

### Non-Timber Forest Products certification in Nepal

This Nepali case describes the alliances for capacity building and marketing which led to the achievement of an FSC group certificate covering more than 24 non-timber forest products (NTFPs) used in making handmade papers, essential oils, Ayurvedic medicines and supplements, and a variety of other herbal medicinal and beauty products for sale in international markets. This certificate - the first for NTFPs in Asia - includes 21 community forest user groups. The income generated from sales and value-added projects is shared between the communities, with poor and marginalised groups benefiting the most, and a portion of the revenue set aside for conservation and restoration activities.

#### Background

The sub-tropical to temperate forests in two mountain districts (Bajhang and Dolakha) of central and far-western Nepal Himalaya are – like most forests in Nepal – government-owned but managed by local people organised into legally recognised Community Forest User Groups (CFUGs). Presently in Nepal there are 14,387 CFUGs managing about 1.2 million ha of forest.

“community user groups had little expertise to meet standards, with few service providers: introducing Local Resource Persons was a key strategy for developing capacity for management planning”



Wintergreen leaves harvesting in Dolakha

#### Strengthening Community Forestry

FECOFUN is a national federation of forest users which advocates for community forestry user group rights. It supports community NTFP management and sales as a key strategy in enhancing rural livelihoods. They have been supported in this work by ANSAB (Asia Network for Sustainable Agriculture and Bioresources) who recognised that the main challenge was to transform user groups into entities with technical capability in sustainable forest management, running economically viable, yet socially just forest enterprises.

#### National & International Alliances

ANSAB facilitated a multi-stakeholder process leading to the formation of a unique alliance of industry, government, NGOs, communities and forest certifiers which helped put community-forestry based enterprises development, certification and marketing on the national agenda.

This *Nepal Non-timber Forest Products Public-Private Marketing Alliance* identified FSC certification as a way to link Nepali and foreign NTFP buyers, producers, NGO and government programs assisting the NTFP sector to: a) increase incomes and employment for NTFP producers b) promote sustainable resource management, and c) expand responsible buying practices within industry. The alliance facilitated the development of interim FSC timber and NTFP certification standards, a group certification model, and a huge awareness raising and capacity building effort, to address the problem of lack of knowledge of certification among professionals and relevant stakeholders.

A group certification model was adopted whereby FECOFUN works as a Resource Manager on behalf of the CFUGs in the certified pool. To participate in the scheme, CFUGs apply to FECOFUN, and comply with the forest management guidelines prepared by them. FECOFUN provides capacity building support and monitors the CFUGs.



In January 2005, the Rainforest Alliance/Smartwood awarded FSC forest management group certification to FECOFUN for NTFPs, which was later expanded to include timber. The initial assessment covered 11 CFUGs selected by the Alliance for pilot certification. Today the certificate covers 21 CFUGs managing 14,086 hectares. User group size varies greatly: ranging from 65 to 544 households, and from 28ha to 1981 ha per group. Additionally eight forest enterprises received FSC Chain of Custody certification, including the Bahjang based “Malika” which produces the first hand-made FSC certified paper in the world, which was used by cosmetics company AVEDA for gift boxes in 2007.

*“the main challenge was to transform user groups into entities with technical capability in sustainable forest management, running economically viable, yet socially just forest enterprises”*

## Impacts

Certification has led to a strengthening of conservation efforts. ANSAB has helped to develop guidelines for identifying and protecting rare, threatened and endangered species. CFUGs are trained to map areas set aside for the protection of sensitive wildlife habitat, cultural sites and streams. FECOFUN provides a format for CFUG members to monitor changes in forest conditions.

An additional benefit is the strengthening of democratic institutions resulting in a more equitable society. CFUGs in Dolakha have negotiated settlements with Yak grazers over tenure and territorial issues, and created a micro loan program for poor members. Training has been provided by FECOFUN in transparent accounting, and CFUGs in Bahjang have developed more democratic systems.

## Facts & Figures

**Certificate details:** SW-FM/COC-NTFP001438 for 24 NTFPs issued 22 February 2005

**Area:** 14,086 ha

**Membership:** 4695 households organized into 21 CFUGs, ranging from 65 to 544 households per group; Individual forest plots ranging from 28 to 1981 ha

**Quantities:** Annual Turnover (sale of NTFPs) US \$484,560 in 2003; US \$938,486 in 2006.

## Lessons Learnt

- > An appropriate model of group certification can incorporate a large number of smallholders: with an expandable system the cost of certification per group comes down as the membership grows.
- > A critical mass of products and groups are needed not only to make it cost effective, but also to attract appropriate buyers.
- > More national capacity – such as increased numbers of national auditors – also helps to bring certification costs down.
- > Forest certification is not appropriate for all groups, and is costly if benefit is not obtained via international marketing.
- > Selection of community groups for certification should be based on a number of criteria, including: richness in NTFPs; size of the forest areas and /or potential for expansion; their enterprise-orientation, networking-potential, interest in participation, and willingness to improve forest management, monitoring and auditing systems.



CoC certified hand-made paper enterprise in Bajhang, Nepal.

## The Future

Among the key challenges for community forestry certification in Nepal are:

- > Long term financial support to strengthen the FSC interim national working group, develop FSC standards and national capacity on certification
- > Recruitment of additional private sector and NGO members to the alliance membership to contribute promote greater FSC certified sales
- > Expansion of the certified group to make the annual audit and five year certification costs sustainable
- > Technical support to Nepali NTFP companies to meet international standards for quality, product design, processing and documentation.

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