potential products for product development and certification, monitoring and evaluation criteria and indicator, project communications and promotion. Thus, a number of methods and processes were employed during the meeting to get to objectives, and they are mainly: presentation of papers, discussion, sharing and clarification, revision of planned activities, product selection criteria development and prioritization exercises, and indicative discussion on monitoring plan. A “cocktail hour” with beverages and snacks served was arranged in the first day evening to continue more mixing and informal exchanges among partners.

The closing was made by Dr. Bijnan Acharya (USAID/Nepal) congratulating all alliance members and ANSAB for their invaluable contribution in making the meeting worthy, interactive and decisive, and Mr. Bishma P. Subedi (ANSAB) offered vote of thanks for everybody for their participation.

OUTCOMES

The Alliance Members and participants found the meeting very useful. Some outcomes of the meeting include:

- Contributed greatly to strengthening the alliance members networking and establishing working relationship.
- Leveled off the alliance members expectations for the project, and conceptualization of the fundamentals of certification and its scope in the project environment.
- Developed product selection criteria and thereof identified the potential products for certification and product development:

Product Selection Criteria

- 1) Volume of product

- 2) International market demand
- 3) Consistent quality
- 4) Local knowledge on harvesting/management systems and technical processing issues
- 5) Benefits (employment and income) large number of poor rural women and men
- 6) Potential for sustainable management
- 7) High value (margin to producers)
- 8) Potential for value addition locally
- 9) Mostly found in Nepal
- 10) Resource managed by Community Forest User Groups, management plan and biological monitoring in place

The score of the products against selection criteria is given in Annex 4, in which *Daphne species*, *Gaultheria fragrantissima*, and *Morchella conica* scored to be the most potential for certification among the certification potential products. The scoring was done in a participatory manner creating selection matrix, which was displayed with on-line edition (computer).

Potential Product Development

1. Hand made paper products
 2. Essential oil products
 3. Herbal teas
 4. Herbal incense
 5. Herbal cosmetics (personal care)
 6. Ayurvedic medicine
 7. Handicrafts
- Developed a framework of monitoring and evaluation criteria and indicators, on which the plan can be built (Annex 5).
 - The year one draft work plan was reviewed and finalized.
 - Suggested follow up action including a MOU to be signed among alliance members, coordination for project implementation.

Annexes

1. **Program Schedule**
2. **List of Participants**
3. **Presentations and Handouts**
4. **Scoring of Products**
5. **Monitoring and Evaluation Criteria and Indicators – For Discussion**

Annex 1: Program Schedule

Venue: Hotel Everest

January 8, 2003	
Time	Topic/Sub-topics
9:00-9:30	Registration
9:30-9:50	Opening remarks
9:50-10:00	Goals and expectations of the meeting
10:00-10:20	Introduction of alliance members
10:20-10:50	Tea Break
10:50-11:10	Introduction and overview of the certification and sustainable marketing of NTFP - Public Private Alliance by Bhishma Subedi and Ann Koontz
11:10-11:30	Product certification and quality assurance initiatives in Nepal by Dr. Uday Raj Sharma
11:30-12:30	Overview on certification processes and Rainforest Alliance initiatives by Walter Smith
12:30-1:30	Lunch
1:30-2:30	Herbal products industry perspectives – Aveda’s experiences and work with product sourcing and traceability issues by David Hircock
2:30-2:45	Community Forest Users Groups (FUG) and sustainable forest management by Mr. Bhim Prasad Shrestha/Bhola Bhattarai
2:45-3:00	Marketing of NTFPs produced from community based forest enterprises (CBFEs) by Mr. Parbat Gurung
3:00-3:15	Processing and marketing of NTFPs produced by local communities by Prem Tiwari
3:15-3:45	Tea Break
3:45-4:45	Panel discussion
4:45-5:00	Wrap up of the day’s work
5:30-7:00	Reception

January 9, 2003	
Time	Topic/Sub-topics
9:30-10:00	Objectives for day two
10:00-10:20	Overview of the community forestry program by Dr. Keshav Kanel
10:20-10:40	Community-based Conservation by Ms. Ann Koontz
10:40-12:30	Clarification of burning issues and roles of the partner institutions
12:30-1:30	Lunch Break
1:30-2:00	Draft work plan review
2:00-5:00	Working session for finalizing the draft work plan and closing

Annex: 2 List of Participants

S.N.	Organization	Name & Designation
1	AVEDA Corporation Carriage House 1626 Yellow Springs Road Chester Springs, PA 19425 USA	Mr. David Hircock, Herbalist
2	Rainforest Alliance/Smart Wood Program 1794 Hilltop Drive Willits, California USA 95490	Mr. Walter Smith Senior Technical Specialist
3	Enterprise, Environment , and Social Impact Consulting (E ² SIC) 3517 Woodside Road Alexandria, VA 22310, USA	Ms. Ann Koontz Director
4	Socio-Economic and Ethno-Political Research and Training Consultancy (SEEPOR) P.O. Box 3635, Baneshor, Kathmandu, Nepal Tel: 470305, 470390	Dr. Devendra P. Chapagain Director
5	United States Agency for International Development (USAID/Nepal) Rabi Bhawan, Kalimati G.P.O. Box 5653, Kathmandu , Nepal Tel: 270171, 270144, 272481	Dr. Bijnan Acharya, Environment and Forestry Program Specialist, GDO Mr. Netra N. Sharma Sapkota, AID Development Program Assistant
6	Foreign Aid Coordination Division Ministry of Forests and Soil Conservation Singha Durbar Kathmandu, Nepal Tel: 223862, 220067	Dr. Damodar P. Parajuli, Chief
7	Nepal NTFP Network (NNN) P.O. Box 11035, Kathmandu, Nepal Tel: 251161, 224892	Dr. Uday Raj Sharma, Director General, Department of Plant Resources (DPR)

8	Community and Private Forests Division Department of Forests Babar Mahal Tel: 247599, 224903	Dr. Keshav Kanel, Deputy Director General
9	Federation of Community Forest Users of Nepal (FECOFUN) Baneshwor P.O. Box: 8219, Kathmandu, Nepal Tel: 485263	Mr. Bhola Bhattarai, General Secretary
10	The Netherlands Development Organization (SNV/Nepal) Bakhundole, Patan P. O. Box 1966, Kathmandu, Nepal Tel: 523444, 523467, 522915	Mr. Francisco Tolentino Micro and Small Forest Enterprise Development Advisor
11	Gorkha Ayurved Company (P) Ltd. PO Box # 3666, Kathmandu, Nepal Tel: 357154	Mr. Prem Tiwari, General Manager
12	Himalayan BioTrade (P) Ltd P.O. Box 2931, Kathmandu, Nepal Tel: 279797	Mr. Parbat Gurung, Managing Director
13	Himali Jadibuti Sarokar Samuha (HJSS) Kathmandu, Nepal	Mr. Lal Kumar K.C., Treasurer
14	Asia Network for Sustainable Agriculture and Bioresources (ANSAB) Baneshwor, P.O. Box 11035, Kathmandu, Nepal Tel: 497547	Mr. Bhisma Subedi, Executive Director Mr. Surya Binayee, Programs / Admin Manager Mr. Indu B. Sapkota, Manager – Community Forestry Mr. Ram H. Subedi, Manager- MIS Mr. Sushil Gyawali, Asst. Project Monitoring Officer Mr. Ram Prasad Acharya, Community Forestry Officer

Annex 5: Monitoring and Evaluation Criteria and Indicators – For Discussion

OBJECTIVES	CRITERIA	INDICATORS
1.Promote CBFEs ... 4.Better market position ...	Income and employment Market position	<ul style="list-style-type: none"> • Gross sales from FUGs/CBFEs • Employment by male/female • Types of NTFP buyers and sales (price & quantity)
2. Certification model 3. Nepal NTFP quality	Steps in sustainable production and process methods	<ul style="list-style-type: none"> • Number of FUGs with NTFP provision in OP • FUGs that have implemented biological monitoring • Quality standards defined • Quality standards adopted • Change in buying practices (qualitative and quantitative)
5.Educate NTFP buyers ...	Effective presentation of issues to industry	<ul style="list-style-type: none"> • Number of industry members educated • Industry linkages cultivated
6.Enabling policy environment	Articulate issues impacting trade practices	<ul style="list-style-type: none"> • Number of issues identified • Number of issues analyzed • Number of issues presented for policy change • Number of policy changes

Annex 2: A Sample Sheet of NTFP Price Information

ANSAB

Baneshwor, P.O. Box 11035, Kathmandu, Nepal,
Phone: 977-1-4497547, Fax: 977-1-4476586, Email: ramsubedi@ansab.org

Price of NTFPs at some Nepalese and Indian cities

June 2003 (Jestha 2060)

S. N.	Products	Latin Name	Parts used	Market Price in Nepali Rupees per kg dried material					
				Nepalgarj	Kathmandu	Kolkata	Lucknow	Delhi	Tanakpur
1	Alainchi	Amomum subulatum	Fruit, seed	-	200	240	224	280	
2	Amalbed	Rheum australe	Stem, leaf	65	65	83	80	79	
3	Amala	Emblica officinalis	Dried fruit	36	40	48	40	48	42
4	Atis	Aconitum heterophyllum	Root	300		440	360	368	288
5	Bojho	Acorus calamus	Root	30	30	34	32	35	32
6	Chiraita	Swertia chiraiya	Whole plant	150	150	200	176	184	144
7	Dalchini	Cinnamomum zeylanicum	Bark	48			56	51	50
8	Guchhi Chyau	Morchella conica	Mushroom	5000	4500			5900	3800
9	Jatamansi *	Nardostachys grandiflora	Rhizome	140	120	200	160	184	160
10	Kakarsinghi	Pistacia integerima	Gull	120	160	144	144	160	128
11	Majitho	Rubia cordifolia	Stem, root		32	48	50	48	48
12	Padamchal	Rheum australe	Root	38	40		50	54	24
13	Pakhanbed	Bergenia ligulata	Root	15	12		19	22	18
14	Rittha	Sapindus trifoliatus	Fruit	16	15	22	16	21	18
15	Satawari	Asparagus racemosus	Root, Shoot	175	180	160	200	160-320	216
16	Satuwa	Paris polyphylla	Tuber & root	220	160		280	368	240
17	Sikakai	Acacia consinna	Dried fruit	16	16	29	19	21	19
18	Silajit*	Silajitum	Whole part	200	240		224	240	208
19	Sugandwal*	Valeriana jatamansii *	Root	95	105	144	144	160	120
20	Suntho	Zingiber officinalis	Rhizome	45	40	56	54	56	51
21	Tejpat	Cinnmorum tamala	Leaf	26	25		32	32	37
22	Timur	Zanthoxyllum armatum	Fruit	105-160	104-150	112	112	120	90

*P/s: Prices indicated above are for dried parts. * Ban on export in crude form*

*Prices of Delhi and Lucknow are from commission agent, a 6.5% commission is deducted from the supplier
Above prices are indicative, have to be confirmed with the traders before making actual business transaction.*

Annex 3: Baseline Report

As documented in the Monitoring and Evaluation (M & E) Plan of the PPA project, baseline information was collected from two PPA pilot districts namely Bajhang and Dolakha for the year 2002 (Year 0) using the procedures and formats as explicated in PPA baseline note. The following Table provides summarized information on each indicator set in the (M & E) Plan.

Information for each indicator for year 2002 (Year 0) for Bajhang and Dolakha districts

INDICATORS	Bajhang	Dolakha
Total production from FUGs (kg)	8000	195600
Total production from CBFEs (kg)	1400	1476
Gross sales from FUGs	192000	2338703
Gross sales from CBFEs	525200	922975
Employment	96	947
Types of NTFP buyers		
• Responsible	1	3
• Without concern	26	28
Gross margin per unit quantity for select products		
• Nepali Handmade Paper in CBFE (Kg.)	75	69.25
• Wintergreen oil (Kg.)	0	190
Number of producer groups organized for consolidated supply	0	0
Quantity of NTFPs supplied by consolidated groups	0	0
FUGs with NTFPs provision in OP		
• 0 Level	224	145
• 1 Level	8	86
• 2 Level	3	3
• 3 Level	1	0
• 4 Level	0	0
FUGs that have included biological monitoring		
• 0 Level	226	95
• 1 Level	5	75
• 2 Level	4	64
• 3 Level	1	0
• 4 Level	0	0

INDICATORS	Bajhang	Dolakha
FUGs that have implemented biological monitoring		
• 0 Level	231	170
• 1 Level	4	64
• 2 Level	1	0
• 3 Level	0	0
• 4 Level	0	0
Quality standards defined	-	-
Quality standards adopted	-	-
Change in buying practices	-	-
Industry members educated	-	-
Industry linkages / networks cultivated	-	-

Note: Grade 0 refers "no" to 4 refers "sufficient consideration"

Collection of data as planned in the baseline study while maintaining reliability and accuracy became rather difficult given the context of limited budget for this purpose and under developed record keeping and information management system of FUGs, CBFEs, and other concerned stakeholders in the districts. The project has heavily utilized the information available at district forest offices for NTFP transactions and community forestry related activities. Information on employment at the district level has been pooled from the records at district cottage and small industry development boards. And the FUGs and CBFEs level information has been collected by reviewing the available documents and interviewing the responsible persons.

The operational definition of each indicator is provided at the end of this report. The detail baseline information on each of the pilot district is as follows.

A. Dolakha

Table 1: District Level Summary Data, Dolakha

Particulars		Current Status			
		Year 0:2002			
Total Number	Total FUGs	234			
	Enterprise-oriented FUGs	3			
	Subsistence-oriented FUGs	231			
	Total CBFEs	3			
NTFP species collected for trading/marketing purpose (Number)		20(including National forest)			
Total quantity of NTFPs collection / production by species /products		FUGs		CBFEs	
		Species	Kg	Product	Kg
	1	Lokta	23100	Nepali paper	476
	2	Argeli	8766	Steamed argeli	0
	3	Machhino	135000	Machhino oil	1000
	4	Jhau	1500		
	.5	Nagbeli	1002		
	6	Alaichai	500		
	7	Salla Simta	7950		
	8	other	17782		
Gross sales (Rs)	FUGs	2338703			
	CBFEs	922975			
Employment (Number and average duration in days):		FUGs		CBFEs	
		No.	Avg. duration	No.	Avg. duration
Pandit Kamala, and Deodhunga Enterpsie	Male			8	8month
	Female			4	8month
	Occupational caste			6	8month
	Others			6	8month
	Total			12	8month
Types of buyers (Number)		Responsible		Without concern	
	Local (District)				
	Nepal	3		28	
	India				
	International				
Gross margin per unit (Rs.) select products		FUGs		CBFEs	
	Lokta (raw)	3/kg			
	Hand-made paper (final)			69.25	
	Wintergreen (raw)	0.25/kg			
	Wintergreen oil			190	
Number of producer groups organized for consolidated supply		No.		Supply (Kg)	

Particulars	Current Status				
	Year 0				
	0 level	1 Level	2 level	3 level	4 level
FUGs with NTFPs provision in OP (Number)	145	86	3	0	0
FUGs that have included biological monitoring (Number)	95	75	64	0	0
FUGs that have implemented biological monitoring (Number)	170	64	0	0	0
FUGs / CBFEs defining quality standards (Number)	FUGs				
	CBFEs				
FUGs / CBFEs adopting quality standards	No.	Qty Traded (kg)			
	FUGs				
	CBFEs				
Change in buying practices (Number of buyers per category and quantity bought in kg)	No.	Quantity (kg)			
	Buying without any concerns				
	Responsible buying	3			

Table 2: FUGs Progress Information, Dolakha

S.N.	Name of FUGs	Address of FUG	NTPFs Provision in OP (Grade)	Biological Monitoring		Quality Standards		Quantity Sold?	Gross Sales?
				Included in OP (Grade)	Implemented (Grade)	Defined (date)	Adopted (date)		
1	Jilu	Vi.Na.Pa.-7	0	0	0	0	0	0	0
2	Paleko Ban	Lakuridanda-4	0	0	0	0	0	0	0
3	Kalike	Sundrawoti-4	0	0	0	0	0	0	0
4	Phalmpopokhari	Shalungeswor-1	0	0	0	0	0	0	0
5	Ekelepakha	Lakuridanda-4	0	0	0	0	0	0	0
6	Salleri ban	Magapouwa-4	0	0	0	0	0	0	0
7	Chitrepakha	Bhusapeda-6	0	0	0	0	0	0	0
8	Bhitteri	Bonch-2	2	0	0	0	0	0	0
9	Suspa	Kshamawoti-9	1	2	1	0	0	0	0
10	Dhumber Latikhet	Gaireemudi-3	0	0	0	0	0	0	0
11	Salleri bagpayale	Gaurishankar-6	0	0	0	0	0	0	0
12	Ghumba Deurali	Khare-7	0	0	0	0	0	0	0
13	Gharpakha	Marbu-2	0	0	0	0	0	0	0
14	Sarjamai Chanedanda	Dudhapokhari-2	0	0	0	0	0	0	0
15	Chyanedanda	Katakuti-1,8	0	0	0	0	0	0	0
16	Tharlange	Magapouwa-1	1	1	0	0	0	0	0
17	Kupri Salleri	Vi.Na.Pa.-11	0	0	0	0	0	0	0
18	Chharchhre Pakha	Sundrawoti-5	0	0	0	0	0	0	0
19	Chukrikharka	Lamidanda-5	0	0	0	0	0	0	0
20	Setopahara	Jhule-4	0	0	0	0	0	0	0
21	Thalaripakha	Lamidanda-3	0	0	0	0	0	0	0
22	Bhasmepakha	Vi.Na.Pa.-12	0	0	0	0	0	0	0
23	Kukudayale	Suri-3,4	0	0	0	0	0	0	0
24	Dudukhapakha	Bigu-4	0	0	0	0	0	0	0
25	Mahankal Shahele	Vi.Na.Pa.-9	0	0	0	0	0	0	0
26	Sitakunda	Vi.Na.Pa.-7	0	0	0	0	0	0	0
27	Dokyanga Gaira	Alampu-2	0	0	0	0	0	0	0
28	Nigure	Namdu-7	0	0	0	0	0	0	0
29	Kholeko Pakha	Namdu-7	0	0	0	0	0	0	0
30	Simpani	Vi.Na.Pa.-10	0	0	0	0	0	0	0
31	Bhatechour	Kabre-9	0	0	0	0	0	0	0
32	purkhaandanda	Gaireemudi-2	0	0	0	0	0	0	0
33	Majkharka Lisepani	Vi.Na.Pa.-13	0	0	0	0	0	0	0
34	Dortipakha Lukharka	Chankhu-1	1	2	1	0	0	0	0
35	Dumsijang	Hawa-1	0	0	0	0	0	0	0

SN	Name of FUGs	Address of FUG	NTFPs Provision in OP (Grade)	Biological Monitoring		Quality Standards		Quantity Sold?	Gross Sales?
				Included in OP (Grade)	Implemented (Grade)	Defined (date)	Adopted (date)		
36	Rabutar Badelipakha	Shayama-5	0	0	0	0	0	0	0
37	Dhungeswori	Kabre-1	0	0	0	0	0	0	0
38	Saunepakha	Kshetrapa	0	0	0	0	0	0	0
39	Khorthali	Vi.Na.Pa.-10	0	0	0	0	0	0	0
40	Sanobottle	Katakuti-1	0	0	0	0	0	0	0
41	Charnawoti	Vi.Na.Pa-13	1	1	0	0	0	0	0
42	Sitathan Bhasmepaakha	Sailunge	0	0	0	0	0	0	0
43	Homdanda	Mali-5	0	0	0	0	0	0	0
44	Bokalthli Baghkhori	Khopachangu-1,2	0	0	0	0	0	0	0
45	Chooksa sanogaira	Babare-7	0	0	0	0	0	0	0
46	Chyanegaira	Malu-3	0	0	0	0	0	0	0
47	Indrawoti	Dandakharka-7	0	0	0	0	0	0	0
48	Lamachour	Shahare-8	0	0	0	0	0	0	0
49	Sallebhandar Kharka	Lamidanda-1,2	0	0	0	0	0	0	0
50	Bhedapakha	Namdu - 6	0	0	0	0	0	0	0
51	Bhudabhimsen /	Vi.Na.Pa. -6	0	0	0	0	0	0	0
52	Chaletro Pakha	Namdu-3	0	0	0	0	0	0	0
53	Hariyochour	Shahare -8	0	0	0	0	0	0	0
54	Simpani Khahare	Vi.Na.pa - 6	0	0	0	0	0	0	0
55	Adherikhola Kittnebhiri	Phasku- 4	0	0	0	0	0	0	0
56	Kamalamai	Vi.Na.Pa. -8	0	0	0	0	0	0	0
57	Ghunsapatal	Gaurishankar -3	1	1	0	0	0	0	0
58	Hosinga	Thulopatal- 3	0	0	0	0	0	0	0
59	Maithan Horisiddi	Magapouwa -3	0	0	0	0	0	0	0
60	Bhotechhap Lukapani	Shahare -5	0	0	0	0	0	0	0
61	Laxmisagar	Shahare -1	0	0	0	0	0	0	0
62	Sahukhoria	-2	0	0	0	0	0	0	0
63	Thansa Deurali	Vi.Na.Pa. -12,13	0	0	0	0	0	0	0
64	Slmsugure Birekokhoria	VI.Na.Pa. -8	0	0	0	0	0	0	0
65	Mukteswori	Malu -1	0	0	0	0	0	0	0
66	Gauthali Bhir	Gaireemudi -6	0	0	0	0	0	0	0
67	Devithan Kimane	Jiri-9	0	0	0	0	0	0	0
68	Chykthali	Vi.Na.Pa. -1	0	0	0	0	0	0	0
69	Mathani	Vi.Na.P8. -9	0	0	0	0	0	0	0
70	Sotibanarasi	Sunkhani -1	1	2	1	0	0	0	0

SN	Name of FUGs	Address of FUG	NTFPs Provision in OP (Grade)	Biological Monitoring		Quality Standards		Quantity Sold?	Gross Sales?
				Included in OP (Grade)	Implemented (Grade)	Defined (date)	Adopted (date)		
71	Tikhatal	Vi. Na.Pa.- 2	0	0	0	0	0	0	0
72	Tameswor Salleri	Khopachangu -3	0	0	0	0	0	0	0
73	Barsedandapar	Vi.Na.P8. -8	0	0	0	0	0	0	0
74	Thulonagi	Jiri -8	0	0	0	0	0	0	0
75	Dandapari Pokharipakha	Malu -4	0	0	0	0	0	0	0
76	Pauwa	Magapouwa -3	0	0	0	0	0	0	0
77	Kopila	Katakuti -7	0	0	0	0	0	0	0
78	Thotanari	Namdu-8	0	0	0	0	0	0	0
79	Thumki Salleri	Gaireemudi -9	0	0	0	0	0	0	0
80	Shiris Ghari	Lamidanda -6	0	0	0	0	0	0	0
81	Katika	Lamidanda -7	0	0	0	0	0	0	0
82	Baishakheswori	Mirge- 9	0	0	0	0	0	0	0
83	Kalidhunga	Mirge -5	0	0	0	0	0	0	0
84	Gyamire	Phasku -3	0	0	0	0	0	0	0
85	Himganga	Kabre -3	0	0	0	0	0	0	0
86	Kulakomuhan	Gaireemudi -9	0	0	0	0	0	0	0
87	Palung Mahila	Maga -2	0	0	0	0	0	0	0
88	Laharekhola	Shailungswor- 9	0	0	0	0	0	0	0
89	Sirimala	Sunkhani -4	0	0	0	0	0	0	0
90	TIIswor Thulo Thalathale	Namdu-9	0	0	0	0	0	0	0
91	Ahalakhola	Shailungswor -8	0	0	0	0	0	0	0
92	Sukram	Sundrawoti -8	0	0	0	0	0	0	0
93	Baseri Sattale	Babre -9	0	0	0	0	0	0	0
94	Cyanse Bhagawoti	Vi.Na.Pa. -9	0	0	0	0	0	0	0
95	Charanawoti	Phsku- 1	0	0	0	0	0	0	0
96	Chuchedunga	Vi.Na.Pa. -10	0	0	0	0	0	0	0
97	Pokhari	Magapouwa-4	0	0	0	0	0	0	0
98	Ramite	Magapouwa -4	0	0	0	0	0	0	0
99	Thulopakhero	Pawoti -9	0	0	0	0	0	0	0
100	Ratamate	Jhule - 7	0	0	0	0	0	0	0
101	Rameche Salleri	Jungu -4	0	0	0	0	0	0	0
102	Mahadevthan	Sailungeswor- 4	0	1	0	0	0	0	0
103	Thumki	Jhule - 8	0	1	0	0	0	0	0
104	Chanoute Salghari	Japhe - 9	0	1	0	0	0	0	0
105	Napkeyanmara	Lakuridanda - 1	1	1	0	0	0	0	0

SN	Name of FUGs	Address of FUG	NTFPs Provision in OP (Grade)	Biological Monitoring		Quality Standards		Quantity Sold?	Gross Sales?
				Included in OP (Grade)	Implemented (Grade)	Defined (date)	Adopted (date)		
106	Langathapa	Bhusapheda - 4	1	2	1	0	0	0	0
107	Siddiswori	Bhirkot - 9	1	2	1	0	0	0	0
108	Siddiswori	Jhule - 3	1	2	1	0	0	0	0
109	Bosimpe Deurali	Kshamwati - 1	1	1	0	0	0	0	0
110	Thumka danda	Lakuridanda - 7	1	1	0	0	0	0	0
111	Lamidanda	Mirga - 1	1	1	0	0	0	0	0
112	Deule karange	Sundrawoti - 1	1	1	0	0	0	0	0
113	Timbure Tinsale	Lankuri danda - 1	1	1	0	0	0	0	0
114	Kalshe	Phasku - 2	1	1	0	0	0	0	0
115	Kalidevi	Dandakharka - 4	1	1	0	0	0	0	0
116	Aaitebare	Sunkhani - 3	1	1	0	0	0	0	0
117	Thulogairo	Melung - 9	1	1	0	0	0	0	0
118	Gumphamahabhir	Kshamawoti - 5	1	1	0	0	0	0	0
119	Paripakha Mahila	Sundrawati - 5	1	1	0	0	0	0	0
120	Dhande	Vi. Na.Pa.- 11	1	1	0	0	0	0	0
121	Puranokol Kagune	Mirge - 4	1	1	0	0	0	0	0
122	Patle setidevi	Jhule - 5	1	1	0	0	0	0	0
123	Karnakali	Melung - 5	1	1	0	0	0	0	0
124	Kaphal Gaira	Malu - 8,9	1	1	0	0	0	0	0
125	Budhi Devi	Bhirkot - 4	1	1	0	0	0	0	0
126	Sundrimai	Vi. Na.Pa.- 8	1	1	0	0	0	0	0
127	Jarkate	Bhusapheda - 7	1	1	0	0	0	0	0
128	Malika Devi	Melung - 2	1	2	1	0	0	0	0
129	Damarthami	Kshamawoti - 2	1	2	1	0	0	0	0
130	Pokhari Chour	Sundrawoti - 3	1	1	0	0	0	0	0
131	Bandre	Sundrawati - 3	1	1	0	0	0	0	0
132	Daurali Sallepokhari	Chyama - 3	1	1	0	0	0	0	0
133	Ghumaune pani	Bhusapheda - 2	1	1	0	0	0	0	0
134	Devithan Kimane	Vi. Na.Pa.- 11	1	1	0	0	0	0	0
135	Gairethotne Ghari	Babre - 5,6	1	1	0	0	0	0	0
136	Shirajana	katakuti - 1	0	1	0	0	0	0	0
137	Simlepakha Damaidanda	Kshetrapa-1	1	1	0	0	0	0	0
138	sindurpa Sisneri	Lamabagar - 8,9	1	1	0	0	0	0	0
139	Jhyamte Dovan	Hawa - 7	1	2	1	0	0	0	0
140	Lodani	Phusku - 8	1	1	0	0	0	0	0

SN	Name of FUGs	Address of FUG	NTFPs Provision in OP (Grade)	Biological Monitoring		Quality Standards		Quantity Sold?	Gross Sales?
				Included in OP (Grade)	Implemented (Grade)	Defined (date)	Adopted (date)		
141	Jalpadevi	Malu - 2	1	1	0	0	0	0	0
142	Kamalamai	Laduka - 8	1	2	1	0	0	0	0
143	Bolde Setidevi	Bonch - 5	1	2	1	0	0	0	0
144	Ratamate	Sunkhani - 3	1	1	0	0	0	0	0
145	Sangepandhero	Bulung - 5	1	1	0	0	0	0	0
146	Damki	Sunkhani - 2	1	1	0	0	0	0	0
147	Ramite Phungling	Suri - 1	1	1	0	0	0	0	0
148	Rahale Thalo	Sunkhani - 2	1	2	1	0	0	0	0
149	Bhate Khola Kamalamai	Jhyanku - 9	2	2	1	0	0	0	0
150	Deurali Pakha	Suri - 2	1	1	0	0	0	0	0
151	Bagredanda	Suri - 3,4,5,6	1	1	0	0	0	0	0
152	Suirenepane	Lapilang - 8	1	1	0	0	0	0	0
153	Bichour	Vi. Na.Pa.- 8	1	1	0	0	0	0	0
154	Mahabhir	Mogapouwa - 8	1	1	0	0	0	0	0
155	Dimal	lakuridanda - 3	1	1	0	0	0	0	0
156	Paiyubote salleri	Sundrawoti - 1	1	1	0	0	0	0	0
157	Gaire Jungle	Phasku - 9	1	1	0	0	0	0	0
158	Kalobhir	jiri - 7	1	2	1	0	0	0	0
159	Sarangthali Soluthum	Bhedapu - 8,9	1	1	0	0	0	0	0
160	Hanumane Muladyang	Japhe - 1	1	1	0	0	0	0	0
161	Majuwa Latepatal	Bhedapu - 5	1	1	0	0	0	0	0
162	Gothali Chour	Mirge - 3	1	1	0	0	0	0	0
163	Sunkhani	Bulung - 6,7	1	2	1	0	0	0	0
164	Setidevi Khopung	Khopachangu - 5	1	1	0	0	0	0	0
165	Mesel Mahila	Suri - 7	1	1	0	0	0	0	0
166	Pandit	Jhyanku - 1	2	2	1	0	0	0	0
167	Pahire	Lapilang - 1	1	1	0	0	0	0	0
168	Chirku than	Chilankha - 9	1	1	0	0	0	0	0
169	Okharani Mahila	Suri - 8	1	1	0	0	0	0	0
170	Sitapyala Muladyang	Japhe 1,2	1	2	1	0	0	0	0
171	Setidevi Muladyang	Japhe 1,2,3	1	2	1	0	0	0	0
172	Jharani	Kshamawati - 4	1	1	0	0	0	0	0
173	Kaulepani	Kaulepani - 3,5	1	1	0	0	0	0	0
174	Sarawoti	Sarawoti 3,6	1	1	0	0	0	0	0
175	Katike Bineswora	Lamidanda - 5	1	1	0	0	0	0	0

SN	Name of FUGs	Address of FUG	NTFPs Provision in OP (Grade)	Biological Monitoring		Quality Standards		Quantity Sold?	Gross Sales?
				Included in OP (Grade)	Implemented (Grade)	Defined (date)	Adopted (date)		
176	Khahare Bhadaure	Pawoti - 8	1	1	0	0	0	0	0
177	Indrawoti Bhedikhor	Malu - 1	1	1	0	0	0	0	0
178	Thutemane Danda	katakuti - 1,3	1	1	0	0	0	0	0
179	setidevi	Dandakharka - 1	1	1	0	0	0	0	0
180	Kalleri	Hawa - 8	1	1	0	0	0	0	0
181	Kaden Hariyali	Lapilang - 7	1	1	0	0	0	0	0
182	Sotikalipokhari	Sunkhani - 6	1	1	0	0	0	0	0
183	Dhaiche Dhunga	Shailungswor - 7	1	1	0	0	0	0	0
184	Ramche	Lapilang - 9	1	1	0	0	0	0	0
185	Bhumeswori	Kabre - 4	1	1	0	0	0	0	0
186	Shahigairo	Gaireemudi - 4	1	1	0	0	0	0	0
187	Tamakoshi Salghari	Jungu - 5	1	1	0	0	0	0	0
188	Aasare	Bhirkot - 7	0	1	0	0	0	0	0
189	Jogum	Suri - 8	0	2	1	0	0	0	0
190	Hatthidhunga	Pawati - 3	0	2	1	0	0	0	0
191	Jhholunge patle	Namdu - 8	0	2	1	0	0	0	0
192	Bhumethan Shivajung	Vi. Na. Pa. - 10	0	2	1	0	0	0	0
193	Khalte	Hawa - 5	0	2	1	0	0	0	0
194	Kadin Jugepani Madise	Chyama - 6,7	0	2	1	0	0	0	0
195	Thadikhorla	Chyama - 4	0	2	1	0	0	0	0
196	Setidevi	Jhule - 9	0	2	1	0	0	0	0
197	Barahate	Kshetraba - 5	0	2	1	0	0	0	0
198	Ganesh Ban	Lapilang - 5	0	2	1	0	0	0	0
199	Kalokhola	Melung - 3	0	2	1	0	0	0	0
200	Dhade singhadevi	Bonch - 7,8	0	2	1	0	0	0	0
201	Hariyali Sugram	Lapilang - 7	0	2	1	0	0	0	0
202	Bises Ban	Namdu - 1,3	0	2	1	0	0	0	0
203	Chhoksa Lampokhari	Lamidanda - 8	0	2	1	0	0	0	0
204	Chiwangi	Marbu - 1,2	0	2	1	0	0	0	0
205	Maure Sipringeswori	Khare - 1,6	0	2	1	0	0	0	0
206	Kalinchowk	Kalinchowk- 5	0	2	1	0	0	0	0
207	Thalaripakha	thulopatal - 5	0	2	1	0	0	0	0
208	Harisiddhi	Bhusapheda - 7	0	2	1	0	0	0	0
209	thadokhola Mahadev	Bulung - 5,6,8,9	0	2	1	0	0	0	0
210	Nisting Deurali	Marbu - 7,8,9	0	2	1	0	0	0	0
211	Pathibhara	Shyama - 1,2	0	2	1	0	0	0	0
212	Hapunag Tutepani	Suri - 9	0	2	1	0	0	0	0

SN	Name of FUGs	Address of FUG	NTFPs Provision in OP (Grade)	Biological Monitoring		Quality Standards		Quantity Sold?	Gross Sales?
				Included in OP (Grade)	Implemented (Grade)	Defined (date)	Adopted (date)		
213	Baluwa Bhumethan	Pawati - 2,3,8	0	2	1	0	0	0	0
214	Sareya Chyodanda	Kshetrapa - 2	0	2	1	0	0	0	0
215	Khanikharka	Kshetrapa - 3	0	2	1	0	0	0	0
216	Jirishwori Mahadev	Jiri - 6	0	2	1	0	0	0	0
217	Chyandanda	Jiri - 6	0	2	1	0	0	0	0
218	Ganeshthan	Sahare - 5,6,7,8	0	2	1	0	0	0	0
219	Pashupati	Japhe - 4	0	2	1	0	0	0	0
220	Sankhadevi	Lakuridanda	0	2	1	0	0	0	0
221	Golmeshwori Dhokakobhir	Malu - 5	0	2	1	0	0	0	0
222	Jhapraghari	Chilamkha - 1	0	2	1	0	0	0	0
223	Thalacha	Kshamawoti - 7	0	2	1	0	0	0	0
224	Walem Damji	Marbu - 3,4,5,6	0	2	1	0	0	0	0
225	Paleko	Mirge - 8	0	2	1	0	0	0	0
226	Khahare	Namdu - 4	0	2	1	0	0	0	0
227	Gairi dharmasthal	Mirge - 2	0	2	1	0	0	0	0
228	Tribeni Thulo Shivalaya	Namdu - 1,2	0	2	1	0	0	0	0
229	Koshenidhi	Suri - 3,4,5,6	0	2	1	0	0	0	0
230	Dokinpur Tutepani	Chankhu - 6,7,8	0	2	1	0	0	0	0
231	Jugedarkha	Katakuti - 8	0	2	1	0	0	0	0
232	Rumti Ramche	Dandakharka - 7	0	2	1	0	0	0	0
233	Kalipokhari Laliguras	Japhe - 5	0	2	1	0	0	0	0
234	Patal	Malu - 8,9	0	2	1	0	0	0	0

Total

Grade 0	145	95	170	233	234	234	234
Grade 1	86	75	64	0	0	0	0
Grade 2	3	64	0	0	0	0	0
Grade 3	0	0	0	0	0	0	0
Grade 4	0	0	0	0	0	0	0
Total	234	234	234	234	234	234	234

Key: Grade 0 refers "no" to 4 refers "sufficient consideration"

Data Collection from Individual FUGs/CBFEs, Dolakha**a) Name of FUG: Bhitleri**

Address: Boach - 2

Households: 243

Total Population: 1287 Male: 645

Female: 642

Total Forest Area: 345 Ha

Major Species (Tree and NTFP):

Trees		NTFP	
Uttis	Gurans	Lokta	Tite
Bajh	Rakta chandan	Argeli	Halhale
Khote Salla	Pate salla	Machhino	Padmachal
Kholme chilaune	Dhangre Salla	Alainchi	Jhau
Mauwa	Gobre salla	Salla simta	Allo
			Chiraito

Period of Reporting: From 24 April 2003 To 26 April 2003

Form Filled By: **SR Adhikari and Sushil Gyawali****Specific Information**

1. Number of NTFPs species collected: 3 (Lokta, Argeli, Allo)
2. Total quantity of NTFPs collected:

Species/ products	Total quantity collected (Kg)	Locally used quantity (Kg)	Sold Quantity (Kg)	Selling Price (Rs.)	Gross Sale (Rs.)	Conservation fee Collected (Rs.)
Lokta	1100	100	1000	60	60000	3000

Note: Collectors are collecting Padmachal, Chiraito, Tite, Chinchine(Halhale) and Jhau also from this and other near by community forest area. Collectors are getting money from local contractor / middle man as Padmachal @ Rs 28 per kg, Chiraito @ less than 20 per kg, Tite @ Rs 18 per kg, Chinchine(Halhale) @ Rs 8 per kg and Jhau @ Rs 20 per kg.

