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Recovering Shangri La

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THE PARTNERSHIP IN COMMUNITY FORESTRY BETWEEN NEPAL AND AUSTRALIA 1966–2006 **NOVEMBER 2006**

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ISBN 1 920861 88 2

Published by the Australian Agency for International Development (AusAID), Canberra, October 2006.

This paper is based on interviews with individuals who took part in the Nepal–Australia forestry program, on historical material, scientific papers, private records and official program reports. Views expressed are not necessarily those of AusAID.

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Designed by GRi.D, Canberra
Printed by Pirion

Photography by James Giambrone, Provided by URS Sustainable Development

FRONT COVER PHOTOS:

MAIN: *A typical community forest established with project support.*

TOP LEFT: *Members of a community forest user group planting improved fodder species beneath the recently 'opened-up' canopy of their community forest.*

TOP RIGHT: *Members of a community forest user group with bio-briquettes produced from forest weed species in a start-up enterprise assisted by the Nepal–Australia forestry program.*

BOTTOM: *Typical mid-hills landscape with irrigated and rain-fed terraces and community-managed forest.*

BACK COVER PHOTOS:

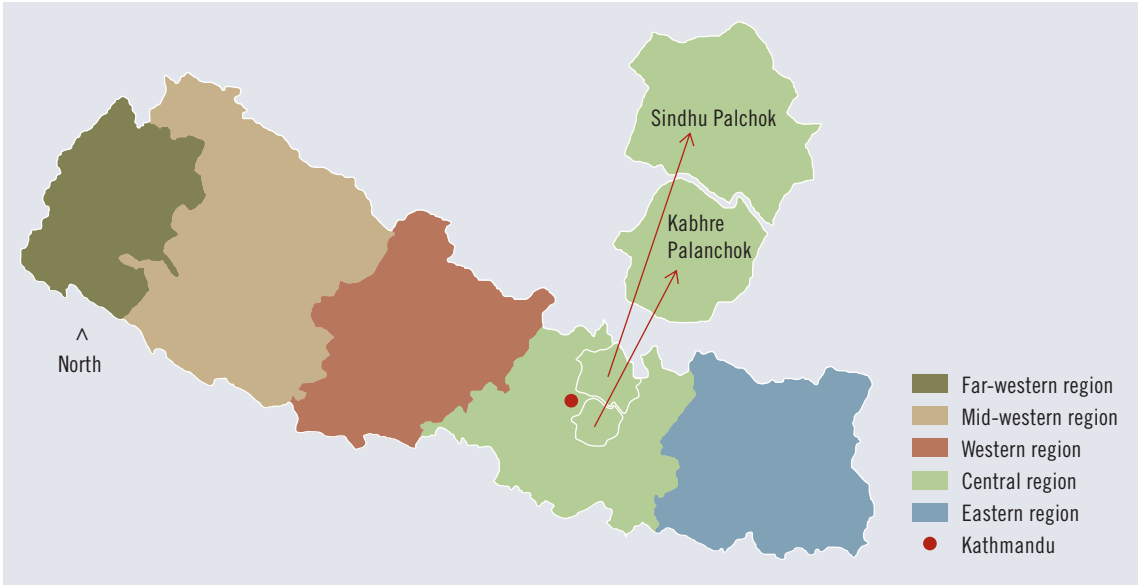
MAIN: *Typical mid-hills landscape with irrigated and rain-fed terraces and community-managed forest.*

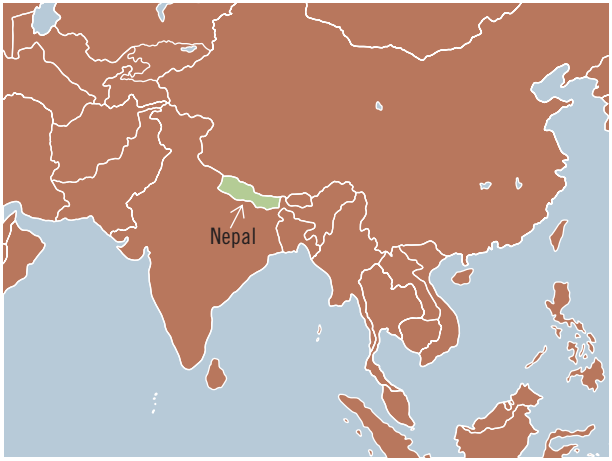
TOP: *Making paper from the bark of Daphne bholua.*

