



नेपाल सरकार वन तथा वातावरण मन्त्रालय

पो.व.नं. : ३५८७
सिंहदरवार, काठमाडौं

पत्र संख्या :- ०८२/८३
चलानी नं. :- ३९२

नेपाल सरकार
रेड कार्यान्वयन केन्द्र
बबरमहल, काठमाण्डौं
दर्ता नं.:- ९५६
मिति:- २०८२/१२/०६

मिति २०८२/१२/०५

ने.सं. ११४६

श्री रेड कार्यान्वयन केन्द्र,
बबरमहल, काठमाडौं।

विषय: अनुदान निर्देशिकाहरू संशोधन सम्बन्धमा।

प्रस्तुत विषयमा तहाँ केन्द्रको च. नं. ३७० मिति २०८२/१०/१८ को पत्रको सन्दर्भमा लेखिदै छ। अर्थ मन्त्रालयको राय सहमति अनुसार समृद्धिका लागि वन परियोजनाको समुदायमा आधारित दिगो वन व्यवस्थापन अनुदान निर्देशिका (पहिलो संशोधन) तथा वृक्षारोपण अनुदान निर्देशिका (दोस्रो संशोधन) रेड कार्यान्वयन केन्द्रले लक्षित वर्ग र समुदायमा पुग्ने सुनिश्चितता सहित विवाद र विरोध नहुने गरी कार्यान्वयनको लागि पठाईएको व्यहोरा यस मन्त्रालय(मा. मन्त्रीस्तर) को मिति २०८२/१२/०३ को निर्णयानुसार अनुरोध छ।

डि.ए. बाबरमहल
क. ज.
Grant amount
Grant name
२०८२/१२/०५

स्मृति पहारी
२०८२/१२/०५

संरक्षण अधिकृत

Community-Based Sustainable Forest Management Grant Manual

Contents

Acronyms	3
1. Background	4
2. Objectives	4
3. Definitions	4
4. Technical Support Provisions	5
5. Provisions Related to Sustainable Forest Management Performance-Based Grants (SFMG)	8
5.1 Identification of Potential UGs	8
5.2 SFMG Payments Planning and Budgeting	9
5.3 Implementation, Monitoring, and Performance Evaluation	10
6. Maintenance of SFM Records and Reporting	11
7. Miscellaneous	12
Annex 1: Forest Management Performance-Based Grant (SFMG) Agreement	13
Annex 2: Program Municipalities	13
Annex 3: Key Actors and their Roles and Responsibilities	14



Signature

Acronyms

CBFM	Community-Based Forest Management
CFUG	Community Forest User Group
COFUG	Collaborative Forest User Group
DFO	Division Forest Office
ESMF	Environmental and Social Management Framework
ESS	Environmental and Social Standard
FFPP	Forests for Prosperity Program
IP	Indigenous Peoples
LHFUG	Leasehold Forest User Group
LRC	Land Registration Certificate
MWO	Municipal Ward Office
PEM	Plantation Establishment and Management Plan
PFD	Province Forest Directorate
PLMG	Public Land Management Group
PM	Provincial Ministry
PMU	Program Management Unit
PPG	Performance-Based Plantation Grant
SDFO	Sub-Division Forest Office(r)
SFM	Sustainable Forest Management
SFMG	Sustainable Forest Management Performance-Based Grant
UG	User Group (and denotes COFUG, CFUG, LFUG)



Handwritten signature or mark.

1. Background

The Government of Nepal recognizes the country's forestry sector as one of the economic sectors to contribute to the national vision "Happy Nepali, Prosperous Nepal." Various forestry programs are currently under implementation across the country contributing to the well-being of local communities, national prosperity, and climate change adaptation and mitigation through communities and ecosystem resilience building and reduced emissions from deforestation and forest degradation. Forestry for Prosperity Program (FFPP), identified as one of the game-changer programs, is currently under implementation in Lumbini and Madhesh Province. The program's goal is to improve sustainable forest management, increase forest benefits, and reduce net greenhouse gas emissions in the participating municipalities. The FFPP program, henceforth the program, provisions necessary resources, and inputs to initiate and expand private and public land plantations and improve natural forest management practices through technical assistance and performance-based grants in the participating municipalities.

This manual focuses on expanding and improving Sustainable Forest Management (SFM) practices through the implementation of SFM Performance-Based Grants (SFMG) under multiple Community-Based Forest Management (CBFM) systems. The Madhesh Province and the Lumbini Province governments will receive a **Conditional Grant** from the federal government to provide necessary technical support alongside SFMG payments from Division Forest Offices (DFOs) to the Community Forest User Groups (CFUGs), Collaborative Forest User Groups (COFUGs), and Leasehold Forest User Groups (LHFUGs). The program will be implemented in the 50 Municipalities of Madhesh Province and the Lumbini Province (Annex 2).

The Government of Nepal, Ministry of Forests and Environment, hereby operationalizes this **Sustainable Forest Management Performance-Based Grant Payment Manual** to administer and implement SFMG payments in support of CBFM User Groups (UG) involved in forest management.