3. Employment

Nature of Activities	Total	Class				Remarks
		Male		Female and child		
		No.	Days involved (average)	No.	Days involved (average)	
Collections	22	4	45	18	45	At khandada, Boach VDC 12 houses of Newar and 15 houses of Tamang settled. Nearly 22 households spend up to 3 month time in forest for collecting / harvesting NTFP. These households collect NTFP from Bhiteri, Bolde setidevi, Napke yanmara and Dhade singhdevi Community forests. So 25 % has been considered for this FUG.
Post harvest activities	2	-		2	45	
Transportation	4	2	15	2	15	
Selling	1	1	7			
Other activities	1	1	7	-		

4. Types of Buyers

Species/ Products	Type of Buyers (Local (district) / National / Indian / International)	Quantity Bought (Kg)	Remarks
Lokta	Local	1000 600	Year 2002 year 2001
Argeli	Local	1000	Year 2001
Salla Simta	Local	2500	year 2001

5. Are NTFPs included in Operational Plan? No /

6. Has the FUG implemented biological monitoring? No

7. Do you have any standard for quality (control) of any NTFP? No

8. How much is traded with this (standard) quality? List with species.

Species / products	Quantity (Kg)
	0

b) Name of FUG: Bhate khola Kamala maiAddress: **Jhayanku - 9**Households: **308**Total Population: **1658** Male: **851**Female: **807**Total Forest Area: **746 Ha**

Major Species (Tree and NTFP):

Trees		NTFP	
Uttis	Dhupi	Lokta	Majitho
Bajh	Pate salla	Argeli	Ban karela
Khote Salla	Dhangre Salla	Machhino	Aaksk beli
Kholme chilaune	Gobre salla	Allo	Jhau
Mauwa	Thigre salla	Chiraito	Salla Simta
Gurans		Loth Salla	Indreni dana

Period of Reporting: From 29 April 2003 To 30 April 2003

Form Filled By: **SR Adhikari and Jisnu Khadka****Specific Information**

1. Number of NTFPs species collected: 2 (Lokta, Argeli,)
2. Total quantity of NTFPs collected:

Species/ products	Total quantity collected (Kg)	Locally used quantity (Kg)	Sold Quantity (Kg)	Selling Price (Rs.)	Gross Sale (Rs.)	Conservation fee Collected (Rs.)
Lokta	1000	100	900	36	32400	2700
Argeli	1000	100	900	20	18000	4500

Note: Collectors are collecting Chiraito, Majitho, Chinchine(Halhale) and Jhau also from this and other near by community forest area. Collectors are getting money from local contractor / middle man as, Chiraito @ less than 20 per kg, , Chinchine(Halhale) @ Rs 8 per kg and Jhau @ Rs 20 per kg.

3. Employment

Nature of Activities	Total	Class				Remarks
		Male		Female and child		
		No.	Days involved (average)	No.	Days involved (average)	
Collections	228	50	60	178	45	At Dandakharka , Jhayanku – 9 houses of nearly 57 households of Sherpa spend up to 3 month time in forest for collecting / harvesting NTFP. These households collect NTFP from Bhate khola Kamala mai community forest
Post harvest activities	20	-		20	45	
Transportation	20	10	30	10	30	
Selling	2	2	7			
Other activities	2	2	7			

4. Types of Buyers

Species/ Products	Type of Buyers (Local (district) / National / Indian / International)	Quantity Bought (Kg)	Remarks
Lokta	Local	900 750	Year 2002 year 2001
Argeli	Local	900	Year 2001

5. Are NTFPs included in Operational Plan? Yes /
6. Has the FUG implemented biological monitoring? No
7. Do you have any standard for quality (control) of any NTFP? No
8. How much is traded with this (standard) quality? List with species.

Species / products	Quantity (Kg)

c) Name of FUG: Dhade SinghdeviAddress: **Boach – 7, 8**Households: **311**

Total Population: 1650

Male: 825

Female: 825

Total Forest Area: **335.4 Ha**

Major Species (Tree and NTFP):

Trees		NTFP	
Uttis	Gurans	Lokta	Tite
Bajh	Rakta chandan	Argeli	Halhale
Khote Salla	Pate salla	Machhino	Padmachal
Kholme chilaune	Dhangre Salla	Pakhenbed	Jhau
Mauwa	Gobre salla	Salla simta	Thulo Okhati

Period of Reporting: From 24 April 2003 To 26 April 2003

Form Filled By: **SR Adhikari and Sushil Gyawali****Specific Information**

1. Number of NTFPs species collected: 3 (Lokta, Machhino)
2. Total quantity of NTFPs collected:

Species/ products	Total quantity collected (Kg)	Locally used quantity (Kg)	Sold Quantity (Kg)	Selling Price (Rs.)	Gross Sale (Rs.)	Conservation fee Collected (Rs.)
Lokta	800	100	700	60	42000	2100
Machhino	8300		8300	1	8300	2075

Note:

Collectors are collecting Padmachal, Chiraito, Tite, Chinchine(Halhale) and Jhau also from this and other near by community forest area. Collectors are getting money from local contractor / middle man as Padmachal @ Rs 28 per kg, Chiraito @ less than 20 per kg, Tite @ Rs 18 per kg, Chinchine(Halhale) @ Rs 8 per kg and Jhau @ Rs 20 per kg.

3. Employment

Nature of Activities	Total	Class				Remarks
		Male		Female and child		
		No.	Days involved (average)	No.	Days involved (average)	
Collections	22	4	45	18	45	At khandada, Boach VDC 12 houses of Newar and 15 houses of Tamang settled. Nearly 22 households spend up to 3 month time in forest for collecting / harvesting NTFP. These households collect NTFP from Bhiteri, Bolde setidevi, Napke yanmara and Dhade singhdevi Community forests. So 25 % has been considered for this FUG.
Post harvest activities	2	-		2	45	
Transportation	4	2	15	2	15	
Selling	1	1	7			
Other activities	1	1	7	-		

4. Types of Buyers

Species/ Products	Type of Buyers (Local (district) / National / Indian / International)	Quantity Bought (Kg)	Remarks
Lokta	Local	700	Year 2002
Machhino	Local	8300	Year 2002

5. Are NTFPs included in Operational Plan? Yes /
6. Has the FUG implemented biological monitoring? No
7. Do you have any standard for quality (control) of any NTFP? No
8. How much is traded with this (standard) quality? List with species.

Species / products	Quantity (Kg)
	0

d) Name of FUG: KoshenidhiAddress: **Suri 3,4,5,6**Households: **253**

Total Population: 1300

Male: **645**Female: **655**Total Forest Area: **865 Ha**

Major Species (Tree and NTFP):

Trees		NTFP	
Uttis	Gurans	Lokta	Jhau
Bajh	Rakta chandan	Argeli	Allo
Khote Salla	Pate salla	Machhino	Thulo Okhati
Kholme chilaune	Dhangre Salla	Saduwa	Nagbeli
Mauwa	Gobre salla	Chairaito	Indreni
		Majitho	Bikh phase
		Halhale	Loth salla
		Padmachal	

Period of Reporting: From 27 April 2003 To 28 April 2003

Form Filled By: **SR Adhikari and Jishnu Khadka****Specific Information**

1. Number of NTFPs species collected: 3 (Lokta, Argeli, Allo)
2. Total quantity of NTFPs collected:

Species/ products	Total quantity collected (Kg)	Locally used quantity (Kg)	Sold Quantity (Kg)	Selling Price (Rs.)	Gross Sale (Rs.)	Conservation fee Collected (Rs.)
Lokta	1100	100	1000	60	60000	3500

Note: Local collectors are collecting Saduwa, Sugandhawal, Jhau, Chairaito, Argeli and Allo. Collectors are getting Rs 35 per kg for Loth salla, Rs 8 per kg for Bikh phase, Rs 24 per kg for saduwa.

3. Employment

Nature of Activities	Total	Class				Remarks
		Male		Female and child		
		No.	Days involved (average)	No.	Days involved (average)	
Collections	90	20	30	70	30	30 households engage for one month
Post harvest activities	9	0		9	30	
Transportation	10	5	15	5	15	
Selling	1	1	7			
Other activities	1	1	7			

4. Types of Buyers

Species/ Products	Type of Buyers (Local (district) / National / Indian / International)	Quantity Bought (Kg)	Remarks
Lokta	Local	1000	year 2001

5. Are NTFPs included in Operational Plan? Yes /
6. Has the FUG implemented biological monitoring? No
7. Do you have any standard for quality (control) of any NTFP? No
8. How much is traded with this (standard) quality? List with species.

Species / products	Quantity (Kg)
	0

e) Name of CBFE: Pandit Kamala Ban paidawar Prasodhan P.LtdAddress: **Jhyanku - 9**Ownership: **Community**Started year: **2000**Types of finish products: **Furniture and Nepali papers**Period of Reporting: From **29 April 2003** to **30 April 2003**Form Filled By: **S.R. Adhikari**

Employees Record:

Nature of Employment	Number					Remarks
	Total	Male	Female	Occupational caste	Others	
Regular	2	2	0			For Furniture
Seasonal	6	2	4			Local Sherpa to prepare Kagaj for 3 month in a year
Laborers						
others (.....)						

Specific Information**1. Raw materials and finish products**

Products/ species	Raw materials Purchased			Finish Products produced		Sales			Types of Buyers	Remarks
	Qty (Kg)	Rate (Rs.)	Total (Rs.)	Products		Kg	Qty sold (Kg)	Selling Price (Rs.)		
Nepali paper 20 gm	550	36	19800	45	kori		45	11975	National	year 2000
Nepali paper 20 gm	900	36	32400	74	kori		74	1,11000	National	year 2001 Net saving 24000

Nepali paper 20 gm	650	36	23400	54	kori	-			year 2002
Nepali paper 40 gm	200	36	7200	8	kori	-			year 2002

2. Gross margin per unit

Product Type	Production Quantity	Total Variable cost (Rs.)						
		labors	Materials	Transports	Fuel	processing	Others...	Total
Nepali paper	74 kori	34200	31968	8000	3237 (12kg per kori @ Rs 1.25 per kg wood)	6595	6000	90000

3. Do you have any standard for quality (control) of any NTFP?

Yes

40 gm and 20 gm per tau

How much is traded with this (standard) quality? List with species / product name.

Species / product name	Quantity (Kg / items/...)	Remarks
Nepali paper	74 kori	Year 2001 <i>No sell in year 2002</i>

f) Name of CBEF: Deodhunga Multipurpose Cooperative LimitedAddress: **Charikot, Dolakha**Ownership: **Community**Started year: **2000**Types of finish products: **Essential Oil**Period of Reporting: From **1 January 2002** To **31 December 2002**Form Filled By: **S.R. Adhikari and Sushil Gyawali**

Employees Record:

Nature of Employment	Number					Remarks
	Total	Male	Female	Occupational caste	Others	
Regular	4	4	-	-	-	
Seasonal						
Laborers						
others (.....)						

Specific Information

3. Raw materials and finish products

Products/ species	Raw materials Purchased			Finish Products produced		Sales			Types of Buyers	Remarks
	Qty (Kg)	Rate (Rs.)	Total (Rs.)	Products		Kg	Qty sold (Kg)	Selling Price (Rs.)		
Wintergreen leaves	2500 00	1.25	31250 0	Oil	1000	1000	1000	800		(0.4%) yield
Firewood	7600 0	1.25	95000							

4. Gross margin per unit

Product Type	Production Quantity	Total Variable cost (Rs.)						
		labors	Materials	Transports	Fuel	processing	Others...	Total
Wintergreen oil		56000	312500	25000	95000		75000	358850

Total depreciation and amortization cost per year: 46000.00

3. Do you have any standard for quality (control) of any NTFP?

No

4. How much is traded with this (standard) quality? List with species / product name.

Species / product name	Quantity (Kg / items/...)	Remarks

Other Related Information**Table 3: Enterprise and employment record provided by CSIDB, Dolakha**

SN	Name and address of Enterprise	Capacity as per scheme	Employment (No.)	Production of FY year 2058/059	Renewed in year 2002?
A	<u>Lokta and Argeli Udyog</u>				
1	Bajra Nepali Kagaj Udyog, Chankhu -1	500/1500 kg	17		yes
2	Public Nepali Kagaj Udyog, Shama - 7	1000 kg	8	333/1000 kg	yes
3	Tamechura Nepali Kagaj Udyog, Chilankha -7				
4	Shailungeswari Nepali Kagaj Udyog, Katakuti - 9	13800 kg Lokta	10		yes
5	Netra Nepali Kagaj Udyog, Bigu - 5	200/1000 kg	22	300 kori Rs 60 thousand	yes
6	Deulangeswori Nepali Kagaj Udyog, Khare -1	1000/2500 kg	21	500 kg Rs 3 lac 110 kori Rs 2.2 lac	Yes
7	Sana kisan Nepali Kagaj Udyog, Suspa - 8	450 kg	59		
8	Khadka Nepali Kagaj Udyog, Jiri - 2	Rs 70 thousand	2		Closed
9	Prem Nepali Kagaj Udyog, Bhimeshwor - 13	1500/5000 kg			Closed
10	Subedi Nepali Kagaj Udyog, Boach - 3	Rs. 4 lac	70		
11	Jiril Nepali Kagaj Udyog	1500/2500 kg	50	160/1200 Rs 25 thousand	yes
12	Anu Nepali Kagaj Udyog, Jiri - 1	1500/3000 kg	50	150/1200	yes
13	Goganeshwori Nepali Kagaj Udyog, Lamabagar - 2	2500/3000 kg	25/ 12	100 kori Rs 2 lac	
14	Namo Buddhaya Nepali Kagaj Udyog, Aalambu -2	200 kori	7		
15	Nepali Karma Sherpa Kagaj Udyog, Bigu - 3		125	200 kori 800 kg	yes
16	Gauri Shankar Nepali Kagaj Udyog, Singati				
17	Himali Sherpa Nepali Kagaj Udyog, Lamabagar	960 /2000 kg	34	No work	yes
18	Deu Dhunga Nepali Kagaj Udyog, Bigu				
19	Cherdung Nepali Kagaj Udyog, Jiri	200 kori	10		
20	Seti devi Nepali Kagaj Udyog, Lankuri - 9	300 kori	4		yes
	Bhimeshwoe Nepali Kagaj Udyog,	400/2000 kg	20	400 kori	yes

21	Bhimeshwor - 1	400/2000 kg	20	400 kori	yes
22	Bhimeshwor - 1 Ditya Nepali Kagaj Udyog, Jiri - 2	100/1000 kg	15	Rs 5 lac Rs 1 lac	yes
23	Buddha Nepali Kagaj Udyog, Mali - 2	Rs 5 lac	11		yes
24	Khadga Nepali Kagaj Udyog, Sundrawati - 9				yes
25	Pakhrin Nepali Kagaj Udyog			100 kori Rs 70 thousand	yes
26	Himali Sherpa Nepali Kagaj Udyog				yes
27	Dudukha Pakha Nepali Kagaj Udyog		8	No work	
28	Bhimsewor Kagaj Udyog		25		yes
29	Deviman Nepali Kagaj Udyog		7		
30	Hate Kagaj P.Ltd		18		
31	Himalayan Nepali Kagaj Udyog	4000/12000 kg	16		
32	Sangwaswori Nepali Kagaj Udyog	1500 kori / 3000 kg Lokta	22		
33	Rolbaling Nepali Kagaj Udyog	3750/12500 kg paper 500/1250 kg Argeli	21		
34	Sagarmatha Resa Udyog	2000 kg paper, 500 kg Argeli			
35	Bhimeshwor Argeli Nepali Kagaj Udyog	500/1500 kg	10	200 kori / 1000 kg	
36	Bandhu Argeli Kagaj Udyog	123/600	12	97 Kori Rs 1,26,100	
37	Himalaya Argeli lokta Processing and Nepali Kagaj Udyog	1000/2000 kg lokta, 4000 kg Argeli	10		
38	Darshan and Darpan Nepali Kagaj Udyog	250 kg Argeli			
39	Bhiteri Ban Paidawar Prasodhan, Boach - 2	10000 kg Argeli, 500 kori Kagaj	20	No work	
40	Pandit Kamala Ban Paidawar Prasodhan, Jhayanku - 9	2400/8000 kg			
41	Bandhu Argeli Kagaj Udyog, Bhaduk				yes
42	Gautam Buddha Argeli and Nepali Kagaj Udyog, Orang - 9	2000/25000 kg	27		yes
		1000 kg Argeli			
44	Michu mata Kagaj Udyog	500 kori	6		
45	Deulungeswor uan and Allo udyog				

46	Sagarmatha Resa Udyog, Lakuri dada - 9				
47	Sagarmatha Argeli udyog , Suri - 2	105 / 2000 kg	19	105/1000 Rs 1 lac	yes
48	Harka Argeli production and Processing Udyog, Jiri - 7				
	Total		768	(excluding data of 15 udyog)	
B	Aromatic oil Udyog				
1	Himalaya Jadibuti Sunpati Tel Udyog, Lamabagar - 2		9		
2	Sherpa Sugandit Tel Udyog, Shama - 9	200 kg	9		yes
3	Gauri parbat Sunpati Tel Udyog, Aalampu - 2	300 lit	20		
4	Kalinchowk Jadibuti Dhupipat Tel Udyog, Bigu - 1	225 lit	9		yes
5	Pathivara Sugandit Tel Udyog, Suri - 2	100 lit, Rs 3 lac	10		yes
6	Hanumante Jadibuti Tel Utpadak Udyog		2		yes
7	Sherpa Jadibuti Prasodhan Kendra	300 kg	3		
8	Bhimeshwor Darsan sugandit Dhup Udyog	9500 Doz	10		
9	Gaurishankar Production company P.Ltd.	Sunpati – 200 lit	31		
10	Jiri Jadibuti Udyog	oil – 500 lit	11		
11	Dudh Kunda Sugandit Tel Udyog	500kg Sunpati	18		
12	Everest Harbal Processing P.Ltd.		47		
	Total		179		

Source: CSIDB, Dolakha

Table 4: NTFP traded from Government Managed Forest, Dolakha.

SN	Species	Quantity of NTFP traded in Kg.			
		FY 2055/56	FY 2056/57	FY 2057/58	Year 2002
1	Argeli		9327	30858	13295
2	Chiraito	5530	11182	56415	7110
3	Loth salla			50722	22200
4	Dhupi		500	3000	4500
5	Sunpati	295		4000	
6	Salla Simta				800
7	Padmachal	200		150	200
8	Kurilo		1000	1000	935
9	Bhirmaha		140	105	100

10	Jhau		2200	1500	12445
11	Allo		150	200	
12	Kutki	655	450	700	
13	Lokta	10500	11300	20900	4500
14	Sugandhawal	650	30		
15	Bojho		35		
16	Majitho	11000	5208	6585	2000
17	Jatamashi				500
18	Bikh jara	1335	917		1400
19	Bikh maha				100
20	Tapari				1000
21	Mushli				500
22	Ban karela		1500		

Source District forest office, Dolkha and Nepal Swiss Community Forestry Project

Table 5: NTFP traded from Community forests, Dolakha

SN	Species	Quantity of NTFP traded in Kg.	
		year 2002	FY 2059/60 Up to 2 nd Trimester
1	Nagbeli	2037	835
2	Argeli	14265	2200
3	Lokta	1300	262
4	Jhau	1500	
5	Salla Simta	7950	3045
6	Alainchi	500	
7	Majitho	525	
8	Chiraito		280

Source: district forest office dolakha

B. Bajhang**Table 1: District Level Summary Data, Bajhang**

Particulars		Current Status			
		Year 0:2002			
Total Number	• Total FUGs	236			
	• Enterprise-oriented FUGs	1			
	• Subsistence-oriented FUGs	235			
	• Total CBFEs	1			
NTFP species collected for trading/marketing purpose (Number)		21			
Total quantity of NTFPs collection / production by species /products (Records not available from DFO (in case of collection from FUGs) but some FUGs are trading Lokta within district which record is not maintained by DFO)		FUGs		CBFEs	
		Species	Kg	Product	Kg
(Malika Handmade Pvt. Ltd)		Lokta	8000		
				Paper	1400
Gross sales (Rs)	FUGs	192000			
	CBFEs	582650.00			
Employment (Number and average duration in days):		FUGs		CBFEs	
		No.	Avg. duration	No.	Avg. duration
Malika Enterprise (CBFE)	Male			6	10month
	Female			2	10month
	Occupational caste				
	Others				
	Total			8	
Types of buyers (Number)		Responsible		Without concern	
		Local District			
		Nepal	1	26	
		India			
		International			
Gross margin per unit (Rs.) select products		FUGs		CBFEs	
		Lokta (raw)	3		
Malika Enterprise	Hand-made paper (final)			75 per Kg	
Number of producer groups organized for consolidated supply		No.		Supply (Kg)	

Particulars		Current Status				
		Year 0				
		0 level	1 Level	2 level	3 level	4 level
FUGs with NTFPs provision in OP (Number)		224	8	3	1	0
FUGs that have included biological monitoring (Number)		226	5	4	1	0
FUGs that have implemented biological monitoring (Number)		231	4	1	0	0
FUGs / CBFEs defining quality standards (Number)		FUGs				
		CBFEs				
FUGs / CBFEs adopting quality standards		No.	Qty Traded (kg)			
		FUGs				
		CBFEs				
Change in buying practices (Number of buyers per category and quantity bought in kg)		No.	Quantity (kg)			
		Buying without any concerns				
		Responsible buying	1			

Table 2: FUGs Progress Information, Bajhang

S. N	Name of FUGs	NTFPs Provision in OP (grade)	Biological Monitoring		Quality Standards		Quantity Sold?	Gross Sales?
			Included in OP (Grade)	Implemented (Grade)	Defined (date)	Adopted (date)		
	Banjh VDC							
1	Kankadi Pauta	0	0	0	0	0	0	0
2	Dhangdi	0	0	0	0	0	0	0
3	Bhawani	0	0	0	0	0	0	0
4	Bhuggaun Pildhar	0	0	0	0	0	0	0
5	Bhumiraj	0	0	0	0	0	0	0
6	Rilati	0	0	0	0	0	0	0
7	Panleshwor	0	0	0	0	0	0	0
8	Dhulkatya gawlikot	0	0	0	0	0	0	0
9	Bhumeshwor	0	0	0	0	0	0	0
	Deulekh VDC							
10	Gaira	0	0	0	0	0	0	0
11	Kedar	0	0	0	0	0	0	0
	Sunkuda VDC							
12	Chiuribhandi	0	0	0	0	0	0	0
13	Bhumiraj	0	0	0	0	0	0	0
14	Sikas	0	0	0	0	0	0	0
	Bhanchour VDC							
15	Majhaka Dhar	0	0	0	0	0	0	0
16	Surmadevi	0	0	0	0	0	0	0
17	Kedar Kosheli Patal	0	0	0	0	0	0	0
	Royal VDC							
18	Rula	0	0	0	0	0	0	0
	Bhairabnath VDC							
19	Jhota	0	0	0	0	0	0	0
20	Rato Pad	0	0	0	0	0	0	0
21	Chhanakot	0	0	0	0	0	0	0
22	Malloban	0	0	0	0	0	0	0
	Sainpasala VDC							
23	Deular	0	0	0	0	0	0	0
	Chaudhari VDC							
24	Dallekh	0	0	0	0	0	0	0
25	Salleri	0	0	0	0	0	0	0
	Maulali VDC							
26	Santipokhara	0	0	0	0	0	0	0
27	Bhuneshwori	0	0	0	0	0	0	0
28	Kalapdhara	0	0	0	0	0	0	0
29	Surmadevi	0	0	0	0	0	0	0

S. N	Name of FUGs	NTFPs Provision in OP (grade)	Biological Monitoring		Quality Standards		Quantity Sold?	Gross Sales?
			Included in OP (Grade)	Implemented (Grade)	Defined (date)	Adopted (date)		
	Parakatne VDC							
30	Rahadev	0	0	0	0	0	0	0
31	Dashdande Kuch	0	0	0	0	0	0	0
32	Kotdanda Palaimela	0	0	0	0	0	0	0
33	Dikla Odal	0	0	0	0	0	0	0
34	Badikobhita pariban	0	0	0	0	0	0	0
35	Chirantola	0	0	0	0	0	0	0
36	Ruisedi Bajayal	0	0	0	0	0	0	0
37	Rahadev Ratikali	0	0	0	0	0	0	0
	Dangaji VDC							
38	Jharsein Dharedhunga	0	0	0	0	0	0	0
39	Bheramani Thaladhar	0	0	0	0	0	0	0
	Chainpur VDC							
40	Jangal Dhunga	0	0	0	0	0	0	0
41	Toleni Hurhure Danda	0	0	0	0	0	0	0
42	Hurhure Danda	0	0	0	0	0	0	0
43	Soreni Mela	0	0	0	0	0	0	0
44	Gahira Bhita	0	0	0	0	0	0	0
45	Jhada Rakhne	0	0	0	0	0	0	0
46	Saune Patal	0	0	0	0	0	0	0
47	Juwamelo	0	0	0	0	0	0	0
	Ritthapata VDC							
48	Birepani	0	0	0	0	0	0	0
49	Githapani	0	0	0	0	0	0	0
50	Chanchadi	0	0	0	0	0	0	0
51	Pariban	0	0	0	0	0	0	0
	Dhaulichour VDC							
52	Timke Kauli	0	0	0	0	0	0	0
53	Kaphlesain	0	0	0	0	0	0	0
54	Thula chod	0	0	0	0	0	0	0
55	Simshyail	0	0	0	0	0	0	0
	Surma VDC							
56	Bhangsari	0	0	0	0	0	0	0
57	Thala Pangipatal	0	0	0	0	0	0	0
	Sunikot VDC							
58	Danda gaun ko Bhatta	0	0	0	0	0	0	0
59	Aphrekhola	0	0	0	0	0	0	0
60	Rajikunda	0	0	0	0	0	0	0
61	Melpani	0	0	0	0	0	0	0

S. N	Name of FUGs	NTFPs Provision in OP (grade)	Biological Monitoring		Quality Standards		Quantity Sold?	Gross Sales?
			Included in OP (Grade)	Implemented (Grade)	Defined (date)	Adopted (date)		
62	Pithautya	0	0	0	0	0	0	0
63	Kumeli danda	0	0	0	0	0	0	0
	Subeda VDC							
64	Thateli khola	0	0	0	0	0	0	0
65	Surmadevi	0	0	0	0	0	0	0
66	Gothalekheti	0	0	0	0	0	0	0
67	Taramandal	0	0	0	0	0	0	0
	Malumela VDC							
68	Aagartoli katera darkot	0	0	0	0	0	0	0
69	Salleri ban	0	0	0	0	0	0	0
70	Choudephasel	0	0	0	0	0	0	0
71	Bhawar (ward-6)	0	0	0	0	0	0	0
72	Lingeodhar Dalleri	0	0	0	0	0	0	0
73	Bhawar	0	0	0	0	0	0	0
74	Salleri	0	0	0	0	0	0	0
75	Sapro	0	0	0	0	0	0	0
76	Jajar	0	0	0	0	0	0	0
77	Masta patal	0	0	0	0	0	0	0
	Kandel VDC							
78	Paradobangale Bagaichi	0	0	0	0	0	0	0
79	Rani Ban	0	0	0	0	0	0	0
80	Hallekhado barantola	0	0	0	0	0	0	0
81	Pari ban	0	0	0	0	0	0	0
82	Gahira Bagar	0	0	0	0	0	0	0
	Matela VDC							
83	Kheradi Mahila	0	0	0	0	0	0	0
84	Sairejar	0	0	0	0	0	0	0
85	Nulatdaine	0	0	0	0	0	0	0
86	Kheradi	0	0	0	0	0	0	0
87	Dhauakhola	0	0	0	0	0	0	0
88	Thala	0	0	0	0	0	0	0
89	Kalomela Ratopad	0	0	0	0	0	0	0
90	Thana Sallo Ratopad	0	0	0	0	0	0	0
91	Pan Lota	0	0	0	0	0	0	0
	Baysi VDC							
92	Baysi	0	0	0	0	0	0	0
93	Joshi Gaun	0	0	0	0	0	0	0
94	Tika	0	0	0	0	0	0	0
95	Baysi Jal Halne	0	0	0	0	0	0	0

S. N	Name of FUGs	NTFPs Provision in OP (grade)	Biological Monitoring		Quality Standards		Quantity Sold?	Gross Sales?
			Included in OP (Grade)	Implemented (Grade)	Defined (date)	Adopted (date)		
96	Suiraj	0	0	0	0	0	0	0
97	Patimere	0	0	0	0	0	0	0
98	Khadekhali Bhatta	0	0	0	0	0	0	0
	Koiralkot VDC							
99	Khapad Dev	0	0	0	0	0	0	0
100	Danda Baag	0	0	0	0	0	0	0
	Koiralkot VDC							
101	Dobra	0	0	0	0	0	0	0
102	Sadel	0	0	0	0	0	0	0
103	Dobra Gogalaya	0	0	0	0	0	0	0
104	Ghodemela	0	0	0	0	0	0	0
105	Pikhet	0	0	0	0	0	0	0
106	Khar	0	0	0	0	0	0	0
107	Mastamandau	0	0	0	0	0	0	0
	Lekhgaun VDC							
108	Chhulekher	0	0	0	0	0	0	0
109	Mahalinga	0	0	0	0	0	0	0
110	Seri Nisan	1	1	0	0	0	0	0
111	Tika	1	1	0	0	0	0	0
	Rilu VDC							
112	Thagunna	0	0	0	0	0	0	0
113	Paripatal	0	0	0	0	0	0	0
114	Daya	0	0	0	0	0	0	0
115	Patarimelo Patal	0	0	0	0	0	0	0
116	Kinadi Patal	0	0	0	0	0	0	0
117	Lautoun	0	0	0	0	0	0	0
118	Kholelekh	0	0	0	0	0	0	0
119	Dwari	0	0	0	0	0	0	0
120	Budha Patalbayale	0	0	0	0	0	0	0
	Kanda VDC							
121	Darkhola	0	0	0	0	0	0	0
122	Thulamela	0	0	0	0	0	0	0
123	Maina Kanda	0	0	0	0	0	0	0
124	Hastoli ko Thel	0	0	0	0	0	0	0
125	Sired	0	0	0	0	0	0	0
126	Birali	0	0	0	0	0	0	0
	Dhamena VDC							
127	Siningaun Papal	0	0	0	0	0	0	0
128	Trimalikhan	0	0	0	0	0	0	0

S. N	Name of FUGs	NTFPs Provision in OP (grade)	Biological Monitoring		Quality Standards		Quantity Sold?	Gross Sales?
			Included in OP (Grade)	Implemented (Grade)	Defined (date)	Adopted (date)		
129	Pariban	0	0	0	0	0	0	0
130	Golibhid	0	0	0	0	0	0	0
	Melbisauna VDC							
131	Kelashmandu	0	0	0	0	0	0	0
132	Golkando	0	0	0	0	0	0	0
133	Bhuwani Bisekh	0	0	0	0	0	0	0
134	Nalachour	0	0	0	0	0	0	0
135	Dauthi Patal	0	0	0	0	0	0	0
136	Thodi Mela	0	0	0	0	0	0	0
137	Bakhi Patal	0	0	0	0	0	0	0
138	Banjadi Patal	0	0	0	0	0	0	0
139	Gatad Binayak	0	0	0	0	0	0	0
140	Kalika Patal	0	0	0	0	0	0	0
	Dantola VDC							
141	Chouki Danda	0	0	0	0	0	0	0
142	Gaundapatal	0	0	0	0	0	0	0
143	Kolaynlo Patal	0	0	0	0	0	0	0
144	Gore Mela	0	0	0	0	0	0	0
145	Baradeu Kolpani	0	0	0	0	0	0	0
146	Patalpani	0	0	0	0	0	0	0
147	Talachour	0	0	0	0	0	0	0
148	Kolka Patal	0	0	0	0	0	0	0
149	Lali Gaurans Patal	0	0	0	0	0	0	0
	Pauwagadi VDC							
150	Golkhando	0	0	0	0	0	0	0
151	Dandagaun Saileshwori	0	0	0	0	0	0	0
152	Jagadamba	0	0	0	0	0	0	0
	Lamatola VDC							
153	Thado Mela	0	0	0	0	0	0	0
154	Gajanthalo Buranse	0	0	0	0	0	0	0
155	Mahalinga Batmala	0	0	0	0	0	0	0
156	Muthimela	0	0	0	0	0	0	0
157	Tikagadi Mahila	0	0	0	0	0	0	0
	Majhigaun VDC							
158	Khapereshwor Thankot	0	0	0	0	0	0	0
	Kalukheti VDC							
159	Pithatola	0	0	0	0	0	0	0
160	Matuwa	2	2	1	0	0	0	0
161	Pedebhuwa	0	0	0	0	0	0	0

S. N	Name of FUGs	NTFPs Provision in OP (grade)	Biological Monitoring		Quality Standards		Quantity Sold?	Gross Sales?
			Included in OP (Grade)	Implemented (Grade)	Defined (date)	Adopted (date)		
162	Mailako Mela	0	0	0	0	0	0	0
163	Chakhure	0	0	0	0	0	0	0
164	Mastadeu	0	0	0	0	0	0	0
	Patadewal VDC							
165	Tarainlote	0	0	0	0	0	0	0
	Gadaraya VDC							
166	Dopke Kharsu	0	0	0	0	0	0	0
167	Palepatal	0	0	0	0	0	0	0
168	Bhagawati Salleri	0	0	0	0	0	0	0
169	Thala Salleri	0	0	0	0	0	0	0
170	Lahare	1	2	1	0	0	0	0
171	Binayak	2	2	1	0	0	0	0
	Luyata VDC							
172	Nanighar	0	0	0	0	0	0	0
	Hemantawada VDC							
173	Chadilato Hitamandu	0	0	0	0	0	0	0
174	Hemantawada	2	2	1	0	0	0	0
	Kailash VDC							
175	Shree Binayak Pimidanda	3	3	2	0	0	0	0
176	Chiuri Bhandar	0	0	0	0	0	0	0
177	Kailash Kacharikot	0	0	0	0	0	0	0
	Kotdewal VDC							
178	Lekhithumko	0	0	0	0	0	0	0
179	Ghatte Bagar	0	0	0	0	0	0	0
180	Akunda	0	0	0	0	0	0	0
181	Ranada	0	0	0	0	0	0	0
	Bhatekhola VDC							
182	Pari Ban	0	0	0	0	0	0	0
183	Lodhpani	0	0	0	0	0	0	0
184	Ramiban	0	0	0	0	0	0	0
185	Phalsein	0	0	0	0	0	0	0
186	Neto Choudhar	0	0	0	0	0	0	0
	Masta VDC							
187	Bhaitan ko Serophero	0	0	0	0	0	0	0
188	Bhairab Patal	0	0	0	0	0	0	0
189	Goyala	0	0	0	0	0	0	0
190	Paribidi	0	0	0	0	0	0	0
191	Tingaun Ko Patal	0	0	0	0	0	0	0
192	Daulimelo Chukidhunga	0	0	0	0	0	0	0