BOTTOM RIGHT: *Both timber and non-timber forest products find a myriad of uses within village communities.*

LAST PAGE PHOTO: *Both timber and non-timber forest products find a myriad of uses within village communities.*

MAP OF THE KINGDOM OF NEPAL, SHOWING THE DISTRICTS OF SINDHU PALCHOK AND KABHRE PALANCHOK WHERE AUSTRALIA WORKED IN COMMUNITY FORESTRY FOR FORTY YEARS





‘Trouble in Shangri La’

‘No region of the world excites the imagination and calls up visions of the exotic more than the Himalaya. Their soaring peaks and fertile valleys have nourished some of the world’s most ancient cultures and religions. But there have been disturbing signs of trouble in Shangri La – alarming reports of widespread environmental degradation which is said to be producing dire and imminent threats to the future of the region and the contiguous lowland areas.’ [1]

It was the mid-1960s and the people of Nepal’s Middle Hills faced hunger, cold, the loss of livelihoods and the collapse of their community lifestyles and traditions. The shortage of firewood and fodder was critical. Over decades, the hillsides had been stripped of the fuel and the feed on which the upland villages depended. In one of the world’s most beautiful yet fragile environments, soil loss, floods and landslides were proliferating.

Yet 40 years and an investment of $40 million on, this thin soil has yielded an astonishing harvest. A vast sweep of Himal mountain country has been re-mantled with native *chir* pines and *sal* trees and the forested area continues to expand and flourish. Over a million hectares of forest are being managed by 14 000 community user groups representing 8 million people. The high grazing land is improving. New sawmills are throbbing away. The livelihoods and economic fortunes of villagers in one of the world’s poorest countries are growing. Fresh, clean water is flowing. For the first time a generation of hill girls is in school. Nepali people have become skilful forest managers, guardians of their natural resources and internationally eminent scientists and development leaders. And a pattern for successful aid delivery has been established worldwide, thanks to a remarkable partnership between Australia and Nepal.

1 Maurice F Strong, ‘Foreword’, in JD Ives & B Messerli, *The Himalayan dilemma: reconciling development and conservation*, United Nations University Press, New York, 1989.

LEFT: *A typical community forest established with project support.*

Plight of the hill country

Deforestation is the rule, particularly in heavily populated areas where more cropland, grazing land, lumber and fuelwood are needed. Such deforestation frequently assumes disastrous proportions; the shortage of timber results in the use of manure for fuel, so that the unmanured land becomes impoverished, yields shrink, and erosion reduces the cultivable area. All this forms a vicious circle that it appears difficult to break without a radical change in all such practices.[2]

For centuries the forest had played a central role in the subsistence of the people of the Middle Hills. It provided timber to build their homes, fuel to warm them and fuel to cook with. It furnished charcoal for iron-making. It sustained the Hindu funeral rite of cremation. It supplied fodder for livestock, which were housed for half the year. The manure from these animals was in turn used to fertilise the fields, and so support arable farming of grains, oilseeds, vegetables and fruit trees. The degradation and loss of the forests spelled the loss of all these things – at a time when the Nepali population was growing rapidly thanks to improved healthcare.

From the early 1950s there had been a growing sense of crisis about the condition of the hill country of Nepal. In 1957 His Majesty's Government of Nepal saw the plight of the hill country and nationalised the country's forests, to head off encroachment by the feudal *birta*, traditional holdings of wealthy families. The move obscured the fact that most forests had been run as common land by generations of villagers. The Nepali Ministry of Forests of the day also lacked the resources to manage so extensive a resource.

