Political economy of ecosystem services and poverty alleviation in Nepal

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It is a resourceful country
But suffering from serious poverty and hunger

<table>
<thead>
<tr>
<th>Population below poverty</th>
<th>25%</th>
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<tbody>
<tr>
<td>Global Hunger Index</td>
<td>19.8 (serious)</td>
</tr>
<tr>
<td>Food deficit districts</td>
<td>33</td>
</tr>
<tr>
<td>Av. HH income spent on food</td>
<td>80% (rural poor)</td>
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<tr>
<td>Landless population</td>
<td>24.4%</td>
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Domestic supply – 10m cft/yr

Annual import - 1.5m cft / yr

Production potential 60-90m cft /yr

Timber potential vs limited access

The market for aluminium products, used in the construction of houses, is slowly growing in Nepal. More than 90 per cent of the raw aluminium being imported into Nepal is used as finished products in the construction industry. The rest 10 per cent is used by the sectors like the automobile industry and utensil makers. The aluminium industry has witnessed a consistent annual growth of about 20 per cent over the last couple of years. Today the market of aluminium products is worth slightly more than Rs 200 million. Good physical and chemical properties of aluminum have given it lead over the traditional use of timber for construction. This is the major reason for its increasing demand, despite its cost being slightly higher than timber.

More than half of the total raw aluminium being imported to Nepal comes from India. The rest is being imported from China, Thailand and Korea. Thickness, purity and the process of anodizing categorise the finished products into different series like Taiwan, Indal, Thai and Chinese. The price of aluminium products is then delineated according to the series. The strength and durability of these series also vary as their thickness and composition changes from one to other. It is necessary that a customer knows
Timber worth billions of rupees decays in Nepal annually

Purushottam Khatri

Kathmandu, Dec. 17: Nepal's private furniture firms still depend on imports from third countries for more than half the total extractable timber (half the total extractable timber) due to the lengthy procedures of the government.

According to conservationists, researchers and forest stakeholders, around 44.74 per cent of the country's land面积 forests.

They said that large volumes die and decay in the forests due to the lengthy procedures of the government.

The government has categorised forests as national or protected forest, community-managed forest and lease forests.

According to the Federation of Forest-based Industry and Trade Nepal (FenFIT), nearly 29,344,422 cubic feet of timber was imported from Myanmar, Malaysia, Indonesia, Vietnam, New Zealand, Denmark, Africa and Australia in 2015.

The total cost of the imported timber was Rs 88 billion.
Biodiversity/wildlife: resource or source of poverty

Figure 4.19: Household Suffering from Crop Damage at Clusters.

- Death: 22
- Injury: 43
- Livestock: 277

Graph showing the trend of estimated loss of house from elephant (NPR) from 2010 to 2012:
- 2010: 9,570.6
- 2011: 14,333.3
- 2012: 21,736.8

Bar graph showing frequency of attacks (fatalities and injuries) by bears, elephants, leopards, rhinoceros, tigers and others (gaur, water buffalo and wild boar) from 2010–2014:
- Shuklaphanta WR: 96.8%
- Laljahi Mohana: 100.0%
- Basanta Corridor of Kailali district: 95.1%
- BNP/Khata/Karnali Corridor: 77.6%
- Chitwan Northern NP: 95.7%
- Chitwan southern NP: 95.7%
- Rautahat Area: 86.4%
Tenure: an important issue linking ES with wellbeing

- **Community forestry (CBFM)**: little access to full range of ES (e.g. timber, wetlands; cannot sell outside of buffer zone CF)
- **Protected areas**: restricted access to range of forest products; instead suffer from wildlife depredation
- **Chure**: limited access to timber and other forest products
- **Protected forests**: limited access to management and use
- **Government managed forests**: almost all uses are illegal
Some are losing access but others are abandoning agricultural land

Adopted from Ojha et al. 2017
Policy sets priorities of ES management

- **Forest policy/regulations:** introduced CF programme, but narrowly defined forests that largely excluded wide range of ES and limited resource mobilisation. e.g, CFUGs have no exclusive rights over water sources.

- **Kulekhani:** Hydropower revenue sharing with local govt: DDC/VDCs spent in constructing new roads that resulted in increased erosion and landslides.

- **Buffer zones:** 50% revenue sharing and resource conservation programmes introduced; elite capture on benefits, additional servilence and restrictions for poor/weak.
Resource conflicts undermine ES-PA link

Major areas of conflicts in NRM/forests
• Park–people conflicts
• Forest –landless conflicts
• Chure management – local communities
• Forest authorities – local elites – general members in CF
• CF-herders in high mountain regions
• CFUGs and municipalities on water sources
## Institutions matter: CFs are performing better

<table>
<thead>
<tr>
<th>Ways of linking ES to poverty</th>
<th>Evidences</th>
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<tr>
<td>Support pro-poor activities</td>
<td>Interest free loan (10 cases); Scholarship to kids (9 cases); Construction of houses (2 cases); employing in forestry enterprises (1 case); Purchasing enterprise share for the poor HHs (1 case)</td>
</tr>
<tr>
<td>Land allocation</td>
<td>Land allocation (3 cases); allocation of fish pond (2 cases)</td>
</tr>
<tr>
<td>Eco-tourism</td>
<td>Picnic spots/swimming pools, zoo (5 cases); wildlife observation e.g., from view tower, elephant riding, jungle safari (3 cases)</td>
</tr>
<tr>
<td>Income and job creation through forest based enterprise</td>
<td>Timber extraction (all); NTFPs collection/processing/sale (6 cases); Leaf plate production (1 case); Fishery (1 case); Rubber collection/processing (1 case); Shareholding in forest based enterprises (2 cases); Handmade paper (13 cases); Broom grass (1 case)</td>
</tr>
<tr>
<td>Free membership for the poor</td>
<td>Free/reduced membership fee for poor HHs (6 cases); Relief to wildlife victims (1 case); Distribute forest product free of cost to disaster victims (2 cases)</td>
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<tr>
<td>Differential pricing system</td>
<td>Indigenous communities have fishing rights (1 case); reduced price of forest products for the poor (7 cases); Support to disable members (1 case); Free timber poor HHs each year (3 cases)</td>
</tr>
<tr>
<td>Access to basic forest products</td>
<td>Free of cost collection of grass/fodder/leaf litter (all); NTFPs (6)</td>
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Governance: The central issue in ESPA

- Undemocratic institutions
- Weak resource tenure
- Protection oriented policies

• Weak collective action
• Low investment in resource mgmt.
• Inequitable benefit sharing
• Conflicts over access and control

Resource degradation
Poverty and hunger
Governance = policy, tenure institutions, conflict handling

CBD, World Park Congress, CITES and other MEAs

National Park and WC Act 1973
Buffer Zone Regulations 1996