S. N	Name of FUGs	NTFPs Provision in OP (grade)	Biological Monitoring		Quality Standards		Quantity Sold?	Gross Sales?
			Included in OP (Grade)	Implemented (Grade)	Defined (date)	Adopted (date)		
193	Pariban	0	0	0	0	0	0	0
194	Mandupatal Mahila	0	0	0	0	0	0	0
195	Khatimelo	0	0	0	0	0	0	0
196	Sadabahar	0	0	0	0	0	0	0
	Dahabagar VDC							
197	Kakanadi	0	0	0	0	0	0	0
198	Liche	0	0	0	0	0	0	0
199	Sangaro	0	0	0	0	0	0	0
200	Pairaka Jhara	1	1	0	0	0	0	0
201	Tamakhu Laya	0	0	0	0	0	0	0
202	Dhalit Janjati	1	0	0	0	0	0	0
203	Ritha Odhar	0	0	0	0	0	0	0
204	Patal	0	0	0	0	0	0	0
205	Sunari	1	1	0	0	0	0	0
206	Gudgude	1	0	0	0	0	0	0
207	Jute Bhadmaya	0	0	0	0	0	0	0
208	Gharmathi	0	0	0	0	0	0	0
209	Bodhlad Thulamela	1	1	0	0	0	0	0
210	Patal Potal	0	0	0	0	0	0	0
211	Nimori	0	0	0	0	0	0	0
212	Harishandra	0	0	0	0	0	0	0
213	Thulomelo Badelad	0	0	0	0	0	0	0
	Sayndi VDC							
214	Lamalekh Harikhaya	0	0	0	0	0	0	0
215	Sthaldhum	0	0	0	0	0	0	0
216	Kedar	0	0	0	0	0	0	0
217	Kalika	0	0	0	0	0	0	0
	Kharitadi VDC							
218	Raikoiral	0	0	0	0	0	0	0
219	Kal Bhairab	0	0	0	0	0	0	0
220	Thapla Harischandra	0	0	0	0	0	0	0
221	Dalleri Patal	0	0	0	0	0	0	0
222	Parbati	0	0	0	0	0	0	0
223	Samaiji	0	0	0	0	0	0	0
	Pipalkot VDC							
224	Kaphaleni Thadomela	0	0	0	0	0	0	0
225	Phulungkot Hariyali	0	0	0	0	0	0	0
226	Nalkatya	0	0	0	0	0	0	0
	Deulikot VDC							

S. N	Name of FUGs	NTFPs Provision in OP (grade)	Biological Monitoring		Quality Standards		Quantity Sold?	Gross Sales?
			Included in OP (Grade)	Implemented (Grade)	Defined (date)	Adopted (date)		
227	Patal	0	0	0	0	0	0	0
228	Kala Chouth	0	0	0	0	0	0	0
229	Khocharaijer Chamlyan	0	0	0	0	0	0	0
230	Gunjeshwori	0	0	0	0	0	0	0
231	Sarada	0	0	0	0	0	0	0
232	Sidheshwor	0	0	0	0	0	0	0
233	Jainali Gaywan	0	0	0	0	0	0	0
	Kaphalseri VDC							
234	Thamkot	0	0	0	0	0	0	0
235	Maine Odhar	0	0	0	0	0	0	0
236	Parapanyar	0	0	0	0	0	0	0

Total

Grade 0	224	226	231	236	236	236	236
Grade 1	8	5	4	0	0	0	0
Grade 2	3	4	1	0	0	0	0
Grade 3	1	1	0	0	0	0	0
Grade 4	0	0	0	0	0	0	0
Total	236						

Key: Grade 0 refers "no" to 4 refers "sufficient consideration"

Data Collection from FUGs/CBFEs**a) Name of FUG: Kailash**

Address: Kailash 1-7, Bajhang

Households: 235

Total Population: 1505 Male: 758

Female: 747

Total Forest Area: 912.22

Major Species:

Tree: Gobre Sallo, Thingre Sallo, Jhule Sallo, Lauth Sallo, Banjh, Kharsu, Kharchant	NTFP: Lokta, Allo, Jhayu, Pakhenbed, Satuwa, Padamchal, Okhar, Bikh, Majhitho
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Period of Reporting: From: 2002 January To: 2002 December

Form Filled By: Sushi Gyawali

Specific Information

9. Number of NTFPs species collected:

1

10. Total quantity of NTFPs collected:

Species/ products	Total quantity collected (Kg)	Locally used quantity (Kg)	Sold Quantity (Kg)	Selling Price (Rs.)	Gross sales (Rs.)	Conservation fee collected (Rs.)
Lokta	1850	50	800	24		5550

11. Employment

Nature of Activities		Total	Class								Remarks
			Male		Female		Occupational caste		Others		
			No.	Days involved (average)	No.	Days involved (average)	No.	Days involved (average)	No.	Days involved (average)	
Lokta	Collections	166	96	10	70	10	-	-	-	-	
	Post harvest activities	110	50	2	60	3	-	-	-	-	
	Transportation & Sell	60	40	2	20	1					

12. Types of Buyers

Species/ Products	Type of Buyers (Local (district) / National / Indian / International)	Quantity Bought (Kg)	Remarks
Lokta	Local (Malika enterprise)	1850	

13. Are NTFPs included in Operational Plan?

Yes, Lokta management is clearly mentioned and management options of other species is mentioned but stock is not calculated

14. Has the FUG implemented biological monitoring?

Yes

15. Do you have any standard for quality (control) of any NTFP?

Yes, but that is undertaken with support from Malika Enterprise

16. How much is traded with this (standard) quality? List with species.

Species / products	Quantity (Kg)
Lokta	1850

b) Name of FUG: Lauton CF

Address: Rilu 4, Bajhang

Households: 60

Total Population:425

Male:200

Female:225

Total Forest Area: 78.88

Major Species:

Tree: Gobre Sallo, Thingre Sallo, Jhule Sallo, Lauth Sallo, Banjh, Kharsu, Kharchant	NTFP: Lokta, Allo, Jhayu, Pakhenbed, Satuwa, Padamchal, Okhar, Bikh, Majhitho
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Period of Reporting: From: 2002 January To: 2002 December

Form Filled By: Sushi Gyawali

Specific Information

17. Number of NTFPs species collected:

2

18. Total quantity of NTFPs collected:

Species/ products	Total quantity collected (Kg)	Locally used quantity (Kg)	Sold Quantity (Kg)	Selling Price (Rs.)	Gross sales (Rs.)	Conservation fee collected (Rs.)
Lokta	3,100	100	3000	24		6,000 (Tax of 1000 kg is paid to DFO by trader)
Allo	800	800	-	-	-	-

19. Employment

Nature of Activities		Total	Class								Remarks
			Male		Female		Occupational caste		Others		
			No.	Days involved (average)	No.	Days involved (average)	No.	Days involved (average)	No.	Days involved (average)	
Lokta	Collections	80	40	20	40	20	-	-	-	-	No occupational cast. Collection occurs during Phalgun to Jestha
	Post harvest activities	40	15	3	25	3	-	-	-	-	
	Transportation	50	35	2	15	2					
	Selling	50	35	2	15	2					
Allo	Collections	60	30	1	30	1	-	-	-	-	Collection occurs during Kartik
	Post harvest activities	60	30	3	30	3	-	-	-	-	
	Weaving	50	25	10	25	10					

20. Types of Buyers

Species/ Products	Type of Buyers (Local (district) / National / Indian / International)	Quantity Bought (Kg)	Remarks
Lokts	Local	3000	Ganesh Aidi

21. Are NTFPs included in Operational Plan?

Amended for Lokta trade only

22. Has the FUG implemented biological monitoring?

No

23. Do you have any standard for quality (control) of any NTFP?

No

24. How much is traded with this (standard) quality? List with species.

Species / products	Quantity (Kg)

c) Name of FUG: Pari Ban CF

Address: Mastadev, Masta - 7

Households: 135

Total Population: 650

Male: 330

Female: 320

Total Forest Area: 16 ha.

Major Species:

Tree: Gobre Sallo, Thingre Sallo, Banjh, Kharsu, Kharchant	NTFP: Lokta, Allo, Jhayu, Pakhenbed, Satuwa
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Period of Reporting: From: 2002 January To: 2002 December

Form Filled By: Sushi Gyawali

Specific Information

25. Number of NTFPs species collected:

No collection. (X)

26. Total quantity of NTFPs collected:

27. Are NTFPs included in Operational Plan?

Jhayu, Chutro is mentioned but only written as "...Species are found in CF but management plan will be developed later"

28. Has the FUG implemented biological monitoring?

No

d) Name of FUG: Hemantawada CF

Address: Hemantawada1 - 7

Households: 440

Total Population: 3018 Male: 1494

Female: 1524

Total Forest Area: 1293.53 ha.

Major Species:

Tree: Gobre Sallo, Thingre Sallo, Banjh, Kharsu, Kharchant	NTFP: Lokta, Allo, Jhayu, Pakhenbed, Satuwa
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Period of Reporting: From: 2002 January To: 2002 December

Form Filled By: Sushi Gyawali

Specific Information

29. Number of NTFPs species collected:

No collection. (X)

30. Total quantity of NTFPs collected:

31. Are NTFPs included in Operational Plan?

Yes, especially Lokta Management is included

32. Has the FUG implemented biological monitoring?

Yes

e) Name of CBFE: Malika Handmade Paper Enterprise

Address: Hamersain, Pimi Kailash

Ownership: Community

Started year: 1999

Types of finish products: Handmade Paper

Period of Reporting: From: December 2001 To: December 2001

Form Filled By: Sushil Gyawali

Employees Record:

Nature of Employment	Number					Remarks
	Total	Male	Female	Occupational caste	Others	
Regular	2	2	-	-	-	
Seasonal Laborers	8	5	3	2	-	
others (.....)						

Specific Information

5. Raw materials and finish products

Products/ species	Raw materials Purchased			Finish Products produced		Sales		Types of Buyers (Local/National/Indian/ International/others)
	Qty (Kg)	Rate (Rs.)	Total (Rs.)	Products	Kg	Qty sold (Kg)	Selling Price (Rs.)	
Lokta	4753	22.5 Average between different grade	1069 49	Handmade Paper	14 00	1400	525200	National Buyer Remarks: Paper were produced from earlier stock different quality of paper were sold in different price

6. Gross margin per unit

Gross Margin per unit: Rs. 298.00 per kori

Gross Margin per unit: Rs. 75.00 per Kg

Net Margin per unit: Rs. 266.00 per kori

Net Margin per unit: Rs. 66.00 per kg

Product Type	Production Quantity	labors	Lokta	Fuel wood	Caustic Cost	Transports	Others...	Total
Paper	1400 kg	186899	106949	2462	28438	58096	20244	404088

Depreciation and conservation cost: 13212.00

33. 3. Do you have any standard for quality (control) of any NTFP?

Yes

7. How much is traded with this (standard) quality? List with species / product name.

Species / product name	Quantity (Kg / items/...)
20 grm. No. 1	1200
20 grm. No. 2	200

8. Industry Networks

Name of Organization / Industry / Trade Partners	Address	No. of contacts	Trade started (When)	Quantity Traded (Kg/items/...)
Himalayan Bio-Trade	Balkhu, Kathmandu	2	2002	1400

Other Related Information**Table 3: Enterprise and employment record provided by CSIDB, Bajhang**

S.N	Enterprise Name	Properiter	Address	Working Capital (Rs.)	Fix Capital (Rs.)	Annual Production Capacity	Employment	Renewal Status
						(Rs.)		
Allo Enterprise								
1	Shree Surma Devi Allo Cloth Industry	Mr. Kalak Bdr. Bohara	Dhaulichour - 1	248,800	51,500	336175	8	No
2	Shree Kalika Allo Cloth Industry	Mrs. Mata Bohara	Rilu - 5	15000	35000	120000	4	No
3	Shree Bhagawat Allo Cloth Industry	Mrs. Raji Devi Bohara	Rilu - 5	15000	35000	175000	8	No
4	Shree Malika Allo Cloth Industry	Mrs. Kamala Bohara	Rilu - 2	8000	12000	50000	2	No
5	Shree Bhawani Allo Cloth Industry	Mrs. Dhawli Bohara	Rilu - 2	8000	12000	50000	2	No
6	Jaya Kalika Allo Cloth Industry	Mrs. Parbati Bohara	Rilu - 2	8000	12000	50000	2	No
7	Shree Shanti Allo Cloth Industry	Mrs. Sauri Bohara	Rilu - 2	8000	12000	50000	2	No
8	Shree Bhawani Allo Cloth Industry	Mrs. Laxmi Bohara	Rilu - 2	8000	12000	50000	2	No
9	Shree Dharmaraj Allo Cloth Industry	Mr. Dharma Raj Khadka	Rilu - 5	30000	20000	100000	4	No
10	Shree Bhairab Nath Allo Cloth Industry	Mr. Goure Dwal	Rilu - 1	8000	12000	50000	3	No
11	Shree Kathayat Allo Cloth Industry	Mr. Narendra Bdr. Kathyat	Rilu - 9	20000	30000	100000	4	No
Total							41	
Handmade Paper Enterprise								
S.N	Enterprise Name	Properiter	Address	Total Capital (Rs.)	Raw Material cost	Annual Production Capacity	Employment	Renewal Status
						(Rs.)		
1	Bajhang Nepali Handmade Paper	Including Mr. Ram Pd. Khatri and Galpe Rokaya	Chainpur-1,2	501262	324960	691200	14	No
2	Shanker Nepali Handmade Paper	Mr. Chandra Dev Jaisi	Kandel - 5	Cancelled				
3	Surma Devi Nepali Handmade Paper	Mr. Dil Bdr. Bohara	Dhaulichour - 9	100000		240000	5	No
4	Chhaya Nepali Handmade Paper	Mr. Hem Raj Khadka	Majhigaun - 3	22000	10600	48000	2	No
5	Dharmodaya Nepali Handmade Paper	Mr. Dharma Raj Khadka	Bhatekhola - 7	20000		10800	5	No

6	Masta Nepali Handmade Paper	Mr. Ganesh Aidi	Bhatekhola - 1	300000			10	Yes
7	Himali Nepali Handmade Paper	Mr. Janga Bdr. Pal	Chainpur-3	300000			10	No
8	Himalaya Nepali Handmade Paper	Mr. Parelal Jethara	Rilu -1	300000			3	No
9	Malika Handmade Paper Pvt. Ltd.	Shree Binaya Pimi Danda CF	Kailash 1-7	1000000			6	Yes
	Total						55	

Source: CSIDB, Bajhang

Table 4: FUGs Trading Lokta in Bajhang

CF Name and address	Total Volume (Kg.)	Collector Price
Lauton CF, Rilu-4	2000	48000
Ranada CF-1-3	3000	72000
Shree Binayak CF, Kailash 1-7	2000	48000
Binayak CF, Gadaraya 8-9	1000	24000
Total	8000	192000
Note: Lokta (Average Rate per K.g. Rs. 24.00)		

Other species were not been traded depositing tax in CF

Some of this information are provided by ANSAB field staff

Table 5: NTFPs traded in Bajhang (DFO records)

Species	Rate	2057/58		2058/59		2059/60	
		K.g	Total Amount	K.g	Total Amount	K.g	Total Amount
Pakhanbed	5	9729	48644.1	4399	21995	27716	138580
Masalapat	1	3802	3801.75	4972	4972	4661	4661
Chiraito	3	4512	13536	2080	6240	4541	13623
Bojho	5	1610	8050	210	1050	657	3285
Padamchal	5	1000	5000	250	1250	2500	12500
Bhakyur	10	423	4229.5	940	9400	100	1000
Kakarsingi	2	357	714	251	502	25	50
Dai Haldi	2	200	400	2156	4312		0
Satuwa	5	100	500	150	750	1362	6810
Timur	3	180	540	285	855	148	444

Guchhi Chayu	200	73	14600	11	2200	33	6600
Tej Pat	10		0	155	1550	5635	56350
Panger	5		0	110	550		0
Harro	5		0	115	575		0
Gijardana	5		0	275	1375		0
Bikh	7		0	400	2800	400	2800
Kurilo	2		0	50	100		0
Amalbed	3		0	20	60		0
Rittha	2		0	1185	2370	10488	20976
Amaldana	2		0	695	1390	6117	12234
Lokta	3		0	1800	5400	1650	4950
Jhayu	10	7739	77390			7749	77490
Katuki	10	2096	20960				0
Dhupi Path	2	2040	4080			2497	4994
Sugandhwal	15	103	1545			535	8025
Setak Chini	5	20	100				0
Maiin	4	13	52				0
Majitho	2	10	20				0
Satawari	5					1122	5610
Bhutkesh	4					2922	11688
Dal chini bark	20					50	1000
Somlata	2					698	1396
Thingre Salla	2					3000	6000
Chutro bark	5					3500	17500
Silajit	50					97.5	4875
Argali	5					1857	9285
							0
Total		34007	204162	20509	69696	90061	432726

Source: District Forest Office

Operational Definition of Indicators

Total production from FUGs: In case of FUGs, production of major commercial NTFPs will be recorded, whereas in case of CBFEs it includes all products produced in the given year. In the long run, the main purpose of the project initiative is to achieve sustainable harvesting, and it does not necessarily need to increase total production.

Gross sales from FUGs/CBFEs: All NTFPs sold in the given year in Nepalese currency.

Employment: All types of engagement in NTFPs collection/ production to final products preparation and selling.

Types of NTFP buyers: All types of buyers including local, national, Indian and international will be recorded.

Gross margin per unit quantity for select products: The difference between selling price and variable costs per unit quantity for the select products will be calculated.

Number of producer groups organized for consolidated supply: It is the number of FUGs/CBFEs organized for consolidated supply for select products by year.

Quantity of NTFPs supplied by consolidated groups: It is the quantity of select products supplied by the organized producer groups.

FUGs with NTFPs provision in OP: The number of FUGs that include the provision for management and use of NTFPs in their operational plans.

FUGs that have included biological monitoring: The number of FUGs that include provision of biological monitoring in their operational plan.

FUGs that have implemented biological monitoring: The number of FUGs that have started keeping tract of biological monitoring in community forest management.

Quality standards defined: The number of FUGs / CBFEs that determine the quality parameters of NTFPs for sale / trade.

Quality standards adopted: The number of FUGs / CBFEs that have adopted the defined quality standards for trade.

Change in buying practices: The number of buyers towards fair transaction as perceived by local producers.

Industry members educated: It is the number of industry members participated in trade conference, trade fair and other interaction events about Nepali NTFPs and impact of responsible buying practices.

Industry linkages / networks cultivated: It is the number of contacts made with industry members / organizations, as well as trade partners.

Number of policy issues identified: It is the number of policy issues that are either new or inherent, which have significant role in NTFPs development. Among the identified issues, few will be analyzed and presented those for policy change, which are likely to produce high leverage on free and fair trade as well as sustainable management of NTFPs.

Awareness of stakeholders and policy makers: It is the number of stakeholders and policy makers who have taken part PPA workshops, meeting and other interactive events.

Annex 4: Communication Product Guideline

Certification and Sustainable Marketing of Nontimber Forest Products (NTFP)

Public Private Alliance

A.K.A. Nepali Nontimber Forest Products (NTFP) Promotion Alliance

2/18 Draft Public Relations and Communication Policy

Background

The goal of the Nepali Nontimber Forest Product (NTFP) Promotion Alliance is to link Nepal and foreign NTFP buyers, Nepali producers, and NGO and government programs assisting the NTFP sector in order to:

- increase incomes and employment for Nepal's NTFP producers (especially in remote rural areas);
- promote sustainable resource management;
- institute a certification program for NTFP in Nepal; and
- expand responsible buying practices among industry members in the West.

This alliance brings together U.S. product buyers and designers (Aveda and its extended industry contacts of the American Herbal Products Association); certification expertise (Rainforest Alliance); a diverse range of Nepali companies (Himalayan BioTrade Pvt. Ltd. and Gorkha Ayurved Company (P) Ltd); Nepali Networks and NGOs (Asia Network for Sustainable Agriculture and Bioresources – ANSAB, Nepal NTFP Network, Himali Jadibuti Sarokar Samuha, and Federation of Community Forestry Users, Nepal); representatives from His Majesty's Government, Community Forest Users Groups and their federation bodies, and donors (USAID, The Ford Foundation, SNV, and Swiss) that have been developing community forest user groups and NTFP industry coordination within Nepal. Aveda and Rainforest Alliance are new partners in the alliance and bring global cutting edge industry expertise to the alliance. The alliance is being coordinated by ANSAB.

Public Relations (PR) and Communication Principles/Policy

With such a diverse alliance membership, the building of trust among the members is key to achieving the alliance goals and objectives. At the planning meeting held in January 2003, the alliance members agreed that publicity for the project and communication and public relation materials should be sought/developed. At this meeting it was also agreed that principles/policy would be developed for communication and public relation materials. Taking into account

donor, industry and U.S. and Nepali alliance partner needs, the following PR/communication principles/policy have been developed for the alliance.

- Any alliance member can initiate communication materials and PR pieces. One common brochure will be developed for the alliance. Production of the brochure will be coordinated by ANSAB. When possible, PR pieces should build from the main themes in the brochure. Any PR/communication piece should honor and respect the overall goals and objectives of the program (see above).
- PR and communication pieces do not require pre-approval from all alliance members but, draft versions should be shared with ANSAB who will share with Nepali members at their meetings and with USAID, Rainforest Alliance and Aveda. The exception to this is if USAID funds are being used to produce the PR/communication piece. Then pre-approval is required from ANSAB to make sure the piece adheres to USAID grant provisions on communication materials.
- Final PR and communication pieces are shared with all alliance members. Alliance members are free to distribute the PR/communication pieces to additional audiences. Copying materials (i.e. sections of websites, video or photos, brochures etc.) requires written approval from ANSAB. It will be the responsibility of ANSAB to coordinate with alliance members that generated the original PR/communication piece to seek approval on material copying. Producing website links to alliance member websites also requires approval from ANSAB and the alliance member whose website is to be linked.
- While not necessary to mention all alliance members in each PR or communication piece, there needs to be recognition that it is an alliance effort and not any one organization.
- PR/communication pieces should recognize that while not a formal alliance, the Nepali partners have been working together on NTFP issues through informal and formal bodies prior to this project and that this cumulative knowledge base and achievements should not be claimed inappropriately by new alliance members.
- Organizational and industry logos, copy rights and trademarks (Forest Stewardship Council (FSC), Rainforest Alliance (RA), SmartWood, AVEDA, Estée Lauder, Himalayan BioTrade Pvt. Ltd., Gorkha Ayurved Company (P) Ltd. etc. must be honored and properly credited. Specifically for Forest Stewardship Council (FSC) and Rainforest Alliance the following provisions apply:

The project/alliance recognizes and will honor that RA is the legally registered owner of the RA logo and RA certification marks. ANSAB and the alliance partners acknowledge that RA is the exclusive owner of the RA certification mark and that it has no right to use the RA certification mark except for educational purposes connected with this project.

ANSAB or its alliance partners may not register or attempt to register the RA certification mark or any similar mark to designate any goods, services or certification programs in any country or state. All use of the RA logo or RA certification mark must be approved by the RA prior to publication.

The RA is accredited by the Forest Stewardship Council (FSC) and, as such, is subject to certain accreditation requirements. The FSC logo, the name 'Forest Stewardship Council' and the initials 'FSC' are registered trademarks owned by Forest Stewardship Council A.C. All use of the FSC logo, the name 'Forest Stewardship Council' and the initials 'FSC' must be approved by the RA prior to publication.

This provision is not intended to unduly restrict or hamper PR/communication products. PR/communications products that intend to mention FSC or RA should coordinate with ANSAB to facilitate rapid approval from RA.

- PR/communication pieces should recognize the support provided by USAID. Contributions from the other alliance members may also be noted, but actual amounts should not be mentioned unless pre-approved by ANSAB, the alliance coordinator, and the member's whose contributed amount is being mentioned. suggested wording:

“With support from USAID and the alliance members” ...

or if an individual organization wants to highlight their contribution

“XXX organization joins in providing support/expertise/technical advising/industry linkages (or what ever applies) to Nepali Nontimber Forest Products (NTFP) Promotion Alliance. The Alliance, coordinated by ANSAB, was launched with support from USAID and other alliance members.

- This policy will be reviewed at the annual planning meeting and modified if needed.

Annex 5: PPA Press Release in the US

First Ever Alliance Formed To Combat Destruction of Forest and Forest Communities in Nepal

Aveda Corporation, Forest Stewardship Council, RainForest Alliance, ANSAB and USAID Take Leadership Role in Promoting Responsible Buying of Herbs

Herbs sold for personal health often cause destruction of forests and forest communities in remote regions of the world. In small villages in the Nepal Himalayas, for example, medicinal herb traders encourage the poorest people living in the forests to harvest as many medicinal plants as they can, pay them the lowest prices for the herbs, and abandon the community when the plant supply (also known as nontimber forest products) runs out. These herbs may then turn up in the herbal medicines that western consumers buy from the pharmacy or health food shop. The result is that the poor become poorer and end up destroying their only livelihood -- the biodiversity rich forest.

A unique alliance of corporations, government and non-profits was formed earlier this year with the goal of:

Combating this crisis of loss of biodiversity (plant species) in Nepal and preserving sustainable rural life. Accomplishing this by bringing about responsible business practices through education of business users and developing certified sustainably collected medicinal herbs and other non-timber forest products (NTFPs) from the forest, using the Forest Stewardship Council (FSC) certification process. The Forest Stewardship Council (FSC) supports environmentally appropriate, socially beneficial and economically viable management of the world's forests. FSC promotes responsible forest management by evaluating and accrediting certifiers, by encouraging the development of national and regional forest management standards, and by providing public education and information about independent, third-party certification as a tool for ensuring that the world's forests are protected for future generations.

The Nepali Nontimber Forest Product Promotion Alliance includes representatives from the Nepali government; Nepali non governmental organizations (NGOs); private companies active in the herbal products industry, including Aveda; an FSC forest certification organization - Rainforest Alliance; community forestry user groups, represented by the Federation of Community Forestry Users, Nepal; and donors, including the United States Agency for International Development (USAID). This is the first time industry, government, NGOs, communities, and forest certifiers have combined expertise to make commercial trade of non-timber forest products in Nepal sustainable.

“At Aveda we strive to set an example in environmental leadership and responsibility. With extinction of plant species at an all time high, it is imperative that industry takes responsibility for the supply chain of medicinal herbs,” says Conseil (President of Aveda). “We must act today to protect all species, plant and animals, and protect from exploitation the very special people who are able to work in harmony with the forests. And the alliance asks the right questions -- empowering forest dwelling people to protect their lands and to be able to inform the medicinal plant traders that the people living in the forest will not destroy their forests for short-term gains.

“Aveda’s willingness to provide industry expertise, guidance in product development and linkages with the herbal products industry is a contribution to the alliance that goes beyond a traditional seller/buyer relationship, states Dr. Rebecca Butterfield of Rainforest Alliance. “This model of partnership for Nepal and community suppliers of nontimber forest products (NTFPs) is much more interesting and holds greater promise for improving product quality, sustainable resource management, and generating increased incomes for rural communities.”

Why Nepal?

In Nepal, A Community Forest is defined as a National Forest handed over to a Users' Group (people living in or near the forest) for its development, protection, and utilization for collective benefits. Dr. Keshav Kanel, of the Nepali Forestry Department noted that "community forestry provides a space for more transparent and participatory management of common resources such as forests and is promoting grass roots good governance." Dozens of non-governmental organizations and donor programs complement the government's community forestry program by assisting the communities with forest management skills.

The collective effort in Nepal is impressive. There are over 11,500 forest user groups across Nepal that include almost a third Nepal's population and cover 18% of the biodiversity rich forest. For most of these communities, NTFP trade is the only livelihood besides subsistence agriculture. Much of Nepal is considered a biodiversity (number of plant and animal species) hotspot due to the richness and uniqueness of species.

Mr. Bhishma Subedi of ANSAB, the Alliance's coordinator, says "These forest communities are some of the most remote and disadvantaged of Nepal. Already remote communities have set up paper making factories and essential oil distillation plants. These enterprises have added value to the raw plant materials, created jobs, and raised incomes while creating incentives for long-term stewardship and resource management approaches that maintain the plant populations." The "trader demand all and don't ask about sustainability" mode of doing business is changing. But, change has to happen faster if plants and communities are to be saved and prosper.

The Nepali Nontimber Forests Products (NTFPs) Promotion Alliance is bringing together the right mix of actors at a crucial time to link Nepal and foreign NTFP buyers, Nepali producers, and NGO, donor and government programs assisting the NTFP sector in order to:

- increase incomes and employment for Nepal's NTFP producers (especially in remote rural areas);
- promote sustainable resource management;
- institute a certification program for NTFPs in Nepal; and
- expand responsible buying practices among industry members in the West.

Herbs sold for personal health can cause the destruction of both forests and forest communities. It is time for consumers to know of the problems and for models to be made to address this problem, with extinction of medicinal plants at an all time high, action is needed.

Release from:

ANSAB

Rainforest Alliance

Forest Stewardship Council

Ford Foundation

Aveda Corporation

Annex 6: A Sample MOU Document**MEMORANDUM OF UNDERSTANDING****Between****Asia Network for Sustainable Agriculture and Bioresources****and****Federation of Community Forest Users, Nepal**

Asia Network for Sustainable Agriculture and Bioresources (ANSAB) and Federation of Community Forest Users, Nepal (FECOFUN) desire to collaborate with each other under the provisions hereof for the purpose of seeking opportunities in promotion of sustainable management of NTFPs, community forest user groups, and community based forest enterprises so as to further the activities of the NTFP promotion alliance and achieve the common goals of ANSAB and FECOFUN. Now, therefore, FECOFUN and ANSAB hereby agree as follows:

BACKGROUND

The Asia Network for Sustainable Agriculture and Bioresources (ANSAB), established in 1992, is an independent, not for profit, international non-governmental organization with its headquarters in Kathmandu, Nepal. ANSAB is committed to biodiversity conservation through natural products based enterprises, community forestry, capacity growth of key stakeholders and creation of enabling policy environment by working directly with local communities and in collaboration with key stakeholders. ANSAB promotes enterprises based on the sustainable use of natural products; creates economic incentives through enterprise-based biodiversity conservation; designs and implements integrated biological and socio-economic monitoring systems; conducts studies and provides access to market and technological information; provides institutional, tenurial and technical support to grass root resource management groups; and supports the development and improvement of policies and legislation as well as their effective implementation.

FECOFUN is a national representative body of community forest user groups (FUG) of Nepal and represents over 11,000 FUG across the country through its 7000 affiliated member FUG. FECOFUN is involved in promoting participatory forestry towards democratization, transparency and accountability in overall resource management processes. It is involved in lobbying and advocacy for devolution of management rights for greater benefits to local communities.

ANSAB and FECOFUN are both committed to promote sustainable management of NTFPs and community forest user groups in Nepal and together with other organizations have developed and are implementing “Certification and Sustainable Marketing of Non-Timber Forest Products (NTFP)- Public Private Alliance” project to achieve the common goals. Through the partnership outlined in this Memorandum of Understanding (MOU), ANSAB and FECOFUN will look to each other for promotion of community forest user groups, community based forest enterprises, sustainable management of NTFPs, NTFP certification, and product development and responsible marketing.

PROJECT OVERVIEW

The goal of the Certification and Sustainable Marketing of Non-Timber Forest Products (NTFP) alliance project is to link Nepal and foreign NTFP buyers, Nepali producers, and NGO and government programs assisting the NTFP sector in order to:

- increase incomes and employment for Nepal’s NTFP producers (especially in remote rural areas);
- promote sustainable resource management;
- institute a certification program for NTFP in Nepal; and
- expand responsible buying practices among industry members in the West.

This new alliance brings together U.S. product buyers and designers (Aveda and its extended industry contacts of the American Herbal Products Association); certification expertise (Rainforest Alliance); a diverse range of Nepali companies (Himalayan BioTrade Pvt. Ltd. and Gorkha Ayurved Company (P) Ltd); Nepali Networks and NGOs (Asia Network for Sustainable Agriculture and Bioresources – ANSAB, Nepal NTFP Network, Himali Jadibuti Sarokar Samuha, and Federation of Community Forestry Users, Nepal); and donors (The Ford Foundation, SNV, and Swiss) that have been developing community forest user groups and NTFP industry coordination within Nepal. Aveda and Rainforest Alliance are new partners in the alliance and bring global cutting edge industry expertise to the alliance.

ANSAB has a solid track record in coordinating the Nepali partners and delivering NTFP enterprise and forest management services to community forest user groups. ANSAB will coordinate overall alliance activities; convene meetings; provide business development services to NTFP enterprises; and administer product design and product development research grants in order to achieve the intended results of the project.

The alliance offers opportunities for demonstrating and generating leading practices in: certification models for NTFP and forest communities; 2) poverty alleviation for forest communities through industry/producer product design collaboration and 3) NTFP industry “responsible buying” practices. Each of the alliance members has a proven track record in their area of expertise and the activities have great potential for replication across Nepal as well as other parts of the world. The alliance members have worked together to contribute ideas and direction to the project proposal and work plan.

SCOPE

1. Both the parties may:

- a) Identify areas of cooperation benefiting both organizations and Nepali NTFP producers, and coordinate together development and implementation of mutually benefiting activities;
- b) Develop and explore specific arrangements in undertaking the project activities for utilization of each other’s expertise; and

- c) Monitor the performance of project related activities and provide feedback and suggestions.

2. ANSAB will:

- a) Provide FECOFUN with information related to NTFP management, certification, product development, and marketing which can be used to strengthen the capacity of forest user groups, influence the forestry policy development and implementation, and uphold the rights of community forest user groups;
- b) Facilitate to bring together key NTFP stakeholders for discussion and analysis of policy issues related to sustainable NTFP management, promotion of forest user groups, and community based forest enterprise development;
- c) Support in capacity building of forest user groups, forest management certification, community based forest enterprise development, marketing of NTFPs produced by forest user groups and community based forest enterprises;
- d) Provide FECOFUN, and forest user groups with linkages to ANSAB's partners, particularly in accessing services in capacity building of forest user groups, community forest management, community based forest enterprise development, and marketing of NTFPs;
- e) Support in strengthening the district branches of FECOFUN; and
- f) Facilitate to access expertise of the alliance members including Rainforest Alliance, Aveda and their extended network.

3. FECOFUN will:

- a) Involve in and contribute to the PPA project review and planning meetings;
- b) Raise awareness for sustainable management and use of NTFPs;
- c) Disseminate NTFP information to FUGs;
- d) Support in NTFP policy and community resource governance;
- e) Support in capacity building of forest user groups in the areas of community forest management, institutional development, and marketing of NTFPs;
- f) Contribute to NTFP certification and product development; and
- g) Network and coordinate FUGs for sustainable management and promotion of NTFPs.

CORRESPONDENCE AND REPORTING

Both parties agree on sharing the project related information on a regular basis. Among other alliance members, FECOFUN will be requested to provide inputs for the PPA annual work plans, monitoring and evaluation plan, performance reports, and final report. ANSAB and FECOFUN agree to provide the information required for the project monitoring and reporting. In addition to reporting of the project related activities, FECOFUN will provide information about the costs incurred by the organization while carrying out the activities related to the PPA project.

Correspondence regarding the implementation of this MOU will be addressed to the organizations' representatives listed below:

Bhishma P. Subedi
ANSAB

P.O. Box 11035, Kathmandu
Nepal

Tel: 497547, Fax: 476586

Email: ansab@ansab.org

Bhim P. Shrestha
FECOFUN

Baneshwor
P.O. Box 8219, Kathmandu, Nepal

Tel: 485263

Email: bram@fecofun.wlink.com.np

COMMUNICATION PRODUCTS

Data gathered, activities conducted, and any other work done in association with the PPA project will be made available for the use of the alliance members. USAID “communication products” and publications and media release” standard provisions are in effect.

OTHER PROVISIONS

- a) Both parties agree to promote responsible business practices in NTFP industry.
- b) The scope of the MOU is contingent upon the continual availability of the funding from USAID/Nepal.
- c) Any amendments to this MOU will be made in writing and signed by both parties.

This Memorandum of Understanding will take effect on the date signed below and shall continue for a period of three years from the effective date. This agreement only covers the broad understanding between the parties, and is not for any other purpose. Additional agreements that cover specific aspects of the relationship may be signed by the parties subsequently.

The parties state their concurrence to this agreement through the signature provided below:

By:

By:

Bhishma P. Subedi
Executive Director

Bhim P. Shrestha
Chairperson

ANSAB

FECOFUN

Date:

Date:

Annex 7: PPA Introduction Piece for MFSC in Nepal.**lbuf] s[lif tyf h}j]s ;|f]tsf nflu Pl;ofnL g]6js{ (ANSAB)****g]kfnL u}/sfi7 jg k}bfj/ k]j4{gsf nflu klAns k]fOe]6 PnfoG;**

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Annex 8: Report on Dolakha Field Visit and Multi-Stakeholders Workshop

**Field Visit and Multi-Stakeholders Workshop
(April 11-14, 2003)**

Report cum Proceedings



Asia Network for Sustainable Agriculture and Bioresources (ANSAB)

New Baneshwor

P.O. Box 11035, Kathmandu, NEPAL

Contact: Bishma P. Subedi, Executive Director

Asia Network for Sustainable Agriculture and Bioresources (ANSAB) Field Visit and Multi-stakeholders Workshop (April 11-14, 2003)

1. Introduction

One of the Enterprise Based Biodiversity Conservation Program's primary objectives is to facilitate policy improvement in the biodiversity conservation and forest enterprise sectors. At the same time, with support from and strategic planning with USAID, ANSAB initiated a new project entitled "*Certification and Sustainable Marketing of Non-timber Forest Products (NTFP): Public Private Alliance (PPA)*" which aims to increase incomes and employment of NTFP producers and promote sustainable resource management by also creating enabling policy environment, and a wide range of alliance members including the government, non-profits and private business organizations are involved in the project activities. In this context, a field visit to Dolakha and multi-stakeholders workshop was organized for a team of policy makers that represents a variety of institutions, PPA alliance members, and donor organizations including USAID, SDC and SNV in Nepal (see program in **Annex 1** and list of participants in **Annex 2**).