The plight of Nepal's hill country coincided with dawning international awareness of humanity's ecological impact on the planet, and by the 1970s the 'Nepal deforestation crisis' was widely regarded as a visible symptom of this:

> Ground-holding trees are disappearing fast ... landslides occur more and more frequently ... the incidence of flooding by swollen rivers coming down from the mountains is increasing. Topsoil washing down into India and Bangladesh is now Nepal's most precious export ... Continuation of the present trends may lead to ... a semi-desert.[3]

ABOVE: *Village women making plates from the leaves of Shorea robusta (sal).*

A 1978 World Bank study projected that the entire hills area of Nepal would be totally deforested by 1993 and the lowlands (*terai*) within a decade of that.[4] Such views comprised the 'Theory of Himalayan Mountain Degradation'[5], which linked rising population and demand to resource degradation and poverty in a vicious cycle.

While scholars now consider that this theory overstated the case, the fact that such a crisis has not emerged – in fact the opposite has transpired – is seen by many as due significantly to the partnership in community forestry established between Nepal and Australia.

2 Ernest Robbe, *Report to the Government of Nepal on forestry*, Food and Agriculture Organization of the United Nations, Rome, 1954, cited in G F Taylor, *Forests and forestry in the Nepal Himalaya*, USAID, December 1993, p. 23.

3 Erik P Eckholm, 'The deterioration of mountain environments: ecological stress in the highlands of Asia, Latin America, and Africa takes a mounting social toll', *Science*, vol. 189, September 1975, pp. 764–70.

4 See DA Gilmour and RJ Fisher, *Villagers, forests and foresters: the philosophy, process and practice of community forestry in Nepal*, Sahayogi Press, Kathmandu, 1991, p. 32 and following.

5 JD Ives & B Messerli, *The Himalayan dilemma: reconciling development and conservation*, United Nations University Press, New York, 1989.

Dawn of the Nepal–Australia partnership

In 1962 the spectre of poverty, ravaged hillsides, floods and landslips was real enough and prompted His Majesty's Government of Nepal to seek Australian help under the Colombo Plan: 'They wanted fast-growing trees to stabilise the slopes. That meant eucalypts. And eucalypts meant Australians.' [6]

The following year Robert Boden of the then Australian Department of the Interior was sent to assess the situation and provide advice about eucalypts. After visiting the hill country, he recommended a technical adviser be sent to Nepal to work with the Ministry of Forestry for two years.[7]

Coincidentally, King Mahendra of Nepal visited Australia at about the same time and, admiring the arboreal splendours of its national capital, Canberra, expressed a wish to his hosts for Australian forestry expertise.

After some delay the first Australian technical adviser, AD (Tony) Cole, was sent by the then Department of External Affairs, Colombo Plan branch, to start work with the Ministry of Forestry in 1966. Cole found that barely a third of the trees on the 5000 acres reforested in previous years had survived and that the eucalypts planted had failed completely. He quickly saw the need for proper species trials and well-run nurseries to produce seedlings and ensure a higher tree survival rate, to replace the seeding technique then largely in use. Nurseries were established in and near the Kathmandu Valley and a strong technical base in silviculture became the lynchpin of the early years of the forestry project.

Cole observed another issue, which was later to emerge as the focal element in the entire 40-year forestry partnership: he realised that the Hill people, their needs and how they used the land, were at the heart of the issue. He also noted some villagers in the Kathmandu Valley, who traditionally cut the forest for fuel and fodder, had agreed with a local nursery to plant trees. He wrote to the Forests Department recommending the idea be taken up more widely because 'it is logical, cheap ... and includes the element

LEFT: *Typical mid-hills landscape with irrigated and rain-fed terraces and community-managed forest.*

of local effort and responsibility'.[8] However, as David Griffin later noted, 'there is no evidence that these proposals were adopted and a decade was to pass before such ideas were formally approved'.[9]

Cole was succeeded in the project by foresters David Butterworth (1968–72) and Alistair Mather (1972–74), who persevered with the development of nurseries for replanting the hillsides, including the trialling of various eucalypt species. The nurseries needed water, and the clean water supplied not only to the seedlings, but also to the villages, generated great goodwill, interest and support for the program, which was focusing its early efforts chiefly in the lower lying Bagmati zone and *terai*. In 1975 Mather chanced to visit the Middle Hills around Chautara where he noted heavy erosion and 'plenty of good land available for planting'.

