

Forest Sector Policies in promotion of NTFPs in Nepal

National Policies

Table 1 Forest and Forestry related Policies and in Nepal (Focus to NTFPs)

Year	Legislation/ Policy	Features
1957	Private Forest Nationalization Act	Nationalize all Forest of Nepal, no compensation
1961	Forest Act	Consolidation of nationalization process, Operationalising state control
1967	Forest Protection (special arrangement) Act	Strict regulation of peoples' right to forest products, gave forest officials police and judicial powers
1970	Forest Products (Sales and Distribution) Rules	Established system of permits and licenses for forest product including NTFPs
1973	National Park and Wildlife Conservation Act	Protect ecologically importance and vulnerable areas, conservation of endangered fauna and flora
1976	National Forest Policy	Shift of focus to hill forest, recognized need for improved management of NTFPs
1982	Decentralization Act	Emphasized people involvement in development activities including forestry
1982	Soil and Watershed Conservation Act	Empowered government to declare any area a protected watershed
1985	Seventh Five Year Plan	Encouraged commercial cultivation of medicinal plants and collection from the wilds, creation of forest based enterprise
1988	National Conservation Strategy	Strategy on sustainable natural resources management, emphasized on the development of medicinal plants resource base but not identified NTFPs as a separate cross sectional issues
1988	Master Plan for Forestry Sector	Heavy emphasized on community forestry. Local control, separate program on NTFPs with medicinal plants as a main components
1990	Constitution of the Kingdom of Nepal	New democratic constitution, system conducive to sustainable use and community oriented forestry.
1992	New Industrial Policy	Emphasized on the development of cottage and agro-based industry to generate employment in the rural area.
1992	Trade and Transit Agreement	Preferential access of goods of Nepali origin to Indian Market including duty free and quota-free access of medicinal plants
1992-1997	Eighth Five Year Plan	Promoted income and employment opportunities, improvement of harvesting, processing and marketing of NTFPs.
1997-2002	Ninth Five Year Plan	
1993	Environmental Impact Assessment Guidelines for Forestry Sector	Made provision of IEE for collecting and processing Orchids, Lichens, Medicinal Plants, Allo
1993	Forest Act	Promotes community Forestry, but continue strict regulation of people right to forest products
1993/ 1998	Nepal Environmental Policy and Action Plan	Identified NTFP as a major source of income and emphasized in domestication and cultivation and enterprise development.
1995	Forest Regulation	Detailed description of the restrictive procedures required to utilize NTFPs and MAPs
2000	Forest sector policy	
2001	Genetic Resource Bill Draft	
2002-2007	Tenth Five Year Plan	
2002	National Biodiversity Strategy	Provides a systematic approaches and strategies for the promotion of NTFP, priority in equitable benefit sharing and sustainable harvest
2002	Nepal Biodiversity Action Plan	
2005	Herbs and NTFPs policy	
2005	Guideline for NTFP Based Enterprise	
2006	Nepal Biodiversity Strategy Implementation Plan	
2007	Interim Constitution of Nepal	

Source: Adapted from Olsen and Helles 1997 and NBS 2002.

Master Plan for Forestry sector (1988)

The Master Plan for Forestry Sector has identified sectoral issues and analyzed these against existing conditions. The plan has identified four long term and three medium term objectives to prepare a long-term development plan (GoN/ADB/FINNIDA, 1988a&b). The long-term objectives is related with meeting the basic needs of the people, protecting the soil and water resources, conserving ecosystems and gene bases and consolidating local and national economies.

These objectives have led to framing the six primary development programs. One of them is the development of NTFPs with focusing on the development of medicinal and aromatic plant through cultivation of high value herbs and grasses.

MPFS was prepared in 1988 which presents a extensive strategy for 21 years for the management of forestry sector in Nepal. It has mainly four development imperatives: a) satisfaction of basic needs including medicinal herbs, b) sustainable utilisation of forest resources, c) people participation in decision making and benefit sharing, and d) socio-economic growth. Translating this policy into action, it has emphasized on increasing production of forest products including NTFPs through the promotion of agro-forestry, community and leasehold forestry and research in MAPs. Medicinal and aromatic plants and other non- timber forest products are among six primary programs formulated in the plan. Though it recognizes the participatory approach to forestry, it fails to appreciate the scope of the NTFPs as an important area of intervention from economic as well as conservation viewpoints. The Master Plan for Forestry Sector (MPFS) 1989 emphasized on meeting the basic needs of the people by sustainably managing the forest resources of the country. It prioritized on policy decentralization, empowerment, employment generation, people's participation, and public/private partnership. Production forestry and livelihood integrity were major concerns of the plan. However, the plan did not spell on research and scientific inventory which was utmost for sustainable management.