2. Objectives

The field visit cum multi-stakeholders workshop was designed to provide policy makers the opportunity to gain first-hand knowledge of grassroots issues (particularly, in relation to community forestry, Non-Timber Forest Products (NTFPs) and forest-based enterprises) that affect policy. In addition, this visit intended to facilitate the implementation of PPA field activities and discuss NTFP certification issues among the stakeholders.

Specific objectives of the field visit cum workshop were to:

- Identify major constraints and opportunities of community based forestry enterprise development, which can be addressed through policy reform and improved implementation techniques;
- Identify appropriate policy intervention nodes to enhance the economic and conservation impacts of using biological resources; and
- Interact in an informal setting in order that cross-sectoral collaboration and coordination among often-isolated policy institutions will improve the policy development process.

3. Process and Methods

To achieve the above mentioned objectives, the program employed a flow of participatory methods and tools, and they are (not in any particular order):

- Orientation meeting and participatory planning to learn;
- Field visits, observations and interactions with local community forest user groups (CFUG), community based forest enterprises (CBFEs) and other stakeholders;
- Presentations, sharing and discussions; and
- Group works, reflections, and debriefing.

4. Rationale of the Selection of Field Visit Site

While choosing the field site, priority was accorded to locations that were easily accessible and contained a wide range of enterprise opportunities and constraints (regardless of whether they located within the project area). Given such criteria, it was determined that Dolakha District would be the most appropriate field site. Additionally, it is a region where ANSAB has already implemented enterprise based biodiversity conservation program, and is also one of the sites for the PPA project.

5. Highlights of the Field Visit and Workshop

Orientation Meeting at Dhulikhel

A brief orientation meeting was held in Dhulikhel to introduce participants to the issues and objectives of the field visit and workshop program. After highlighting the objectives of the program, Bishma Subedi led the discussion regarding the process of learning and scope of the visit and workshop. The team agreed to concentrate on three main themes during the program:

1. *Enterprise-oriented resource management;*
2. *Enterprise development and marketing;* and
3. *Certification.*

The whole team was then divided into three groups around the themes. The thematic groups prepared checklists for guiding the observation and learning. The meeting concluded with the energetic wrap-up by Dr. Bharat Pokhrel.

Interaction Meeting with District Level Stakeholders

An interaction meeting was held with CDO, LDO, DFO, FECOFUN district representatives, SDC field personnel, and other district level stakeholders including local journalists at DDC Hall Charikot, Dolakha in the morning of second day. Welcoming the participants, Bishma Subedi gave a brief overview of the program and its objectives. As planned, DFO, District FECOFUN Chairman and LDO gave short presentations that were followed by stimulating discussion, the presentations as such are found in **Annex 3**.

The presentations and discussions brought out various policy and implementation issues and challenges with regards to community forestry and forest enterprises. The key points include:

- There is a need to have detail resources inventory for enterprise-oriented community forests management,
- There are anomalies of multiple taxation on trading forest produces that need to be addressed,
- Clear policy provision felt necessary for community owned forest enterprise in the Forest Act, and
- Complexity in the registration of NTFPs-based enterprise due to the 3 km rule (distance from the forest) and three party (DFO, Land Survey and Cottage and Small Industry Authority) consensus requirement.

Regarding the issue of 3 km distance, Jamuna K. Tamrakar, Director General of Department of Forests clarified that this requirement does not apply to the establishment and operation of NTFPs based enterprises. He further added, "This is meant for wood related enterprises like saw mills and brick kilns". The participants appreciated the clarification made by Mr.

Tamrakar, and requested through him to the government that all other issues indeed demand government's serious attention to promote better resources management, and to contribute sustainable community development by moving forward from subsistence repairing approach

to enterprising self sustaining approach. Summarizing the presentations and discussions Dr. B. Acharya wrapped-up the interaction meeting.

Field Visits

In the afternoon of Day 2, the team observed an enterprise that distills wintergreen (*dhasingre*) to produce essential oils at Napke. Parbat Gurung (Deudhunga Multipurpose Cooperative) briefed about the enterprise. The team appreciated the way the enterprise is running, and suggested replicating such type of enterprise to other communities as well. Similarly, the team met and interacted with some of the members of Bhitteeri Pakha FUG. Here, the team split into 3 groups as of their identified topics to get insights accordingly.

In the morning of Day 3, the team met and interacted with two FUGs (Kalobhir and Thulonagi) along with local political leaders and FNCCI members at Friendship Hall, Jiri. The team had wonderful and lively interactions with them, and got insights from the field reality.

In all these visits and interactions, the team members gathered and shared information in the areas of enterprise-oriented community forests management, and enterprises development and marketing. Moreover, as certification is a new concept to Nepal and in forestry sector as well, the scope and necessity of certification in forestry was shared during those interactions. The lessons learned and reflection of the visits and interactions are included in the presentation of group works (see multi-stakeholders workshop and reflection session).

Multi-stakeholders Workshop and Reflection Session

On Day 4 (Nepali New Year 2060), the multi-stakeholders workshop and reflection session of the program took place in Dhulikhel where all participants had the opportunity to share their views and ideas on the themes and reflect lessons learned from the program. During this session, the team members worked in the thematic groups utilizing the information gathered and insights gained during the field visits and interactions. Each group presented the outcomes of the group at the plenary, and a lively discussion took place after that. The highlights of the presentation and the discussion are given below.

Group 1: Enterprise-Oriented Resources Management

Group Members: Jamuna Krishna Tamrakar, Ananda Pokhrel, Parbat Gurung, Dr. Bharat Pokhrel, Indu B. Sapkota and Ram Prasad Acharya

Reflections/Lessons Learned

- Strong ownership feeling on forest resources by CFUGs
- Political boundary concept still "exists" leading to exclusion of traditional users
- Sub-groups concept initiated within FUG (enterprising/poor focused)
- Negative opinion on "contractors" on collecting commercial NTFPs (threats to enterprises)
- Transparency/good governance among FUGs being realized
- FUGs are desperate to have more market related information about their products
- Monitoring mechanism is not institutionalized at FUG
- Resource inventory is inadequate in terms of enterprises perspective
- Perceived over-exploitation of commercial NTFPs

Interventions/Recommendations

- Awareness raising among FUG members about potential enterprises
- Social responsibility of "contractors" to be enhanced
- Resources assessment at two levels: simple participatory resources assessment and enterprise-oriented resources assessment
- Participatory action research

- Demonstration on commercial NTFPs about their regeneration, growth and harvesting techniques (by also recognizing local knowledge, skills and expertise)
- District FECOFUN - to maintain and flow market information on commercial NTFPs
- NTFPs focused training to all including FUGs
- Governance of FUGs: pre-requisite to enterprises development
- Provision of registration/operation of Community Forest User Group owned enterprise in the Forest Act.

Group 2: Enterprise Development and Marketing

Group Members: Lal K. KC, DB Basnet, Gopi K. Khanal, Prem Tiwari, Ram B. Thapa and Surya B. Binayee

Reflections/Lessons Learned

- High potential of forest resources in poverty reduction but we are still unable to trap it - enterprise development needed.
- Market information and linkages are vital for the success of enterprise.

Issues	Interventions/Suggestions
Inadequate enterprises feasibility study	Support for feasibility study of potential enterprises
Inadequate marketing skills of FUGs	Training, facilitation and counseling (entrepreneurship development facilitator)
Lack or inaccessibility of appropriate technology	Technology transfer and promotion
Long and inefficient market channel	District based MIS centre and demonstration (Gift House...)
Confusion on what modality of enterprise (private & public) to promote	Ultimately needs to promote private, but at initial phase start with public and private together
*Impractical requirement of 3 km distance from the forest for establishing enterprises	Should be revised
Procedural difficulties in enterprise registration	Should be simplified and supported
Hurdles in transportation	Should be eliminated as far as possible and rules be simplified
Multiple and inefficient tax collection system	Improvement needed or (one window system)
Unrealistic royalty rates of forest products	Should be market based, involvement of relevant stakeholders in rate fixation
Use of locally produced products is neglected	Local political commitment for the promotion of use of locally produced products

*Regarding this issue, Mr. Tamrakar clarified that this requirement does not apply to the establishment of NTFPs enterprises.

Group 3: Certification

Group Members: Dr. Bijan Acharya, Karl Schuler, Francisco Tolentino, Arun Sharma Paudel and Bhishma P. Subedi

Which Certification

- Forest certification: ecological, social, economic (e.g. Forest Stewardship Council, FSC)
- Chain of custody (product)
- Quality standards - the most important to determine as required by markets

Cost of Certification

- Quality of products
- Value addition - more on sustainability
- Group certification

International Certification

- Standards vs. individual buyers
- How to match the standards
- Risks if we follow buyer's standards or depend on buyers

Recommendations

- Support FUGs to fulfill FSC principles and criteria and qualify for certification (Management plan, biological monitoring)
- Maintain close working relationship with international people who have experiences on certification
- Nepal has to find out what is feasible?
- Are we ready to support the FUGs for the certification process?
- Technical assistance - biological monitoring system, Operational Plan including commercially potential areas under CF.

Closing: Each team member took a turn to reflect, suggest and comment on every aspects of program including logistics arrangement. All members appreciated ANSAB for organizing such a visit cum workshop, which offered them in their words “a wonderful opportunity and forum to gain and share first-hand knowledge of key issues in relation to community forestry, Non-Timber Forest Products (NTFPs) and forest-based enterprises that affect, and are affected by policy at grassroots level”. They also appreciated logistics arrangement and overall management of the program.

6. Conclusion

In the opinion of all the team members, the visit cum workshop program went well and was able to meet its objectives to a large extent. The presence of wide range of stakeholders and their interaction as well as joint learning was appreciated and considered worthy and productive towards supporting enterprise oriented community forestry in Nepal. The team together identified the major issues related to all relevant policy dimensions on enterprise oriented forest resources management, operation and management of community-based forest enterprise, FUG and enterprise interface arrangement, and marketing of the products produced by the FUGs and the enterprises, which can be addressed through policy reform and improved implementation techniques.

Moreover, the participant felt that it contributed to some extent to boost up coordination among policy institutions, implementation agencies, and relevant stakeholders, that is expected to improve the policy development process. The feedback in terms of specific policy suggestion to enhance the economic and conservation impacts of using biological resources would be useful immediately. Similarly, it was realized that it contributed to familiarize concepts of certification among multiple stakeholders including those at the district level, which will provide basis and rapport to start and expedite PPA project activities in Dolakha.

Annex 1. Multi-stakeholders Field Visit and Interaction Workshop Program

Date/Time	Activity/Site	Objectives
Day 1		
8.30-10.00	Travel from Kathmandu to Dhulikhel	
10.00-12.00	Preparatory meeting at Dhulikhel	A brief clarification on the visit objectives, specific to relevant policy dimensions and site prioritization
12.00-13.00	Lunch	
13.00-17.00	Travel to Charikot	Night stay at Panorama Hotel Tel: 049-20245
Day 2		
8.30-10.00	Interaction with DDC, DFO, and FECOFUN Dolakha	Interaction program most probably in DDC Meeting Hall
10.00-10.30	Travel to Bhittepakha FUG	
10:30-12.30	Interaction with leaders of Bhitte Pakha FUG, management of Argeli Processing Enterprise and other beneficiaries	Identify policy issues regarding the operation and management of Argeli processing enterprise, FUG and enterprise interface arrangement and marketing of the products produced by the FUGs and the enterprises
12.30-14.00	Pack Lunch at Boch Danda	
14.00-16.00	Visit and interact with management of Mchhino (<i>Gaultheria fragrantissima</i>) Distillation enterprise and the beneficiaries	Identify the issues related to all relevant policy dimensions on operation and management of community-based forest enterprise
16.00-18.00	Travel to Jiri	Stay at hotel Gauri Himal/Gabila
18.00-20.00	Reception Dinner and Informal Discussion	Share forestry enterprise-related policy issues among each other and with local stakeholders in an informal setting
Day 3		
8:00-10:00	Jiri	Observe/visit SDC/DFO forestry activities
10:30-13:30	Jiri-Charikot	Observe/visit SDC/DFO forestry activities on the way back to Charikot
13.30-14.30	Lunch at Charikot	
14.30-18.30	Travel to Dhulikhel (Night Stay at Dhulikhel)	
Day 4		
9.00-12.00	Discussion in small groups at Dhulikhel	Identify appropriate policy intervention nodes
12.30-13.30	Lunch at Dhulikhel	
13.30-14.30	Travel to Kathmandu	

Annex 2: List of Participants

S.N.	Name	Organization
1.	Mr. Jamuna Krishna Tamrakar Director General	Department of Forest Babar Mahal, Kathmandu
2.	Mr. D. B. Basnet	FNCCI Kathmandu
3.	Mr. Ananda Pokharel	Former Member of Parliament Dolakha - 2
4.	Dr. Bijnan Acharya Cognizant Technical Officer	USAID Nepal Ravi Bhawan, Kathmandu
5.	Mr. Francisco Tolentino Micro and Small Forest Enterprise Development Advisor	Netherlands Development Organization SNV-Nepal, Kathmandu
6.	Mr. Karl Schuler Assistant Resident Coordinator	Swiss Agency for Development and Cooperation (SDC), Ekantakuna, Jawalakhel Kathmandu
7.	Dr. Bharat Pokhrel Project Manager	Nepal Swiss Community Forestry Project (NSCFP), Ekantakuna, Jawalakhel Kathmandu
8.	Mr. Prem Tiwari General Manager	Gorkha Ayurved Company (P) Ltd Kathmandu
9.	Mr. Parbat Gurung Managing Director	Himalayan Bio Trade (P) Ltd Kathmandu
10.	Mr. Lal Kumar KC Treasurer	Himali Jadibuti Sarokar Samuha HJSS, Kathmandu
11.	Gopi Krishna Khanal Local Development officer	District Development Committee, Dolakha
12.	Chandeshwor Acharya Chief District officer	District Administration Office, Dolakha
13.	Arun Sharma Poudel District Forest officer	District Forest office, Dolakha
14.	Hari Kumar Shrestha, Assistant Forest Officer	District Forest office, Dolakha
15.	Ram Bahadur Thapa District Project Manager	NSCFP, Dolakha
16.	Mr. Bhim Prasad Shrestha Chairman	Federation of Community Forest Users, Nepal FECOFUN, Kathmandu
17.	Mr. Ananda Shrestha Reporter	NEFEJ Kathmandu
18.	Mr. Surya B. Majhi Cameraman	NEFEJ Kathmandu
19.	Mr. Bhishma P. Subedi Executive Director	ANSAB Kathmandu
20.	Mr. Surya B. Binayee Program/Admin Manager	ANSAB Kathmandu
21.	Mr. Indu B. Sapkota Community Forestry Manager	ANSAB Kathmandu
22.	Mr. Ram P. Acharya Community Forestry Officer	ANSAB Kathmandu

Annex 9: Trip Report on Latin America Certification Study Visit

Study Visit Report
NTFP Certification Study Visit in Brazil
August 8-19, 2003

Introduction:

As part of the implementation of the ANSAB's "Certification and Sustainable Marketing of Non-Timber Forest Products (NTFP) - Public Private Alliance" project, an NTFP and CFUG certification model under the Forest Stewardship Council system is being developed for Nepal. In line with this process, a visit to Latin America was conducted to gain the knowledge and insight on requirements, process, and design issues of NTFP certification. The exposure visit was envisioned to give participants an in-depth view of the processes the groups underwent and pick lessons learned that would be applicable within the Nepali context of certification. During the visit, the participants looked at the experiences of how various community groups in that country developed and implemented their certification systems/models.

A local partner of Rainforest Alliance in Brazil - The Instituto De Manejo E Certificao Florestal E Agricultura (IMAFLORA) - facilitated and coordinated the activities. Four members of the Public Partnership Alliance in Nepal participated. They are:

- 1) Bhishma P. Subedi, Executive Director, ANSAB – Asia Network for Sustainable Agriculture and Bioresources
- 2) Bijyan Acharya, Cognizant Technical Officer, USAID Nepal
- 3) Keshab Raj Kanel, Chief, Community Forestry Division, Ministry of Forests and Soil Conservation, His Majesty's Government of Nepal
- 4) Francisco A. Tolentino, Micro and Small Forest Enterprise Development Advisor, SNV Nepal

Places visited and contact organizations:

1. Instituto De Manejo E Certificao Florestal E Agricultura (IMAFLORA)
2. Barra de Turvo – Consortium Tiera Medicinal
3. Klabin – Klabin Pulp and Paper Industries
4. Cachoeira Community project – Projeto Asetamento Extravista
5. Cooperative Agro Extravist de Xapuri
6. Sao Luis do Remanso Project
7. Brazil Funds for Biodiversity (Funbio)
8. Forest Product Shop selling certified forest products

Observations:

1. **IMAFLORA**, the organization that facilitated the overall study visit, is affiliated with Rainforest Alliance (RA) and is accredited by Forest Stewardship Council (FSC) as a certifying organization in Brazil. It has been involved in several forest certification projects of various forest-based community organizations and private companies. The main function of IMAFLORA is to conduct assessments of groups and companies applying for forest management and chain of custody certifications and ultimately issuance of certificates for qualified applicants. It also performs regular certification audit of certified groups.

2. **Barra do Turvo, Registro:** PROTER is an NGO working in the area of Barra do Turvo and is helping various groups involved in agro-forestry program. The group visited is involved in diversified agriculture and agro-forestry. Practically slash and burn cultivation is a common practice and crops being raised include rice, banana, and beans. Some are rearing cows/cattle as well. People mostly collect and market medicinal plants from the forest areas and the group had identified about 90 species with economic potentials and use.

The group is in the process of applying for certification. IMAFLORA is presently conducting an assessment of the forest management system and practices that the group is adopting. The group has conducted an inventory, mapped the area and resources and is preparing management plans. There are six families being assisted who are involved in medicinal plants harvesting and semi-processing. While the certification is planned for the group, each participating family has to prepare individual management plan which will serve as basis for certification assessments and audits. The group is not in a position to pay for the costs of certification, and the project is planning to cover part of it and IMAFLORA has some provision to subsidize the cost for the group like this.

3. **Telemaco Borba- Klabin Pulp and Paper Industries:** The Klabin Pulp and Paper Industries is a biggest private company engaged in managing huge plantations for pulp and paper and timber production in Brazil. The company also manages a part of natural forest for biodiversity conservation, and now harvests and processes medicinal plants that come from both wild crafting and cultivation. Forest management and modern practices in tree improvement allied to its activities to protect the environment and foster social development have enabled the Klabin to be the first company in Brazil to be awarded with FSC certificate in 1997. Its pulp and paper production areas have been certified as a sustainably managed plantation and in accordance with the environmental, economic and social criteria. The development of phytotherapeutic products in accordance with these criteria also led Klabin to receive certification in managing medicinal plants in its forest (Non Timber Forest Products). A chain of custody certification has also been approved for its Non Timber Forest Products (NTFP), for Phytotherapics and Phytocosmetics.

Certification for Klabin is a good public relations instrument as it helps the company to market its products and get good image as a socially responsible company. While the company invested some money for the cost of certification, they also receive support from the Brazilian Foundation for Sustainable Development (FBDS) and Brazilian Fund for Biodiversity (FUNBIO).

4. **Cachoeira Community Project – Projecto Asetamento Extravista:** The famous Chico Mendez area is a host to a project where an extractive reserve approach is being experimented. This approach allowed people to harvest and use natural resources as a precondition to guard and protect the forest. This approach has been proven working in the Cachoeira community where a forest management system has been designed and certified as sustainable.

In this project, each participating family has to prepare and submit an individual management plan for timber products and also for non-timber products such as Brazil nuts. Timber inventory has been conducted and is a prerequisite to certification. Only select timber species can be harvested. Annual allowable cut has been established to ensure sustainability of products. For Brazil nuts, inventory of fruiting trees were also conducted but no sustainable harvesting volume has been set. The resource availability is

considered to be abundant and the existing practices are qualified as low intensity low impact harvesting since not all fruits can be collected in any given season.

The certification process started with nine families with an average of 300 hectares per family certified. The target is to certify 24,000 hectares managed by 75 families. The government recognized that the area is communal and that the indigenous system of forest delineation is acceptable. The people use the standing Brazil nut and rubber trees (as indicated by their ancestors) as boundaries for individual family holdings. In terms of monitoring, the members of the community have set its own rules and regulations which IMAFLORA uses as basis for certification audits.

5. **Cooperativa Agro Extravist de Xapuri:** A cooperative associated with the Cachoeira Community Project and nearby communities supports to community members by buying their produce, Brazil nuts in particular, at very modest price, at least better than what other buyers are paying. The cooperative get minimal profit from the buying and selling business and is able to maintain/sustain its operations. The long-term plan of the cooperative is to set-up a processing plant so that they will be able to process raw nuts. Other than buying the produce of the communities, it also provides social services to the communities in the area of health and education.
6. **Sao Luis do Remanso Project – Jarinau:** The Sao Luis do Remanso Project provides support to three associations in Jarinau that are involved in fish production, timber harvesting, and NTFPs collection and processing. CTA, a local NGO that implements the project, started as a social movement and provides education support to the community so that people can have non-farming profession. The NGO supports health initiatives like research on preventive medicines using local knowledge. It also provides social services and helps explore economic development alternatives for the people. In terms of education, it trains local teachers. Implementation of the project follows the following phases: social organization, management methods, processing and selling. The NGO also advocates for public policies with government concerning commercialization, and continuing education.

Within the project area, CTA works with 150 families (all members of the associations) covering around 39,000 hectares. The three associations have applied for forest certification and IMAFLORA is in the process of assessing their application. Each association is required to submit its management plan for the forest area they are managing and individual farmers have to prepare and submit yearly operations plan. The groups are piloting the adaptive forest management systems.

Sustainable harvesting levels have not been established for jarina palm seed (used as vegetable ivory) and copaiba tree oil extraction, but several research works are being done along this line. As regards to forest products utilization, some 10 families are engaged in timber harvesting, 9 in copaiba oil extraction, other do both, and some families in jarina palm seed collection. An inventory of copaiba trees using traditional method by parcel (using compass and foot steps) has been conducted and trees located on ground were plotted on maps. Results showed that copaiba trees are very rare in the area averaging only 1 tree in ten hectares of forest.

On the other hand, thirty-six (36) families have mapped out jarina plantations and have identified 300 hectares exclusively covered by jarina. An inventory system for jarina is still being worked out making use of both scientific and local knowledge. Global positioning system (GPS) is also being introduced to the groups for use in inventory and already three young people have been trained on the use of the GPS. CTA is working

with the association and would like to showcase the benefits that can be gained in low intensity and low impact management of NTFPs as compared to high impact timber management. There is no law existing in Brazil in relation to the use and management of NTFPs. The studies are expected to provide results that the group can present to the government as basis for policy making. For certification monitoring purposes, extraction control and record keeping will be instituted after inventory.

7. **Brazil Funds for Biodiversity (Funbio):** The group met with the Executive Director of Brazil Funds for Biodiversity (Funbio) who then gave a briefing about its activities. Funbio is a not-for-profit, private development organization that is managing a donation provided by the Global Environmental Facility for biodiversity conservation initiatives and projects in Brazil. Initiatives being supported include agroforestry, NTFPs development and utilization, biodiversity conservation, timber harvesting and management and implementation of local agenda 21.

It is worth noting here that NTFP enterprise development is one of the activities that Funbio supports. It is also very much supportive of certification initiatives in Brazil and has provided some financial assistance to some groups applying for certification.

8. **A Shop selling certified forest products:** The group also visited a shop in Sao Paulo selling natural products and some certified forest products like wood furniture and handicrafts. It is very interesting to note that some natural products have found a niche market within the country where some environmentally conscious buyers can buy such kind of products. However, the value of certification based on interview of one of the staff of the shop reveals that it still has to be realized. Accordingly, there is still a need to educate buyers on the value of buying certified products.

Lessons, insights, and recommendations:

1. **Existence of local certifying body, IMAFLORA:** The existence of IMAFLORA has no doubt been very helpful in promoting forest certification in Brazil. The organization is accessible to groups and cost of certification for the applicants would be cheaper compared to inviting all FSC/SmartWood professionals from abroad. The presence of other certifying bodies in Brazil also gives options to prospective applicants for forest certifications. Having a certifying body in Nepal is not feasible as there is not much demand for certification at this time. What would be more appropriate will be to train local assessors that can help facilitate the process of certification for interested groups. Probably in the long term, the idea of organizing a certification organization can be looked into.
2. **Government's support to certification:** The government of Brazil fully supports and is active in promoting forest certification. This is very crucial in terms of encouraging community-based groups to adopt forest certification and practice good forest management systems. Government support in marketing of forest products also plays a critical role in promoting certification. The government's openness in using research results i.e. inventory and resource assessments systems, for policy formulation helps to create conducive environment in promoting certification, particularly at the community level.
3. **Financial support to the groups to cover certification cost:** Forest certification in Brazil is already gaining grounds as many groups have already been certified. But the groups have to invest quite substantial amount of money in the process. Not to question

the capability of the groups to pay for the certification, most of them have received or have applied for financial support from the outside i.e. NGOs, INGOs, and other financing institutions. While in the long-term the groups would be able to pay for the cost of the certification, an upfront investment should be made available to the groups. This situation very much holds true in Nepal where community forest groups, specially the new ones, may not have the capability to pay. Availability of financing windows in Brazil for this kind of activity makes certification a relatively successful and attractive venture among forest user groups.

4. **Inventory requirements:** The basic foundation for certification assessments lies on the inventory of certain forest products or species that will be utilized or extracted. It is therefore imperative that inventory guidelines be developed appropriate to the forest resources to be explored or harvested. Nepal still needs to develop or improve existing inventory guidelines particularly on NTFPs. Development of the inventory guidelines therefore should be given priority.
5. **Technical supports:** The technical requirements of forest certification for groups are enormous. It involves not only understanding of the basic processes of inventory, resource assessments, management plan preparation, etc. but also implementation and monitoring. With these, community groups would need close and extensive technical supports, which for some maybe difficult to obtain. It is therefore logical that technical support for groups potential and interested for certification should be ensured.
6. **Practical and indigenous forest management systems :** Due to lack of scientific knowledge and research results on inventory and resource assessment systems, good forest management practices, and sustainable harvesting methods, it is but appropriate that certification bodies accepts practical and indigenous knowledge systems that work in the field. Experiences in Brazil showed that proper documentation of these knowledge systems could be used as baselines for certification assessments. Nepal is not devoid of these indigenous knowledge systems and is therefore in the position to use experiences in the field. What is needed now is a proper documentation of these systems and experiences and validation.
7. **Education awareness among common people:** Introducing the subject of certification to community groups needs substantial amount of time. It takes time and is a slow process but this has to be done so that communities will be able to realize and weigh the benefits of adopting it. The education process for certification should start and always be linked to the basic of inventory and resource assessments, forest management and operation plan preparation, and finally implementation.

For Nepal, most community forest user groups have undergone the rigor of management and annual operation plan preparation. What is necessary is an orientation of the group on how certification is linked on their management plans. However, inventory requirements particularly for NTFPs have to be addressed as these serve as the core basis for setting standards for sustainable harvesting of any given forest products or species.

8. **Collective vs. individual certification vs. individual operation plans :** Collective certification very much works with community groups in Brazil. It is cost effective in the long run and people will be able to share the cost equitably. Of course individual certification is also possible but could be affordable only to limited individuals and companies. Group certification therefore is very much applicable to Nepali context. However, monitoring of compliance (standards need to be set) would be different as most forest user groups here have communal annual operation plan. In most of the cases Brazil

groups have one management plan but individual farmers/members have separate operations plan, which serves as basis for certification monitoring and audits.

9. **Local standards for certification:** In the absence of scientific standards for certification, local standards have to be set. It is in this aspect where documentation of indigenous knowledge and experiences will be necessary. Some preliminary research and investigations have to be done along this line.
10. **Maintaining compliance to certification requirements:** As has been noted above, getting certified entails lots of efforts, time and resources. With assistance and help from various organizations, these may sound not difficult. The problem lies on how the certified groups are able to maintain compliance to the requirements. In Brazil, groups formulate and develop internal control mechanisms to make sure that every body complies. Monitoring by peers is quite easy as individual members have their own operations plan to follow. But in the case of Nepal, where groups have common operations plan, in addition to the internal control system a mechanism is needed to assure the operation, probably a forest manager for several FUGs.
11. **Marketing incentives for certified products:** In some forest products, getting certified means gaining more incentives in terms of maintaining long-term markets and increase in price. This is true for instance in Klabin where they can get as much as twice the price of certified timber compared to non-certified. For getting this much they have also invested in quality aiming for the upper class consumers. But this is not true for all products like NTFPs. Extra marketing efforts would be needed to capture the premiums price from the sale of certified products. Otherwise, selling of certified products with no added value to it might become a disincentive to people. Moreover, people should be made aware that certification does not automatically translate into good market linkage and increase prices. There is still a need to educate buyers and promote the importance and relevance of certification.

Annex 10: Report on Pre-assessment for NTFP Certification in Nepal**Nepal NTFP Trip Report and Recommendations
January 2003****By****Walter Smith, Senior Technical Specialist, SmartWood/Rainforest Alliance****1.0 INTRODUCTION**

On 8 January and 9 January, 2003 a planning meeting was held in Kathmandu, Nepal of the Certification and Sustainable Marketing of Non-timber Forest Products (NTFP) Private Public Alliance (PPA). The goals of the meeting were to: provide a forum for partners to establish a working relationship; provide partners with an understanding of the project goals and objectives; provide a forum for partners to articulate their expectations for the project; provide partners a preliminary overview of certification issues, industry dynamics and expectations; inform partners about NTFP and Community Forest User Group issues in Nepal and; review and finalize the year one draft work plan.

As Rainforest Alliance's representative to the PPA, I gave a presentation on Forest Stewardship Council (FSC) certification at the planning meeting, contributed to the planning discussions and gathered information from the other PPA members to better understand the potential for certifying NTFP's within the Nepal context.

Between 10 January and 15 January, 2003 additional information was gathered through interviews with Alliance representatives: Asia Network for Sustainable Agriculture and Bioresources (ANSAB), Federation of Community Forest User Groups (FECOFUN), United States Agency for International Development (USAID), the Netherlands Development Organization (SNV/Nepal), the Swiss Agency for Development and Cooperation (SDC/Nepal) and Himalayan BioTrade Ltd (See Appendix A for acronyms). To meet the certification objectives and to plan for certification activities contained in the year one work plan, information was specifically collected for:

- 1) analyzing Community Forest User Group's (FUG) readiness for certification;
- 2) prioritizing FUG areas to be assessed in a pilot certification;
- 3) analyzing potential group certificate holders readiness for certification;
- 4) understanding chain of custody linkages;
- 5) understanding the potential market benefits of certification;
- 6) developing the training materials and sessions for further refining 1,2 and 3 above and to prepare for the implementing certification and;
- 7) developing a Latin American study tour that would be the most beneficial given the Nepalese context.

2.0 FUG READINESS FOR CERTIFICATION

The Alliance partners prioritized two products that would be the best suited for a pilot program that meets the objectives of the project. The two top product categories listed were essential oils and paper products. The specific products chosen are Wintergreen (*Gaultheria fragrantissima*), an essential oil, and Lokta Bark (*Daphne* spp.) a traditional paper product. Moreover, these two products met the second set of criteria for: available volumes, value, international marketability, local harvesting knowledge, benefits to the most people, sustainable management, local value added processing, found primarily in Nepal and were being harvested under a FUG management plan and system. Many of these qualities are also important in meeting certification requirements under the FSC Principles and Criteria. It should be mentioned here that during a certification assessment more than just those two products could be certified. All commercial species included in a management plan that meets certification requirements can be certified. For the purposes of the pilot project, the two products were chosen as a focal point because they represent the highest chances of success at this time.

Community forest-based management fits well within the FSC Principles and Criteria (P&C). Given what is known about the FUGs from a cursory investigation of their forest management and community socio-economic relationships, it appears that there is a promising opportunity for certification. It must be stressed, however, that without a preliminary field evaluation it is possible that barriers to certification may be found during an actual certification assessment. Furthermore, it is unclear at this point whether the FUGs themselves have any interest in being certified. Their agreement to get certified or be part of a certified pool is required for the process to take place and their support is essential for certification to be successful. It will be important that all of the agencies and organizations involved in forest management have some understanding of certification, e.g. FUGs (all levels), NGO's providing Technical Assistance (T/A), local government forest officers, FECOFUN field offices, the Ministry of Forests, development agencies, etc.

Here is a brief analysis of the FUG's management in comparison to the FSC Principles:

Principle 1: Compliance with Laws and FSC Principles

Positives

- FUGs are authorized under Nepali law
- FUGs are monitored for law compliance by local government forestry offices
- FUG ideology is compatible with the FSC P&C

Principle 2: Tenure and Use Rights and Responsibilities

Positives

- FUGs have contracts for use right tenure
- Government not politically in a position to change FUG laws substantially
- Use rights are defined
- Long-term forest management is being practiced
- Security from illegal harvesting and occupation is part of the FUG responsibilities

Unknown

- Resource agreements and settlements with secondary user groups

Principle 3: Indigenous Peoples' Rights*Unknown*

- Definition of “Indigenous Peoples” in the Nepalese context

Principle 4: Community Relations and Workers' Rights*Positives*

- Community is the primary authority in management
- Community participation appears high
- FUGs have institutionalized democratic processes
- Focus on poverty alleviation
- Workers receive training
- Local processing a goal and is done when feasible
- Focus on equal opportunity for women and disadvantaged

Unknown

- Grievance procedures are in place
- Equal opportunities actually exist
- Fair distribution of opportunities
- Worker health and safety considerations
- Maturity of individual FUGs in community development/democratic process

Principle 5: Benefits from the Forest*Positives*

- Focus on poverty alleviation
- Local processing when and where feasible
- Traditional knowledge is compensated
- Distribution of benefits go to community
- Diversification of local economy

Unknown

- Minimization of waste
- Market value is being paid for products
- Revenue is sufficient to cover forest management
- Financial viability

Principle 6: Environmental Impact*Positives*

- Field assessments and inventories are made prior to active management
- Low intensity management practices
- No use of chemical pesticides or fertilizers or genetically modified organisms
- Regeneration and ecological information available for most commercial species

- Landslide prone area or steep slopes and stream or water sources are considered for conservation zones

Unknown

- Protection of wildlife and other non-commercial species in management
- Protection of Rare, Threatened and Endangered species
- Landscape level considerations
- Harvesting of non-commercial species

Principle 7: Management Plan

Positives

- FUGs have multi-year management plans that are revised every five years (required by law)
- Management plans target commercial species
- Maps are available
- Social impacts are included
- Incorporation of non-commercial species

Unknown

- Landscape plan

Principle 8: Monitoring and Assessment

Positives

- Socio-economic monitoring
- Beginning biological monitoring
- Annual Allowable Harvest is monitored
- Regeneration is monitored

Unknown

- Extent and utility of the biological monitoring

Principle 9: Maintenance of High Conservation Value Forests (HCVF)

Positives

- Low impact management
- Concentration on NTFPs

Unknown

- Definition of HCVF in the Nepalese context
- Extent of fuelwood harvesting

Principle 10: Plantations

- NOT APPLICABLE

It should be noted here that minimum compliance with all applicable principles are required to obtain a certificate, however, the degree to which compliance must be attained is based on the size, scale and

intensity of the operation. Meaning, for example, that a FUG with 40 ha, managing two commercial species are not required to have the same intensity of information or monitoring systems as a 2,500 ha operation managing six species. It is most important that the management and monitoring systems are appropriate for the community and the forest area that they are responsible for so that they can eventually become independent of outside inputs.

In terms of conducting an assessment the positives are that most of the FUGs have a history of management that predates the FUG laws and development activities. That will allow assessors to analyze the impacts of forest management practices over time and to evaluate how they have adapted their management to changing conditions and new information. Additionally, there are quite a number of development agencies, NGOs, and governmental agencies that contribute to and have information about the FUGs, which can provide a broad spectrum of management data for assessors to evaluate.