2. Objectives

The overall objective of this manual is to support Madhesh Province and Lumbini Province governments in expediting SFM through SFMG payments to communities from DFOs in the participating Municipalities. The specific objectives are to:

- Enable communities to participate in SFMG payment initiative for increased production, productivity, and enhanced benefits from forests under multiple CBFMs
- Provide a stepwise direction to participating communities and DFOs for planning, implementation, monitoring, performance assessment, and payments of SFMGs alongside the necessary technical support

3. Definitions

Unless the subject or context otherwise requires, in this Manual,



- (1) "Beneficiaries" means community forest user group, collaborative forest user group, and pro-poor leasehold forest user group, collectively identified as "User Group (UG)" and the individual members within these groups.
- (2) "National forest" means all forest area that includes government-managed forest (GMF), Forest Conservation Area (FCA), Community Forest (CF), Collaborative Forest (COF), Religious Forest (RF), and Leasehold Forest (LHF).
- (3) "Community forest" means a part of the national forest handed over to CFUGs for protection, management, and use under sections 18 and 31 of the Forest Act (2019).
- (4) "Collaborative forest" means a part of the national forest managed in collaboration with Division Forest Office (DFO), Local Level, and COFUG pursuant to Section 23 and 31 of the Forest Act 2019.
- (5) "Leasehold Forests (pro-poor)" means a part of the national forest leased and managed by a group of identified poor households called pro-poor Leasehold Forest User Group (LHFUG) pursuant to Section 26 (2) of the Forest Act (2019).
- (6) "Community Based Forest Management" means all forests under management by community forest user group, collaborative forest user group, and pro-poor LHFUG, collectively identified as "User Group (UG)" under section 31 of the Forest Act (2019).
- (7) "Divisional Forest Officer" means the chief of Division Forest Office deputed by the Government of Nepal under the prevailing law is responsible for implementation of sustainable forest management.
- (8) "Provincial ministry" means the ministry of the provincial government, which is responsible for forest-related matters.
- (9) "Municipality" means Rural Municipality, Municipality, Sub-Metropolitan City, and Metropolitan City.
- ✓ (10) "Sustainable forest management" means forests managed in line with the principles and criteria of sustainability and according to the provisions of an agreed management plan and is yielding multiple-use forest products and services taking into account climate change adaptation and mitigation including conservation pond and log yard development and improvement .
- (11) ESMF means Environmental Social management Framework prepared for addressing the environmental and social risk of FFPP project activities

4. Technical Support Provisions

The program will provide technical support through the DFOs to undertake the following works under the SFMG payment initiative.

- (1) Revise existing forest management plans under CBFM ensuring
 - a. Updated mapping of the forest area under CBFM with a combination of cadastral survey maps and GPS survey
 - b. Improved forest management for increased production and productivity
 - c. Improved forest health and enhanced services from forest ecosystems
 - d. Improved governance through enhanced transparency, accountability, participation, and inclusion of women, IPs, Madhesis, Muslims, Dalits, and forest-dependent poor
 - e. Access to skill, technology, and equipment to UGs and their committees

- f. Consistency with ESMF and meet the requirements of the triggered Environmental and Social Standards including approved standards and guidelines
 - g. Short training events and coaching to UGs on matters related to legal and regulatory provisions, documentation and office record management, account keeping, group management, report writing, safeguard and related matters
- (2) Expand and strengthen CBFM ensuring
- a. New UG formation including constitution and management plan preparations adopting transparent, accountable, and inclusive participatory process with particular attention and priority to women, Indigenous Peoples, Madhesis, Dalits, landless, and forest-dependent poor
 - b. Ensure strict adherence to the Community Forestry Development Guidelines, ESMF, and the requirements of ESS, and approved SFM standards and guidelines
 - c. Access to skill-development opportunities, technology, and equipment to UG members
 - d. Short training events and coaching on matters related to legal and regulatory provisions, documentation and office record management, account keeping, group management, report writing, and related matters
 - e. Support preparing and submitting necessary documents for recommendation, approval, registration, and certification
- (3) Extended assistance to LHFUGs under the section 26(2) of Forest Act (2019) and pro-poor leasehold group within CFUGs specifically targeting women, Indigenous Peoples, Madhesis, Muslims, Dalits, and forest-dependent and landless poor for
- a. Leasehold forest management and livelihood improvement plan preparation and its implementation support
 - b. Small-scale commercial NTFP farming, forest-based enterprise
 - c. Strengthening traditional occupational enterprises of women, IPs, Madhesis, and Dalits
 - d. Appropriate awareness and skill enhancement events, access to skill, technology, and equipment
 - e. Maintaining strict adherence to LHF guidelines to ensure social inclusion and consistency with ESMF and meet the requirements of ESS and approved standards and guidelines
- (4) Develop a plan with activities to participate in the SFMG payment initiative to be included in the annual plan for within the terms and conditions.
- a. The proposal must be within the scope of the DFO approved and active management plan with activity-wise estimated cost, implementation calendar, proposed cost-sharing between the UG and the DFO for activities such as but not limited to (Table 2).
 - b. Compliance with SFM standards, provincial and federal regulatory instruments, and comply with the ESMF provisions and required standards.
 - c. The management plans must be implemented in accordance approved management plans.
 - d. Each Sub-Division Forest Office (SDFO), upon request from the concerned UGs, will support the development of the plan.

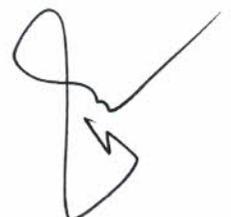
✓ Table 2. One-year plan of operations

(Name) UG (Address) Proposed Plan of Operations to Participate SFMG Payment Initiative Fiscal year 20							
Activities	Unit	Unit cost	Activity calendar		Total cost in NRs.		
			Year	Month	UG	DFO	Total
The management plan preparation/revision (survey, mapping, block division, inventory, marking, plan writing)	No						
Fireline construction and Maintenance	Meter						
Fencing (if required)	Meter						
Watcher (if required)	Year						
Thinning	Ha						
Harvesting and yarding	Cft						
Natural regeneration promotion	Ha						
Wildlife habitat, soil, and water source management	No						
LHF and livelihood improvement plan for new and existing pro-poor LHFUGs and leasehold groups within CFUGs as specified in clause 3 (include activity-wise costs as above)	No						
Others (identify and add rows)							
Total							
Signature Secretary				Signature Chairperson			

✓ Note to the proposal: It is informed that the proposed activities will be evaluated based on the following criteria. The plan will be evaluated by Divisional Forest Officer upon recommendation by assigned Forest Officers for the programme implementation.