Dereck Ovington, Professor of Forestry at the Australian National University (ANU), visited Nepal several times in the early 1970s, initially in response to the King's request for assistance, but also to report on the project for the Australian Development Assistance Agency, later known as the Australian Development Assistance Bureau (ADAB), the Australian International Development Assistance Bureau (AIDAB) and now as AusAID. His advice was to expand the effort to two advisers plus an allowance for research equipment. 'In effect he said, either grow the project or axe it.'[10] Ovington's report had a further outcome in that from 1972 the ANU Forestry Department took responsibility for the project, with the university's commercial arm Anutech (now ANU Enterprise) administering it in later years.

With the arrival of more Australian foresters such as nursery expert Ian Drew, the work of improving nursery standards, propagation, planting out and plantation management began to bear fruit, especially with the hardy and fast-growing native *chir* pines and *sal* trees. However, despite their best efforts, the eucalypts continued to die. This led to a major hunt, as far afield as Pakistan, for improved stock for the nurseries, as hungry people had consumed local seed supplies and the few trees left on the hillsides were too poor for use as seedstock.

'It was very puzzling', recalls Tony Fearnside, who arrived in late 1974 from ACT Forests to manage the project. 'The eucalypts grew extremely well on the valley floors, but died when planted on the slopes. We grew them in nurseries. We built *gradoni* – little terraces – to plant them on and still they died after a short time.' Finally, leaves sent to the Australian National University for analysis revealed the cause of the mystery – boron deficiency, a problem quickly rectified by adding locally bought borax powder to the

soil. However, he said by this time the real answer was becoming obvious: 'Why bother with eucalypts when you have all these wonderful native trees?'

The usual method of protecting a newly planted area from untimely harvesting by locals and their livestock was to surround it with barbed wire. But at the time there was an acute shortage of wire, partly because locals were accustomed to harvesting that too. The thought was to invite communities to plant, guard and care for the stands of young trees.

Fearnside visited the Australian Embassy in New Delhi where he put the idea of using local community labour to aid attaché, Fred Schwinghammer, who was immediately enthusiastic. 'You ought to put it to ADAB', he told Fearnside. 'Working with local communities is flavour of the month just now.' Yet, as Fearnside knew, it was also a concept ahead of its time in a world in which the prevailing aid delivery model was 'top down' and technology-focused.

6 A Fearnside, interview, July 2006.

7 DM Griffin, *Innocents abroad in the forests of Nepal: an account of Australian aid to Nepalese forestry*, Anutech, Canberra, 1988.

8 AH Cole, Memorandum to Secretary, Ministry of Forestry: Village planting proposal near Manichura herbal farm, 1968.

9 Griffin, p. 12.

10 A Fearnside, interview, July 2006.

11 Griffin, p. 27.

'MUTUAL TRUST AND FRIENDSHIP'

ADAB reviewed the first phase of the project in 1975. It found that it had been beset by planning and design problems and lacked clear targets or any way to measure progress. However, its technical achievements were numerous and this phase of the project was widely viewed as a classic for tackling land degradation.[11]

Among the achievements were:

> the development of sound propagation and nursery systems for producing young trees
> extensive species trials, which finally confirmed the suitability of native trees for reforestation and plantation forestry
> the creation of numerous plantations, and
> the overcoming of the early problems with eucalypts, which were now being used more widely.

However, ANU Professor of Forestry David Griffin, who oversaw the project for 12 years, comments: 'I believe in retrospect that the greatest benefit from these early years was largely in the introduction of a number of Australian approaches to Nepalese forestry problems ... Australian advisers had proved to be personally acceptable to the Nepalese with whom they cooperated and a large degree of mutual trust and friendship had arisen.'

The birth of community forestry

If the idea of engaging local communities had an originator and a fearless champion, it was the Nepali district forestry officer for Chautara, TBS (Tej) Mahat – a gifted and determined character who later completed a PhD at the Australian National University on a scholarship from the project and rose to eminence as Dean of Nepal's Institute of Forestry.

In the mid-1970s Mahat was a field officer with a large area of responsibility and scant resources to manage it. His custom was to walk – there were no other means of transport – throughout his steep and isolated district, observing and discussing with locals the problems they faced.