The negatives and unknowns for conducting an assessment are that the security problems caused by antigovernment insurgencies may hamper assessments at field sites. A precept of FSC certification is performance-based assessment, which means evaluating on-the-ground practices. Gaining FSC certification without the field component is impossible. Secondly, the remoteness and transportation constraints will add additional cost because of the time it may take to complete the field evaluations and, eventually, audits.

2.1 Recommendations

- Given the wildcrafting emphasis of the NTFP collection, FSC certification appears to have the most potential benefits to the project and should be the certification system of choice for Nepal at this time. However, as stated below, if the herbal products industry does not acceptance FSC's label as a marketing tool or credibility as a third party assessment of sustainability then other types of marketing and sustainability monitoring will have to be researched.
- Hold a "Get Certified" workshop in June 2003 to determine FUG readiness for certification (to fill in more of the "unknowns"). The workshop would inform FUGs and Alliance members about the requirements of forest management certification. In turn, FUGs and their technical assistance providers can educate the Alliance about whether the forest management certification requirements are feasible for them to attain (see training below).
- After training FUG technical assistance providers like ANSAB and FECOFUN (and their NGO service providers), they should in turn provide that information to the FUGs in regions where a certification pilot may take place.
- At this time, and for at least the future of the project, it is not realistic to develop an entity that could apply for FSC accreditation (e.g. become an FSC certification body for certifying in Nepal). There simply is not enough certification business to sustain such an organization given the costs of accreditation and business development.

- Developing Nepali certification indicators for incorporation into the SmartWood Assessment Guidelines should be done. This process can be initiated at the “Get Certified” training workshop discussed below.
- *The organization (s) that becomes certified (becomes the certificate holder for the FUGs) and FUGs must be willing to commit to the standard five-year certification contract with Rainforest Alliance/SmartWood. This means that the organizations and FUGs will have to undergo annual certification audits and they or the development agencies will have to pay the annual audit fees after the conclusion of the current project. FSC certification requires annual audits for the certificate holder to remain certified. Moreover, a fair test of the utility of certification in terms of markets and in terms of assisting FUGs in sustainable management would, at the minimum, be a five-year period.*

3.0 PRIORITIZATION OF FUGS FOR PILOT CERTIFICATION

The primary FUGs used in this analysis are those in the Bajhang project area coordinated by ANSAB and the Dolkha area coordinated by SDC/Nepal. These were chosen because FUGs in those areas: 1) were producing one of the prioritized products (and met the prioritization criteria); 2) have management plans and constitutions in place; 3) were getting technical and capacity building assistance from development agencies; 4) had some degree of management maturity. Secondly considered was security and accessibility (secondarily because security and accessibility may be a universal issue). A preliminary impression, through interviews with ANSAB, FECOFUN and SDC/Nepal, is that these FUGs appear to have elements that make them potentially ready for certification. However, further discussion and information interchange should take place before decisions are made about moving ahead with these or any groups.

3.1 Recommendations

- It would be appropriate for the Alliance to have a hand in selecting the FUGS and group certificate holders for a pilot certification. A prioritized list of FUGS and organizations could be developed at the proposed training workshop in June 2003 (see below).

4.0 CHAIN OF CUSTODY CERTIFICATION

Chain of Custody (CoC) issues were reviewed for the two prioritized products, lokta bark and wintergreen. CoC for the lokta bark appears to be relatively straightforward. The bark is brought to the community-based forest enterprises (CBFE) in bundles that are identified by the harvester. It appears that the raw bark bundles can be stored separately, batch processed and the finish product stored separately to maintain a certification identity. It is unclear whether there are receipts provided to the harvester or processing records. The paper could be bundled and labeled appropriately for shipping to a secondary manufacturer or wholesaler. The secondary manufacturer and/or wholesaler could also potentially keep a certified paper product separate through their process and into the retail market. The bottom line here is that the lokta bark paper products could potentially carry an FSC label to the consumer level.

Wintergreen could also be CoC certified from harvester to distillation. Units of harvested plant material could potentially be identified by harvester or FUG at the distillation plant. The raw materials could be kept separate, potentially be batch processed and the resulting oil kept separately for shipping to a wholesaler. Apparently the wintergreen then goes from wholesalers to a myriad of buyers and eventually

becomes a minute part of a finished product. It appears that the FSC label could be attached to the wholesale container, however, given the FSC percentage-based claims rules, a label would not likely be on a product that reaches the consumer. However, herbal products companies could potentially make some claim as to the origin and sustainability of the ingredients.

To ensure sustainable supply of NTFPs of consistent quality to community based forest enterprises, Alliance partners will facilitate linkages between CBFEs and FUGs. A network of FUGs and FECOFUN district branches will play a critical role in establishing linkages between resources supplying FUGs and CBFEs. These linkages could play a significant role in helping maintain the chain of custody certification.

4.1 Recommendations

- Hold a “Get Certified” training workshop that would have a chain of custody component. The workshop would inform harvesters, manufacturers and wholesalers about the requirements of CoC certification. In turn, the manufacturers and wholesalers can educate the Alliance about whether the CoC requirements are feasible for them (see training below).

5.0 GROUP CERTIFICATION

Group certification is the most logical avenue for certification in view of the fact that most FUGs: 1) have forestland units that are relatively small in size, ranging from approximately 9 ha to 2500 ha, 2) generally support large populations of households, from 33 to 600, and; 3) do not appear to generate sufficient income (at present) to bear the cost of certification. Group certification was designed to reduce costs and increase opportunities for small forestland owners and community-based forestland owners to participate in FSC certification by distributing the costs of certification among a larger number of forestland owners/users. Group certification is a certification process by which multiple forestland users (in this case) are certified under one FSC/SmartWood certificate.

For an entity to become a candidate for group certification, there are some fundamental elements needed to operate a group entity including: 1) a technically qualified staff who can manage the forest management, administration and fiscal responsibilities of the group entity; 2) the financial capacity and support to maintain the required systems and staff and pay for the annual audits over the length of the certification contract (5 years); 3) a legal structure that will allow the organization to enter into contracts and agreements; 4) have some standing or relationship with the FUGs. Although there may be more, two organizations in Nepal that appear to have the organizational capacity to be a group certificate holder are ANSAB and FECOFUN.

5.1 Recommendations

- Hold a “Get Certified” training workshop that would have a group certification component. The workshop would inform organizations about the requirements of group certification. In turn, organizations can educate the Alliance about whether the group certification requirements are feasible for them to comply with (see training below).

6.1 POTENTIAL MARKET BENEFITS

Although ANSAB has started a market information support system for the NTFP sector in Nepal, it has not been specifically addressed whether certification will enhance the marketability of Nepali NTFPs. FSC certification is not a panacea for gaining market benefits. Marketing FSC products takes substantial effort by the certified company (or in this case certain members of the Alliance). Without some analysis that would identify where the FSC label might provide preferred access to a market, certification's utility beyond the verification of sustainability may be lost.

Having said that, it should be noted that environmentally appropriate paper products do currently have a place in the market. Most of the environmentally friendly paper products at this juncture are those with recycled content. FSC virgin paper (from certified wood fibre) or FSC virgin paper with a recycled component is being marketed but has not been highly successful at this point. Non-tree paper already enjoys a small portion of the eco-friendly paper market, however, it is again not clear whether certification will enhance marketability. At the very least, there is some track record of eco-friendly paper being traded in the marketplace.

Wintergreen is another question. It appears that there is little evidence; other than with extremely proactive companies like Aveda, that FSC certified (or any sustainability certification) essential oil would have any market advantage in the herbal products industry. As a way of overcoming this lack of marketability, the Herbal Products Association and their Industrial Leadership Initiative will be educated about the sustainability of the natural ingredients in their products and the environmentally and socially appropriate management of Nepali NTFPs.

Certification and/or socially and environmentally appropriate management notwithstanding, quality, price and consistent supply are paramount in making Nepal NTFPs saleable in the international market.

6.1 Recommendations

- Continue with market research and develop a marketing strategy which might include:
 - Searching the Rainforest Alliance/SmartWood, FSC, or one of the buyers groups (in England, U.S., etc.) website for potential customers for the lokta bark paper. Rainforest Alliance/SmartWood can help with linking the Nepali paper producers to existing buyers, however the Nepali producers have to do the marketing and sales.
 - Contacting members of the FSC, particularly the environmental groups, to market the paper directly to them for their internal needs. This may help provide a market that is a size that can be serviced by the Nepali producers and create direct producer to consumer sales.
 - Contact companies that are part of the "Natural Step" program as a potential market for the paper.
- The above recommendations should move forward and potential markets researched before certification is implemented in Nepal.

- Work with Aveda and the Herbal Products Association in identifying opportunities for markets, products, and sustainability monitoring for essential oils and other herbal products made from Nepal NTFPs.

7.0 TRAINING NEEDS

The Alliance organizational meeting and subsequent interviews revealed that there are gaps in the understanding of FSC certification. Although the one-hour presentation delivered at the Alliance meeting and the continued discussion the following week certainly helped Alliance partners better understand what certification is and how it might be beneficial, there is not sufficient understanding at this point to move forward in implementing a certification pilot project. Furthermore, as Rainforest Alliance/SmartWood needs to more fully understand whether the FUGs are potentially certifiable (get further information on the “unknowns”), where specific gaps between their management and the FSC P&C might exist, what management changes to recommend to the FUGs so that they can improve their chances for getting certified, and how certification might be implemented in Nepal.

7.1 Recommendations

- Have a one-day “Get Certified” training workshop that would outline in detail the requirements and procedures for attaining FSC forest management certification (for NTFPs) and a group certificate. Following the workshop there should be one day where the participants discuss the practicalities of FUGs complying with the FSC P&C and the practicalities of doing an assessment. Those who should be invited to attend are Alliance partners, potential group certificate holders, select FUG representatives, individuals interested in becoming assessors, NGO’s providing T/A to the FUGs, local government forest officers.
- During the forest management “Get Certified” workshop, indicators that would make the SmartWood guidelines more relevant to the Nepalese context will be developed from input from the workshop participants.
- Immediately following the forest management get certified workshop and discussion, have a one-day “Get Certified” training workshop focused on chain of custody. The workshop would include the requirements and procedures for attaining CoC certification. Following the workshop should be one day where the participants discuss the practicalities of organizations and companies complying with the CoC standards and the practicalities of doing an assessment. Those who should be invited are Alliance partners, companies producing or distributing lokta bark paper and/or wintergreen, CBFEs producing lokta and wintergreen, NGOs providing T/A to CBFEs.
- At the conclusion of both training workshops Rainforest Alliance/SmartWood, with the help of Alliance members will identify the FUGs and organizations that will participate in the pilot certification.

- The above “Get Certified” workshops and discussion should take place the first week of June 2003 in Kathmandu.
- A three-day forest management assessors training workshop should be held in Kathmandu. The assessor-training workshop introduces FSC/SmartWood forest management certification assessment processes, procedures and policies to potential assessors. Assessors for the Alliance’s pilot certification project will be chosen from the participants. The training should be limited to 15 – 20 participants. The assessor training should be held in November 2003.
- The pilot certification assessment should take place in January 2004. Immediately prior to the assessment, a one day forest management assessor training refresher course will be given to the assessors chosen for the pilot certification assessment.
- See Appendix B: Training Matrix below

8.0 LATIN AMERICAN STUDY TOUR

The Nepali’s are collecting NTFPs primarily via wildcrafting. The Rainforest Alliance/SmartWood’s primary experience with this type of NTFP harvesting is in Brazil. The Rainforest Alliance’s partner in Brazil, IMAFLORA, will provide input for developing a relevant study tour.

8.1 Recommendations

- Rainforest Alliance will work with IMAFLORA to develop a study tour of NTFP operations in Brazil. The Rainforest Alliance will gain further input about Nepali NTFP issues at the “Get Certified” workshop in June 2003. The study tour should be tentatively scheduled for September 2003.
- See Appendix B: Training Matrix

APPENDICES

Appendix A: Acronyms

ANSAB	Asia Network for Sustainable Agriculture and Bioresources
CBFE	Community Based Forest Enterprise
DFO	District Forest Office
FECOFUN	Federation of Community Forestry Users, Nepal
FSC	Forest Stewardship Council
FUG	Forest User Group
HBTL	Himalayan BioTrade Pvt. Ltd.
HJSS	Himali Jadibuti Sarokar Samuha
MFSC	Ministry of Forests and Soil Conservation
NGO	Non-Governmental Organization
NNN	Nepal NTFP Network
NTFP	Non-Timber Forest Product
P&C	Forest Stewardship Council Principles and Criteria
PPA	Certification and Sustainable Marketing of Non-timber Forest Products Private Public Alliance
SDC	Swiss Development Cooperation
SNV	Netherlands Development Organization
US	United States
USAID	United States Agency for International Development

Appendix B: Training and Activities Matrix

Activity	Who Should Participate	Number of Participants	Goals	Duration	Time Frame
Forest Management and Group Certificate Holder “Get Certified” workshop	PPA partners, FUG representatives, NGO Technical Assistance providers, local MFSC forest officers and potential FM assessors	30	Familiarize all parties involved with the project and FUGs with the structure and function of the FSC and requirements to obtain an FSC forest management and group certificate.	1 Day	June 2, 2003
Forest Management and Group certification discussion and feedback	Same as above	30	Understand whether FUG management is potentially certifiable and whether an assessment of FUGs is feasible. Prioritize FUGs and Group Certificate Holder for pilot certification assessment.	½ Day	June 3, 2003
Develop Nepali specific indicators for the SmartWood Guidelines	Same as above	30	Make the SmartWood certification guidelines relevant to the Nepali forest and NTFP management.	½ Day	June 3, 2003
Chain of Custody “Get Certified Workshop”	PPA Partners, CBFE representatives, NGOs providing technical assistance to CBFEs, private companies producing or distributing FUG products, individuals who want to be chain of custody assessors.	30	Familiarize all parties involved with the project and CBFE and private companies with the structure and function of the FSC and with the requirements to	1 Day	June 4, 2003

			obtain an FSC chain of custody certificate.		
Chain of Custody certification discussion and feedback	Same as above	30	Understand whether CBFEs and private companies are potentially certifiable, what entities need a certificate and how products are distributed.	½ Day	June 5, 2003
Latin American Study Tour	FUG representatives, CBFE representatives, FUG and CBFE technical assistance providers, potential group certificate holders.	4 (Agency observers and tour hosts are not included in this number)	Experience and cross cultural exchange with Brazilian NTFP operations. Operations visited will have with similar circumstances and products as found in Nepal and that that have international markets and are certified.	5 days in the field	September 2003
Forest Management Assessor Training Workshop	Individuals who want to become a SmartWood assessor and have either academic and/or experiential training in such fields as forestry, wildlife, botany, ecology, economics, sociology, anthropology, community forestry, auditing, forest products harvesting.	20	Train individuals to be SmartWood assessors for Nepal certification assessments and identify the potential assessors for the pilot certification project. Participants will learn SmartWood and FSC certification processes, procedures and policies.	3 Days	November 2003

Annex 11: A Report on Get Certified Workshop and NTFPs Certification Training



Trip Report and Recommendations

Of the

**Nepal Certification and Sustainable Marketing of
Non-timber Forest Products Training Workshop**

Kathmandu, Nepal

June 9- 12, 2003

**Written by
Walter Smith, Senior Technical Specialist
Rainforest Alliance/SmartWood Program**

July 2003

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1.0 INTRODUCTION

The certification training workshops described herein are a part of the Rainforest Alliance's overall responsibilities for the Certification & Sustainable Marketing of Non-Timber Forest Products project in Nepal. The trainings took place over a four-day period beginning June 9th and ending June 12th, 2003. The objectives were to: 1) provide an understanding of the FSC and SmartWood certification process; 2) provide and understanding of how to get certified; 3) identify potential barriers to FUGs attaining certification; 4) develop Interim Nepal SmartWood Guidelines; 5) help participant develop some auditing skills; 6) choose a group certificate holder and potential FUG operations for the pilot certification assessment project. This report will very basically describe the events that took place, make conclusions about whether the objectives of the workshop were met and make recommendations about how the next steps in the project should proceed. ANSAB staff took notes at the training workshops and provided all of the material in the appendices.

2.0 TRAINING WORKSHOP NARRATIVE

2.1 Get Certified Course - June 9, 2003

Day one of the Training Workshop was a "Get Certified" course that was dedicated to providing introductory information about the FSC, Rainforest Alliance/SmartWood and the certification process and procedures. This first day of the four-day training was open to a wide variety of participants. Thirty-eight people attended (participant list in Appendix II). Each participant was provided with a packet of information that included the agenda, copies of the presentation slides, SmartWood Guidelines, FSC Principles and Criteria, SmartWood brochures, etc. The objective was to broaden the knowledge base about the Nepal NTFP project and FSC NTFP certification. In the morning, Bhishma Subedi, Executive Director of ANSAB welcomed the participants and provided background for the Workshop. Dr. Keshav Kanel, Deputy Director General of the Department of Forests, Community and Private Forests Division, spoke about community forestry program in Nepal and the relevance of certification in forest management. Dr. Bijnan Archarya, Cognizant Technical Officer of USAID, presented the basic premise of PPA project and its evolution and also highlighted the role and strength of alliance to initiate PPA activities and certification program. Mr. Bhim P. Shrestha, Chairman, FECOFUN, shared the success of community forestry and role of FECOFUN (awareness raising, capacity building, networking, information sharing and facilitation in forest management activities) and highlighted the FUG responsibilities and rights (sustainable forest management and use) and use of forest certification in CF management and utilization. Walter Smith then lead the workshop, with facilitation assistance from ANSAB staff. The Get Certified Workshop included:

- A history, structure and accomplishments of the Rainforest Alliance and the FSC
- A discussion of FSC markets and certification benefits
- An overview of the FM certification standards including both the FSC P&C and the SmartWood Generic Guidelines

- An overview of the CoC certification standards and FSC policies
- The field assessment process
- The field assessment protocols and data collection techniques
- Data analysis and synthesis
- Report writing

2.2 NTFP Certification Training - June 10, 2003

The Get Certified workshop provided the primary background on forest management and chain of custody certification for the following three days of the certification training. The training participants for these sessions were primarily government, NGO, association, private industry and foreign aid staff directly involved with FUG financial or technical assistance and business. There were approximately 25 participants (participant list in Appendix II). In the morning of June 10, the workshop focused on the remaining background information that would be important to certification in Nepal, namely group and NTFP certification requirements. The session included descriptions and discussion of:

- Group certification benefits
- Group certificate holder responsibilities
- Group member responsibilities
- Group certification assessment procedures
- FSC Group certificate policies
- FSC NTFP policies
- SmartWood NTFP guidelines
- Current NTFP certified products

In the afternoon, the participants performed a theoretical assessment of the Forest User Groups. The assessment was based on the participants' collective knowledge of FUG practices, policies and laws. The participants were first divided into the three FSC chambers, environmental, social and economic, according to their professional training or interest. Three assessment teams were then formed, each team being made up of a balanced representation of the three chambers. The teams were asked to compare each criterion to their knowledge of the Forest User Groups' management. The teams were given an amount of time per Principle, based on two minutes per criterion, to discuss the issues with their team members (for example, Principle 1 has 6 criteria, therefore the teams had 12 minutes). Because of the cursory nature of the theoretical assessment, the teams were instructed to evaluate the FUGs compliance with the criteria using a broad scale of yes, no, maybe or not enough information rather than using the SmartWood scoring system. Since the teams only had a very short time for analysis and the justifications came from the participants' knowledge rather than from field data, the idea was to look for obvious barriers to being certifiable, e.g. issues that would exclude the operation from receiving a certificate. The teams went through each criterion to determine where barriers to certification might exist. The evaluation system was defined as such:

- Yes = barriers not likely.
- No = potential barriers likely.

- Maybe = the team is not sure
- Not enough information to make an evaluation.

The teams' rotated being the lead in discussing a criterion. A team would provide an evaluation "score" and then the other teams would be asked their opinion. If the first team's evaluation was "yes" and there was agreement with the other teams they went on with no comment. When there was a disagreement among the teams or "maybe or no" evaluations, the team that was disagreeing or the team that voted no or maybe, would be asked to explain their position. A matrix of this evaluation is in Appendix IV.

2.3 NTFP Certification Training - June 11, 2003

The FUG theoretical assessment exercise concluded in the morning of June 11. In the afternoon the participants reviewed the SmartWood guidelines within the Nepali context and proposed additional Criteria and Indicators. The objective was to make the SmartWood guidelines more region specific. The participants were reformed into the three FSC chambers, e.g. all social members in one team, all environmental members in one team and all economic members in one team. Each team was to concentrate on the FSC Principles that applied to their chamber (expertise).

- The Social team reviewed and made recommendations Principles 1- 4;
- The Environmental team reviewed and made recommendations for Principles 6, 8 and 9 and;
- The Economic team reviewed and made recommendations Principles 5,7,10

The Draft Interim Nepal SmartWood guidelines are in Appendix V.

2.4 NTFP Certification Training - June 12, 2003

The group as a whole went over the CoC guidelines and talked about whether community manufacturing operations and private businesses could meet the requirements (there was representatives of both participating). We went through the CoC report template item by item.

The group also went through the Group Certification requirements for both forest management and chain of custody. The participants chose an organization that they thought could meet the criteria. The group discussed and prioritized what organization would be the best candidate for being the forest management group certificate holder, and what FUGs would be the best candidates to participate in the pool, for a certification pilot project.

Certificates of participation were presented by ANSAB during the closing ceremony.

3.0 CONCLUSIONS

3.1 Course Objectives

The course objectives were met. Bishma Subedi, Surya Binayee and Indu Sapkota did an excellent job in coordinating and facilitating the training

workshop. Ms. Deepmala Subba did an extraordinary job taking care of all the logistical arrangements. Every aspect of the training went as planned.

The participants readily understood the certification process and philosophy. They were able to successfully translate the knowledge gained from the training into assessing FUG, CBF and NTFP businesses compliance with the forest management and chain of custody certification standards. In addition the participants added Nepal specific indicators to the SmartWood guidelines.

The participants also chose FECOFUN to become the group certificate holder for the pilot certification assessment. FECOFUN accepted. Specific FUGs were not singled out to be part of the pool, however for the pilot certification project, FUGs in the Bajhang and Dolkha districts will be the target.

3.2 Certification Prospects

The broad scale analysis of the FUGs revealed that there were likely no significant barriers to certification. However, the analysis was based on the best case scenario, meaning those FUGs that have all of their management plans, business plans and organizational plans completed and are actively managing. In the Bajhang and Dolkha area there are a number of FUGs that have built the capacity to move forward with certification. The certification evaluation matrix can be found in Appendix IV that shows where the potential weaknesses are.

It also appears that the community-based forest enterprises and NTFP businesses keep precise enough records to achieve CoC certification. For the two prioritized products, lokta bark and wintergreen. CoC for the lokta bark appears to be relatively straightforward. The bark is brought to the CBF in bundles that are identified by the harvester. It appears that the raw bark bundles can be stored separately, batch processed and the finish product stored separately to maintain a certification identity. It is unclear whether there are receipts provided to the harvester or processing records. The paper could be bundled and labeled appropriately for shipping to a secondary manufacturer or wholesaler. The secondary manufacturer and/or wholesaler could also potentially keep a certified paper product separate through their process and into the retail market. Wintergreen could also be CoC certified from harvester to distillation. Units of harvested plant material could potentially be identified by harvester or FUG at the distillation plant. The raw materials could be kept separate, potentially be batch processed and the resulting oil kept separately for shipping to a wholesaler.

FECOFUN appears to be a good candidate for the group certificate holder. They already represent the FUGs as their association. They have the basic requirements of a group certificate holder; e.g., a formal organization; NTFP, forest management and community organizing expertise on staff and a network of regional offices to monitor FUG adherence to the FSC P&C. Of course they will have to come up to speed with regards SmartWood's other group requirements, but they can prepare for that over the next 6 months leading up to the pilot certification.

4.0 RECOMMENDATIONS

4.1 Preparing for the Pilot Certification Assessment

- The next step is an Assessor Training workshop. To proceed with a pilot certification the project will need three assessors, an ecologist, sociologist and forester or NTFP management professional. The assessor training is a three-day intensive course on becoming a SmartWood assessor. The training includes pre-course distance learning materials, overview of the FSC, certification process and procedures, auditing skills and techniques, mock assessment exercise and the SmartWood assessors manual. The training will prepare the participants to be on any FSC accredited body's assessment team. Attendees should be all who are interested in gaining in-depth understanding of certification, those, like FECOFUN and FUG staff, that are preparing to get assessed, as well as those who could be potential assessors. This should take place the first week of November. (See the January 2003 trip report from the Rainforest Alliance)
- Provide a half-day training to FECOFUN on group certification. FECOFUN will be provided with a handbook on group certification prior to the assessor training workshop. However, it may be advantageous for a half-day training to clarify group certification requirements following the assessor training workshop in November.

4.2 Additional Recommendations

- Another opportunity should be offered for Nepali's to provide further Nepal specific indicators for the SmartWood Guidelines during the assessor training. The emphasis during the training will be further focused on NTFPs and SmartWood's NTFP specific guidelines. Additionally, amended guidelines should then be circulated amongst a wider group of stakeholders for their input. The Nepal Interim SmartWood Guidelines can be finalized just prior to the pilot certification assessment.

5.0 APPENDICES

Appendix I – Workshop Agendas

**Asia Network for Sustainable Agriculture and Bioresources (ANSAB)
Get Certified Workshop on
Certification & Sustainable Marketing of Non-Timber Forest Products (NTFPs)
June 9, 2003**

Agenda

Monday June 9, 2003

8:00 – 9:00 **ARRIVALS and REGISTRATION**

9:00 – 9:45 **Welcome**

- Welcome and Context of the Workshop – Bishma Subedi
- Welcome and Training Goals and Expectations – Walter Smith
- Introduction of Participants

9:45 – 10:30 **Introduction to the Rainforest Alliance/SmartWood and the Forest Stewardship Council (FSC)**

- Rainforest Alliance History and Mission
- SmartWood Certification Accomplishments
- FSC History, Structure, Achievements

10:30 – 10:45 **Tea Break**

10:45 – 12:00 **Forest Management Certification Process**

- Process Overview
- Certification Standards
- Field Evaluation
- Data Analysis

12:00 - 13:00 **Lunch**

13:00 – 14:00 **Forest Management Certification Process Questions**

14:00 – 15:00 **Chain of Custody Process**

- Process Overview
- Certification Standards
- Field Evaluation
- Data Analysis

15:00 – 15:15 **Tea Break**

15:15 – 16:00 **Chain of Custody Questions**

**Asia Network for Sustainable Agriculture and Bioresources (ANSAB)
NTFP Certification Training/Workshop
Certification & Sustainable Marketing of Non-Timber Forest Products (NTFPs)
June 10-12, 2003**

Agenda

Tuesday June 10

9:00 – 10:15 **Group Certification Process**

- Process Overview
- Certification Standards
- Field Evaluation

10:15 – 10:30 **Tea Break**

10:30 – 11:00 **Questions**

11:00 – 12:00 **NTFP Process**

- Process Overview
- Certification Standards
- Field Evaluation

12:00 – 13:00 **Lunch**

13:00 – 15:00 **Forest Management/NTFP Certification Assessment Exercise**

- Comparing SmartWood/FSC Standards to FUG management

15:00 – 15:15 **Tea Break**

15:15 – 17:00 **Forest Management/NTFP Certification Assessment Exercise - continued**

- Comparing SmartWood/FSC Standards to FUG Management
- Identifying Potential Barriers for FUGS to Attain Certification

Wednesday June 11

09:00 – 10:30 **Group Certification Assessment Exercise**

- Comparing SmartWood/FSC Group Standards to Potential Nepali Group Mangers
- Identifying Potential Barriers to Attaining Certification

10:30 – 10:45 **Tea Break**

10:45 – 12:00 **Group Certification Discussion and Questions**

12:00 – 13:00 **Lunch**

- 13:00 – 15:00 **Nepal Specific Criteria and Indicators**
- Review SmartWood Standards within Nepali Context
 - Propose Criteria and Indicators to supplement FSC Principles and Criteria
- 15:00 - 15:15 **Tea Break**
- 15:15 – 16:30 **Nepal Specific Criteria and Indicators** -continued

Thursday June 12

- 9:00 – 10:15 **Chain of Custody Certification Assessment Exercise**
- Comparing SmartWood/FSC Standards to CBFE & Local Processing Companies
 - Identifying Potential Barriers for CBFE & local businesses to Attain Certification
- 10:15 – 10:30 **Tea Break**
- 10:30 – 12:00 **Chain of Custody Certification Assessment Exercise** - continued
- 12:00 – 13:00 **Lunch**
- 13:00 – 15:00 **Preparing for the Pilot Assessment**
- What FUGs to be Included
 - What Institutions to Manage Group (s)
 - Logistics
 - Assessor Training
- 15:00 – 15:15 **Tea Break**
- 15:15 – 16:00 **Clarifications, Questions, Discussion**
- 16:00 – 16:30 **Closing**

Appendix II– Get Certified Course Participants list

S.N.	Organization	Name & Designation
1	Ministry of Forests and Soil Conservation Singha Durbar, Kathmandu, Nepal	Mr. Prem Kanel, Assistant Monitoring Officer
2	Department of Forests Babar Mahal	Mr. D. R. Bhattarai, Chief (N.F. Division) Mr. Prakash Sayami, Community Forestry Officer
3	Community and Private Forests Division Department of Forests Babar Mahal	Dr. Keshav R. Kanel, Deputy Director General
4	Department of Plant Resources (DPR) P.O. Box 11035, Kathmandu, Nepal	Mr. Lalit Kattel, Assistant Scientific Officer
5	Rainforest Alliance/Smartwood Program USA	Mr. Walter Smith, Senior Technical Specialist
6	United States Agency for International Development (USAID/Nepal) Rabi Bhawan, Kalimati G.P.O. Box 5653, Kathmandu , Nepal	Dr. Bijnan Acharya, Cognizant Technical Officer Mr. Netra N. Sharma Sapkota,
7	The Netherlands Development Organization (SNV/Nepal) Bakhundole, Patan P. O. Box 1966, Kathmandu, Nepal	Mr. Francisco Tolentino, Micro & Small Forest Enterprise Development Adviser
8	District Forest Office Dolakha	Mr. Arun Sharma Paudel, District Forest Officer
9	District Forest Office Bajhang	Mr. Gyanendra Mishra, District Forest Officer
10	CARE Nepal Krishna Galli, Patan	Mr. Rajendra Khanal, Agriculture & Economic Development Specialist
11	Forest Action P.O. Box 12207 Kathmandu, Nepal	Mr. Hari Saran Luitel, Team Leader, Natural Resources and Enterprise Development
12	Livelihoods and Forestry Programme P.O.Box 106 Kathmandu, Nepal	Mr. Ram Subedi, Deputy Hills Forestry Adviser
13	Federation of Community Forest Users (FECOFUN) Baneshwor P.O. Box: 8219, Kathmandu, Nepal	Mr. Bhim Pd. Shrestha, Chairman
14	Federation of Community Forest Users (FECOFUN) District Office - Dolakha Bhimeswor Nagarpalika 10, Charikot	Mr. Harihar Neupane, Chairperson
15	Federation of Community Forest Users (FECOFUN) District Office - Dolakha Bhimeswor Nagarpalika 10, Charikot	Mr. Gagan Bahadur Singh, Chairperson
16	Malika Hate Kagaj Pvt. Ltd Hamarsain, Kailash-2 Bajhang	Mr. Surat Bahadur Singh
17	Gorkha Ayurved Company (P) Ltd. PO Box # 3666, Kathmandu, Nepal	Mr. Prem Tiwari, General Manager
18	Himalayan BioTrade (P) Ltd P.O. Box 11035, Kathmandu, Nepal	Mr. Parbat Gurung, Managing Director
19	Nepal Swiss Community Forestry Project (NSCFP)	Mr. Mike Nurse, Chief Technical Adviser

S.N.	Organization	Name & Designation
	Ekantakuna, Jawalakhel P. O. Box 113, Kathmandu, Nepal	
20	Nepal Australia Community Resource Management & Livelihood Project (NACRMLP) P.O. Box 208, Kathmandu, Nepal	Mr. Roshan Thapa
21	Intermediate Technology Development Group (ITDG) P.O. Box 15135, Kathmandu, Nepal	Babu Ram Pathak, Team Leader-Markets & Livelihood
22	New Era P.O. Box 722, Kathmandu, Nepal	Mr. M.L. Jayaswal, Coordinator
23	Alternative Herbal P.O. Box: 45553 Baneshwor, Kathmandu	Mr. Govind Ghimire, Managing Director
24	NARMSAP Babar Mahal	Mr. Amrit Lal Joshi, Technical Adviser
25	RONAST/Nepal Forest Association Khumaltar	Dr. Keshar Man Bajracharya, Academician/Chairman
26	Seed Tree Radhakrishna Chowk Kusma, Parbat Tel: 067-20426	Mr. Puskar Nath Khanal, STN/IHEP Coordinator
27	Seed Tree Bharatpur, Chitwan Tel: 056-524976	Mr. Bishnu Kumar V.K.
28	GEF	Mr. Gopal Raj Sherchan
29	Jadibuti Prasodhan Kendra Chapagaun, Lalitpur Tel: 5570535	Mr. Ram Chandra Joshi
30	Deudhunga Multipurpose Cooperative Dolakha	c/o Mr. Parbat Gurung
31	United Mission to Nepal Kathmandu, Nepal Tel: 4228060,4228118	Mr. Umesh Lama, Nature Enterprises & Company Pvt. Ltd
32	Asia Network for Sustainable Agriculture and Bioresources (ANSAB) Baneshwor, P.O. Box 11035, Kathmandu, Nepal	Mr. Bishma P. Subedi Mr. Surya B. Binayee Mr. Indu B. Sapkota Mr. Raj Kumar Pandey Ms. Deepmala Subba

Appendix III – NTFP Certification Training Workshop Participants List

S.N.	Organization	Name & Designation
1	Ministry of Forests and Soil Conservation Singha Durbar Kathmandu, Nepal	Mr. Prem Kanel, Assistant Monitoring Officer Mr. Kumud Shrestha, Planning Officer
2	Department of Forests Babar Mahal	Mr. Prakash Sayami, Community Forestry Officer
3	Community and Private Forests Division Department of Forests Babar Mahal	Dr. Keshav R. Kanel, Deputy Director General
4	Department of Plant Resources (DPR) P.O. Box 11035, Kathmandu, Nepal	Mr. Lalit Kattel, Assistant Scientific Officer
5	Rainforest Alliance/Smartwood Program USA	Mr. Walter Smith, Senior Technical Specialist
6	United States Agency for International Development (USAID/Nepal) Rabi Bhawan, Kalimati G.P.O. Box 5653, Kathmandu, Nepal	Dr. Bijnan Acharya, Cognizant Technical Officer Mr. Netra N. Sharma Sapkota
7	The Netherlands Development Organization (SNV/Nepal) Bakhundole, Patan P. O. Box 1966, Kathmandu, Nepal	Mr. Francisco Tolentino, Micro & Small Forest Enterprise Development Adviser
8	District Forest Office Dolakha	Mr. Arun Sharma Paudel, District Forest Officer
9	District Forest Office Bajhang	Mr. Gyanendra Mishra, District Forest Officer
10	Federation of Community Forest Users (FECOFUN) Baneshwor P.O. Box: 8219, Kathmandu, Nepal	Mr. Bhim Pd. Shrestha, Chairman Mr. Bhola Bhattarai, General Secretary
11	Federation of Community Forest Users (FECOFUN) District Office - Dolakha Bhimeswor Nagarpalika 10, Charikot	Mr. Harihar Neupane, Chairperson
12	Federation of Community Forest Users (FECOFUN) District Office - Dolakha Bhimeswor Nagarpalika 10, Charikot	Mr. Gagan Bahadur Singh, Chairperson
13	Malika Hate Kagaj Pvt. Ltd Hamarsain, Kailash-2 Bajhang	Mr. Surat Bahadur Singh
14	Gorkha Ayurved Company (P) Ltd. PO Box # 3666, Kathmandu, Nepal	Mr. Prem Tiwari, General Manager
15	Himalayan BioTrade (P) Ltd P.O. Box 11035, Kathmandu, Nepal	Mr. Parbat Gurung, Managing Director
16	Himali Jadibuti Sarokar Samuha (HJSS) Kathmandu, Nepal	Mr. Mohan Baniya, Chairperson Mr. Gorakh B. Bogati, Member
17	Nepal Australia Community Resource Management & Livelihood Project (NACRMLP) P.O. Box 208, Kathmandu, Nepal	Mr. Roshan Thapa
18	Intermediate Technology Development	Babu Ram Pathak, Team Leader-Markets & Livelihood