- i. Submitted plan for implementation (25%)
- ii. Approved management/operational plan (35%)
- iii. Timely annual audit, Financial and general reporting to DFOs (25%)
- iv. Inclusion of women, IPs, Madhesis, and Dalits in key posts (15%)

(5) Support the Lumbini Province and Madhesh Province to DFOs and participating municipalities to fulfill their assigned roles and responsibilities as mentioned in this manual.

- (6) Ensure compliance with the Public Procurement Act and (2007), the Public Procurement Rule (2008), and the government of Nepal's standard norms while estimating costs and procuring service providers.

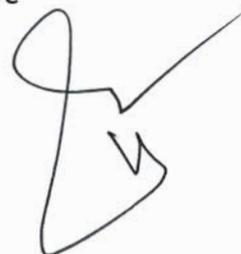
5. Provisions Related to Sustainable Forest Management Performance-Based Grants (SFMG)

The participating UGs will develop a simple and locally appropriate SFMG payment proposal as mentioned in section 4(4) of this manual to include and integrate into the DFO and provincial planning and reporting system. Selected UGs will receive SFMG payments from the concerned DFOs based on the performance of their "Forests" and implementation status of approved "Management Plans" including harvesting, logging, and utilization plan.

5.1 Identification of Potential UGs

Each Sub-Division Forest Office (SDFO) will identify the interested UGs, collect their application, and submit them to the Division Forest Office (DFO) on the following basis

- (1) Each participating DFOs, SDFOs, and Provincial PMU will publicly notify the SFMG payment initiative to UGs along with the accompanying technical assistance.
- (2) All UGs having an active management plan are eligible to apply. Women-led UGs are encouraged in particular.
- (3) Interested UGs can apply to the nearest SDFO or directly to the DFO expressing their interests with a cover letter for necessary approval and inclusion in the SFMG payment planning. The plan contain the following documents
 - a. A copy of the detailed plan of operations/activities and budget required for one year according to sections 4(4) of this manual
 - b. A copy of the annual report for existing UGs
 - c. A copy of the UG's committee decision and a commitment letter agreeing with the terms and conditions of the SFMG payment initiative
 - d. A summary of UG's achievements and strengths such as the number of households, the status of regular meetings and assemblies, production, income and expenditure, employment and income generation initiative, condition of the forest.
- (4) All pro-poor LHFUGs and UGs having provisions of pro-poor land allocation for women, landless, identified poor group in their approved management plans are especially encouraged to apply with the following documents attached
 - a. Detailed SFM and livelihood improvement plan and budget required for next three years as according to section 4(4) of this manual
 - b. A copy of UG's decision to participate in the SFMG payment initiative



- (5) Each SDFO will verify the application with the official record, compile, and forward the compiled applications to the concerned DFOs for necessary screening, planning, and budgeting.

5.2 SFMG Payments Planning and Budgeting

Each DFO will integrate SFMG payment initiatives to UGs into the provincial planning and budgeting system on the following basis

- (1) A screening committee formed under the convenorship of the DFO will select the potential UGs for each of the SDFOs.
- | | |
|---------------------------------|------------------|
| a. DFO | convener |
| b. Chief of the account section | member |
| c. FFPP Focal Officer | member-secretary |
- (2) With a priority to the following, the committee will prepare and operationalize its working procedure and selection criteria based on local circumstances, with special attention and priority given to including women, Indigenous Peoples (IPs), Madhesis, Muslims, Dalits, and forest-dependent poor, and obtain DFO approval.
- a. Legal tenure expired (back-log) management plan revisions.
 - b. Expansion of pro-poor LHF and leasehold groups within CFUGs if possibilities.
 - c. SFM initiative that triggers entrepreneurship or small forest-based enterprise.
 - d. Ensure that the planned operations are within the scope of the approved management plan.
 - e. Grant Provision for Community-Based Sustainable Forest Management will be as follows:
 - (1) User Groups shall be classified based on their verified annual turnover and operational profile.
 - (2) Except for Leasehold Forest User Groups (LFUGs), the User Groups with an annual turnover of less than Nepalese Rupees Five Hundred Thousand (NPR 500,000) shall be eligible to receive a grant covering up to eighty percent (80%) of the total approved cost of the proposed activity. The remaining twenty percent (20%) shall be contributed by the concerned User Group from its own resources.
 - (3) Except LFUGs, the User Groups with an annual turnover equal to or exceeding Nepalese Rupees Five Hundred Thousand (NPR 500,000) shall be eligible to receive a grant covering up to fifty percent (50%) of the total approved cost of the proposed activity. The remaining fifty percent (50%) shall be contributed by the User Group from its own resources as a matching fund.
 - (4) The LFUGs shall be eligible to receive a grant covering one hundred percent (100%) of the total approved cost of the proposed activity.
 - (5) Despite the provisions mentioned in points (1) to (4) above, if the User Groups wish to construct forest log yards or conservation ponds to support sustainable forest management, they may submit a separate request letter to the Division Forest Office. Based on such a request, the Division Forest Office may provide the approved amount covering one hundred per cent grant to the group's account according to the cost estimate and the agreement.



