

# Strengthening sustainable forest management and bioenergy markets: Lessons learned in Cambodia

Working paper



## Overview

- Community forestry management plans (CF-MPs) should focus on improving profits from the sale of existing products using value chain analysis in areas where community forestry products have not yet been identified;
- ForInfo's improved and clearer community forestry guidelines for writing management plans can help expedite the process of evaluating and approving CF-MPs; and
- Applying appropriate harvesting technologies (AHTs), coppicing and establishing plantations with fast-growing species can help community forestry fuelwood to compete with unsustainable or illegal sources in the market.

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RECOFTC - The Center for People and Forests

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For more information about ForInfo project, visit [www.recoftc.org/project/forinfo](http://www.recoftc.org/project/forinfo)

## Introduction

The UNDP-GEF-funded sustainable forest management (SFM) project 'Strengthening Sustainable Forest Management and Bioenergy Markets to Promote Environmental Sustainability and to Reduce Greenhouse Gas Emissions in Cambodia' was implemented from April 2012 to February 2015. The project had three main technical outcomes. RECOFTC and its partner, Mlup Baitong, were commissioned for two of them (designated as subproject SFM1) which were: national capacities and tools exist that enable the widespread implementation of sustainable community-based forest management; and community-based SFM is effective when implemented at cantonment, province, district and commune levels, delivering concrete benefits to local communities.

The deliverables of the SFM1 subproject were:

- Development of CF-MPs and business plans for 30 community forestry sites;
- Trial of three Alternative CF Modalities (ACFM): Community Conservation Forestry, Community-based Production Forestry and Partnership Forestry; and
- Implementation of four Commune Land Use Plans (CLUPs).

The implementing partner for SFM1 was the Forestry Administration (FA) of the Ministry of Agriculture, Forestry and Fisheries. The General Department of Energy of the Ministry of Industry and the Ministry of Land Management, Urban Planning and Construction collaborated in support of the four CLUPs.

SFM1 was implemented in four provinces: Battambang, Pursat, Kampong Chhnang and Kampong Speu. These provinces comprise the NCML, its buffer area and the southern Tonle Sap watershed. The 30 community forests supported by SFM1 covered 10 879 hectares and 65 villages and the ACFM areas comprised 11 359 hectares and nine villages. Co-financing was provided to the SFM1 subproject through the ForInfo Project funded by the Ministry for Foreign Affairs of Finland and implemented by RECOFTC. ForInfo supported the business development component of the 30 community forests, four ACFM sites and the Woodfuel Integrated Supply/Demand Overview Mapping analysis in three communes where CLUP was ongoing.



## Results

The 30 CF-MPs were submitted and are being reviewed and finalized. Their preparation, from preliminary fieldwork to community involvement in writing the plan, followed national community forestry guidelines. In addition, the FA accepted an improved and clearer table of contents that will serve as a standard in writing the plan. This new improvement facilitated the process of evaluating the plans, which was undertaken by the FA and resulted in a faster approval process.

The business development component was progressing at the same time. It followed a concept note on business development that was prepared during the project. No community forest in Cambodia had ever prepared a business plan at this point in time, so lessons were collected and analysed from other community projects throughout the country. The resulting concept note focused on identifying business ideas extraneous to the main forest products already being collected by established users' groups that are engaged with existing markets. The main phases of business development that needed to be carried out parallel to CF-MP preparation were:

- The Wisdom GIS tool to clarify the fuelwood supply-demand situation in the target areas;
- Identification of community forestry business ideas and participation of potential entrepreneurs;
- Value chain analysis of products and services, and the selection of the best business idea(s);
- Writing the enterprise/business plan; and
- Kick-starting the enterprise and implementing the business plan.



## Lessons learned

Only two CF-MPs had been approved in the country before this project was implemented. All stakeholders including the FA, facilitators and communities were developing their respective capacities in producing and evaluating their CF-MPs as the project progressed. An important output of the project was the generation of momentum in the preparation and approval of new CF-MPs.

Some problems were encountered in the business development component and it was necessary to review the original concept note. It was difficult to identify existing business products that were extracted in volumes exceeding customary usage. This was due to the small area allocated for community forestry (the average in the SFM1 subproject was 1.3 hectares) in combination with the high population density of the participating communities resulting in a low population to community forestry area ratio.

Where fuelwood was the potential focus, competition from unsustainable or illegal sources prevented community forests from entering the market with competitive prices. High production costs were due to low productivity. Considering the low gross price of the kind of fuelwood available in the area, this activity did not provide sufficient income for community forest members.

## Recommendations

To achieve a sustainable community forest business plan, there must be a focus on improving profits from the sale of existing products. In this case, value chain analysis can be considered as the most important tool for community forest members and facilitators as it helps them better understand the market situation.



There is a need to re-organize the community user groups under the leadership of the CF Management Committee (CFMC). The CFMC will plan and improve product collection, storage and sales, thus creating strong bargaining positions for community forest members negotiating with intermediaries (the most common buyers of community forest products) and eventually enabling the community forest members to replace them.

An investment plan that the CFMC could present to other NGOs or donors, or to private microfinance institutions (even if the latter at present are not working with community forests) should be prepared.

New ways of organizing communities must be explored to improve the value chain of products sold to external markets. Stakeholders, after placing themselves under the leadership of the Community Forestry Management Committee, should work towards benefit-sharing schemes that are based on fair terms.

Practising coppicing instead of thinning of small trees should increase production and productivity while still guaranteeing the environmental sustainability of the resource. Examples from Nepal on *Shorea robusta* appear very promising. However, there is a current shortage of experience in Cambodia. This emphasizes the need for tests to be undertaken and monitored by the FA.

For fuelwood to become a viable community forestry product, the viability of applying alternative harvesting technologies, coppicing and/or establishing plantations with fast-growing species must be fully assessed.

It is important to promote plantations with fast-growing species in community forest areas with no present forest cover. At the same time, the actual economic feasibility of these plantations should be demonstrated but bearing in mind that the start-up investment is usually too high for such communities without donor support. The SFM1 subproject supported reforestation activities using *Acacia auriculiformis*, *Cassia siamensis*, *Eucalyptus sp.*, *Moringa oleifera* and *Sesbania grandiflora*. The average plantation cost in Cambodia is around US\$700/hectare, including the necessary training and capacity development activities run by RECOFTC. These options are undergoing experimentation and assessment as part of the SFM1 subproject.

Relevant Cambodian forestry policies must be adapted to the technical and socio-economic needs of community forest members. This will ensure increased productivity. Local issues should be addressed such as coppicing not being properly understood and regulated by local inhabitants, difficulty for community forest members to obtain chainsaw permits and the need to identify new solutions that will make artificial plantations of fast-growing species more economically viable.

Community forest sites should be planned in areas with larger and better forests due to the high cost associated with their establishment, especially if the objective is to develop commercial activities.





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