S.N.	Organization	Name & Designation
	Group (ITDG) P.O. Box 15135, Kathmandu, Nepal	
19	Seed Tree Radhakrishna Chowk Kusma, Parbat Tel: 067-20426	Mr. Puskar Nath Khanal, STN/IHEP Coordinator
20	Seed Tree Bharatpur, Chitwan Tel: 056-524976	Mr. Bishnu Kumar V.K.
21	Jadibuti Prasodhan Kendra Chapagaun, Lalitpur Tel: 5570535	Mr. Ram Chandra Joshi
22	Deudhunga Multipurpose Cooperative Dolakha	c/o Mr. Parbat Gurung
23	Asia Network for Sustainable Agriculture and Bioresources (ANSAB) Baneshwor, P.O. Box 11035, Kathmandu, Nepal	Mr. Bhishma P. Subedi Mr. Surya B. Binayee Mr. Indu B. Sapkota Ms. Deepmala Subba

Appendix IV - FSC FM assessment exercise (P&C)

No	Group 1	Group 2	Group 3	Remarks
1.1	Yes	Yes	Yes	
1.2	Yes	Yes	Yes	
1.3	Yes	Yes	Maybe*	*Capacity
1.4	Yes	Yes	Yes	
1.5	Yes	Yes	Maybe*	*Capacity building and resources
1.6	Yes	Yes	Yes	
2.1	Yes	Yes	Yes	
2.2	Yes	Maybe*	Yes	*Implementation Vs Policy issue
2.3	Yes	Yes	Yes	
3.1	Yes	Yes	Yes	
3.2	Yes	Yes	Yes	
3.3	Yes	Yes	Yes	
3.4	Yes	Maybe**	Yes	**Their knowledge "sometimes" may not be compensated in terms of "money"
4.1	Yes	Yes	Yes	
4.2	<u>Maybe*</u>	<u>No-maybe**</u>	<u>Maybe-yes***</u>	*Not necessarily the relation as owner & employee **benefit package may not be sufficient ***In CFUG, <u>no</u> workers; but all are owners, managers and users
4.3	<u>Maybe*</u>	<u>Maybe*</u>	<u>Maybe-yes*</u>	*ILO provisions and conventions not known fully; (may not apply since FUG members are owners as well as managers themselves)
4.4	Yes	Yes	Yes	
4.5	Yes	Yes	Yes	

No	Group 1	Group 2	Group 3	Remarks
5.1	Yes	Yes	Maybe*	*We don't know full cost
5.2	Yes	Yes	Yes	
5.3	Yes	Yes	Maybe*	*awareness level and inadequate technical skills
5.4	Yes	Yes	Yes	
5.5	Yes	Yes	Yes	
5.6	Yes	Yes	Maybe*	*Knowledge is not adequate *Precision of estimates??(esp. NTFPs)
6.1	<u>*No</u>	<u>Maybe</u>	Yes**	*No formal environmental impact assessment **In OP process, environmental assessment is informally done
6.2	<u>Maybe*</u>	<u>Maybe*</u>	<u>Yes**</u>	*Level of awareness; CF size to consider ecosystem level intervention ** Some FUG set aside protection forest blocks and HMG also has set aside some land (18%) for this purpose
6.3	<u>Maybe*</u>	<u>Maybe*</u>	<u>Yes</u>	*Documentation may not be available
6.4	No*	Yes	Yes**	*Given the size of CF, landscape level consideration and its documentation may not be evident at CF level ** Given the scale of operations, there is no chance to alter the natural habitat; HMG has set aside different areas for different purposes (CF, protected area, etc.)
6.5	Yes	Yes	Yes-Maybe*	*No guidelines available
6.6	Yes	Yes	Yes	
6.7	Yes	Yes	Yes	
6.8	Yes	Yes	Yes	
6.9	Yes	Yes	Yes	
6.10	Yes	Yes	Yes	
7.1	Yes	Yes	Yes	Point 'e' to be improved
7.2	Yes	Yes	Yes	
7.3	Yes	Yes	Yes	
7.4	Yes	Yes	Yes	
8.1	<u>Maybe*</u>	Yes	<u>Maybe*</u>	*Record system may not be sufficient, Standard monitoring systems not developed and applied everywhere
8.2	Yes	Yes	<u>Maybe*</u>	*Not such systematic research and data collection at FUG level
8.3	Yes	Yes	<u>Maybe*</u>	*Inadequate documentation
8.4	Yes	Yes	Yes	
8.5	Yes	Yes	Yes	
9.1	Yes	Yes	Yes	Training to rangers and concerned personnel assisting in CF would add value

No	Group 1	Group 2	Group 3	Remarks
9.2	Yes	Yes	Yes	
9.3	Yes	Yes	Yes	
9.4	<u>Maybe*</u>	Yes	<u>Maybe*</u>	*Monitoring system is yet to be improved
9.5				
10.1	Yes	Yes	Yes	
10.2	Yes	Yes	Yes	
10.3	Yes	Yes	Yes	Not well documented; (genetic diversity!)
10.4	Yes	Yes	Maybe*	*Not strong monitoring system
10.5	Yes	Yes	Yes	
10.6	Maybe*	Yes	Yes	*Not explicit measures taken
10.7	Maybe*	Maybe*	Maybe*	* No integrated pest management system (may not be applicable), not clear

Nepal Interim Guidelines for Assessing Forest Management

Purpose

March 2000

The purpose of the SmartWood Program is to recognize good forest managers through credible independent verification of forestry practices. The purpose of these guidelines is to provide forest managers, landowners, forest industry, scientists, environmentalists and the general public with information on the aspects of forest management operations that SmartWood evaluates to make certification decisions. These guidelines should be regarded as the fundamental "starting point" for SmartWood certification field assessments and certification decisions. Though the criteria¹ provided in this document may be valuable for assessing all forestry operations, no matter what objective or product is being produced, the principal focus of this document is on forest management certification for operations that harvest wood products.

Background

Forests can be managed for many different objectives and products. Such management can occur in natural forests or plantations, be predominantly mechanized or manual, and be managed by a large industrial concern or a local community or landowner cooperative. Many combinations are possible. A key question has been: how to evaluate the wide range of ecological, socioeconomic and silvicultural impacts of forest management activities in a clear and consistent fashion, based on a combination of scientific research and practical experience. In 1991, the SmartWood Program put forth its draft "Generic Guidelines for Assessing Natural Forest Management" as the first broadly based (i.e. worldwide) set of evaluation or assessment criteria applicable at the field or operational level. At the same time, SmartWood developed and distributed region-specific guidelines for management of natural forests in Indonesia. In 1993, SmartWood distributed the draft "Generic Guidelines for Assessing Forest Plantations" and revised guidelines for natural forest management. In 1998, after seven years of application and "learning by doing" through innumerable forest assessments and audits, SmartWood provided a new and revised set of criteria for assessing forest management in both natural forests and tree plantations. These "Generic Guidelines" were reviewed and approved by the Forest Stewardship Council (FSC), the international body that has accredited (i.e. approved) SmartWood as a forest management and chain of custody certifier. Now, in 1999, SmartWood is providing a revised generic set that strictly follows the structure of the FSC Principles and Criteria (P&C). Why? The initial intent of the P&C Working Group of the FSC in 1991-1993 was that the P&C would be a guide for

¹ It is SmartWood philosophy to keep the certification process as straightforward and simple as possible, without sacrificing technical quality, in order to foster the value of certification as an educational, policy, and training tool. In practice this means writing as clearly as possible and keeping scientific terms to a minimum. In the context of this document, SmartWood checking points (under the criteria) are, or may incorporate, a combination of indicators, certification thresholds, etc.

developing certification standards, but not the actual standard. Now, in practice the FSC P&C have become the de facto standard. This has certain shortcomings. For example, the P&C were not organized in a fashion that facilitates easy auditing, and there are some redundancies. However, it is now easier to follow the P&C structure than to not follow them. Consistent structure facilitates public reporting, and helps the FSC ensure more consistent assessment methods by different certifiers in the FSC system.

In developing these generic standards, a number of documents have been reviewed and considered, including:

- “SmartWood Generic Guidelines for Assessing Forest Management”, Rainforest Alliance, April 1998;
- “Principles and Criteria for Forest Stewardship”, Forest Stewardship Council (FSC), January 1999; and,
- “Social Standards for Forest Workers in Forest Certification: The Application of International Labour Organization (ILO) Conventions”, International Federation of Building and Wood Workers (IFBWW).

The April 1998 SmartWood evaluation criteria and indicators were developed in consultation with the more than 30 non-profit representatives of the SmartWood Program worldwide (called the “SmartWood Network”), as well as other professional foresters, ecologists, social scientists and other forest practitioners. Virtually all regional SmartWood representatives have in-depth field experience developing SmartWood and/or FSC regional certification standards, some going back as far as 1989 (e.g. Institute for Sustainable Forestry in California and Rogue Institute for Ecology and Economy in Oregon). Because of this experience, and our related research, we believe these criteria are in accord with the intent of relevant forest management and biological conservation guidelines issued by the International Union for the Conservation of Nature (IUCN) and the International Tropical Timber Organization (ITTO). We have also drawn on work by the Center for International Forestry (CIFOR), World Rainforest Movement, International Labor Organization (ILO), and FSC regional standards working groups. We acknowledge the significant contributions made by these and many other international, national and local organizations. We would also like to thank the many other researchers and innumerable forestry operations (certified and uncertified), foresters, loggers, and local stakeholders who have critiqued past versions of the SmartWood guidelines and provided suggestions for improvement.

Regional Guidelines

Many groups are involved in the FSC and are helping to develop region-specific guidelines for forestry certification in many countries worldwide, for both natural forests and plantations. SmartWood fully supports, encourages and participates wherever possible in such regional processes. SmartWood’s experience is that the regional standard setting process is an absolutely critical step in developing stronger stakeholder support for FSC and SmartWood certification. Regional standard setting is also an excellent way of engaging the public in important, broad ranging discussions on the future of forests and human communities. In other words, the regional standards setting process should be seen, at least in part,

as an outreach or extension tool, even though its most practical application may be systematizing forest auditing.

As part of the FSC process, region-specific standards are typically developed by a regional working group, field-tested, revised and approved by the regional working group, and then submitted to the FSC for final approval, i.e. endorsement. Once endorsed, all FSC-approved certifiers must use the regional standard as their fundamental starting point (they can choose to be more rigorous, but they cannot have a less rigorous standard than the endorsed regional standard). In general, SmartWood's philosophy is that once a regional standard has been endorsed, SmartWood will use the endorsed regional standard itself as the basis for certifications and audits. Operations certified under a previous standard have a minimum of one year to meet the new standard. When a longer period for transition is needed (based on SmartWood's experience and the resources of the certified operation), SmartWood will coordinate directly with FSC, and FSC national coordinators or working groups, to establish alternative transition schedules.

Public Input and Comment on SmartWood Guidelines and Certification Processes

Certification assessments are not public documents unless specifically required by law (e.g. for some public forests), or approved for public distribution by the certified operation. Typically, at least two public documents are available for every SmartWood certified forest operation:

1. The certification guidelines used, and,
2. "Public certification summary".

The public certification summary is produced as a final step of the certification process and is available only after actual certification of an operation. Guidelines are available at any time. SmartWood guidelines are publicly circulated and periodically revised based on public input and SmartWood research and experience.

In many cases, SmartWood may also produce and distribute a public stakeholder consultation document that informs the public about the certification assessment, which is taking place. This document is produced and distributed either prior to or during an assessment and only after explicit agreement with the candidate operation being assessed by SmartWood. The document is typically distributed through hand delivery, FAX, mail, or electronic mail.

In many cases, SmartWood may also organize public stakeholder certification forums. These are typically announced by email, FAX, and/or public notices in newspapers or other local or national publications, depending on the resources available (due largely to the scale and intensity of the forest operation being assessed). SmartWood representatives also maintain a master list of stakeholders for future consultation in relation to any assessment in a region. Stakeholders on the list will receive notices of future assessments, when they occur, and in the case of scoping (i.e. pre-assessment evaluations) in potential High Conservation Value Forests (HCVFs). Larger assessments usually will include certification scoping. As per FSC requirements, if the scoping is covering an area of potential HCVF, some public stakeholder consultation will occur. Of special note in terms of FSC Principle 9 or HCVFs, stakeholders should be aware that the FSC is

convening a committee to explore efficient and effective systems for more consistently implementing this principle.

For a copy of any particular stakeholder consultation document, or information on other ongoing SmartWood assessments, please contact SmartWood. **We very strongly encourage all interested parties to give us input, either positive or negative, on our certifications and guidelines.**

Philosophy of the SmartWood Guidelines

SmartWood has developed the criteria below as minimum acceptable measures for assessing the sustainability of forest management practices and impacts of forestry operations applying to be certified by SmartWood. Certification is a tool for showing the public and the forest industry that sustainable forest management (SFM) is indeed attainable and worthwhile. Concise criteria, based on good science and experience, are an excellent way of communicating about SFM at the field level. Certified operations may not be scientifically or definitively “sustainable” in all aspects; but they will have demonstrated a clear commitment in policy and practice to SFM, and in particular to three broad concepts that SmartWood considers the fundamental aspects of sustainable forest management:

1. Forest operations must maintain environmental functions, including watershed stability, conservation of biological resources and protection of wildlife habitat;
2. Management planning and implementation must incorporate sustained yield concepts for all harvested or utilized forest products, based on an understanding of, and documentation related to, local forest ecology; and,
3. Activities must have a positive impact on the long-term social and economic well being of local communities.

In practice, SmartWood staff has found that certified forest managers consistently show an on-the-ground and measurable commitment to the concept of “continuous improvement”. Continuous improvement has become a guiding philosophy not only for the operations SmartWood has certified, but also for SmartWood as a certification program (e.g. improvements in these generic guidelines).

Types of Certification

Forest management operations that adhere to the criteria provided in this document are certified as “well managed” by SmartWood. Certified operations may use the SmartWood and FSC labels for public marketing and advertising purposes.

SmartWood currently offers three types of certification, which are endorsed by the FSC:

1. Forest management certification for operations that manage natural forests and/or tree plantations;
2. Resource manager certification for forestry consultants and land managers that manage other people’s land to certifiable standards (see separate SmartWood policy for resource manager certification); and,
3. Chain of custody certification for operations that manufacture, buy, sell or distribute certified forest products.

In addition to the above types of certification, SmartWood has also developed Rediscovered Wood certification for products made from recycled, reused,

reclaimed or salvage wood. In general, products certified under this program are considered “neutral” in the FSC system and products that combine with FSC-certified raw materials and Rediscovered Wood may qualify for FSC labeling. SmartWood has also pioneered the concept of non-timber forest product certification in the FSC system. For information on this and any other type of SmartWood certification, please contact SmartWood headquarters.

Guidelines Structure

The guidelines follow the structure of the FSC P&C, in order to enhance public understanding of SmartWood certification efforts, and to facilitate the work of multidisciplinary SmartWood assessment teams and forest auditors, as well as independent peer reviewers (a minimum of two for every certification assessment). The guidelines are divided into the following subject areas:

- 1.0 Compliance with Laws and FSC Principles
- 2.0 Tenure and Use Rights & Responsibilities
- 3.0 Indigenous Peoples’ Rights
- 4.0 Community Relations and Workers’ Rights
- 5.0 Benefits from the Forest
- 6.0 Environmental Impact
- 7.0 Management Plan
- 8.0 Monitoring and Assessment
- 9.0 High Conservation Value Forests
- 10.0 Plantations

In the guidelines, a brief general discussion of each subject area is provided, followed by a series of criteria. All criteria in the core subject areas must be evaluated in every assessment. In some cases, certain subject areas will not be applicable (e.g. Principle 10 will not be applicable if there are no plantations in the candidate operation). SmartWood assessors assess and score each criterion.

In order to pass certification, certified operations must have an average score above 3 for each subject area (see discussion below), based on the average score of each criterion in the subject area. Each criterion will have a number of different indicators. These indicators are used as a basis for assessing compliance and assigning a score for each criterion. All indicators specified in the applicable standard must be assessed, though there may be differences in indicators depending on the region. Some indicators may be quite specific and quantitative; others may be qualitative. This depends on the amount of experience and strength of consensus within a region around certain technical issues.

Synopsis of the Certification Assessment Process²

SmartWood assessors are provided with detailed guidance on the certification process, including pre-assessment briefings (either in person or by telephone) and access to a written SmartWood manual for forest assessment. The purpose of

² For more detailed information about certification procedures, please contact SmartWood headquarters or regional offices.

these briefings and the manual is to ensure that a consistent and thorough certification process is followed.

In addition to following the SmartWood procedures outlined in our manual for forest assessment, there are three other ways in which SmartWood ensures accuracy and fairness in our certifications:

1. The assessment must involve individuals who are familiar with the particular region and type of forest management operation under evaluation. It is SmartWood policy to involve local specialists in all assessments.
2. Team members should be familiar with SmartWood certification procedures. Each SmartWood certification assessment has a designated team leader who must have either participated in a formal SmartWood assessor training course and/or have previously participated in another SmartWood forest management assessment.
3. The assessment must use either region-specific evaluation guidelines (i.e. criteria and local checklists or indicators), if they exist, or adapt the SmartWood Generic Guidelines to the local situation; all guidelines are public documents.

Team organization - In the field, the assessment team leader's first task is to ensure that all team members understand the scope and intent of the assessment process. The team reviews and discusses the generic criteria and indicators, or they go directly to a review of local standards if they exist. Based on this review, the team will assign individual responsibilities for coverage of different subjects and criteria. All team members can provide input into any category of information, but it is crucial that clear lead responsibility is assigned for data collection, analysis and writing for each subject area and for all criteria.

Reviewing/Revising Assessment Criteria and Indicators – Assessment teams must include all elements covered in either these SmartWood Generic Guidelines, SmartWood regional guidelines, or FSC-endorsed regional standards. The criteria and indicators are part of the public record for each certification assessment. The criteria and indicators will be reviewed by the candidate operation, peer reviewers, and SmartWood headquarters, and are publicly available for stakeholders. Team members also review applicable national or international laws, and regulations or administrative requirements, and may incorporate relevant items as indicator items under the appropriate criterion in the guidelines.

Data Collection - Once initial internal team discussions have taken place, team members meet with the forestry staff of the operation being assessed. In initial meetings, an emphasis is placed on clarifying assessment procedures and criteria and indicators. The assessment process then moves quickly to the field phase. Visits are made to sites chosen by SmartWood assessors based on a comprehensive review of the candidate operation's forest holdings and management activities, discussion of past or current interaction with nearby landowners and communities, and identification of critical issues, challenging sites, etc. Site visits occur in the forest, at processing facilities, and in the surrounding local communities. Visits emphasize seeing management activities of all types and phases, by different staff of the candidate operation, and in different biological or physical conditions.

Team members also meet independently with stakeholders. All assessments solicit and incorporate input (confidential and/or open) from as many directly affected and/or knowledgeable stakeholders as possible, including local communities, adjoining landowners, local forest industry, environmental organizations, government agencies, and scientific researchers. During these consultations, assessment team members explain the assessment process, solicit opinions, and

gather impressions about the field performance of the operation being assessed. Before, during and after visits to stakeholders and actual field operations, the team constantly meets to review criteria, discuss progress in gathering information, and discuss preliminary findings.

Data Analysis and Scoring – Assessment teams work in a consensus fashion to analyze, score and reach agreement on certification conclusions. Internal team meetings will happen throughout the assessment process. A critical step during the analysis is to identify certification pre-conditions, conditions and recommendations, using the following definitions:

- **Pre-conditions** are required improvements that FMOs must do before SmartWood certification will be granted;
- **Conditions** are required improvements that FMOs must implement by specific deadlines during the five-year certification period; and,
- **Recommendations** are voluntary improvements suggested by the assessment team, but are not mandated or required.

Following is the scoring system that is used for SmartWood certification assessments. For each SmartWood criteria, assessors must indicate the appropriate number using the following table as a guide and based on information derived from field observations, consulted documents, and interviews. In assigning values to specific criteria, SmartWood assessors take into consideration national norms and regulations, the scale and context of the operations, and local standards or guidelines that may have been developed by FSC Working Groups.

Score	PERFORMANCE General Description	COMPLIANCE Pre-conditions, Conditions and Recommendations
N/A	Not an applicable criteria.	Not applicable, thus no pre-conditions, conditions or recommendations; criteria not used for score averaging
1	Extremely weak performance; strongly unfavorable or data lacking.	Pre-conditions required
2	Weak performance; significant improvement is still needed.	Pre-conditions optional; conditions required
3	Satisfactory performance	Conditions optional
4	Favorable performance	Recommendations; no conditions
5	Clearly outstanding performance	Recommendations possible, but not typical

If pre-conditions have been identified, they must be satisfied before certification will be granted.

Report Write-up - The certification assessment report follows the FSC P&C structure, with a discussion following each criterion and analyzing performance in relation to the indicators for that criterion. The analysis provides, as appropriate, the pre-conditions, conditions or recommendations that apply, and a score for each criterion.

Review of Assessment Report by Candidate Operation, Independent Peer Reviewers and SmartWood headquarters – Each certification assessment report is reviewed by the candidate operation, a minimum of two independent peer reviewers, and staff at SmartWood headquarters. SmartWood headquarters approves all SmartWood certifications.

Certification Decision – Once the above steps are completed, SmartWood headquarters will coordinate a certification decision process, with input from SmartWood regional

representatives. If a certification decision is positive, i.e. an operation is approved for certification, a five-year certification contract will be executed which includes, as a requirement, annual on-site audits. If an operation is not approved, the certification decision will clearly establish what needs to be done in order for the operation to achieve certified status in the future, i.e. identification of preconditions for certification.

The Standards

PRINCIPLE #1: COMPLIANCE WITH LAWS AND FSC PRINCIPLES

Forest management shall respect all applicable laws of the country in which they occur, and international treaties and agreements to which the country is a signatory, and comply with all FSC Principles and Criteria.

All operations must demonstrate a commitment in policy and practice to the FSC Principles and Criteria for Forest Management, the central defining document of the FSC. For many obvious reasons, SmartWood certification must also be in accordance with national, province or state, and local laws. The purpose of the certification process is not to assess actual legal compliance; that is the mandated task of government institutions. But SmartWood must check with government agencies and other stakeholders to verify that an operation is dealing with legal requirements in a responsible fashion, and in some cases the field assessment can be a valuable way for helping operations improve the quality of their compliance. Finally, in some cases there may be applicable international conventions or treaties that apply, as is clearly the case of endangered species under the Convention on Trade in Endangered Species (CITES). During the assessment process, SmartWood assessors are responsible for pointing out what they perceive to be conflicts between laws, the FSC P&C and international treaties or conventions. In practice this has rarely occurred. However, if they occur, resolution of conflicts may involve the candidate operation, SmartWood, and/or FSC (or its national contact person or organization).

1.1 Forest management shall respect all national and local laws and administrative requirements.

- Interviews with public officials and other stakeholders and observations in field indicate that FMO is meeting national, and local environmental, labor and forestry laws. (Local standards should include here a list of key relevant legislation in order to ensure coverage.)
- An FMO means a FUG or group formed under provisions of the Nepal Forest Act and regulations. Any FMO compliance issues with laws are, or are being, resolved expeditiously with designated government authority.

1.2 All applicable and legally prescribed fees, royalties, taxes and other charges shall be paid.

- FMO is up-to-date in payment of local taxes, timber rights or leases, fees, royalties, etc.

1.3 In signatory countries, the provisions of all binding international agreements such as CITES, ILO Conventions, ITTA, and Convention on Biological Diversity, shall be respected.

- For large operations, FMO is aware of applicable international conventions and provides guidance so that field operations meet the intent of such conventions including CITES, Convention on Biological Diversity and ILO 87 & 98. (Local standard will identify international agreements to which the country is a signatory, or SmartWood headquarters will provide a list of applicable international agreements).
- For small and medium sized operations, FMO becomes aware of applicable international conventions either prior to or during the certification assessment, and agrees to provide guidance to staff and contractors so that field operations meet the intent of applicable agreements.
- FMO demonstrates willingness to meet requirement, intent and spirit of applicable agreements.

1.4 Conflicts between laws, regulations and the FSC Principles and Criteria shall be evaluated for the purposes of certification, on a case by case basis, by the certifiers and the involved or affected parties.

- Perceived conflicts between laws, the FSC P&C and international treaties or conventions are identified.
- Conflicts between FSC requirements and laws are resolved through consultation between FSC national contact person (if available), the FSC certifier, or FMO, as needed.

1.5 Forest management areas should be protected from illegal harvesting, settlement and other unauthorised activities.

- For large operations, a monitoring system with formal periodic inspections is documented and implemented.
- In-migration, settlement, hunting, and timber extraction along logging roads is controlled.
- Little to no evidence of unauthorized activities in forest management areas.

1.6 Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria.

- FMO clearly demonstrates long-term support for the FSC P&C (e.g. through public presentations, verbal commitment by senior management, or other actions).
- FMO commitment is encouraged. FMO agrees that it will not implement activities that blatantly conflict with the FSC P&C on forest areas outside of the forest area under current assessment.

PRINCIPLE #2: TENURE AND USE RIGHTS AND RESPONSIBILITIES

Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.

Experience indicates that consistent long-term forest management will not take place unless forest managers can be sure that forestland will stay as forest and that the rights and responsibilities of direct forest managers and other users are clear. Though many parties may play a role in this, the intent of this section is to ensure that the candidate forestry operation is taking all realistic actions under their control to protect and maintain the forest

over the long-term, and resolving conflicts with neighbors or other forest users. In some cases this means protecting the forest from threats of competing land uses, or misuse by other forest users (e.g. timber trespass, hunting, etc.). In other cases forest operations may take proactive steps to improve forest security by carefully negotiating and controlling joint management or access to forest resources with local communities or individuals. The existence of major unresolved, or poorly resolved, conflicts within the local community may be an impediment to certification.

2.1 Clear evidence of long-term forest use rights to the land (e.g. land title, customary rights, or lease agreements) shall be demonstrated.

- Land tenure and use right is clear and legally secure.

2.2 Local communities with legal or customary tenure or use rights shall maintain control, to the extent necessary to protect their rights or resources, over forest operations unless they delegate control with free and informed consent to other agencies.

- Local communities' legal or customary/traditional rights to own, manage or use forest resources have been formally recognized, documented in written agreements if necessary, and honored.
- Controlled access is given or offered to local communities for timber and non-timber forest products based on either legal agreements or longstanding local arrangements.

2.3 Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights. The circumstances and status of any outstanding disputes will be explicitly considered in the certification evaluation. Disputes of substantial magnitude involving a significant number of interests will normally disqualify an operation from being certified.

- Resource conflicts with adjoining landowners or other resource users are resolved or being addressed in a systematic and legal manner.
- For large operations, large-scale harvesting or other similar scale forest management activities are described to affected communities in public meetings, mailings or other types of communication, in advance.
- Large-scale operations are begun only after conflicts have been resolved or after all reasonable attempts to resolve issues have been made.

PRINCIPLE #3: INDIGENOUS PEOPLES' RIGHTS

The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognised and respected.

Fairness to indigenous peoples has been one of the founding crucibles of the FSC and the SmartWood program. However, in order to achieve such fairness, first there must be clarity as to which groups constitute “indigenous”. The following definition has been accepted by the FSC:

"The existing descendants of the peoples who inhabited the present territory of a country wholly or partially at the time when persons of a different culture or ethnic origin arrived there from other parts of the world, overcame them and, by conquest, settlement, or other means reduced them to a non-dominant or colonial situation; who today live more in conformity with their particular social,

economic and cultural customs and traditions than with the institutions of the country of which they now form a part, under State structure which incorporates mainly the national, social and cultural characteristics of other segments of the population which are predominant."

If there are any doubts as to whether groups qualify under this definition, please contact SmartWood.

3.1 Indigenous peoples shall control forest management on their lands and territories unless they delegate control with free and informed consent to other agencies.

- Indigenous customary/traditional rights to own, manage or use forest resources have been documented in writing or are evident to both sides through clear verbal understandings.
- The above agreements with indigenous groups are honored.

3.2 Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of indigenous peoples.

- Indigenous groups do not perceive FMO operations as a major threat to their resources or tenure.
- FMO takes explicit actions to ameliorate threats or diminishments to indigenous resources or tenure.

3.3 Sites of special cultural, ecological, economic or religious significance to indigenous peoples shall be clearly identified in co-operation with such peoples, and recognised and protected by forest managers.

- Sites of special significance are on field maps or identified in the field.
- Where definitive identification is difficult, diligent efforts are being made by FMO to identify special sites.
- Sites are protected in the field.

3.4 Indigenous peoples shall be compensated for the application of their traditional knowledge regarding the use of forest species or management systems in forest operations. This compensation shall be formally agreed upon with their free and informed consent before forest operations commence.

- Indigenous groups are fairly compensated for use of traditional knowledge or other resources.
- Where applicable, systems of compensation are clearly understood between FMO and indigenous groups.

PRINCIPLE #4: COMMUNITY RELATIONS AND WORKER'S RIGHTS

Forest management operations shall maintain or enhance the long-term social and economic well being of forest workers and local communities.

Certified operations are expected to be generally recognized good neighbors in local communities. For smaller operations this may be quite simple, such as responsible operation of harvesting equipment on local roads, protection of historic cultural or archeological sites, or positive relationships with adjoining landowners. For larger public or private operation the implications are usually greater. Typically, larger operations will

need to give careful consideration to local recreational needs, hiring practices that emphasize the training and participation of local people, and contributions or support for local services, such as health or education. Finally, given the scale of larger operations, their activities will affect broader regions and numbers of people; because of this it is important that such operations have in place more of a system for public interaction on their forest management activities.

4.1 The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.

- Local communities and residents are given first preference in logging and other forest management activities in terms of ownership, management, training, labor pool and other benefits or opportunities.

4.2 Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families.

- Wages and other benefits (health, retirement, worker's compensation, housing, food) for full-time staff and contractors are fair and consistent with (not lower than) prevailing local standards.
- Worker safety conditions meet legal requirements.
- If documented (i.e. for larger operations), there is a not higher than normal accident rate.
- Safety equipment is used in the forest (e.g. local norms are important, ideally the following: hard hats, hearing protection, high visibility vests, steel toe boots and chainsaw proof chaps).

4.3 The rights of workers to organise and voluntarily negotiate with their employers shall be guaranteed as outlined in Conventions 87 and 98 of the International Labour Organisation (ILO).

- Workers (Workers can be both worker-users and employees involved in the forest management) are given freedom to organize and negotiate with employers, in keeping with Convention 87.
- FMO does not interfere with workers or workers' organizations that are organizing or implementing collective bargaining, in keeping with Convention 98.
- Other applicable ILO conventions (i.e. to which the country is a signatory) are implemented (consult ILO or see IFBWW "Social Standards for Forest Workers in Certification: The Application of ILO Conventions" for list of countries and identification of ILO conventions that apply).

4.4 Management planning and operations shall incorporate the results of evaluations of social impact. Consultations shall be maintained with people and groups directly affected by management operations.

- For large FMOs, some assessment or evaluation of social impact has been, or will be, conducted and incorporated into planning or management.
- FMO has documented in writing formal and/or informal processes that the FMO will use to interact or consult with affected stakeholders and adjoining landowners during and after forest management planning.

- Local organizations or individuals directly affected by forestry activities are given an opportunity to participate in forest management planning, as would be normal given societal norms.
- FMO maintains an up-to-date list of adjoining landowners.
- Large FMOs identify adjoining landowners on maps.

4.5 Appropriate mechanisms shall be employed for resolving grievances and for providing fair compensation in the case of loss or damage affecting the legal or customary rights, property, resources, or livelihoods of local peoples. Measures shall be taken to avoid such loss or damage.

- Local people and institutions generally perceive FMO as fair and effective in avoiding losses and damages affecting local peoples, and in resolving grievances related to legal rights, damage compensation and negative impacts, if any.
- Where written procedures exist for resolving grievances and determining compensation for loss or damage (especially encouraged for large operations), these procedures are followed.
- See Criterion 2.3 for resolution of land tenure (e.g. property or use rights) challenges.

PRINCIPLE # 5: BENEFITS FROM THE FOREST

Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.

In general, SmartWood certification is focused first and foremost on forests and local communities. The emphasis in this section is on how to maximize the value of forest operations in terms of local economies and how to ensure that certified operations remain economically viable over the long-term. Businesses can succeed or fail for many different reasons. SmartWood certification may have little ultimate impact in this regard. It is not the mandate or responsibility of SmartWood to serve as a financial guarantor of success to investors, shareholders, or other parties. Rather, our mandate is to evaluate economic viability from the perspective of ensuring, as much as possible, that sound long-term investments are being made by the operation in terms of forest management, conservation and local communities.

5.1 Forest management should strive toward economic viability, while taking into account the full environmental, social, and operational costs of production, and ensuring the investments necessary to maintain the ecological productivity of the forest.

- Revenue received is sufficient and/or there is external support to cover forest management costs, e.g. management planning, road maintenance, silvicultural treatments, long-term forest health, growth and yield monitoring, and conservation investments.

5.2 Forest management and marketing operations should encourage the optimal use and local processing of the forest's diversity of products.

- FMO seeks the "highest and best use" for individual tree and timber species. And NTFP

- FMO encourages utilization of frequently occurring, lesser known, or less-commonly utilized plant species for commercial and subsistence uses.
- Non-timber forest products (NTFPs) are considered during forest use and processing.
- Local processing is emphasised where possible.

5.3 Forest management should minimise waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.

- FMO and processing centers minimize waste associated with harvesting or processing.
- See Principle 6 for assessing damage to forest resources.

5.4 Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.

- FMO fosters product diversification and exploration of new markets and products (also see Criterion 5.2).
- FMO supports local value added processing where possible.
- FMO forest operation supports livelihood opportunities for local communities as appropriate to the local condition

5.5 Forest management operations shall recognise, maintain, and, where appropriate, enhance the value of forest services and resources such as watersheds and fisheries.

- Interviews with fishing and recreational groups indicate positive or neutral impact on fisheries and other recreational resources.
- Field observations indicate normal, natural levels of siltation and sedimentation in or near watercourses.

5.6 The rate of harvest of forest products shall not exceed levels which can be permanently sustained.

- Annual allowable cut (AAC), by area or volume, has been set based on conservative and scientific or traditional knowledge or both whichever is appropriate of growth and yield, and ensuring that the rate of harvest does not exceed sustainable levels.
- AAC or other harvest calculations are being followed in the forest.
- Silvicultural prescriptions (pre-, during-, and post- harvest) are being adhered to.
- See Criterion 8.2 for monitoring.

PRINCIPLE #6: ENVIRONMENTAL IMPACT

Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.

Environmental protection and biological conservation in certified forest management includes a combination of proactive and protective measures. Proactive measures may include efforts to increase the landscape-level biological diversity value of the lands being

managed or restoration activities. Protective measures will focus on ensuring that all staff and contractors are cognizant of sensitive areas and take actions to avoid problems. Certification requires that forest managers place attention on the protection or restoration of endangered ecosystems (e.g. wetlands), conservation of threatened/endangered species, and precautionary use of chemicals.

6.1 Assessment of environmental impacts shall be completed -- appropriate to the scale, intensity of forest management and the uniqueness of the affected resources -- and adequately integrated into management systems. Assessments shall include landscape level considerations as well as the impacts of on-site processing facilities. Environmental impacts shall be assessed prior to commencement of site-disturbing operations.

- In the case of community forestry, environmental impacts assessment are done by Forest User Groups during the operational plan preparation.
-
- Environmental assessments consistently occur prior to forest management activities or other site disturbances.
- Environmental impacts of on-site processing facilities are assessed and controlled (e.g. waste, construction impacts, etc.).
- See Criteria 6.4 for landscape considerations.

6.2 Safeguards shall exist which protect rare, threatened and endangered species and their habitats (e.g., nesting and feeding areas). Conservation zones and protection areas shall be established, appropriate to the scale and intensity of forest management and the uniqueness of the affected resources. Inappropriate hunting, fishing, trapping and collecting shall be controlled.

- Threatened, rare, or endangered species or ecosystems are explicitly taken into consideration during all operations.
- Timber species on either local and/or international endangered or threatened species lists (e.g. CITES Appendix 1, national lists) are not being harvested.
- Conservation zones are preferably a contiguous block, though it may be a series of smaller blocks linked by corridors as wide as the average height of forest canopy in a mature forest in the region.
- Conservation zones are demarcated on maps and in the field, and operations carefully controlled in these areas.
- Hunting, fishing, trapping and NTFP collecting is controlled in the forest.

6.3 Ecological functions and values shall be maintained intact, enhanced, or restored, including:

a) Forest regeneration and succession.

b) Genetic, species, and ecosystem diversity.

c) Natural cycles that affect the productivity of the forest ecosystem.

- Ecological and silvicultural rationale behind management prescriptions is well-documented, i.e. based on site-specific field data or published analyses of local forest ecology (e.g. regeneration and succession) or silviculture, and government regulations.
- Management prescriptions maintain, enhance or restore forest composition (i.e. species numbers and diversity) and structure.