- f. The payment will be based on recommendation by DFO or assigned forest technicians above Ranger level including a monitoring report jointly with User Group representative.
- (3) The planning section will collect, compile, and verify the applications, prepare the draft SFMG payment agreements based on the approved criteria and submit the applications to the screening committee.
- (4) The committee will select the potential grantee UGs based on the approved criteria and available annual budget ceiling for SFMG payments. The applicants not covered in the first-year plan will be included in the following year plan and immediately notified accordingly.
- (5) The following year's annual plan and budget will include the second installment of the first-year participants and the first installment of the new participating UGs.
- (6) The screening committee will submit the list of selected grantees with their names, addresses, forest area, and proposed budget to the DFO to include in the DFO annual plan and budget.
- (7) The DFO and the UG chair will sign a SFMG payment agreement (annex 1) in the witness of the provincial PMU representative.
- (8) The DFO shall incorporate SFMG payments into the annual plan and budgeting. This process will continue on a regular annual basis and will be an integral part of the DFO and provincial-level planning process.

5.3 Implementation, Monitoring, and Performance Evaluation

Each DFO will take the following approach to the implementation, monitoring, and performance evaluation of the SFMG payment initiatives to UGs.

- (1) The implementation of the management plan consistent with the ESMF and required approved standards and guidelines will be the sole responsibility of concerned UGs. Failures of the plan implementation will not induce any financial obligations to the DFO and the Provincial PMU.
- (2) Each participating UGs will maintain an implementation register with activity-wise dates, number of members, employed forest workers engaged, and encountered problems (if any)
- (3) The concerned SDFO and the provincial PMU staff will regularly visit the SFM sites, discuss with the participant UG representatives, and provide necessary technical and other suggestions in writing on the implementation register. The monitoring person in each site visit must assess both the activities' content and the implementation process and report the DFO and provincial PMU.
- ✓ (4) The concerned SDFO, or Ranger assigned by the DFO will assess performance in accordance with the SFMG performance assessment and payments rationale (Table 3) and recommend SFMG payments to the DFO. The criteria to be complied with for payment and documents to be submitted for each payments will be outlined in the agreement with grantee. The DFO will deposit the SFMG payments into the grantee's bank account based on the recommendation of the joint monitoring team.

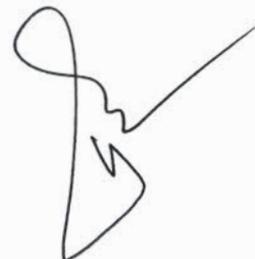
✓ Table 3. SFM performance assessment and installment payment rationale

Grant Installments	Baseline to compare and weightage of performance	SFM Grant Percentage
First installment	As mentioned in the note to the proposal	Maximum 40% of the signed amount
Second or Final installment	As of the first installment	Maximum 60% or remaining of the signed amount

- (5) The entire SFMG payments system must strictly follow the principles of participation, inclusion, transparency, and accountability.
- (6) The Provincial Ministry (PM) will allocate a dedicated budget for monitoring and assessment of SFMG payment initiatives for each DFOs.
- (7) The DFO will integrate the FFPP activities monitoring and reporting in the existing district and provincial monitoring system.

6. Maintenance of SFM Records and Reporting

- (1) The entire activities under SFMG will be implemented, monitored, recorded, and reported strictly with the principle of participation, inclusion, and adaptive management while action learning, best practices, and both successes and failures will be documented for learning across the different levels.
- (2) It will be ensured that each year's SFM monitoring data are recorded, maintained, and managed at the Sub-Division, District, Provincial, and Federal level and that they are integrated into reporting across all governance levels.
- (3) The participating user groups, concerned SDFO, DFO, and Provincial Forest Directorates will be involved in the monitoring and reporting at various governance levels.
 - (a) Forest-level (site-level) data will be collected by the concerned SDFO and/or DFO employed service provider
 - (b) The user group and their office bearer members will also be involved in measuring and monitoring activities, collecting forest-level information, and socio-environmental baseline data for the Information System (SIS)
 - (c) GPS location and digital map of the SFM site, the name of the place, the area and species, and the year of the SFM intervention will all be recorded for tracking/monitoring purposes.
- (4) The data thus captured will be fed and integrated into the publicly accessible web-based National Forest Management Information System which is also envisioned by the project under the different components. Each beneficiary, implementer, interested individual, and organization across all governance levels can access the updated data thus contributing to the maintenance of transparency and accountability.
- (5) The process of capturing data, managing, and reporting will be institutionalized and continued even after the project support. The concerned DFO under the Forest Act 2019 and the Forest Regulations 2022 will continue providing technical and administrative service to the participating user groups even after the project.

7. Miscellaneous

- (1) The DFOs, Provincial Forest Directorates, Provincial Ministries, and the PPMUs will ensure harmonized coordination with the user groups and stakeholders for the smooth implementation of the SFM activities under the project's support and that SFM activities are carried out consistent with the ESMF and required approved standards and guidelines. Respective DFOs', Provincial Forest Directorates, and PPMUs will receive any grievances over the use and misuse of funds, choice of silviculture system and species, and other community-based forest management-related matters. Those grievances will be recorded and immediately submitted to the concerned Provincial Forest Directorate and PMU for necessary action and follow-up. The Provincial Forest Directorate and PMU will include the details of grievance redressed in their annual report.
- (2) This manual can be revised and updated as necessary during the project period. The amendment will be made by the Ministry based on the recommendation of Federal Level PSC and Province Level PSC.
- (3) If a controversy, dispute, or claim arises during the implementation process, the DFO will immediately notify the Provincial Forest Directorate for arbitration, and the PFD's decision will be final.



Annex 1: Forest Management Performance-Based Grant (SFMG) Agreement

This SFMG contract is signed between the [Division Forest Office] and the [User Group] for the completion of activities (Table 2) under sustainable forest management in [Name of the forest and address], and has been made effective on [date of the contract] and shall remain in effect until [date of termination].