Mahat saw that some lands were still well managed by local communities. And he faced a barrage of complaints that, as district officer, he was issuing permits to outsiders to log areas traditionally relied on by locals. He quickly saw the justice in the complaints and, in defiance of official policy, started to delegate his authority for areas of forest to local communities who showed they had the skills to manage them.

Steven Midgely, who joined the project in its early days and was later a senior forestry scientist with CSIRO, accompanied Mahat on some of his long hill marches across Chautara. He recalls: 'After nationalisation of the forests a kind of tragedy of the commons was taking place. As the trees officially "belonged to the government" people were felling them with little thought for the future. Mahat saw the answer lay in giving them responsibility for their own resource'.

To begin with, however, officialdom had no time for Mahat's notion and he was 'hauled over the coals' for it.[12] Undeterred, he took a party of local politicians, accompanied by the Australian foresters on a 10-day trek through the hills to show them first-hand the problems and his proposed solution.

Fearnside and Midgely also credit another Nepali forester and graduate of the Australian National University, Krishna Bahadur ('KB') Shrestha, with working quietly but with great persistence to persuade the Ministry of Forestry to give community forestry a go, while the Australians added their influence wherever it seemed appropriate.

12 D Gilmour, interview, July 2006.

LEFT: *Members of a community forest user group planting improved fodder species beneath the recently 'opened-up' canopy of their community forest.*

‘Friends as well as partners’

From the mid-1970s, the idea of community forestry began to snowball and it was proposed that Chautara be developed as a special project involving the integrated management of natural resources by local communities.[13]

In January 1976 the project was formally renamed the Nepal–Australia Forestry Project. In this second phase of the project overseen by the Australian National University, the planning and design problems of the first phase of the project were largely resolved.

To make the project work at the community level as well as government level, Fearnside, Midgely and their colleagues decided they must speak Nepali and so put themselves through a crash course.

Thereafter and throughout its most productive years, a distinctive feature of the Australian project office was that it was Nepali-speaking, and did not rely on the services of translators. ‘It was an Australian characteristic, I suppose, to want to work alongside the people, to be friends as well as partners’, Fearnside observes. When Don Gilmour became team leader in 1981 he made it mandatory that everyone joining the project had to undergo six weeks of ‘deep immersion’ in Nepali language and customs. Having Nepali-speakers made the project an exception in international aid practice, where linguistic and cultural barriers between deliverers and recipients were still prevalent. Later, it even resulted in a pocket dictionary of English, Nepali and scientific forestry terms.[14]

Fearnside was succeeded by Victorian forester Rob Campbell, who took charge of the new phase of the work in 1976. This still had a strong technical focus, but the agenda was now shifting decisively. Campbell, described as ‘a visionary, even a dreamer of dreams’, took to his new task with enthusiasm.[15] Striding through the Chautara hills together, Campbell and Mahat formed a team dedicated to seeing community forestry adopted as policy. ‘They intellectualised the paradigm shift from technical forestry to community-based forestry. They wrote the seminal paper that was to influence global thinking about a new model of aid delivery’, Gilmour recalls.

Campbell had a mandate to start a major forestation project with a geographical focus. With the strong

support of Mahat, mixed experiences elsewhere and the fact that in the Hills – as distinct from the *terai* – community help would be essential, the Chautara region became the natural choice.

In 1976 Nepal adopted the National Forestry Plan, which encouraged the conversion of community or government land to Panchayat Forests. This was followed in 1978 by the promulgation of regulations to make community forestry legitimate in the country.

> The first formal community forestry policy framework (The Panchayat Forest and Panchayat Protected Forest Rules and Regulations, 1978) recognised two distinct forms of community forest. Panchayat Forests (PF) were to be plantation forests which were established on largely bare land by communities, and subsequently protected by them. Panchayat Protected Forests (PPF) were degraded natural forests which were to be rehabilitated primarily by community protection efforts.[16]

The insight that community forestry offered huge potential led to a period of intense investigation of different local systems, to try to identify and define what worked best. 'A major breakthrough came with the recognition and documentation of the widespread existence of indigenous forest management systems in the Middle Hills. This provided much of the rationale for shifting the focus of community forestry responsibility and authority from the Panchayat administrative/political units to natural groups of forest users', Gilmour says. Government was moving from its traditional role as administrator and forest policeman to one of supporter and guide to communities who were willing to take responsibility for their own forests, plantations and natural resources.