6.4 Representative samples of existing ecosystems within the landscape shall be protected in their natural state and recorded on maps, appropriate to the scale and intensity of operations and the uniqueness of the affected resources.

- For large FMOs, representative samples of existing ecosystems are being protected in their natural state, based on the identification of key biological areas and/or consultation with environmental stakeholders, local government and scientific authorities (a 10% target figure is encouraged by not mandatory).
- For small and medium sized FMOs, representative samples of existing ecosystems are being protected in their natural state either within the forest under evaluation or in nearby forests, based on the identification of key biological areas and/or consultation with local government or other scientific authorities.
- Landscape scale conservation considerations are evident in field activities, staff/contractor actions and/or in coordination with adjoining landowners, conservation organizations or government conservation agencies.

6.5 Written guidelines shall be prepared and implemented to: control erosion; minimise forest damage during harvesting, road construction, and all other mechanical disturbances; and protect water resources.

- Maps and work plans are produced at adequate scale to be useful for supervision of soil and water resource management and protection activities and to facilitate on-site monitoring thereof.
- Topographic maps specify areas suitable for all-weather harvesting or dry-weather only; and indicate locations for extraction (or haul) roads, loading ramps (or log yards), main skid (or snig) trails, drainage structures, streamside and/or roadside buffer zones, and conservation areas.
- Topographic maps have been prepared before logging or road construction occurs.
- Clear guidance is given to field staff and contractors in the form of written manuals, policies and training so that they understand and can implement the forest management plan.
- Guidance covers silvicultural operations, biological conservation, technical specifications for skid trail (location, width and density), road design and conservation structures, handling of chemicals, etc.
- Road construction, maintenance and closure standards are followed in the field.
- No road fill is placed in stream courses.
- Road surfaces are well drained, culverts are large enough to avoid ponding, and water bars installed and effective.

6.6 Management systems shall promote the development and adoption of environmentally friendly non-chemical methods of pest management and strive to avoid the use of chemical pesticides. World Health Organisation Type 1A and 1B and chlorinated hydrocarbon pesticides; pesticides that are persistent, toxic or whose derivatives remain biologically active and

accumulate in the food chain beyond their intended use; as well as any pesticides banned by international agreement, shall be prohibited. If chemicals are used, proper equipment and training shall be provided to minimise health and environmental risks.

- A constant effort is made to reduce or eliminate the use of chemicals in the forest and wood processing.
- If chemicals are used in the forest, they are used as part of an integrated pest management (IPM) system that carefully identifies threats and analyzes chemical and non-chemical alternatives.
- If chemicals are used:
 - *A complete inventory of chemicals is provided by the FMO and detailed inspections of storage areas or other facilities validate that inventory is complete and accurate;
 - * Careful handling, application and storage procedures are followed; and,
 - * Staff and contractors receive training in handling, application and storage procedures.
- Chemicals banned in Europe, U.S. and target country, or World Health Organization Type 1A or 1B and chlorinated hydrocarbon pesticides are not used. The only exception is when alternative control strategies do not address the threat that has been identified (e.g. feral or exotic species proliferation). In such cases a consensus must be reached and documented through discussions with government agencies, environmental, other stakeholder groups and the FSC, and extremely careful use procedures and training must be in place.

6.7 Chemicals, containers, liquid and solid non-organic wastes including fuel and oil shall be disposed of in an environmentally appropriate manner at off-site locations.

- Chemical, container, liquid and solid waste is disposed of in an environmentally sound and legal manner, whether from forest operations or processing facilities.

6.8 Use of biological control agents shall be documented, minimised, monitored and strictly controlled in accordance with national laws and internationally accepted scientific protocols. Use of genetically modified organisms shall be prohibited.

- Use of biological control agents is documented, minimized, monitored and strictly controlled.
- Use of genetically modified organisms (GMOs) is prohibited.

6.9 The use of exotic species shall be carefully controlled and actively monitored to avoid adverse ecological impacts.

- Use of exotic species is discouraged and carefully controlled, i.e. when used it is for well-justified and specific purposes (e.g. environmental benefit) and monitored for environmental impact.
- Species selected for reforestation are well suited to the site and management objectives.

- Emphasis is placed on planting, and/or applied research on, forest species native to the region.
- Where exotic species are planted, measures occur to prevent spontaneous regeneration outside plantation areas, unusual mortality, disease, insect outbreaks or other adverse environmental impacts.

6.10 Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:

- a) Entails a very limited portion of the forest management unit; and**
- b) Does not occur on high conservation value forest areas; and**
- c) Will enable clear, substantial, additional, secure, long-term conservation benefits across the forest management unit.**
 - Primary, degraded primary and mature secondary forests are not cleared by current forest managers to create tree plantations.
 - Plantations do not replace ecologically classified wetlands.
 - If plantations are established in early successional forest areas or natural grasslands, clear verbal, written or visual guidelines are given to field staff for identifying acceptable areas.
 - FMO takes aggressive measures to restore, conserve or manage natural forest or grasslands in surrounding or adjoining areas equal to or exceeding the area disturbed; and support for such actions exists amongst environmental stakeholders.

PRINCIPLE #7: MANAGEMENT PLAN

A management plan -- appropriate to the scale and intensity of the operations -- shall be written, implemented, and kept up to date. The long-term objectives of management, and the means of achieving them, shall be clearly stated.

Forest management planning should be seen as a process and not just a document. The value of a written plan is that it improves understanding of the management approach by all staff and other observers, and it also facilitates consistency in the face of personnel changes, landowner changes, etc. Scale and location (i.e. country) are extremely important in determining expectations in terms of management planning. Except in very special cases, absence of a written forest management plan will mean an operation cannot be certified. What are those special cases? They are:

1. Significant documentation already exists that meets most, if not all, of the data requirements of a management plan and virtually the only step remaining is to compile and produce an overall management document;
2. The mere completion of a written management plan will have no major affect (negative or positive, as determined by the assessment team) on the quality of the field operations in terms of silviculture, environmental or socioeconomic practices; and,
3. There is a well-documented general forest management system that provides clear guidance and consistency for site-specific management interventions (i.e. the cost of more detailed management plans for smaller parcels would have a negatively impact on the viability of the operation or participation of smaller landowners in sustainable forest management).

These situations do not eliminate the need for management planning. However, in the SmartWood system, it is crucial to emphasize that field performance matters more than documentation and/or management systems. This does not reduce the need or value of documentation or systems; experience indicates value in them. The question is one of balance between performance, documentation and systems. In SmartWood on-the-ground performance might be regarded as “the first among equals”.

SmartWood expects that management plans for large operations will be much more detailed and systematic than those for small landowners, due to financial constraints and the relative risk of negative environmental impact due to scale differences. Recently, much more understanding of the importance of landscape level biological concerns has been gained and increasing importance is placed on this topic during SmartWood assessments, particularly for medium and large public or private forest holdings.

Adjoining landowner concerns are always important, no matter what scale of operation, but expectations in terms of processes of local consultation, during and after the initial planning process, are clearly higher for larger operations. Some aspects of community interaction on management planning are covered in Section 6.0.

In the selection of a forest management system, SmartWood does not advocate any single silvicultural approach, e.g. even-aged versus uneven-aged, single tree selection versus shelterwood, etc. Rather, certified forest managers are expected to balance production with environmental objectives, weigh the advantages and disadvantages of each forest management approach, and select techniques that maintain or restore ecosystems while at the same time responding to social and economic realities. Every technique can be used well, or misused.

Finally, from both certification and sustainable forest management perspectives, experience indicates that it is crucial for internal monitoring systems to exist that provide quality control for forest management operations, identify operational challenges, and report on the success or failure of management interventions to resolve problems. This section also focuses on clarifying internal controls that each forest management operation has established to ensure quality control.

7.1 The management plan and supporting documents shall provide:

- a) **Management objectives.**
- b) **Description of the forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands.**
- c) **Description of silvicultural and/or other management system, based on the ecology of the forest in question and information gathered through resource inventories.**
- d) **Rationale for rate of annual harvest and species selection.**
- e) **Provisions for monitoring of forest growth and dynamics.**
- f) **Environmental safeguards based on environmental assessments.**
- g) **Plans for the identification and protection of rare, threatened and endangered species.**
- h) **Maps describing the forest resource base including protected areas, planned management activities and land ownership.**
- i) **Description and justification of harvesting techniques and equipment to be used.**

- Management plan, or appendices to plan, includes presentation of the following components:
 - Management objectives,
 - Land ownership and/or tenure status,
 - Description of forest resource (timber and non-timber, forest types and plant and animal species including observations on quantity and quality),
 - General environmental conditions and current land use,
 - Forest management prescriptions and their silvicultural and ecological rationale,
 - Rate and quantity of harvest of forest products (timber or non-timber, as applicable), including AAC,
 - Map(s) describing the forest including forest types, compartments/blocks, roads and skid trails, log landings and processing sites, protected areas, riparian buffers, unique biological or cultural resources, and other planned management activities,
 - Description and justification for use of different harvesting techniques and equipment,
 - Product processing and marketing procedures or plans, and,
 - Plan for monitoring and reporting.
- Plan is technically sound and sufficiently detailed, given FMO size, complexity and intensity of forest operations.
- Rationale behind silvicultural prescriptions is well-documented, i.e. based on site-specific field data or published analyses of local forest ecology or silviculture, and government regulations.
- NTFP resources and uses have been inventoried and their management explicitly considered during planning.
- Maps are available, up-to-date and understandable to guide field activities (also see Criterion 6.5);
- Management plans or related annual operating or harvesting plan is available to staff/users and used in the field.

7.2 The management plan shall be periodically revised to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances.

- A technically sound and financially realistic timeframe exists for revision/adjustment of the management plan.
- Management plan (and/or annual operating plan) revision or adjustments occur on timely and consistent basis.
- Management plan revisions incorporate changing silvicultural, environmental, social and economic conditions.

7.3 Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plan.

- Evidence of formal or informal training exists in the field.
- For large FMOs, a formal training plan should exist.

7.4 While respecting the confidentiality of information, forest managers shall make publicly available a summary of the primary elements of the management plan, including those listed in Criterion 7.1.

- FMO is willing to make available a public certification summary of forest management operation, including a summary of the management plan, as per SmartWood and FSC requirements.

PRINCIPLE #8: MONITORING AND ASSESSMENT

Monitoring shall be conducted -- appropriate to the scale and intensity of forest management -- to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.

This section focuses first on monitoring, and then on chain of custody, i.e. how an operation keeps track of product inventory and handling up to the point of sale or transport of the product to other parties outside of the forest. In these Generic Guidelines, SmartWood provides enough detail and coverage so that forest management operations will be able to receive a combined forest and chain of custody certificate, as per SmartWood and FSC requirements. These guidelines will be sufficient except under the following circumstances:

1. The FMO has on-site processing that combines the use of both certified and non-certified material.
2. The FMO has multi-site, multi-division, and/or geographically distant, production and processing capabilities.
3. There are extremely complicated internal multi-product COC issues, or there are COC risks needing more in-depth treatment.

If any of the above circumstances exist, the separate, more detailed “SmartWood Chain of Custody Assessment Guidelines” must be used for the COC assessment process. The assessment team leader will make this decision, after input from SmartWood headquarters and consultation with the FMO. Questions can be referred to SmartWood headquarters.

8.1 The frequency and intensity of monitoring should be determined by the scale and intensity of forest management operations as well as the relative complexity and fragility of the affected environment. Monitoring procedures should be consistent and replicable over time to allow comparison of results and assessment of change.

- Monitoring reports provide sufficient timely, accurate and technically sound information, given the size and complexity of the operation.
- Monitoring reports indicate how management prescriptions should be changed, based on new ecological, silvicultural, or market information.
- Monitoring reports facilitate efficient and effective auditing and certification by third parties.

8.2 Forest management should include the research and data collection needed to monitor, at a minimum, the following indicators:

- a) Yield of all forest products harvested.
- b) Growth rates, regeneration and condition of the forest.
- c) Composition and observed changes in the flora and fauna.
- d) Environmental and social impacts of harvesting and other operations.
- e) Costs, productivity, and efficiency of forest management.

- A plan and design exists for periodic monitoring and reporting.
- Monitoring plan is technically sound and identifies/describes observed changes in conditions in terms of:
 - Silviculture (growth rates, regeneration and forest condition, typically as part of a suitable continuous forest inventory system);
 - Environment (environmental changes affecting flora, fauna, soil and water resources); and,
 - Socioeconomic aspects (forest management costs, yields of all products, and changes in community and worker relations or conditions).

8.3 Documentation shall be provided by the forest manager to enable monitoring and certifying organisations to trace each forest product from its origin, a process known as the "chain of custody."

- Volume and source data on loads of raw material (certified logs or lumber) is available (i.e. scaled, inventoried, measured) in the forest, in transport, and at intermediate storage yards (e.g. log yards), processing and distribution centers controlled by FMO.
- Invoices, bills of lading, certificates of origin (e.g. GATT Form A) and other applicable documentation related to shipping or transport of forest products are kept in a central location and/or easily available for inspection.
- Certified forest products will clearly distinguished from non-certified products through marks or labels, separate documented storage, and accompanying invoices or bills of lading. Unique marking or identification of certified products will exist at all stages of processing and distribution up to the point of sale or transport either outside the forest (i.e. up to the "forest gate") or to a third party.

8.4 The results of monitoring shall be incorporated into the implementation and revision of the management plan.

- Review of management plan (either plan or appendices) demonstrates that monitoring results are incorporated into planning on a regular basis.
- There is evidence that information from monitoring is used to improve management.

8.5 While respecting the confidentiality of information, forest managers shall make publicly available a summary of the results of monitoring indicators, including those listed in Criterion 8.2.

- Results of monitoring are incorporated into public summaries and other documents (also See Section 1.3).

PRINCIPLE 9: MAINTENANCE OF HIGH CONSERVATION VALUE FORESTS

Management activities in high conservation value forests shall maintain or enhance the attributes, which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.

HCVFs have a specific definition within the FSC context.

An HCVF is determined to exist when:

- a. a forest contains globally, regionally or nationally significant :
 - concentrations of biodiversity values (e.g. endemism, endangered species, refugia); and/or,
 - large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance;
- b. they are in, or contain rare, threatened or endangered ecosystems;
- c. they provide basic services of nature in critical or unique situations (e.g. watershed protection, erosion control); and,
- d. it is fundamental to meeting basic needs of local communities (e.g. subsistence, health) and/or critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).

The FSC currently is organizing a technical committee to assist FSC-approved certifiers in developing procedures for more consistent application of the HCVF idea. FSC regional standards groups are wrestling with this issue as well. In addition, SmartWood has already implemented certification assessments in a number of HCV forest areas. The main implications so far have been that:

1. Technical environmental, forest and social assessments must occur to determine HCVF presence; and,
2. Stakeholder consultation procedures need to be particularly strong in areas where HCVF may exist.

In the absence of absolute clarity in regards to either 1) or 2) above, SmartWood has taken an extremely proactive approach to stakeholder consultation and, in particular, application of the following criteria and indicators, and section 6.0 on Environmental Impacts. SmartWood headquarters staff should be consulted in any and all circumstances, whether there are either procedural or technical questions. Scale issues are particularly important; no one expects small landowners to be able to cover HCVF issues as well as larger organizations, but conservation of HCVF values must be stressed in all cases.

9.1 Assessment to determine the presence of the attributes consistent with High Conservation Value Forests will be completed, appropriate to scale and intensity of forest management.

- For large operations, FMO has conducted internal assessment to determine whether they are managing HCVF. If HCVF values are present, FMO has an explicit written strategy for HCVF conservation and a process of stakeholder consultation that contributes towards maintaining or restoring such values.
- For small and medium sized operations, consultations have occurred with environmental stakeholders, government or other scientific authorities to determine whether forest areas that should be considered HCVF. This may occur during actual certification assessment. If HCVF values are present, FMO takes all reasonable steps to protect these values.

9.2 The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof.

- Stakeholder consultations indicate that FMO consistently considers and protects HCVF values.
- For large operations, the stakeholder consultation strategy must be in writing.
- For small and medium sized operations, see Criterion 9.1.

9.4 The management plan shall include and implement specific measures that ensure the maintenance and/or enhancement of the applicable conservation attributes consistent with the precautionary approach. These measures shall be specifically included in the publicly available management plan summary.

- Forest management plan is site-specific and detailed in describing the measures taken to protect the HCVF resource.
- Measures to protect HCVF values are available in public documents.
- Regular, periodic documentation is available on HCVF values that can be used in public summary documents.

9.5 Annual monitoring shall be conducted to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes.

- A system for monitoring the maintenance of HCVF values is incorporated into the FMO's planning, monitoring and reporting procedures.
- Annual HCVF monitoring occurs as written in plans and in a technically sound and timely fashion.

PRINCIPLE # 10: PLANTATIONS

Plantations shall be planned and managed in accordance with Principles and Criteria 1 - 9, and Principle 10 and its Criteria. While plantations can provide an array of social and economic benefits, and can contribute to satisfying the world's needs for forest products, they should complement the management of, reduce pressures on, and promote the restoration and conservation of natural forests.

Plantations can play an important role in social and economic development in rural areas. From an environmental perspective, plantations have played an important historic role in re-establishing or maintaining tree cover, particularly in areas with intense land use pressure. In some countries, conversion of natural forest to plantations has provoked a broad and intense public policy debate (e.g. Indonesia, Malaysia and Brazil). In parts of the U.S., Africa and Brazil, there is concern that reforestation may supplant native grassland or savannah ecosystems (i.e. ecosystems where the natural presence or density of trees was relatively low). In many others, plantations are not controversial at all and in fact may even be preferred by many stakeholders to timber harvesting in natural forests (e.g. New Zealand). In some regions, most reforestation is done with native species. In others, there is virtually no experience with commercial native species reforestation. For ecological reasons, SmartWood does encourage the use of native species in reforestation. However, we have certified forest operations where native species play a very, very minor part of the commercial forest area. For these and other reasons, it is absolutely critical that the role of plantations be examined in their regional context. The key in all situations is to assess plantations from a holistic perspective, balancing and optimizing (wherever possible) ecological, social and economic values.

- 10.1 The management objectives of the plantation, including natural forest conservation and restoration objectives, shall be explicitly stated in the management plan, and clearly demonstrated in the implementation of the plan.**
- Objectives of tree planting are explicit in the management plan, with clear statements regarding the relationship between tree planting and the silvicultural, socioeconomic and environmental (i.e. forest conservation and restoration) realities in the ecological region of Nepal.
 - Balance of management objectives is demonstrated in actual field implementation.
- 10.2 The design and layout of plantations should promote the protection, restoration and conservation of natural forests, and not increase pressures on natural forests. Wildlife corridors, streamside zones and a mosaic of stands of different ages and rotation periods, shall be used in the layout of the plantation, consistent with the scale of the operation. The scale and layout of plantation blocs shall be consistent with the patterns of forest stands found within the natural landscape.**
- A system for monitoring the maintenance of HCVF values is incorporated into the FMO's planning, monitoring and reporting procedures.
 - Annual HCVF monitoring occurs as written in plans and in a technically sound and timely fashion.
- 10.3 Diversity in the composition of plantations is preferred, so as to enhance economic, ecological and social stability. Such diversity may include the size and spatial distribution of management units within the landscape, number and genetic composition of species, age classes and structures.**
- Plantation management enhances landscape diversity by varying block size and configuration, species, , age class and structure.
 - Emphasis is placed on planting and/or applied research on forest species native to the region.
 - Also see Criteria 6.4 and 6.10.
- 10.4 The selection of species for planting shall be based on their overall suitability for the site and their appropriateness to the management objectives. In order to enhance the conservation of biological diversity, native species are preferred over exotic species in the establishment of plantations and the restoration of degraded ecosystems. Exotic species, which shall be used only when their performance is greater than that of native species, shall be carefully monitored to detect unusual mortality, disease, or insect outbreaks and adverse ecological impacts.**
- Species selected for reforestation are technically sound choices, given the site and management objectives.
 - Where exotic or invasive species are planted, measures occur to prevent spontaneous regeneration outside plantation areas, unusual mortality, disease, insect outbreaks or other adverse environmental impacts.
 - Also see Criterion 10.3.

- 10.5 A proportion of the overall forest management area, appropriate to the scale of the plantation and to be determined in regional standards, shall be managed so as to restore the site to a natural forest cover.**
- Representative samples of existing natural ecosystems are being protected or restored in their natural state, based on the identification of key biological areas and/or consultation with environmental stakeholders, local government and scientific authorities (a 10% target figure is encouraged by not mandatory). Also see Criterion 6.4.
 - Conservation zones are demarcated on maps and in the field.
 - Forest operations carefully controlled in conservation zones.
- 10.6 Measures shall be taken to maintain or improve soil structure, fertility, and biological activity. The techniques and rate of harvesting, road and trail construction and maintenance, and the choice of species shall not result in long-term soil degradation or adverse impacts on water quality, quantity or substantial deviation from stream course drainage patterns.**
- Appropriate measures are taken to assess the soil in terms of structure, fertility and biological activity.
 - Appropriate measures are taken to maintain or enhance the soil in terms of structure, fertility and biological activity.
 - Soil erosion control is implemented, including no tractor plowing on areas over 15% slope, planting or site preparation measures are done on contour, and specifications on buffer zones are followed.
 - No road fill or waste material (e.g. rocks, brush) from site preparation or other activities are in stream courses.
- 10.7 Measures shall be taken to prevent and minimize outbreaks of pests, diseases, fire and invasive plant introductions. Integrated pest management shall form an essential part of the management plan, with primary reliance on prevention and biological control methods rather than chemical pesticides and fertilizers. Plantation management should make every effort to move away from chemical pesticides and fertilizers, including their use in nurseries. The use of chemicals is also covered in Criteria 6.6 and 6.7.**
- A plan exists for forest protection against encroachment, uncontrolled fires, etc.
 - An integrated pest management plan is in place, if applicable, that identifies pests and alternative methods of addressing threats, and a systematic procedure is in place that reduces the threats whilst minimizing financial and environmental costs.
- 10.8 Appropriate to the scale and diversity of the operation, monitoring of plantations shall include regular assessment of potential on-site and off-site ecological and social impacts, (e.g. natural regeneration, effects on water resources and soil fertility, and impacts on local welfare and social well-being), in addition to those elements addressed in principles 8, 6 and 4. No species should be planted on a large scale until local trials and/or experience have shown that they are ecologically well-adapted to the site, are not**

invasive, and do not have significant negative ecological impacts on other ecosystems. Special attention will be paid to social issues of land acquisition for plantations, especially the protection of local rights of ownership, use or access.

- Monitoring incorporates ecological and social impacts of plantation activities, where significant.
- For exotic or invasive species issues, see Criterion 10.4.
- The purchase of lands, or land leases, for plantation establishment does not adversely impact the community and/or resource use by local people.
- Plantations established in areas converted from natural forests after November 1994 normally shall not qualify for certification. Certification may be allowed in circumstances where sufficient evidence is submitted to the certification body that the manager/owner is not responsible directly or indirectly of such conversion.
- Primary, degraded primary and mature secondary forests are not cleared by current forest managers to create tree plantations.

Annex 12: Articles on Forest and NTFP Certification in Nepal

Annex 13: Advertisement Copy of Request for Application for NTFP Product Development

Annex 14: Minutes of Second Herbs and NTFP Coordination Committee Meeting

Annex 15: Minutes of NNN Sharing Meetings

Nepal NTFP Network (NNN)

Minutes of the Nineteenth Sharing Meeting of NNN

(February 07, 2003)

The nineteenth sharing meeting of Nepal NTFP Network (NNN) was held on February 07, at Asia Network for Sustainable Agriculture and Bioresources (ANSAB) office, Baneshwar, Kathmandu.

Participants

1. Dr. Udaya Raj Sharma, DPR
2. Dr. Damodar P. Parajuli, Foreign Aid
Coordination Division MFSC
3. Bhaweshwar Das, SION
4. Bhishma P Subedi, ANSAB
5. Francisco A. Tolentino, SNV
6. Parbat Gurung, HBTL
7. Ram Hari Subedi, ANSAB
8. Dr. Nirmal K. Bhattarai, DPR
9. Basundhara Bhattarai, Forest Action
10. Bhairab Risal, NEFEJ
11. Prem Tiwari, Gorkha Ayurved
Company. P. Ltd.
12. Rana B. Rawal, BIRD
13. Udhav Bhattari, ITDG
14. Govinda Ghimire, SEACOW
15. Amrit L. Joshi, NARMSAP
16. Sony Baral, ANSAB

AGENDA

1. Recap of 18th sharing meeting and follow-up on developments
2. Public-Private Alliance project recap
3. NTFP Coordination Committee recap
4. Sharing on NTFP activities
5. Sharing by the participants

SUMMARY OF DISCUSSIONS AND CONCLUSION OF THE MEETING

Mr. Bhishma P. Subedi welcomed the participants of the nineteenth sharing meeting of Nepal NTFP Network. Mr. Amrit L. Joshi, Technical Advisor of NARMSAP chaired the meeting and clarified the issues related to NTFP and government's role on NTFP programs. Mr. Joshi requested Mr. Bhishma Subedi, ANSAB Executive Director for facilitating the meeting.

1. Recap of 18th sharing meeting and follow-up on developments

Mr. Bhishma Subedi briefly reviewed the discussions and outcomes of the eighteenth NNN sharing meeting held on September 27, 2002 at MEDEP office.

He said that some remaining issues to discuss in the previous meet needs to be discussed and considered in this meet. He also gave briefing on PPA, NTFP co-ordination committee and policy recommendation on NTFP by NNN.

2. Recap of NTFP Private Public Alliance

Mr. Bhishma P. Subedi clarifying his experience in NTFP sector said, we identified enterprise development a very possible way for biodiversity conservation that spells promotion of enterprise based biodiversity. And community forestry is the sector that can be promoted for biodiversity conservation. PPA helps by giving direct or indirect ideas to bring enterprise mode into effect. We have sufficient NTFPs but problems are how can we make buyers responsible and how can we position ourselves in the markets? And also, who can support fair trade and equitable benefit? For that, certification of forest products process is helpful. Planning meeting between industry representative and certifying agencies was held at January 8 and 9, 2003 in which, discussion was focused on knowing interest of each other and finding the criteria for product selection and certification. He added that alliance members are not limited only to those who were attended at the beginning. Besides this, he added that it requires a lot of fund, apart from strong confidence of both buying and selling parties, in the institutional working on NTFP certification.

Mr. Rawal raise concern on the procedure of membership by asking whether only pre-selected member can be a member of alliance or others can also be member. Mr. B. Subedi replied that other can also be a member of alliance. We are expecting more members from the private sector.

Mr. A.L. Joshi supported that this is good start that ANSAB is doing and it is also a big task, whatever ANSAB did until now, it is good for helping HMG and community.

Mr. B Subedi explained that MoU has to be signed with government and other stakeholders. Community forestry is a key stakeholder. NTFP coordination committee, DPP, NNN members, FECOFUN, Private (GAC, HBTL) are also a partner. SDC, SNV, USAID and Ford Foundation are donor agencies.

3. NTFP Coordination Committee

Dr. Sharma explained that for policy we need grassroots feedback, so we nominated ANSAB recently formed high level NTFP coordination committee. We want NNN sharing meeting to be continued. ANSAB can bring the issue raised in NNN to the committee and then committee can recommend to the government. Then member secretary will forward the decision to department level, ministry level and in the cabinet. Though it will not be 100% guaranteed that government approves the decision but chances are high. Out of 22 issues identified by board, 3 issues were discussed and decisions were made. In which, first one was collection ban regarding Kutki, Panchaule and Okharko bokra. About this issue, technical committee is working. Member of technical committee has already made the decision and forwarded to ministry of forest. The ministry can either approve or ask for further meeting. Second one was about review of royalty rate, for this recommendation from NNN is the base of decision. And third one is information about 5 major species, for trade and processing. For this we have developed proposal, which require Rs. 20 -25 lakhs to conduct study. We also need office/ secretary, we have discussed with SNV and SDC for support. Getting support for secretariat is must. And regarding PPA he told that though we are not alliance member but we are looking positively for them because we like their work.

Responding to Mr. Sharma, Mr. B. Subedi told, ANSAB is willing to support coordination committee.

On the above discussion, Dr. D. Parajuli, added that contribution is required from partners for working effectively. SDC has committed for studying about one species, they will conduct the study in their working districts. If other agencies also take the responsibility study will be accomplished easily. Responding to this Mr. B. Subedi expressed that it is good initiative. He thanked Mr. Parajuli for initiating to form NTFP coordination committee.

4. Sharing on NTFP activities update

Dr. N.K. Bhattarai said there were 250 endemic species found in Nepal but now national herbarium only has 60 endemic species. Indigenous knowledge has to be recorded and registered before going to WTO. *Delphinium himalyee*, found in Humla, is an unrecorded endemic species. It should be recorded in Industrial Plant Name Index (IPNI). NNN can sensitize WTO cells and then Ministry of industry and Ministry of forest can do this work. Beside this, he added that RONAST also has NTFP task force, called medicinal plant task force. The meeting of which was held 10 days back. Its main function is to find out the issues and gaps and also find the way to fulfill the gap and recommend to HMG.

NEPAL NTFP NETWORK (NNN)

Minutes of the Twentieth Sharing Meeting of NNN

(July 01, 2003)

The twentieth sharing meeting of Nepal NTFP Network (NNN) was held on July 01, 03 at Hotel Sunset View, New Baneshwor, Kathmandu.

PARTICIPANTS

- | | |
|-------------------------------------|---------------------------------|
| 17. Dr. Lokendra R. Sharma, DPR | 29. Mr. Man B. Khatri, HJSS |
| 18. Dr. Nirmal K. Bhattarai, DPR | 30. Mr. Ananda Pokherel, HJSS |
| 19. Mr. Bhaweshwar Das, SION | 31. Mr. Ganesh S. Thaguna, HJSS |
| 20. Mr. Bhishma P. Subedi, ANSAB | 32. Mr. Mohan Baniya, HJSS |
| 21. Mr. Francisco A. Tolentino, SNV | 33. Mr. Bhairab Risal, NEFEJ |
| 22. Mr. Parbat Gurung, HBTL | 34. Mr. Rana B. Rawal, BIRD |
| 23. Mr. Surya B. Binayee, ANSAB | 35. Mr. Babu R. Pathak, ITDG |
| 24. Mr. Indu B. Sapkota, ANSAB | 36. Mr. Rajendra Khanal, CARE |
| 25. Mr. M.L. Jaisawal, New ERA | 37. Mr. Amrit L. Joshi, NARMSAP |
| 26. Mr. Hari. P. Neupane, FECOFUN | 38. Ms. Sony Baral, ANSAB |
| 27. Mr. Bhim P. Shrestha, FECOFUN | |
28. Mr. Bholu Bhattarai, FECOFUN

AGENDA

6. Recap of 19th NNN sharing meeting and follow-up on developments
7. Policy concerns on NTFPs management and commercial use
8. NTFPs certification and product development

SUMMARY OF DISCUSSIONS AND CONCLUSION OF THE MEETING

Mr. B. P. Subedi, Executive Director of ANSAB, welcomed the participants of the twentieth sharing meeting of Nepal NTFP Network. He proposed Mr. Mohan Baniya, Chairperson of HJSS, as Chairperson to the meeting. The participants agreed his proposal. Then Mr. Baniya chaired the meeting and clarified the issues related to NTFPs certification, policy and government's role on NTFP programs those were raised during the meeting. Mr. Baniya requested Mr. Subedi to facilitate the meeting.

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Mr. Subedi said there were many policy issues that we had talked in the previous meeting and also we had discussed on the royalty issues of Yarshagumba. Moreover, we had discussed on the policy review of the NTFPs, which we should continue ahead. This policy issue was being raised in joint discussion with all the members so we were planning workshop on coming July 4-5, 03.

Mr. Baniya, Chairperson of Himali Jadibuti Sarokar Samuha (HJSS) briefed about HJSS, reason of concept arising, its establishment, objectives and functioning. HJSS undertook the following activities.

- a. Registration of organization with the support from ANSAB
- b. Establishment of marketing steering committee
- c. Organized one day workshop
- d. Leaders selected from the 1st formal assembly
- e. Preparation of yearly operational plan
- f. Preparation of National workshop
- g. Establishment of NTFPs coordination (Ad hoc) committee in 10 districts

He mentioned further that we were discussing and thinking of how to track their organization in proper mode.

Mr. Khatri questioned how we could go to different districts and collect the information on policy issues of each districts and what would be its final output.

Mr. Pokharel detailed on the real situation of the 10 districts at that time. He explained his experience of different field visit, while working with HJSS. During his visit, he found Kalikot people had made the *Deuda Geet* of 266 spp found in the districts. Jadibuti is a nature gift, but improper management practice results in bad condition. In addition to that he said that in the case of NTFPs marketing, local people were not getting what they really have to get and they were just acting as labor. Furthermore he said that out of 18 Himalayan districts we could work in some of them according to our objectives to help in the reduction of poverty. According to him, ANSAB was working in Bajhang and Darcula, but in Kalikot no one was working. Sometime NARMSAP used to do the research types of activities. And in Bajura Care Nepal was working.

Nationally when studied it was found that only royalty of 3 kg. of Yarshgumba was deposited. Out of 5 quintals of Yarshagumba went out of Darchula, however it was hard to find the royalty even of 1 kg.

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Responding to Mr. Subedi, Mr. Rawal added that Master plan is enough but it has not been implemented so far. If it is implemented, it will be quite enough and it is more than needed.

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Adding to Mr. Subedi, Dr. Lokendra said that DPR officials are working on oil extraction, phytochemistry and oil exportation. DoF have also made one separate taskforce committee to work in the policy of NTFPs. This discussion will be good and will reach to upper level.

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can't pay, they used to sale without paying any royalty. For this, Nagarkot workshop may give some solution.

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Supporting to Mr. Das view, Mr. Rawal said that many things are not going on smoothly so we should pressure the policy level to formulate reliable rules and regulations. I am also involving in the program of IDRC funded organization as advisor as well as a student. This funded organization in India is working smoothly, why not in Nepal? We working in this field are also doing good job but sometimes we fell difficulty in marketing and processing. He further said the completion of end task will depend on government's rules and regulations.

Mr. Joshi said that jadibuti is that sort of herb which is difficult to process. Due to less amount of resource in the neighboring country, it is difficult to push ahead the enterprise. All the things that are good go to private sector. In the previous time it seems DPR is only working in jadibuti now they are passive. So it seems pushing agent is needed.

Mr. Khanal said that by the end of Nagarkot workshop it is better to make action plan for coming year through which we will know who is doing what or who is supporting in what field. This will encourage all the organizations to be committed in their tasks.

Mr. Tolentino supporting to others view said that we have got forestry master plan with us but the things is that we need to follow up it and implement it. He also added, if there are lacking of polices regarding NTFPs in forestry master plan we can reformulate it.

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On certification product development Mr. Binayee said that on 9th and 10th of last month one workshop was held on certification and product development. From that workshop we learned lot about certification. In addition to that he said certification will help in sustainable forest management. After the workshop, immediately we conducted training and discussed the existing gap between FUG and ourselves. Though it was not a really big gap, we have to work more on forest management, monitoring and evaluation and for that action plan is to be made. Further he said that action plan was developed at that time also and added all the alliance members have to sit and work on it to go ahead. He added that FECOFUN like organization is good to go ahead in policy level work.

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Referring to Gorkha Aurveda people, Mr. Bhattarai said that it is difficult to trade the product without certification so it is necessary to certify the product in all aspects like environment, economy and legal. But it is difficult to find the measuring instrument for it. If there is measuring tools it is easier to standardize the product. Among total 12500 CFUGs if even 1/10 of them do their certification it will be good initiative.

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NEPAL NTFP NETWORK (NNN)

Minutes of the Twentieth Sharing Meeting of NNN

(July 01, 2003)

The twentieth sharing meeting of Nepal NTFP Network (NNN) was held on July 01, 03 at Hotel Sunset View, New Baneshwor, Kathmandu.