Terms and conditions

1. Scheduled activities must be completed within the set end date and in any case not later than the end of the third trimester.
2. ✓ SFMG will not exceed the proportion of the grant based on the approved estimated total cost of NPR (....in words...) and will be provided in two installments of 40%, and 60% for the first, and second or final payment as per agreement after performing the activities according to the provision of 5.2 (2) e.
3. ✓ UG's SFMG payments will be based on a performance assessment report by the concerned SDFO, or Ranger assigned by the DFO.
4. The UG may request SFMG payments with a report including proof of the progress of the agreed activities mentioned in the approved proposal. A progress report may be submitted to the SDFO or directly to the DFO. The DFO will process the UG's performance grants and deposit the assessed grant amount in UG's bank account.
5. In case one or more activities as indicated in the approved proposal are not successfully completed, the DFO may also reduce the SFMG payments allocated to the activity or, if necessary, terminate the SFMG contract
6. The UG will be solely responsible for carrying out the planned activities. Failure to implement the planned activities will not induce any financial obligations to the DFO and the Provincial PMU.

[Signature]

[Signature]

Name

Name

Position

Position

Address

Address

Contact No

Contact No

Stamp

Stamp

Witness:

[Date]

Annex 2: Program Districts

SFMG payments are available in the project districts of Lumbini and Madhesh Province. The Districts are Saptari, Siraha, Dhanusha, Mahottari, Sarlahi, Rautahat, Bara and Parsa in Madhesh Province and Nawalparasi west, Rupandehi, Palpa, Arghakhanchi, Gulmi, Kapilvastu, Dang, Pyuthan, Rolpa, Rukum East, Banke and Bardiya in Lumbini Province.



Annex 3: Key Actors and their Roles and Responsibilities

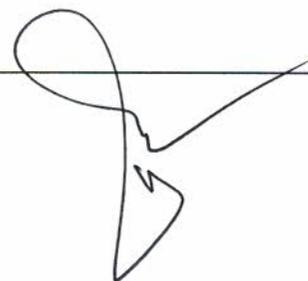
Nepal’s Constitution (2015), the Forest Policy (2019), the Forest Act (2019), and the regulations (2022) all place national forest management under provincial jurisdictions. The provincial ministries of Lumbini and Madhesh Province, therefore, have the primary responsibilities for implementing sustainable forest management in their respective jurisdictions. On their various levels, Provincial Forest Directorates (PFD) under each ministry, Divisional Forest Offices (DFOs) under PFD and SDFOs further down to the communities under each DFO are responsible for sustainable forest management. In addition to the tasks outlined in the previous sections of this manual, provincial ministries will develop and implement provincial-level operational standards for private-sector-friendly simple harvesting and transportation operations. The ministries will also use internal resources to incentivize, scale-up, and expand the establishment of new forests under CBFM, while also enhancing existing management practices through management plan amendments and implementation support. The below table presents the key actors, stakeholders, and their major roles in promoting SFMG payment initiatives.

Table 0. Major actors and their key functions in the SFMG payments

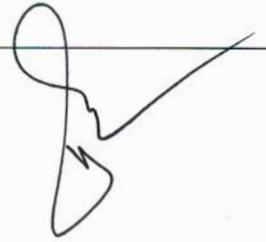
Key actors	Major roles
Federal Ministry REDD IC, PMU, and DOFSC	<ul style="list-style-type: none"> ▪ High-level policy guidance ▪ Occasional monitoring and feedback to PFD and DFOs ▪ Overall performance assessment
Provincial Ministry	<ul style="list-style-type: none"> ▪ Province-level policy directions ▪ Planning and budgeting ▪ Conduct monitoring as required and provide necessary guidance and feedback to DFOs and SDFOs ▪ Ensure integration FFPP program with gender and social inclusion disaggregated data in the ministerial level planning and progress reporting
PFD	<ul style="list-style-type: none"> ▪ Support DFOs in planning, budgeting, and implementing SFMG payment initiative ▪ Conduct regular monitoring and provide written feedback and technical input to the DFOs, SDFOs, and participating CFUGs ▪ Represent in joint monitoring events
Provincial PMU	<ul style="list-style-type: none"> ▪ Facilitate and financially support DFOs and participating UGs with technically sound and quality inputs such as quality harvesting equipment, skilled service providers other required resources ▪ Monitor and report to the MEO, DFO, and PFD ▪ Respect and comply with federal and provincial policy and regulatory instruments on private and public land forestry ▪ Other relevant technical assistance as assigned by the federal PMU
DFO and SDFO	<ul style="list-style-type: none"> ▪ Integrate FFPP planning, monitoring, and reporting in the established system. ▪ Support, forestry staff for SFMG payment program ▪ Support and facilitate participating UGs and work as the technical service provider