The National Conservation Strategy (1988)

Based on the World Conservation Strategy HMG/N in collaboration with IUCN prepared The National Conservation Strategy that highlights the necessary to establish appropriate policies, regulations and management approaches to ensure the sustainable extraction of medicinal plants.

The basic objectives of the NCS are;

- To satisfy the basic material, spiritual and cultural needs of the Nepalese people,
- To ensure the sustainable use of land and renewal resources to preserve biological diversity, and
- To maintain ecological and life support system.

[Forest Act 1993 and Forest Regulations 1995](#) categorized number of NTFPs and made provision of license for their collection. The royalty rates on number of NTFPs are increased. There is a ban on collection of panchaunle (*Dactylorhiza hatagirea*) and Kutki (*Neopicrorhiza scrophulariflora*) and also ban on export of eight NTFPs without domestic processing (Annex 3).

Collection permits have to be obtained from DFO for the collection of NTFPs from government forest or in pastureland and from Community Forest User Groups (CFUGs) for their collection from community forest. Transit and export permits of unprocessed NTFPs have to be obtained from DFO and for processed product from Department of Plant Resources (HMG/N, 1995). Multiple checkpoints have been established for verification while transporting NTFPs and other forest products. This has led to high transaction cost (Kanel, 1999). The rules are not properly regulated when NTFPs are harvested and traded.

Nepal Environmental Policy and Action Plan (NEPAP) 1993 and 1998

NEPAP (1993) is one of the major HMG's environmental policies to manage efficiently and sustainably natural and physical resources including forest and rangeland resources. It recommended that forestry researches that address the utilization of lesser-known forest species, could include their use as a resource for NTFP. NEPAP II (1998) is the first policy document to recognize NTFPs as source of income in rural communities. It recommended that community owned land that is suitable for purposes other than forestry be utilised under community management for the production of NTFP resources.

It has three main components that includes (1) immediate follow-up to solve problems pertaining to collection, marketing, and related concern, (2) cultivation of MAP and selected NTFPs, (3) development of industries based on MAPs and other NTFPs.

Forestry Sector Policy (2000)

The Forestry sector policy, 2000 has recognized the role of private sector in development of NTFPs. It further states, "Parastatals will be required to compete with private enterprise on an equal footing,

and required to pay market prices for forestry products. New forest-based industries will be established only if their plans for the production and acquisition of raw materials are acceptable to the Ministry of Forests and Soil Conservation". The policy also talks about provision of effective harvesting and distribution additionally it focuses to promote the involvement of a private sector in the controlled harvesting and distribution of other forest. The policy also talks about the encouragement of communities to grow commercial forest crops where appropriate growing conditions exist and to establish forest-based processing enterprises outside of the community forest.

It also focuses on providing livelihood opportunities to poor and landless people in forestry- related activities and pays immediate income to the rural poor who use to collect raw materials like medicinal and aromatic plants for industries. There are some strategies to promote private involvement in forestry development i.e. to eliminate the restrictions of internal trade and transport of forest products, and conduct surveys and assessments of resources as well as markets for timber and non-timber forest products. The policy also addresses the industrial development and has mentioned, to identify, produce and process herbs and other non-timber forest products, pass regulations discouraging the export of unprocessed products and encouraging the export of high value-added products and promote the commercialization of non-timber forest products.

Genetic Resources (Access, Use and Benefit Sharing) Related Bill (2001, draft)

In order to conserve genetic resources with sustainable use and equitable sharing of benefits arising from the resources, and to have equal access and control over the resources including NTFPs, HMG/N has prepared and tabled the bill that ensures *sui-generis* system of intellectual property right for the protection of indigenous knowledge, innovations and practices for NTFP development. It proposes a provision of registering of genetic resources and its derivatives, related knowledge and innovations by individuals, community, organization and even country itself.