PARTICIPANTS

- | | |
|-------------------------------------|---------------------------------|
| 39. Dr. Lokendra R. Sharma, DPR | 51. Mr. Man B. Khatri, HJSS |
| 40. Dr. Nirmal K. Bhattarai, DPR | 52. Mr. Ananda Pokherel, HJSS |
| 41. Mr. Bhaweshwar Das, SION | 53. Mr. Ganseh S. Thaguna, HJSS |
| 42. Mr. Bhishma P. Subedi, ANSAB | 54. Mr. Mohan Baniya, HJSS |
| 43. Mr. Francisco A. Tolentino, SNV | 55. Mr. Bhairab Risal, NEFEJ |
| 44. Mr. Parbat Gurung, HBTL | 56. Mr. Rana B. Rawal, BIRD |
| 45. Mr. Surya B. Binayee, ANSAB | 57. Mr. Babu R. Pathak, ITDG |
| 46. Mr. Indu B. Sapkota, ANSAB | 58. Mr. Rajendra Khanal, CARE |
| 47. Mr. M.L. Jaisawal, New ERA | 59. Mr. Amrit L. Joshi, NARMSAP |
| 48. Mr. Hari. P. Neupane, FECOFUN | 60. Ms. Sony Baral, ANSAB |
| 49. Mr. Bhim P. Shrestha, FECOFUN | |
| 50. Mr. Bholu Bhattarai, FECOFUN | |

AGENDA

9. Recap of 19th NNN sharing meeting and follow-up on developments
10. Policy concerns on NTFPs management and commercial use
11. NTFPs certification and product development

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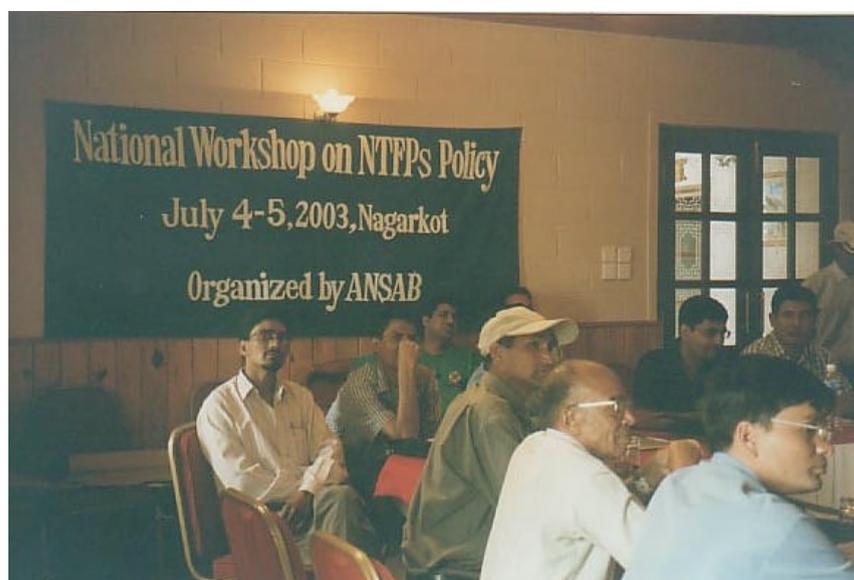
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Annex 16: Proceedings of National Policy Workshop on NTFPs

Non-Timber Forest Products in Nepal National Policy Workshop

July 4-5, 2003



Workshop Proceedings



Rich and Productive Biodiversity for Prosperous Communities

**Asia Network for Sustainable Agriculture and Bioresources
(ANSAB)**

**New Baneshwor
P.O. Box 11035, Kathmandu, NEPAL**

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Abbreviations

ANSAB	Asia Network for Sustainable Agriculture and Bio-resources
CBO	Community Based Organizations
CC	Herbs and NTFPs Coordination Committee
CCO	Canadian Cooperative Office
CECI	Canadian Center for International Studies and Co-operation
CF	Community Forestry
CFUG	Community Forest User Group
DDC	District Development Committee
DFO	District Forest Office/Officer
DoF	Department of Forest
DPR	Department of Plant Resources
FECOFUN	Federation of Community Forest Users, Nepal
FUG	Forest User Group
GO	Governmental Organization
HBTL	Himalayan Bio-Trade Private Limited
HCDA	Humla Conservation and Development Association
HJSS	Himali Jadibuti Sarokar Samuha
HMGN	His Majesty's Government of Nepal
HPPCL	Herbs Production and Processing Company Limited
ICIMOD	International Center for Integrated Mountain Development
IDRC	International Development Research Center
IGA	Income Generating Activities
INGO	International Non-Government Organization
ITDG	Intermediate Technology Development Group
KIRDARC	Karnali Integrated Rural Development and Research Center
MAP	Medicinal and Aromatic Plants
MAPPA	Medicinal and Aromatic Plants Program in Asia
MF	Ministry of Finance
MFSC	Ministry of Forest and Soil Conservation
MLD	Ministry of Local Development
MPFS	Master Plan for the Forestry Sector
NACRMLP	Nepal Australia Community Resource Management and Livelihood Program
NARMSAP	Natural Resource Management Sector Assistance Program
NBS	Nepal Biodiversity Strategy
NEFEJ	Nepal Environmental Federation of Journalists
NGO	Non-Government Organization
NNN	Nepal NTFPs Network
NTFP	Non-Timber Forest Product
OP	Operational Plan
PPA	Public Private Alliance
RCDC	Rural Community Development Center
RONAST	Royal Nepal Academy for Science and Technology
SARO	South Asia Regional Office
SLF	Sustainable Livelihood Framework
SNV	The Netherlands Development Organization
UMN	United Mission to Nepal
USAID	United States Agency for International Development
VAT	Value Added Tax
VDC	Village Development Committee

Executive Summary

Asia Network for Sustainable Agriculture and Bio-resources (ANSAB) organized a national level policy workshop on July 4-5, 2003 at Nagarkot involving widest possible range of stakeholders that represent a variety of institution including Ministry of Forest and Soil Conservation (MFSC), Department of Forests (DoF), Department of Plant Resources (DPR), Federation of Community Forest Users Nepal (FECOFUN), Himali Jadibuti Sarokar Samuha (HJSS), NTFPs promotion Public Private Alliance (PPA), Nepal NTFPs Network (NNN), and donor organizations including USAID and SNV Nepal.

The workshop was organized in order to identify policy related opportunities and policy challenges in NTFPs sub-sector, and make policy recommendation addressing social, economic and environmental concerns.

On the first day of the workshop, the introductory session was initiated in an informal way by portraying Yarshagumba (*Cordyceps sinensis*) in life form as a symbol of all Nepalese NTFPs in the dais. Mr. Bishma P. Subedi, Executive Director of ANSAB highlighted the background and objective of the workshop. Dr. Keshav Raj Kanel, Deputy Director General of Department of Forests, Dr. Bijnan Acharya of USAID Nepal Mission, Mr. Mohan Baniya, Chairman of Himali Jadibuti Sarokar Samuha (HJSS) and Mr. Hari Prasad Neupane, Advisor of Federation of Community Forest Users, Nepal (FECOFUN) addressed the workshop emphasizing the necessity of tangible NTFPs policy and regulatory environment.

After the introductory session, seven different presentations were made on policy issues, each being followed by few queries and clarifications for a short time.

A plenary discussion was initiated regarding the group works on various thematic areas. The participants agreed to concentrate on three main themes during the workshop, *enterprise oriented resource management, enterprise development and marketing and trade*. A task force was finally formed to finalize action plan that will be shared among relevant stakeholders and policy institutions including the Herbs and NTFPs Coordination Committee. The task force finalized the action plan holding a meet at ANSAB office. The action plan has identified 15 specific areas of potential interventions/actions along with their respective responsible institution and time frame.

The major output of the workshop was Nagarkot declaration for NTFPs policy improvement and recommendations for further actions.

The workshop came up with a need to enhance the policy initiatives that appreciates the role of NTFPs and attempts for creating conducive policy environment. The governmental body also expressed commitment to make conducive policy so that the poor and marginalized group of the society could benefit from NTFPs. Yet, there are some major issues to be improved in the policy level activities like complex collection permit on NTFPs and other legal constraints on transaction and marketing and need to formulate separate plan along with amendments in forest laws and policies. Attempts for promotion of forest and organic certification is also recommended to step forward together with fixing a reasonable timeframe for the process of registration of forest based enterprises. It is also suggested to give reasons for any delay in hand over to the prospective FUG within a specified period of time.

The workshop went perfectly interactive and productive. The Workshop was also able to scrutinize NTFPs policy issues. Major recommendations from the workshop were agreed from all sides to transform it into policy documents and to bring into practice as early as possible.

Section 1. Background, Objective and Process/Method

1.1 Background

Non-Timber Forest Products (NTFPs) have been playing a pivotal role in rural livelihoods in many parts of Nepal. Realizing its importance, a wide range of stakeholders and institutions that are concerned with biodiversity conservation, rural development and poverty reduction are recently paying increased attention to this sub-sector. His Majesty's Government is putting emphasis towards creating conducive policy and legal environment for the entire forestry and more recently on NTFPs recognizing its importance in poverty reduction and biodiversity conservation.

The Master Plan for the Forestry Sector (1989) has accorded high priority for NTFPs, forest based enterprises and biodiversity conservation along with community forestry, which is the highest priority program in the forestry sector. However, it has been many years before the potential of NTFPs for rural economy and local livelihoods was adequately recognized in action.

Since 1995, the Nepal NTFPs Network (NNN) and ANSAB have been reviewing, discussing and consolidating NTFP related policy issues based on the field level experiences and studies in various parts of the country. With the inputs of NNN and the demonstrations of good initiatives taken by its members on the ground, NTFPs were increasingly recognized due for rural poverty alleviation in the 7th, 8th and 9th Five Years Plans. Similarly, the Forest Act (1993) and Rules and Regulations (1995), and guidelines have been made favorable for community based management of forest resources but still need to be tuned for the promotion of NTFPs.

In the mean time, several other networks and institutions like Himali Jadibuti Sarokar Samuha (HJSS) and Federation of Community Forest Users, Nepal (FECOFUN) have emerged to support and facilitate the process of conservation and utilization of NTFPs at the national, regional and grassroots levels. For example, ANSAB and HJSS have commissioned a review of NTFPs related policy issues at the grassroots level by means of multi-stakeholders consultation. All such innovations, discussions and analyses have uncovered several issues pertaining to the NTFPs regulation in the country, which are being time to time brought into notice of planners and policy makers and development practitioners at various forums. FECOFUN with its national to local level networking has become a strategic player in the promotion of NTFPs sub-sector as well. To forward these initiatives a national level forum "Herbs and NTFPs Coordination Committee (CC)" chaired by Minister of Forests and Soil Conservation has been formed to develop conducive policy environment in this sub-sector.

As a result, the 10th plan explicitly recognized the importance of the management and trade of NTFPs in poverty reduction, biodiversity conservation and ecotourism development.

In order to maximize potential contribution of NTFPs to conservation and community livelihood improvement, there is a growing realization of the need to create an enabling policy environment with simple rules and straight implementation. After the finalization of the 10th plan, the Herbs and NTFPs Coordination Committee has been working on NTFP policy improvement to achieve the poverty reduction goal. The second meeting of the Committee made a task force to study existing situation and make recommendations to reform policy and regulations. ANSAB is coordinating this taskforce and the policy development process. After the completion of a number of field studies and policy reviews from grassroots perspectives (Darchula, Bajura, Bajhang, Mugu, Dolpa, Humla, Jumla, Kalikot, Dolakha, Sankhuwasava), a national workshop was held in July 4-5, 2003 in Nagarkot by involving widest possible range of stakeholders that represent a variety of institutions including Ministry of Forests and Soil Conservation (MFSC), Department of Forests (DoF) and Department of Plant Resources (DPR), Federation of Community Forest Users, Nepal (FECOFUN), Himali Jadibuti Sarokar Samuha (HJSS), NTFPs Promotion Public Private Alliance (PPA), Nepal NTFPs Network (NNN), and donor organizations including USAID and SNV Nepal. The detail of the program is found in **Annex 1**, and the participants in **Annex 2**.

1.2 Objectives

The workshop was organized in order to identify policy related opportunities and policy challenges in NTFPs sub-sector, and make policy recommendations addressing social (livelihood and equity), economic (production, value addition) and environmental (sustainable harvesting and conservation) concerns. Moreover, the specific objectives of the workshop were to:

- Identify major opportunities and policy challenges of enterprise oriented resource management, enterprise development and marketing, which can be addressed through improved policy provisions and implementation;
- Identify appropriate policy intervention nodes and prepare policy recommendations to enhance the economic and conservation impacts of using biological resources, specifically NTFPs; and
- Interact in an informal setting in order that cross-sectoral collaboration and coordination among often-isolated institutions and stakeholders would improve the policy development process.

1.4 Process and Methods

The process of the workshop included:

- Introduction, agenda setting and planning
- Presentations and sharing
- Identification of thematic areas, group works and interactions among multi-stakeholders, reflections and debriefing, and
- Action planning



Section 2 Highlights of the Workshop

2.1 Introductory Session

On the first day of the workshop, the introductory session was started in an informal way by portraying Yarsagumba (*Cordyceps sinensis*) in life form as a symbol of all Nepalese NTFPs in the dais. Each participant then took a turn for self introduction.

Mr. Bhisma P. Subedi, Executive Director of ANSAB, in his speech welcomed all the participants and highlighted the background and objectives of the workshop. Addressing the workshop, he further underscored the role of NTFPs sub-sector pertaining to poverty reduction and biodiversity conservation. Explaining the existing legal framework, he also mentioned, "Despite good prospects of creating positive results, the impacts of NTFPs policy and regulatory environment on local stakeholders and conservation are moving away from the stated national policy objectives". He wished that this workshop would review and work out explicitly on the prevailing NTFPs policy challenges and prepare viable recommendations in this regard. He again thanked everybody for their presence and expected constructive inputs from each of the distinguished participants.

The Chairperson of Himali Jadibuti Sarokar Samuha (HJSS), Mr. Mohan Baniya has a word regarding the NTFPs policy matters, and urged that as NTFPs in the high mountains are crucial resources to support rural livelihoods, government policies and practices must be made conducive. He mentioned that the government should take initiation to prepare the NTFPs Master Plan, and the NTFPs should receive special inclination in journals and media.

Mr. Hari Prasad Neupane, Advisor of Federation of Community Forest Users, Nepal (FECOFUN), enlightened that Nepal's forest policy is extremely optimistic and progressive but its implementation has endured with a lot of constraints and bottlenecks. Due to improper implementation, the good will and tendency of the policy is not transformed in favor of the poor and marginalized people. He further stressed, "NTFPs is such a sub-sector, in which small investment and inputs can bring a significant change in the rural livelihood."

Dr. Bijnan Acharya from USAID-Nepal Mission viewed that there were several policy issues and challenges in NTFPs sub-sector, because of which the potential contribution of this sub-sector remains unrealized. He also shared that USAID has accorded a special priority for the development of this sub-sector. He wished that this workshop might be noteworthy to contribute to favorable policy changes in the whole NTFPs sub-sector in Nepal.

Dr. Keshav Raj Kanel, Deputy Director General of Department of Forests, in his few words highlighted the characteristics and importance of the NTFPs with various examples from Nepal, Brazil and other areas, and explained that NTFPs sub-sector is found to be coping with a number of problems including policy issues in Nepal. He added, "Government is keen to making conducive policy environment so that the poor and marginalized section of the society could benefit from NTFPs. The recommendations obtained from this workshop will be useful in the policy improvement process."

2.2 Presentations

This session started after the introductory session. Dr. Bijnan Acharya chaired this session. There were 7 different presentations (see Table 1), and each presentation was followed by few queries and clarifications for a short time. The detail of these presentations is found in **Annex 3**.

Table 1: List of Presentations

Topic of Presentations	Presenter(s)
NTFPs in Community Forests: Review of Policy Implementation and Amendments Practices (<i>in nepali</i>)	Mr. Bhim P. Shrestha, FECOFUN
Yarsagumba Documentary Produced by ANSAB	Mr. Ananda Shrestha, ANSAB/NEEFJ
NTFPs Development: Policies and Practices	Dr. Keshav Kanel, Department of Forests (DoF)
General Mandate of DPR and Policy Issues for Herbs and NTFPs Development	Mr. Mahendra Nath Subedi, Department of Plant Resources (DPR)
MAPPA's Experiences and Lessons Learned in Nepal	Dr. Nirmal Bhattraï, MAPPA/IDRC
Poverty Reduction through NTFPs: Opportunities, Challenges and the Role of HJSS (<i>in nepali</i>)	Mr. Mohan Baniya, Mr. Man P. Khatri and Mr. Lal Kumar K. C., HJSS
Non Timber Forest Products in Nepal: Major Policy Issues and Recommendations	Mr. Bishma P. Subedi, ANSAB

After completion of all these presentations, Netra Sharma Sapkota (USAID) made an energetic wrap up of all the presentations. By thanking to all for their presentations and clarifications, Dr. Bijnan Acharya closed the session.

2.3 Group Work and Group Presentations

At the end of the day 1st, a plenary discussion was initiated regarding the group works on various thematic areas. Mr. Bishma P. Subedi led the discussion and clarified the objectives and scope of the group works in the context of this policy workshop. The participants agreed to concentrate (in view of opportunities, challenges and policy recommendations) on three main themes during the group works:

1. ***Enterprise-oriented resource management;***
2. ***Enterprise development;*** and
3. ***Marketing and trade.***

All participants were then self-selected into three groups around the themes. The three thematic groups continued the discussion in their respective groups.

The second day of the workshop began with the presentations of the working groups. The session was chaired by Dr. Damodar Prasad Parajuli, Acting-Secretary, Ministry of Forests and Soil Conservation (MFSC), Nepal. Mr. Ananda Pokharel made a presentation on behalf of enterprise development group; Mr. Charles Pradhan, enterprise-oriented resource management group and Mr. Parbat Gurung, marketing and trade group. The detail of these presentations is found in **Annex 4**.



2.4 Plenary Discussion and Action Planning

Dr. Damodar Parajuli initiated plenary discussion in order to prepare action plan, which will be shared among relevant stakeholders and policy institutions including the Herbs and NTFPs Coordination Committee. After a lengthy discussion, the floor suggested forming a task force to finalize action plan, and accordingly, the following task force was formed:

Coordinator:	Mr. Bishma P. Subedi, Executive Director, ANSAB
Members:	Mr. Dil R. Khanal, FECOFUN representative
	Mr. Mohan Baniya, HJSS Chairperson
	Mr. Bhairab Risal, Environment Journalist
	Dr. Nirmal K. Bhattraï, HMGN/MAPPA
	Mr. Ran Bahadur Rawal, BIRD

The task force already had a meeting regarding it at ANSAB's office, and finalized the action plan. The action plan has identified 15 specific areas of potential interventions/actions along with their respective responsible institutions and time frame. The detail of the action plan is presented in Table 2.

Table 2: Action Plan

Activities/Events/Issues	Responsibility	When	Remarks
Rationalization and periodic review of NTFPs royalty rates	MFSC, CC, MF	By 1 year time (2060 BS) (before budget)	Workshop identified (new) role of Ministry of Finance (MF)
One window taxation system to be developed	MFSC, CC, MF and MLD	By 1 year time (2060 BS)	Workshop identified (new) role of MoF and MLD
Incentives to enterprises (specially NTFPs based) in establishment and operation (e.g. review the case of 3 km and 5 km distance requirement, 3 parties consensus requirement, tax exemption etc.)	MFSC, CC, MF	By one year time (2060 BS)	
Incentives to private plantation of NTFPs (promotional incentives)	MFSC, CC, MF	By one year time (2060 BS)	
Classify forest products and rules be made different for different products like timber, non-timber (Forest Law)	MFSC, CC	Immediate	
NTFPs resources assessment methodology development	CC/MFSC/DoF/ DPR/NGO/INGO	2062 BS	
Master plan for NTFPs sub-sector	MFSC, CC	By 2062 BS	

<ul style="list-style-type: none"> • Prepare plan for master plan development • Preparation of master plan 			
Periodic review of ban (collection as well as export ban) policies of NTFPs	MFSC, CC	First in 6 months (by Poush, 2060) & then regularly at every 2 years	
Forest Certification & Organic Certification (piloting)	PPA, Donors, Civil Society, NGOs	On-going	
Incorporate NTFPs management in CFUG operational plan (Forest Rules)	MFSC, CC	By 2061 BS	
Monitoring mechanism for NTFPs promotion (Strategy development and implementation)	MFSC, CC	By 2061 BS	
Exhibitions about NTFPs at national and international level	CC/MFSC/DoF/DPR/NGO/INGO	Regularly take part & organize	
Study and declaration of provision of special herbal areas with a set of special programs	CC, MFSC, DoF, DPR, HJSS	Immediate	
Modernization of laboratories with required scientific facilities (fully equipped for quality control and export)	DPR, MFSC	Immediate	
Compensation provision to the rural communities (hills and mountains) who are obliged to deprive themselves from utilizing the natural products for the welfare of the world community.	CC, MFSC	Immediate	

Note: MFSC = Ministry of Forest and Soil Conservation, cc = Herbs and NTFPs Coordination Committee, MoF = Ministry of Finance, MLD = Ministry of Local Development, DPR = Department of Plant Resources, PPA = Public Private Alliance

Similarly, the task force also publicized “Nagarkot Declaration”, which is as such given in **Annex 5** Moreover, some of the media coverage of the workshop is included in **Annex 6**.

2.5 Closing

Dr. Parajuli continued to chair in the closing session of the workshop. In the closing event, Dr. Bijnan Acharya, Mr. Mohan Baniya, Dr. Keshav Kanel and Mr. Bhishma P. Subedi put their views about the workshop.

Dr. Bijnan Acharya said that the workshop went perfectly interactive, live and productive. He further accentuated that it was able to review prevailing policy issues/constraints on NTFPs and identify practical recommendations.

Mr. Mohan Baniya went on appreciating ANSAB for organizing the policy workshop in his closing words and further added that this workshop was able to scrutinize NTFPs policy issues. He urged that the recommendations obtained from group works at the workshop should be transformed into policy documents and realized into practice as early as possible. He reiterated that government should declare "Jadibuti Areas" with a special set of programs.

Dr. Keshav Kanel highlighted that the workshop was very productive and added that it has given new insights of analyzing policy and practices with multi-perspectives. He stressed having adequate studies on NTFPs policy, technology and marketing, so that recommendations on either aspect will be more practical.

Mr. Bhishma P. Subedi in his remarks thanked to all participants for their presence and valuable contribution to the workshop. He appreciated that, because of the presence of wide range of stakeholders, it was a wonderful opportunity to gain and share facts, knowledge and insights on key policy issues in relation to enterprise oriented resource management, enterprise development, and marketing and trade of Non-Timber Forest Products. He emphasized on having a collaborative and team approach to move forward in this initiative.

At the end, Dr. Parajuli thanked everybody for their continuous efforts making this workshop a grand success. He said that the workshop was able to examine NTFPs policy opportunities and challenges, and provide recommendations for policy reform. He assured that MFSC would receive them sanguinely, as government is also committed to promote the NTFPs sub-sector as a means of poverty reduction and biodiversity conservation.

Section 3: Recommendations and Conclusion

Recommendations

Following points are recommended for further action/implementation.

- Implementation of one window system for tax collection, reviewing of existing revenue rate of NTFP along with timely review on it.
- Introduction of special programs in major areas that are important in respect with NTFPs, declaring them herbal area.
- Promotion of Forest and Organic Certification.
- Provision of adequate encouragement for growing and marketing of forest products from private land.
- Management of laboratory, equipped with necessary facilities for quality test of forest products and then to promote NTFPs, in national and international market.
- Avoidance of complex collection permit on NTFPs and other legal constraints on transaction and marketing.
- Removal of complex formalities and procedures for transport and trade of timber and NTFPs.
- Provide due consideration on scientific studies as well as public hearing while making decisions on bans.
- Development of suitable criteria /methods for fixing and revising royalty rates.
- Fix a reasonable timeframe for the process of registration of forest-based enterprises.
- Allow FUGs to establish enterprises even when the part or full amount of raw materials comes from other community, private or government forests.
- Revise the criteria of accessibility for NTFPs and relative manageability.
- Add a chapter on NTFP management in operational plan.
- Give reasons for any delay in hand over to the prospective FUG within a specified period of time.

Conclusion

NTFPs National Policy Workshop conducted from July 4 to 5, 2003 has brought some concrete results in respect with action oriented activities in identifying major opportunities and policy challenges of enterprise oriented resource management as well as different social, economic and environmental issues.

The workshop also identified appropriate policy intervention nodes and prepared policy recommendations to enhance the economic and conservation impacts of using biological resources, specifically NTFPs. The workshop felt a need to enhance the policy initiation that appreciates the role of NTFPs and attempts for creating conducive policy environment. As effectiveness of the program mainly depends upon the strategies and implementation procedures based on the improvements made through learning by doing process, policy review process has to be built on accordingly, and also considering the past experiences, reflections and learning from grassroots experience and NNN.

In this connection, the government body also expressed its interest in formulating conducive policy environment so that the poor and marginalized group of the society could benefit from NTFPs.

Presence of wide range of stakeholders made the opportunity a success to gain and share facts, knowledge and insights on key policy issues in relation to enterprise development and marketing and trade of NTFPs.

On the whole the workshop was very fruitful to bring issues and suggestion for policy improvement and further action especially in poverty reduction and biodiversity conservation.



Annexes

1: Workshop Program

July 3, 2003

Sharp 17:00	Bus leaves to Nagarkot from ANSAB office
18:00-19:00	Arrival of all participants at Hotel Country Villa, Nagarkot (phone no. 4221012, 6680128)
19:00-19:30	Briefing (logistics)
19:30-20:30	Dinner

July 4, 2003

08:00-09:00	Registration and Breakfast
09:00-10:00	Inauguration Session <ul style="list-style-type: none">• Welcome and introduction of the participants• Workshop objectives• Few words from distinguished guests• Session closing
10:00-10:15	Tea Break
10:15-12:30	Presentation and discussion <ul style="list-style-type: none">• Presentation from ANSAB and HJSS• Presentation from DoF/Community Forestry Division• Presentation from Department of Plant Resources
12:30-13:30	Lunch
13:30-14:20	Presentation and discussion continue <ul style="list-style-type: none">• Presentation from IDRC/MAPPA• Presentation from FECOFUN
14:20-14:50	Video show
14:50-15:30	Group works on thematic areas (opportunities, challenges and policy recommendations) <ul style="list-style-type: none">• Enterprise-oriented resources management• Enterprises development• Marketing and trade
15:30-15:45	Tea Break
15:45-17:30	Group works on thematic areas continue
17:30-17:45	Wrap up of the day first
19:30-21:00	Reception dinner

July 5, 2003

08:00-09:00	Breakfast
09:00-10:00	Presentation of the group works, discussion and reflection
10:00-10:15	Tea Break
10:15-11:00	Presentation of the group works, discussion and reflection
11:00-12:00	Plenary discussion on lessons learned and action planning
12:00-12:30	Closing of the workshop
12:30-13:30	Lunch
14:00	Bus departure for Kathmandu.

2: List of Participants

S.N.	Name	Designation	Organization
1	Mr. Dhruva Raj Bhattarai	Forestry Officer	Department of Forests, MFSC
2	Mr. Mahendra N. Subedi	Research Officer	Department of Plant Resources, MFSC
3	Dr. Keshav Kanel	Deputy Director General	Community Forestry Division, Department of Forests, MFSC
4	Mr. Santosh Bhandari	Forest Officer	Far -Western Regional Directorate of Forestry
5	Mr. Mahendra Chaudhary	District Forest Officer	DFO, Jumla
6	Dr. Bijnan Acharya	Cognizant Technical Officer	USAID/Nepal
7	Mr. Netra N. Sharma Sapkota	AID DPA	USAID/Nepal
8	Dr. Nirmal K. Bhattarai	Coordinator	MAPPA/IDRC
9	Mr. Babu Ram Pathak	Team Leader	ITDG
10	Dr. Rana B. Rawal	Chairman	BIRD
11	Mr. Francisco Tolentino	Micro & Small Forest Enterprise Development Advisor	SNV Nepal
	Ms. Katy Philip		CECI
12	Mr. Charles Pradhan	Canada Fund Coordinator	CCO
13	Mr. Rajendra Khanal	Agriculture & Economic Development Specialist	CARE Nepal
14	Mr. Raj B. Shrestha	Senior Programme Officer	NARMSAP
15	Mr. Dyutiman Chaudhary	Associate Expert - Enterprise Development	ICI MOD
	Mr. Murari Joshi	Soil Conservation Specialist	NACRMLP
16	Mr. M.L. Jayaswal	Research Officer	New ERA
17	Dr. Keshar Man Bajracharya	Academician/ Chairman	RONAST/Nepal Foresters' Association
18	Mr. Bishnu Prasad Acharya	General Secretary	Ranger Association of Nepal
19	Mr. Hari Sharan Luitel	Forest Officer	Forest Action
20	Ms. Hima Chapagain		Herbs Production & Processing Company Limited (HPPCL)
21	Mr. Parbat Gurung	Managing Director	HBTL
22	Mr. C.P. Bhattarai		Environment Conservation & Development Forum, Taplejung
23	Mr. Cheth Nath Tripathi		Nature Enterprise & Consultancy, UMN
24	Mr. Bhairab Risal	Member	NEFEJ
25	Mr. Bhim Prasad Shrestha	Chairman	FECOFUN Central
26	Mr. Dil Raj Khanal	Legal Trainer	FECOFUN Central
27	Mr. Hari Neupane	Advisor	FECOFUN Central
28	Mr. Mohan Singh Dhimi	Member	FECOFUN Darchula
29	Mr. Ananda Pokharel	General member	HJSS, Dolakha
30	Mr. Mohan Baniya	Chairperson-Central committee	HJSS, Mugu
31	Mr. Man P. Khatri	Vice-Chairperson- Central committee	HJSS, Bajhang
32	Mr. Lal Kumar KC	Treasurer - Central committee	HJSS, Dolakha

S.N.	Name	Designation	Organization
33	Mr. Debi Lal Thapa	Central Member	HJSS, Jumla
34	Mr. Gorakh B. Bogati	Central Member	HJSS, Humla
35	Mr. Aja Bahadur Giri	District Chairperson	HJSS, Kalikot
36	Mr. Lal Bahadur Thapa	District Chairperson	HJSS, Bajura
37	Mr. Ganesh Thagunna	District Chairperson	HJSS, Darchula
38	Mr. Tulsi Pd. Neupane	District Chairperson	HJSS, Shankhuwasabha
39	Mr. Birkha Bahadur Shahi	Field Co-coordinator	Humla Conservation and Development Association (HCDA), Humla
40	Mr. Gopal Bam	Chairperson	Rural Community Development Center (RCDC), Mugu
41	Mr. Bishma P. Subedi	Executive Director	ANSAB
42	Mr. Surya B. Binayee	Program/Admn Manager	ANSAB
43	Mr. Indu Bikal Sapkota	Manager-Community Forestry	ANSAB
44	Mr. Ram Prasad Acharya	Community Forestry Officer	ANSAB
45	Mr. Durga Datta Regmi	Field Coordinator	ANSAB
46	Mr. Nabaraj Panta	Community Facilitator	ANSAB
47	Mr. Chandika Amagain	Community Facilitator	ANSAB
48	Ms. Deepmala Subba	PA	ANSAB
49	Mr. Raj Kumar Pandey	Forestry Officer	ANSAB
50	Mr. Tika Ram Panta	Finance Officer	ANSAB
51	Mr. Ananda Shrestha		NEFEJ
52	Mr. Ashok Yogi		Karnali Integrated Rural Development & Research Center (KIRDARC), Jumla
53	Mr. Bal Ram Pyasi	Journalist	Space Time Daily
54	Mr. Hiralal Biswakarma	Journalist	R.S.S
55	Mr. Anil Giri	Journalist	The Annapuran Post

3: Presentation

4: Group Work and Group Presentations

5: Nagarkot Declaration

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gLltut ;'wf/sf] lgldQ ;'emfjx? k}z ug{ / pQm uf]i7Ln] lgsfn]sf] 3f]if0ff hf/L
ug{sf] nflu PG;fj]sf sfo{sf/L lgb}{zs >L eLid k|;fb ;'j]bLsf] ;+of]hsTjdf Ps
sfo{bn u7g ePsf] lyof] . o; sfo{bnsf] cfh ldlt @)^) >fj0f ^ ut] PG;fj]sf
sfof{nodf a;]sf] a}7sn] of] gu/sf]6 3f]if0ff ;fj{hlgs u/]sf] 5 .

!= lbuf] tyf pTkfbgzLn h8La'6L Aoj:yfkg, h8La'6L tyf u}/sfi7 jg k}bfjf/df
cfwfl/t pBd ljsf; / lghL lf]qdf h8La'6L v]tLsf] nflu k|f]T;fxg ug}{,

@= h8La'6L tyf u}/sfi7 jg k}bfjf/df cfwfl/t pBd ljsf;df ;xof]u k'Ug] u/L jg
gLlt tyf sfg"gd f ;'wf/ ub}{ o; lf]qsf] nflu 5'§} u'?of]hgfsf] lgdf{0f ug}{,

#= h8La'6L tyf u}/sfi7 jg k}bfjf/sf] ljBdfg /fh;j b/ / s/ k|0ffnLnfo{ k'g/fjnf]sg
u/L ;dofg's'n ;'wf/ ub}{ s/ ;+sngdf Psáf/ k|0ffnL nfu' ug}{,

\$= h8La'6L tyf u}/sfi7 jg k}bfjf/sf] b[li6sf]0fn] dxTjk"0f{ e"-efux?nfO{ ljz]if
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%= jg k|df0fLs/0f (Forest Certification) / h}jls k|df0fLs/0f (Organic
Certification) nfO{ k|f]T;fxg ug}{},

^= jg k}bfjf/sf] u'0f:t/ hf'rsf] nflu cfjZos ;'ljwf ;lxtsf] k|of]uzfnfsf] Aoj:yf ug}{ /
h8La'6L tyf u}/sfi7 jg k}bfjf/sf] /fli6«o tyf cGt/fli6«o ahf/df klj4{g ug}{,

&= h8La'6L tyf u}/sfi7 jg k}bfjf/sf] ;+sng k"hL{, cf];f/k;/ / ljqmL ljt/0f
k|lqmofdf kfOPsf sfg"gL cj/f]w tyf afwx? ;fy} u}/sfg"gL cj/f]wx? x6fpg]

*= g]kfnsf lxdfnL tyf kxf8L lf]qsf ;d'bfox?n] pgLx?sf] cfkm\gf] :yfgdf k|s[ltn]
lbPsf] pkhx? ljZj ;'dbfosf] lxtsf nflu nf]kf]Gd'v x'gjf6 jrpg pkof]u gubf{ jf
;Defljt b'Jo{;g /f]Sg pTkfbg gubf{ ef]s / u/LjLn] hsl8Psf :yfgLo
jfl;Gbfx?sf] hLjg lgjf{xsf] ljsNk g} vf]l;Psf]n] lfltk"lt{sf] Joj:yf ug}'kg}{ .

;fy} o; sfo{bnsf] a}7sn] h8La'6L tyf u}/sfi7 jg k}bfjf/ ;dGjo ;ldlt ;dlf k}z
ug{sf] nflu oL ;'emfjx? sfof{Gjog ug}{ k|qmof, To;sf] nflu lhDd]jf/ lgsfox? /
cg'dflgt ;do cjlw ;lxtsf] sfo{of]hgfnfo{ klq cGtd ?k lbPsf] 5 . o;/L tof/ ePsf
u}/sfi7 jg k}bfjf/ gLlt ;DaGwL /fli6«o sfof{zfnf uf]li7sf] k|ltj]bg, To;sf cfwf/df
lgwf{/t dxTjk"0f{ ;'emfjx? / To;sf] sfof{Gjogsf] nflu sfo{of]hgf ;d]t ;+o'Qm
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5: Nagarkot Declaration

Nagarkot Declaration NTFP Policy Improvement 21st July, 2003 Kathmandu

Asia Network for Sustainable Agriculture and Bio-resources (ANSAB) organized a two days long *Non-Timber Forest Products, National Policy Workshop* on July 4-5, 2003. Analyzing and integrating the issues and recommendations through the presentations and discussions made in the workshop, a working committee was formed under the coordination of Mr. Bishma P. Subedi, Executive Director of ANSAB to prepare and publicize the declaration formulated by the workshop and to put forward recommendations for policy amendment to the NTFPs co-ordination committee that is set up under the chairmanship of Minister for Forest and Soil conservation. The working committee has made the following declaration public at a meeting in ANSAB office holding on 21st July 2003.

- Promote management of sustainable and productive medicinal plants, NTFP based enterprise development and cultivation of medicinal plants at private sector.
- Formulate separate master plan for this sector along with the reformation in forest laws and policies in order to support NTFP based enterprise development.
- Implement one window system for tax collection, reviewing the existing revenue rate of NTFP together with simultaneous review on it.
- Introduce special programs in major areas that are important in respect with NTFPs, declaring them 'Herbal Area'.
- Promote Forest Certification and Organic Certification.
- Manage the laboratory, equipped with necessary facilities for quality test of forest products and then to promote NTFPs in national and international market.
- Avoid complex collection permit on NTFPs and other legal constraints on transaction and marketing.
- Make a compensation for down trodden people, who are not utilizing natural products in the name of conserving them for welfare of the world community and those not making use of NTFP to control the potential illegal impacts. The need for provision is urgent, as their way for livelihood has been taken away.

Along with it, the working committee meeting also has given the action plan a final form to submit it to the NTFP co-ordination committee with roles and responsibilities of relevant stakeholders and expected duration of time.

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6: Media Coverage of the Workshop

Annex 17: Location Map Public Private Alliance Program - Nepal