Key actors	Major roles
	<ul style="list-style-type: none"> ▪ Design and implement district-level training and capacity building events ▪ Conduct regular monitoring and provide supportive feedback ▪ Encourage and inspire women, Indigenous Peoples, Dalits, and forest-dependent poor to participate in performance-based plantation grant payments
Municipal Executive Office, Ward Office	<ul style="list-style-type: none"> ▪ Provide municipal-level policy directions to UGs ▪ Facilitate and support UGs along with regular monitoring and feedback ▪ Support, and assist with the necessary funding from internal sources ▪ Empower UGs to promote gender equality, social inclusion, and social safeguards ▪ Represent in SFM joint monitoring and performance assessments
Experts and Specialists in PPMUs	<ul style="list-style-type: none"> ▪ Oversee the implementation of the technical assistance in collaboration with local stakeholders and ensure that the required products and services are produced in a timely manner and to the quality expected ▪ Ensure the activities related to community empowerment and technical assistance are implemented in a timely and coordinated manner ▪ Facilitate SFM activities including the implementation of SFM grant mechanism ▪ Monitor and provide ongoing technical advice and guidance to Province Ministry, Forest Directorate, DFO, Local Government, project implementation teams and service providers ▪ Collaborate with concerned government officers, implementers, relevant stakeholders, and institutions to improve the management of social and environmental safeguards and maintain the technical quality of private and public land plantations
Concerned Local-level, CBOs, NGOs,	<ul style="list-style-type: none"> ▪ Awareness raising and capacity building ▪ Social mobilization ▪ Encourage, empower, and facilitate the private forest owners and PLMGs for inclusive, quality, and competitive performance ▪ Advocate for transparency and accountability
CFUGs, COFUGs, and LHFUGs (communities)	<ul style="list-style-type: none"> ▪ Mobilize UG members perspectives on SFM, include and empower especially women, IPs, Madhesis, Dalits, and forest-dependent poor ▪ Maintain transparency and accountability through up to date record management, double-entry account keeping, timely reporting, public audits ▪ Maintain the constitution and management plans active and within the legal tenure ▪ Participate in relevant skill development and awareness-raising events organized by DFO/SDFO, PMU, and other institutions ▪ Organize in clusters/landscapes for economies of scale of production, forest fire management, entrepreneurship development, and other income generation initiatives ▪ Remain in constant contact with neighbouring UGs for necessary cooperation and collaboration, and report problems (if any) ▪ Bring best and innovative practices to the higher level

Sansuati



Key actors	Major roles
Service providers	<ul style="list-style-type: none"><li data-bbox="340 179 951 216">▪ Advocate for transparency and accountability<li data-bbox="340 227 951 265">▪ Provide service as specified in the agreement<li data-bbox="340 276 1151 314">▪ Facilitate and support UGs, organize capacity building events<li data-bbox="340 325 1025 362">▪ Organize and participate in joint monitoring events<li data-bbox="340 373 1044 411">▪ Report to the MWO, MO, PMU, and SDFO/DFO/NPO



Comparison of CBFM Grant Manual Provisions (2022 vs. 2025 Amendment)

S.N.	Existing Provisions (Original Document)	Revised Provisions (2025 Amendment)	Justification for Revision
3.10	(10) "Sustainable forest management" means forests managed in line with the principles and criteria of sustainability and according to the provisions of an agreed management plan and is yielding multiple-use forest products and services taking into account climate change adaptation and mitigation.	(10) "Sustainable forest management" means forests managed in line with the principles and criteria of sustainability and according to the provisions of an agreed management plan and is yielding multiple-use forest products and services taking into account climate change adaptation and mitigation including conservation pond and log yard development and improvement .	थप स्पष्ट गरिएको ।
4.4	Table 2. Three-Year plan of operations	Table 2. One-Year plan of operations	परियोजनाका प्राथमिकताहरू परिवर्तन भइरहँदा योजना प्रभावकारी बनाउन र अनुकूलन गर्न एक वर्षे कार्य सञ्चालन योजनामा रूपान्तरण ।
4.4	Note to the proposal: It is informed that the proposed activities' performance will be evaluated on the following criteria before SFMG payments are made i. Implementation of APO as per the calendar (25%) ii. Conservation status such as stand quality, biodiversity, water-source protection (20%) iii. Maintenance of transparency and accountability including regular committee and assemblies, strong internal	Note to the proposal: It is informed that the proposed activities will be evaluated based on the following criteria. The plan will be evaluated by Divisional Forest Officer upon recommendation by assigned Forest Officers for the programme implementation. i. Submitted plan for implementation (25%) ii. Approved management/operational plan (35%)	लागू हुने मूल्यांकन मापदण्डको लागि ।

Arupa

[Signature]

[Signature]

	<p>monitoring system, public audit, stakeholder coordination (15%)</p> <p>iv. Judicial benefit-sharing system (15%)</p> <p>v. Timely annual audit, Financial and general reporting to DFOs and MO (15%)</p> <p>vi. Inclusion of women, IPs, Madhesis, and Dalits in key posts (10%)</p>	<p>iii. Timely annual audit, Financial and general reporting to DFOs (25%)</p> <p>iv. Inclusion of women, IPs, Madhesis, and Dalits in key posts (15%)</p>	
5.1 Clause 3	<p>(3) Interested UGs can apply to the nearest SDFO or directly to the DFO expressing their interests with a cover letter for necessary approval and inclusion in the SFMG payment planning. The proposal must contain the following documents</p> <p>a. A copy of the detailed plan of operations and budget required for the next three years according to sections 4(4) of this manual</p>	<p>(3) Interested UGs can apply to the nearest SDFO or directly to the DFO expressing their interests with a cover letter for necessary approval and inclusion in the SFMG payment planning. The plan contain the following documents</p> <p>a. A copy of the detailed plan of operations/activities and budget required for one year according to sections 4(4) of this manual</p>	<p>परियोजनाका प्राथमिकताहरूसँग अनुकूलन गर्न र योजना सरल बनाउन एक वर्षे कार्य योजनाको लागि अनुदान उपलब्ध गराउन आवश्यक भएको ।</p> <p>परियोजनाको अवधि पनि छोटो भएको तथा स्थान विशेष एक वर्षे कार्यको लागि लगानी पनि सहज हुने भएकोले ।</p>
5.2 Clause 2	<p>(2) With a priority to the following, the committee will prepare and operationalize its working procedure and selection criteria based on local circumstances, with special attention and priority given to including women, Indigenous Peoples (IPs), Madhesis, Muslims, Dalits, and</p>	<p>(2) With a priority to the following, the committee will prepare and operationalize its working procedure and selection criteria based on local circumstances, with special attention and priority given to including women, Indigenous Peoples (IPs), Madhesis, Muslims, Dalits, and forest-dependent poor, and obtain DFO approval.</p>	