Worldwide too, there was a dawning awareness that 'development from above' was failing to meet the needs of poor people and a new model was being sought.

In 1978 the World Forestry Conference adopted 'Forests for People' as its theme. In the same year the centrepiece of the Australia–Nepal collaboration, the Chautara project, got under way in the Sindhu Palchok and Khabre Palanchok districts, which cradle the Kathmandu Valley in a giant arc to its east. Soaring as high as 7000 metres and lying only 150 kilometres from Sagamartha, Mt Everest itself, the steep and inhospitable terrain left only a tiny area suitable for agriculture to support the half a million people who lived there. This created one of the highest population densities per arable area in the world, making the forests, with their fodder and fuel resources, of critical

ABOVE: *Making paper from the bark of Daphne bholua.*

importance. Of the 210 000 hectares of 'forest' at the time, a large part was either degraded or stripped completely bare.

It was against this challenging backdrop that project officers began to lay the bedrock for a viable community forestry system, backed by the infrastructure – roads, water supplies and nurseries – needed to sustain it. A key thrust in the project was big-picture land use and socioeconomic planning, which took account of factors beyond the immediate domain of forestry. Around 100 community-run seedling nurseries were established and the process of handing over thousands of hectares of forest land to communities began.

> The primary emphasis was still on reforestation, but to this end we also advised private landowners on suitable tree seedling supplies and planting techniques. Our institutional and training emphasis was on the Divisional level of the Department of Forestry, and on 'panchayats' – the then socio-political administrative unit. During this phase, however, it became obvious that panchayat leaders were gaining most from project interventions such as training and employment, and that there were serious challenges to be faced in ensuring an equitable share of benefits to the poor and socially excluded. Furthermore, the need was identified to address a probable negative impact of the plantation program on the workload of women and girls, who now had to stall-feed livestock rather than let them graze freely in the forests where they would damage young regeneration by their trampling and grazing.[17]

Don Gilmour, who was project team leader in Nepal for a decade, observed that putting communities in charge of their own forests was not such a radical idea – its precedents go back centuries and are entrenched in common law in many nations. More recently, however, tensions had arisen between the

demands of central governments for control of the resource, and the traditional needs and uses of local populations. 'By the 1980s', he says, 'many people had realised that "trickle down" development wasn't working as it should. The move to devolve power back to local communities was on'.

The Nepal–Australia project was in the fortunate position of being able to demonstrate the field approaches that would make community forestry work, while quietly influencing the policies that would allow it to expand and thrive. 'We argued that forest user groups were the natural bodies to manage the resource rather than the *panchayats*, as they already identified with it. We argued policy had to empower them to do that. And we battled long and hard to win the argument', Gilmour says. 'The things that constrain development are seldom technical. They are social, political and institutional', he adds.

It was this fusion of the intellectual with the practical, and the technical with the social, that powered the project through its highly productive middle years. It was also, Gilmour asserts, a willingness to self-criticise, to recognise when something wasn't working and to try another tack, and to remain flexible and ready to change focus as new urgencies emerged. It was also being able to move fluidly from technical forestry to community forest management to human skills, social infrastructure and livelihood development. 'During the 1980s and early 1990s', Gilmour adds, 'we documented, analysed and published what we were doing, including the mistakes that were made. I think that these extensive publications had a major impact in the contemporary development and academic world'.

By the close of the 1980s, the project was being seen as an international model for 'how to do it' and emulated both in Nepal and elsewhere. 'We had visitors from all round the world coming to us every week, trying to find out why their projects were failing', Gilmour says. 'Personally, the transition from technical to community forestry changed my whole professional philosophy. It was a road to Damascus, unquestionably. But unless you make that transition in your heart, you are still operating on a technical paradigm.'

