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**Incentives for Community Participation in the  
Governance and Management of Common Property  
Resources: The Case of Community Forestry in Nepal**

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**2012**

**Incentives for Community Participation in the  
Governance and Management of Common Property  
Resources: The Case of Community Forestry in Nepal**

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of the requirements for the degree of  
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## Abstract

The devolution of resource management access rights, from the state to local communities, has been an important policy tool in Nepal over the last two decades. One of the major goals of this policy is to increase the participation of local users in decision-making and for them to gain benefits from the forests. However, a lack of meaningful participation amongst users, in relation to forest governance and management, has resulted in a failure to include socially marginalised groups in community decision-making and an inability to reflect the needs and aspirations of these groups within these communities. By employing a mixed method approach incorporating quantitative and qualitative methodologies, this research explores the issue of participation in the governance of common property resources; and in particular the role of incentives in increasing participation. The empirical evidence for level of participation as a function of incentives is obtained by using an ordered probit model by constructing an index of participation as a proxy for participation in governance of common property resources, while a partial least square approach is also undertaken to link the participation indicators to the various incentives. Focus group discussions and individual interviews were applied to gain insights into the influence of caste, socio-economic status and the effectiveness of the institutions in Nepal and the overall governance and management performances of community forest user groups.

In this study of community forestry management regimes in the Middle Hills of Nepal, access to resources and benefits, and enforcement of legal property rights are identified as the key influential incentive that determines the effective participation of users in resource governance. The statistical and qualitative findings of this study support the argument that, for common property resource management regimes to be successful in achieving meaningful participation of the poor and disadvantaged groups, in terms of having their strong voice to influence group's decisions in their favour, it is important to strengthen their rights to provide them fair access to resources and benefits. The policy measures may even require a deliberate focus on providing and guaranteeing the inclusion of poor and disadvantaged groups in CFUG governance structures and processes, in addition to building their capacity and bargaining power to influence decision making and to compensate for the cost of this participation through the economic empowerment of poor users. However, in the Middle Hills of Nepal, where discriminatory sociocultural norms prevail, transferring property rights to a specific group does not protect the rights of the poor and disadvantaged members. Thus, this study proposes the proportional allocation of the most productive part of a community forest to a sub-group (formed within a user group) of the poor and disadvantaged members and the transference and enforcement of legal property rights to this sub-group over the allocated forest, in order to protect their access rights to resources and to secure their greater participation in resource governance.



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## Abbreviations and Acronyms

AusAID	The Australian Agency for International Development
CBS	Central Bureau of Statistics
CF	Community Forest(ry)
CFD	Community Forestry Division
CFUG	Community Forest User Group
CPR	Common Property Resource/ Regime
DANIDA	Danish
DDC	District Development Committee
DFID	Department for International Development
DFO	District Forest Office/r
DFRS	Department of Forest Research and Survey
DoF	Department of Forest
EC	Executive Committee
FAO	Food and Agricultural Organization of the United Nations
FECOFUN	Federation of Community Forest User Groups, Nepal
FGD	Focus Group Discussion
FRISP	Forest Resource Information System Project
GoN	Government of Nepal
GTZ	German Agency for Technical Cooperation
HMG/N	His Majesty's Government of Nepal
IUCN	International Union for Conservation of Nature
LRMP	Land Resource Mapping Project
MEST	Ministry of Environment, Science and Technology
MFSC	Ministry of Forest and Soil Conservation
MLFA	Maximum Likelihood Factor Analysis
MUHEC	Massey University Human Ethics Committee
I/NGO	International/Non-Governmental Organisation
JMF	Joint Forest Management
NIPALS	Nonlinear Iterative Partial Least Squares
NTFP	Non-timber Forest Product
OLS	Ordinary Least Squares
PCA	Principal Component Analysis
PCFA	Principal Component Factor Analysis
PF	<i>Panchayat</i> Forest

PLS	Partial Least Squares
PPF	<i>Panchayat</i> Protected Forest
SDC	Swiss Development Corporation
SNV	The Netherlands Development Organisation
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
VDC	Village Development Committee
WECS	Water and Energy Commission Secretariat
WFP	World Food Programme
WWF	World Wildlife Fund

## Glossary of Nepali Term

<i>Bali Pratha</i>	A traditional exchange system where a fixed amount of grain is provided after each harvest, in lieu of the labour supplied by the occupational castes
<i>Ban Janch Adda</i>	Forest Inspection Office
<i>Birta</i>	Land grants formerly made by the rulers of the state to individuals, usually on a tax free and heritable basis
<i>Bista system</i>	See <i>Bali Pratha</i>
<i>Dalits</i>	Lower caste groups
<i>Gorkhali</i>	Shah dynasty of the Kingdom of Gorkha, who coalesced small kingdoms and numerous fractured monarchical states (based on ethnic principalities) into the Kingdom of Gorkha and who later established Kathmandu as the capital of a unified Nepal in 1769
<i>Jagir</i>	Land grants to a government employee or military, in lieu of salary
<i>Kipat</i>	A form of land tenure, in which land was regarded as the common property of the local ethnic group and it was managed from within the ethnic tribal's organisation
<i>Lauro palo</i>	<i>Lauro</i> (the stick) is handed over to the following day's watcher from the previous day's watcher, under the rotational forest protection system arrangement
<i>Mana Pathi</i>	A system of paying grain to the forest guards, as a part of the informal forest management system (1 <i>pathi</i> equals to 8 <i>mana</i> which is equivalent to 4 kg)
<i>Matwali</i>	Alcohol drinkers
<i>Muluki Ain</i>	First legal code of Nepal promulgated in 1854 by order of the first Rana Prime Minister of Nepal
<i>Panchayat</i>	The lowest level of political-administration unit under the Panchayat System that was established in 1959
<i>Rana</i>	The hereditary dynasty of Rana Prime Ministers who ruled in Nepal from 1846 to 1950
<i>Samiti</i>	Executive committee
<i>Sudra</i>	Lower caste groups based on Hindu caste hierarchy
<i>Tagadhari</i>	Wearer of the holy cord
<i>Talukdari</i>	Position responsible for collecting land tax for the state

Tole	The smallest unit of settlement: a number of toles constitute a village
<i>Verna</i>	Social status groups based on Hindu religion