It is hoped that there will not be the loss of genetic resources of NTFPs and real producers and indigenous local people will get fair prices of their products, practices and innovations if registered in time. In the mean time, it enables us (Nepal) to be a qualified member of World Trade Organization (WTO) in near future.

Nepal Biodiversity Strategy (2002)

NBS (2002) emphasized on inventory of species in protected areas, and throughout the country. A species conservation plan that focuses on key stone species was highly prioritized in forest and protected area subsectoral strategies of the strategy. Rangeland management strategy outlined the creation of biodiversity database, rehabilitation of overgrazed areas, incorporating indigenous knowledge into development plans, control illegal hunting, etc, Ecosystems with high level of species diversity, endemism, and rare, endangered, and threatened plants species, most pristine and wilderness, uniqueness were given very high priority to conserve under the scientific and ecological criteria.

Nepal Biodiversity Action Plan (2002)

NBAP (2002) emphasized on generation of initial database, human and institutional capacity, public commitment and awareness for further planning and assessment of country's biodiversity. The action plan was mandatory document to develop goal, objectives, selected priority actions and investment priorities country's biodiversity sector.

Herbs and NTFP Development Policy (2004)

Herbs and NTFP Development policy (2004) addresses the holistic development of NTFP sector in Nepal. It has set a long-term goal and some specific objectives. The long-term goal of the policy is to substantially contribute to Nepalese economy by conserving and preserving high value herbs and NTFPs and establish Nepal as an enormous source of Herbs and NTFPs internationally by the year 2020. In this context, it has set of six objectives such as focusing on regeneration, reproduction, ex-situ conservation of NTFPs; local processing through private sector participation; business development services; inclusion of the disadvantaged groups and earning of foreign currency through the competitive development of NTFPs. In general, the NTFP policy 2004 has still lacking the provision of identifying and mitigating risks but at least it provides some directions and supports to NTFP development. Government of Nepal has prioritized 30 medicinal and aromatic plants for research and cultivation for Nepal. All the species selected for the present survey were incorporated in the prioritized list.

Herbs and NTFP Coordination Committee (HNCC)

Herbs and NTFP Coordination Committee is a high level committee constituted by Government of Nepal. The role of this committee is to set long term goal and formulate national policies related to

Herbs and NTFPs; to formulate and implement acts, rules and directives for the sustainable development and utilization of Herbs and NTFPs as per policy; to develop strategies for programme implementation in coordination with different agencies on priority basis as directed by national policy; to coordinate, evaluate, and monitor Herbs and NTFPs related activities between government, non-government and private sector; and to establish and coordinate interrelationships of programmes regarding resource conservation, research, technology development, marketing, training and publicity related with Herbs and NTFPs.

Guidelines for promotion and development of NTFP-based enterprises, 2062 (2005)

Effective NTFP enterprise development must draw upon many interconnected and intricate fields of knowledge and practices. Thus it attempt to familiarize enterprise and sustainable forest management (SFM) in the program area. There are limited efforts made at the national and local levels towards implementing the effective NTFP enterprise development programs. However, there are various tools available at local level for both government and private sector users to develop NTFP based enterprises in a sustainable manner. Also, there are existence of several policy constraints which is affecting NTFP enterprise in the Terai and Siwaliks. The promotion of NTFP-based enterprises in the districts should consider various schemes which are appropriate to the forest/land management systems in the area (including tenure arrangement), the socio-economic conditions of the farmers, and technically viable plantation/cropping systems. For planning purposes, there is a need of prioritization of NTFPs for its development in district in order to focus the interventions on NTFP enterprises with high economic potential.

Nepal Biodiversity Strategy Implementation Plan (2006)

NBSIP (2006) focused on close linkage of biological resources, livelihoods and economic development, and mainstreamed the implementation plans to achieve the goals of Nepal Biodiversity Strategy (NBS) 2002. Conserve the biodiversity within and outside protected areas at landscape level and document and register biological resources and associated traditional knowledge, etc were major implementation plans of the NBSIP. An account of conservation of endangered (threatened) species was stated but it noted only on higher mammals. Even the account did not state on revision of conservation status of species which was most crucial for conservation assessment at regular time interval.

Sources: Kunwar et al. 2008a, 2008b, Olsen and Helles 2007, MPFS 2988, NBS 2002,