13 Griffin, p. 19.

14 Nepal Australia Community Forestry Project, *Forestry word list*, 1977, 1987, 1989 and 1994.

15 Griffin, p. 20.

16 Don Gilmour, 'Retrospective and prospective view of community forestry in Nepal', *Journal of Forest and Livelihood*, vol. 2, no. 2, pp. 5–7.

17 URS Sustainable Development, *Four decades of Australian association with the forestry sector of Nepal*, AusAID, Canberra, June 2006, p. 4 (brochure produced on conclusion of the project).

Women to the fore

Towards the end of the 1980s, while the accolades were still ringing out, the project managers decided to engage some social scientists to delve deeper and see if the reality in the community groups was matching the perceptions.

> The prognosis: all was not going nearly as well as had been thought. Women and lower caste members, in particular, were being excluded. As one woman noted, 'We are only invited to meetings when foreigners will be present, otherwise we are completely excluded'. (Hobley 1987, p. 9) As these findings emerged, the NAFP [Nepal–Australia Forestry Project] entered a period of soul-searching centered around the question: what is real, effective community forestry?[18]

Once more the forestry project had set the pace, using social science to add a fresh dimension to the understanding of the development challenge – an example that was rapidly taken up by others. Once more, it had identified an issue to be addressed and a new field of endeavour: social and gender equity. To this was quickly added a complex of connected issues – community development, institutional development, self-reliance, livelihoods, water and waste disposal, sustainability, education, changes in farming and grazing practices, commercialisation of products from community forestry and the like.

In 1993 Nepal passed a new Forest Act, which fully legitimised community forestry. Political changes were sweeping the land: civil society was becoming a real force in the country, and community forestry partnerships were growing and diversifying. Nationally, around 12 000 forest user groups were registered and community forests extended over 850 000 hectares by 2000. This was augmented by the spread of community management concepts downhill into the *terai* and uphill into the grazing lands above 4000 metres.

Key administrative and training infrastructure was being built or upgraded at the time, including the Budol Training Centre, which became 'home away from home' for hundreds of project staff and community participants. As the demand from forest user groups for services grew, successive projects also began to support non-government and other community-based organisations in sustaining the forest user groups. Aid rapidly diversified.

LEFT: *Bishnu Kumari Ghimiri, one of the forestry program's community motivators on the job.*

> To promote rural welfare and the status of women, we distributed approximately 3,300 improved fuel efficient cooking stoves, and started literacy, needs-based adult education, water supply, and agro-forestry income generating programs. We also explored potential non-timber forest product enterprises, and developed a pilot sawmill business at Chaubas to add value to the pine timber that was being grown and sold there.[19]

The area of forest planted and tended by community user groups in the Chautara region grew by 11 000 hectares in the third and fourth phases of the project when a total of over 1000 kilometres of community forest boundaries was demarcated and 426 operational plans were approved. By the year 2000 some 20 000 hectares of plantation had been established and 27 000 hectares of forest handed over to nearly 700 user groups, and the project entered its third 'reincarnation' with a focus on women, on livelihoods and capacity building. This was to yield one of the most vivid and lasting legacies of the project, as reported in AusAID's *Focus* magazine.

> Kamala Tamang, who comes from Katunge in Kabhre Palanchok, was one of the first participants in the Women's Empowerment Program. 'Although I had to leave school after completing only grade 3,' she said, 'I have now been able to improve my literacy skills as well as learn about important things such as nutrition. This new knowledge has also shown me the importance of a good education and I will make sure that my children will have more opportunity than me to stay at school.'
>
> Nowadays, women from even the remotest corners of the project's districts are attending women's classes regularly. They're held usually in the evenings in the village meeting hall. And girls and women are not only learning literacy and numeracy skills but also life skills. Topics range from dealing with problems in pregnancy to how to compost. Some groups have begun entrepreneurial projects, including vegetable growing, and have established their own sub-committee in the forest user groups.[20]

A socioeconomic study during the fourth phase of the project surveyed 179 households and found that on the whole its impact had been beneficial for the 600 000 people living in the two districts. In 1996 a second study identified extensive social, infrastructural, technology transfer and income benefits in the Chautara area, though noting that the dominant groups in the Nepali caste system had done better than the socially disadvantaged castes.[21]

The later phases of the project thus shifted focus from forest protection to issues of sustainability and equity. They sought to build partnerships between forest user groups and the business community, non-government organisations and various layers of government. They promoted women, people disadvantaged by caste and

ways to improve the livelihoods of people living in forest-dependent communities. They also grappled – as did the whole of Nepal – with the unstable political climate stemming from tragedy in the Royal House and the Maoist insurgency in the rural areas. This instability, and the rifts it occasioned in Nepali society, led to a sense of disappointment for some that in its closing years the project was unable to achieve all that was hoped. There were consequently changes at the helm.