	<p>forest-dependent poor, and obtain DFO approval.</p> <ol style="list-style-type: none"> Legal tenure expired (back-log) management plan revisions Expansion of pro-poor LHF and leasehold groups within CFUGs SFM initiative that triggers entrepreneurship or small forest-based enterprise Ensure that the planned operations are within the scope of the approved management plan Ensure that the planned SFMG payments do not exceed 50% of the estimated cost and are made in three installments of 40%, 30%, and 30% for the first, second, and third years 	<ol style="list-style-type: none"> Legal tenure expired (back-log) management plan revisions Expansion of pro-poor LHF and leasehold groups within CFUGs if possibilities SFM initiative that triggers entrepreneurship or small forest-based enterprise Ensure that the planned operations are within the scope of the approved management plan Grant Provision for Community-Based Sustainable Forest Management will be as follows: <ol style="list-style-type: none"> User Groups shall be classified based on their verified annual turnover and operational profile. Except for Leasehold Forest User Groups (LFUGs), the User Groups with an annual turnover of less than Nepalese Rupees Five Hundred Thousand (NPR 500,000) shall be eligible to receive a grant covering up to eighty percent (80%) of the total approved cost of the proposed activity. The remaining twenty percent (20%) shall be contributed by the concerned User Group from its own resources. Except LFUGs, the User Groups with an annual turnover equal to or exceeding Nepalese Rupees Five Hundred Thousand (NPR 500,000) shall be eligible to receive a grant 	<div style="text-align: center;">  <p>नेपाल सरकार वन तथा वातावरण विभाग सिंहदरवार, काठमाडौं</p> </div> <p>वन व्यवस्थापनमा समावेशीता र स्थिरता सुनिश्चित गर्न सीमान्तकृत र न्यून आय भएका समुदायहरूलाई थप वित्तीय सहयोग प्रदान गर्दछ।</p>
--	---	--	---

		<p>covering up to fifty percent (50%) of the total approved cost of the proposed activity. The remaining fifty percent (50%) shall be contributed by the User Group from its own resources as a matching fund.</p> <p>(4) The LFUGs shall be eligible to receive a grant covering one hundred percent (100%) of the total approved cost of the proposed activity.</p> <p>(5) Despite the provisions mentioned in points (1) to (4) above, if the User Groups wish to construct forest log yards or conservation ponds to support sustainable forest management, they may submit a separate request letter to the Division Forest Office. Based on such a request, the Division Forest Office may provide the approved amount covering one hundred per cent grant to the group's account according to the cost estimate and the agreement.</p> <p>f. The payment will be based on recommendation by DFO or assigned forest technicians by DFO above Ranger level including a monitoring report jointly with User Group representative.</p>	
--	--	---	---

[Handwritten signatures and initials]

5.2 Clause 8	(8) The DFO shall incorporate SFMG payments into the annual plan and submit the compiled and integrated plan and budget to PFD and provincial ministry for inclusion in provincial planning and budgeting. This process will continue on a regular annual basis and will be an integral part of the DFO and provincial-level planning process.	(8) The DFO shall incorporate SFMG payments into the annual plan and budgeting. This process will continue on a regular annual basis and will be an integral part of the DFO and provincial-level planning process.	नियमित योजना प्रक्रियासँग तालमेल मिलाउनका लागि।
5.3 Clause 4	(4) The concerned SDFO, or officer assigned by the DFO or PFD, or an independent expert , will assess performance in accordance with the SFMG performance assessment and installment payments rationale (Table 3) and recommend SFMG payments to the DFO. The criteria to be complied with for payment of each installment and documents to be submitted for each installment payments will be outlined in the agreement with grantee. The DFO will deposit the SFMG payments into the grantee's bank account based on the recommendation of the joint monitoring team.	(5) The concerned SDFO, or Ranger assigned by the DFO will assess performance in accordance with the SFMG performance assessment and payments rationale (Table 3) and recommend SFMG payments to the DFO. The criteria to be complied with for payment and documents to be submitted for each payments will be outlined in the agreement with grantee. The DFO will deposit the SFMG payments into the grantee's bank account based on the recommendation of the joint monitoring team.	समुदायमा आधारित वन व्यवस्थापन समूहहरू सामुदायिक वन तथा गरीबको लागि कबुलियती वन उपभोक्ता समूहहरूको गठन, हस्तान्तरण तथा कार्ययोजना स्वीकृत गर्ने अधिकार वन ऐन २०७६ को दफा १८ डिभिजनल वन अधिकृतलाई रहेको छ । यसै गरी साझेदारी वन व्यवस्थापन उपभोक्ता समूह मार्फत वन कार्ययोजनाको कार्यान्वयन गर्ने जिम्मा प्राविधिक रुपमा डिभिजन वन कार्यालयलाई नै रहेको छ । उपभोक्ता समूहहरूको



Handwritten signature and initials in black ink.