Nonetheless, in its final year, 2005–06, the team assisted in redrawing the Nepal Government's guidelines for forest use to take account of the fact that successful restoration by community groups had now opened the way for commercial benefits to flow without risking the resource. This in turn could drive further improvements in livelihoods and village economies. The new guidelines provided for community participation in planning, and the equitable distribution of responsibilities and returns. 'They were a terrific piece of work, a real how-to-do-it for rural development. There is still a lot of wealth to be unlocked from them', says Phil Montgomery, whose agency URS Australia Pty Ltd handled the project in its closing stages.

Frans Arentz managed the project early in its sixth phase. 'For aid to be successful, the recipients have to take ownership of the concepts', he says. 'The advisers working with the Nepal–Australia forestry projects understood that. The project demonstrated that the people were highly committed to protecting their communal resources and could be trusted to do so. In fact, trying to convince people that the resources could be utilised more extensively for cash income was often a challenge!'

'Even the intractable issue of caste', he added, 'showed signs of easing. Community forestry has "forced" the different castes within communities to recognise each other and work together, so leading to social change'.

Arentz pays tribute to a decisive factor in the project's long run of success: 'All of the Nepali staff were highly committed to Nepal, to the concepts and philosophies of community forestry and, later, to the idea of communities taking the lead in their own development. It is those staff who made the project. They had to work under very difficult conditions – especially in the last few years as the Maoists gained the upper hand in the districts – but they managed to retain the trust of the communities. I could not have worked with a better team.'

18 GF Taylor, *Forests and forestry in the Nepal Himalaya*, USAID, December 1993, p. 4.

19 URS Sustainable Development, p. 5.

20 Frans Arentz & Ben Munro, 'Knowledge grows on trees', *Focus*, vol. 18, no. 3, Spring 2003, p. 28.

21 G Collett, R Chhetri, WJ Jackson & KR Shepherd, *Nepal Australia Community Forestry Project: socio-economic impact study*, Anutech, Canberra, 1996.

A lasting difference

The longest project in the history of Australian overseas development aid wound up at a well-attended ceremony in Kathmandu on 28 June 2006. Modest in scale compared with many aid projects, it had nevertheless delivered tangible benefits and lasting change to the lives of the people of the Middle Hills. It had blazoned a new model for development and its international influence was wide.

Marjorie Sullivan, who reviewed the project in its latter stages for AusAID, describes how, in one Nepali village she spoke with 28 women, none of whom had ever been to school, yet all had attended the project's literacy and empowerment classes. 'You know, every young girl in that village was now in school. In a single generation they had gone from none, to all the women educated.'

She regards the project's salient accomplishments as:

- stabilising hill slopes and curbing erosion in the middle and upper hills area
- planting 21 000 hectares of new forest
- helping to restore even larger areas of degraded forest and helping wildlife to recover
- engaging hundreds of communities in managing vast areas of their own resources
- creating new products and livelihoods out of successful community forestry
- educating and empowering a generation of Nepali women, leading to changes in the social order
- training a cadre of highly professional Nepali forestry officers and researchers who went on to spread their knowledge in their own country and other countries
- establishing an international prototype for grassroots engagement in natural management that was widely emulated, and
- nurturing a generation of outstanding Australian forestry scientists and aid workers who went on to achieve big things in other projects and countries, including Australia.

Steve Midgely, a key player during those heady pioneering years in the early 1970s, says simply, 'It was one of those projects where Australia really did make a difference'.

LEFT: *Community-managed sawmills were encouraged to add value and create employment.*

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