			<p>वन कार्ययोजनाको कार्यान्वयनको अनुगमन गर्ने जिम्मेवारी डिभिजन वन कार्यालय । डिभिजनल वन अधिकृतको रहेको तथा यसको अनुगमनको कार्यमा डिभिजनल वन अधिकृतले तोकेको अधिकृत वा रेञ्जरले नै गर्न सकिने रहेको छ । यसै गरी वन ऐन २०७६ को दफा ८० उपदफा (३) मा भएको व्यवस्था अनुसार डिभिजनल वन अधिकृतले जिल्लाभिन्न विभिन्न वन व्यवस्थापन पद्धति अपनाई व्यवस्थापन भएका वनको अनुगमन तथा मूल्याङ्कन गरी सो को प्रतिवेदन मन्त्रालय तथा प्रदेश मन्त्रालय समक्ष पेश गर्नु पर्नेछ भन्ने व्यवस्था रहेको छ । यस अनुरूप पनि प्रमुख जिम्मेवारी डिभिजनल वन अधिकृतलाई नै बनाएको छ । यसै अनुसार सामुदायिक वनको</p>
--	--	--	--



Handwritten signature

Handwritten signature

Handwritten signature

हकमा वन नियमावली २०७९ नियम ४६ को उप नियम (१५) मा डिभिजनल वन अधिकृत वा निजले खटाएको वन प्राविधिक कर्मचारीले आफ्नो कार्य क्षेत्र भित्रको सामुदायिक वनको निरिक्षण, अनुगमन तथा मूल्याङ्कन गरी डिभिजन वन कार्यालयमा प्रतिवेदन पेश गर्नु पर्नेछ भन्ने व्यवस्था रहेको छ।

यसको साथै साझेदारी वनको हकमा नियम ५८ को उपनियम (२) मा साझेदारी वन उपभोक्ता समूहले कोषको रकम सो समूहले स्वीकृत गरेको कार्यक्रम र योजनामा मात्र खर्च गर्नु पर्नेछ । यसरी कोषको रकम खर्च गर्दा डिभिजन वन कार्यालयबाट कार्यक्रम स्वीकृत गराएर मात्र गर्नु पर्नेछ । यसै गरी नियम (६) मा डिभिजनल



			<p>वन अधिकृत वा निजले खटाएको कर्मचारीले साझेदारी वन उपभोक्ता समूहले राखेको लेखा र अभिलेख आवश्यकता अनुसार जाँचबुझ गर्न सक्नेछ भन्ने व्यवस्था रहेको छ । कबुलियती वनको हकमा ऐ नियम ७३ मा डिभिजनल वन अधिकृतले कबुलियती वन उपलब्ध गराउन सक्ने र कार्ययोजना स्वीकृत गर्ने व्यवस्था रहेको छ ।</p> <p>प्रदेशमा यस परियोजनाको सञ्चालन प्रदेश वन निर्देशनालयले गर्ने र मन्त्रालयले परियोजनालाई रणनीतिक निर्देशन दिने भएकोले प्रत्येक कार्यको अनुगमन मन्त्रालय तहबाट गराउन व्यवहारिक नभएको हुँदा यो प्रावधानलाई परिमार्जन गर्नको लागि अनुरोध छ । मन्त्रालयबाट</p>
--	--	---	--

Handwritten signature and initials

						बारम्बार अनुगमन गर्ने व्यवस्थाबाट भूक्तानी कार्यमा झन् ढीलो हुन जाने महसुस गरिएको छ । यसमा मन्त्रालय तहबाट विभिन्न समयमा अनुगमन हुने गरेको छ । विभिन्न समयमा गरिने अनुगमन तथा मूल्याङ्कनको कार्य प्रभाव अध्ययनको रूपमा गर्ने व्यवस्था प्रचलित प्रावधानमा रहेकै छ ।
--	--	--	--	--	--	--

5.3 Table 3	Grant Installments	Baseline to compare and weightage of performance	SFM Grant Percentage	Grant Installments	Baseline to compare and weightage of performance	SFM Grant Percentage	प्रशासनिक व्यवस्थापनका लागि कार्यवोझ तथा आते जाते खर्च बढी हुन जाने भएकोले दुइ किस्ता गरिएको हो । दुइ किस्तामा भूक्तानी गर्दा काम गर्दा गर्दै वा कार्य सम्पादन पश्चात भूक्तानी हुने भएकोले र परियोजनाको अवधि एक वर्ष मात्र बाँकी रहेको हुनाले दुइ किस्तामा भूक्तानी हुन मनाशिव देखिन्छ । किस्ता उपलब्ध गराउँदा उपभोक्ता समूह तथा
	First installment	As mentioned in the note to the proposal	Maximum 40% of the signed amount	First installment	As mentioned in the note to the proposal	Maximum 40% of the signed amount	
	Second installment	As of the first installment	Maximum 30% of the signed amount	Second or Final installment	As of the first installment	Maximum 60% or remaining of the signed amount	
	Third installment	As of the first installment	Maximum 30% of the signed amount				



			सम्बन्धित वन कार्यालयको वन प्राविधिकले अनुगमन गरी पेश गरेको प्रतिवेदनको आधार तथा डिभिजनल वन अधिकृतले पनि यस कार्यको अनुगमन गर्ने भएकोले यस्तो प्रावधान राखिएको हो ।
Annex 1 Clause	<p>2. SFMG will not exceed 50% of the approved estimated total cost of NPR (...in words...) and will be provided in two installments of 40%, and 60% for the first, and second or final payment as per agreement after performing the activities.</p> <p>3. UG's SFMG payments will be based on a performance assessment report by the concerned SDFO, or Ranger assigned by the DFO.</p>	<p>2. SFMG will not exceed the proportion of the grant based on the approved estimated total cost of NPR (...in words...) and will be provided in two installments of 40%, and 60% for the first, and second or final payment as per agreement after performing the activities according to the provision of 5.2 (2) e.</p> <p>3. UG's SFMG payments will be based on a performance assessment report by the concerned SDFO, or Ranger assigned by the DFO.</p>	<p>भुक्तानी प्रक्रिया सरल बनाउँदै र प्रशासनिक बोझ कम गर्दै दोस्रो र तेस्रो किस्तालाई एकै पटकको अन्तिम किस्तामा मिलाइएको छ भने मुख्य बुँदाहरूमा भएको संशोधन बमोजिम मिलाइएको ।</p>



Handwritten signature: Anapa

Handwritten signature: [Signature]