# Community Forestry Contributes to the National and Millennium Development Goals Without Compromising the Forestry Policy!



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A Series of Case Studies on Community-Based Forest and Natural Resource Management in Bhutan The content, findings, interpretations and conclusions in the case studies do not necessarily reflect the views of the Ministry of Agriculture, Helvetas/SDC, IDRC/SNV or RECOFTC. The designation and presentation of these case studies does not imply the endorsement or the expression of any opinion as to the legal status of any country, territory, administration or authority, or the delimitation of its frontiers or boundaries by the participating organizations.

## About the supporting organizations:

The Participatory Forest Management Project (PFMP) is a five-year Helvetas project (July 2002 to June 2007) financed by the Swiss Agency for Development and Cooperation (SDC) and the Royal Government of Bhutan. The project will be extended till 2012. The project goal is to achieve sustainable forest management and improve rural livelihoods in Bhutan by strengthening the capacity of the extension services and local communities to utilize and conserve forest resources, with an emphasis on poverty alleviation and the equitable distribution of benefits.

The *Community Based Natural Resource Management* program (CBNRM) is implemented by the Council of Renewable Natural Resources Research of Bhutan (CoRRB) with financial support from the Canadian International Development Research Center (IDRC) and advisory support provided by the Netherlands Development Organization (SNV). The aim of the program is to mainstream community participation in natural resource management through action research, institutional development, networking and capacity building.

The Regional Community Forestry Training Centre for Asia and the Pacific (RECOFTC) is an international not-for-profit organization based in Bangkok, Thailand, that works closely with partners to design and facilitate learning processes and systems to support community forestry and community based natural resource management. Through strategic partnerships and collaboration with governmental and non-governmental institutions, RECOFTC aims to enhance capacity at all levels and to promote constructive multi-stakeholder dialogues and interactions to ensure equitable and sustainable management of forests and natural resources.

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#### **Foreword**

Bhutan has an enviable record in the protection of its natural resources and the progress of its people. We aim to ensure that at least 60 percent of our land will remain under forest in perpetuity, while at the same time improve the livelihoods of our rural communities who depend on this resource and the small, but productive agricultural lands of Bhutan.

In order to further strengthen the link between protection of our valuable natural resources and development of our rural communities, we have been promoting and implementing community-based approaches to forestry and natural resource management. Originally these systems were to assist with the protection of our forests, but more recently such initiatives have taken on a further dimension with Bhutan with the overall goal of poverty reduction in the  $10^{\rm th}$  five year plan. Bhutan is also committed to the United Nations Millennium Development Goals.

Success in community-based approaches to forestry and natural resource management promises to delivery both sustainable resource management and secure livelihoods for our rural communities. But there are also challenges. It is timely for us to reflect on our achievements, but also to acknowledge areas for improvement. This case study series therefore comes at an opportune time and presents an excellent 'snapshot' of our current progress, lessons learnt and challenges we will face in further expanding community-based forest and natural resource management in Bhutan.

This case study series was initiated by the Ministry of Agriculture (DoF and CoRRB) and supported by PFMP (Helvetas/SDC), CBNRM (IDRC/SNV) and RECOFTC. Participants from a range of organizations developed their material over three months and the outcomes provide a fascinating insight into the diversity of approaches as well as significantly advancing our understanding of the complexity of community-based approaches.

The Ministry of Agriculture would like to thank the authors of the individual case studies for their valuable contribution and making information available for a wider audience. The Ministry would also like to thank the supporting organizations for their valuable contribution. Without their support, these case studies would not have been possible. We hope that these case studies stimulate others to document their experiences.

We believe that with these and future case studies, community-based forestry and natural resource management will be further enhanced for the benefit of all in Bhutan.

Sangay Thinley Secretary Ministry of Agriculture

## **Acronyms**

CF Community Forestry

CFMG Community Forest Management Group

DFO Divisional Forest Office (also called Territorial Forestry)

DzFO Dzongkhag Forest Office/Officer

DoF Department of Forests

FAO Food and Agriculture Organization

FNCR Forest and Nature Conservation Rules

ha Hectare

HH Household

MDG Millennium Development Goals

Nu. Ngultrum (Bhutanese currency)

NWFP Non Wood Forest Products

PPD Planning and Policy Division

RNR Renewable Natural Resources

SFD Social Forestry Division

UN United Nations

## Glossary

Dzongkhag District

Geog Block (Administrative level below District)

Thram Registered land in owner's name

Exchanged rate used: 1 US = Nu. 45

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# Community Forestry Contributes to the National and Millennium Development Goals Without Compromising the Forestry Policy!

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#### Abstract

The Community Forestry (CF) Programme in Bhutan is still relatively small as it was only established in 1992, but it has the potential to reach 69% of the total population of Bhutan and improve their livelihoods. The CF programme will cover a maximum 10% of the total forest area and improve forest conditions, thus supporting the National Forest Policy. Non Wood Forest Products and sale of timber is only now beginning, but the potential for rural income generation is great. Understanding the overall potential of the CF programme's contribution to livelihoods and environmental conservation, it is important to continue the up-scaling of the programme through refining current policies and rules, while supporting the further implementation. This will contribute to the National and Millennium Development Goals in Bhutan.

## 1. Introduction

Community Forestry in Bhutan was introduced in its current form only in 2000. There are currently 31 Community Forests (CF) approved covering 2,749 ha with 1,560 households managing the CF areas. An estimated 20 CFs are in different stages of preparation (application process, resource assessment, writing the management plan, or going through the approval process).

Forests are very important for the rural communities, as they supply many products like timber, fuelwood, grazing areas and vegetables. The CF programme in Bhutan seeks to strengthen the link between people and forests and can make a significant contribution to livelihood improvement, environmental conservation and sustainable use of forests. This case study will document the impact of the CF programme.

At the time of its introduction in 1992, CF was seen as a potential threat to the conservation-oriented National Forest Policy. This scepticism still exists, but as evidence of the positive impacts of CF emerges, policy is changing to further support the CF programme.

Further if CF is fully developed, its contribution to the National and Millennium Development Goals will be significant. We maintain that the further expansion of CF is necessary to attain the National and MDGs and that this expansion is not contrary to the National Forest Policy.

After providing information on general forestry policy related to CF, we will describe the current progress and future potential of community forestry in Bhutan. Information as to how CF contributes to environmental conservation and the improvement of rural livelihoods is also provided. We will conclude with some recommendations for the Forestry Department to further promote the CF programme.

## 2. Background

Bhutan is a small country located in the eastern Himalayas between China in the north and India in the south. About 72% of the country area is covered with forests. The total forest area is 2,904,522 ha. Out of the total forest area, 26% is classified into Protected Area, 9% is Biological Corridors, 8% is Forest Management Unit, and the remaining 57% is reserved forest (see Figure 1). The long-term goal of the forestry sector is to keep 60% of the country area under forest cover in perpetuity.

#### 2.1. Evolution of Community Forestry Programme

The CF programme has evolved since 1979 when His Majesty commanded to start the Social Forestry Programme. In 1985, the 2nd of June was declared Social Forestry Day, coinciding with the Coronation Day of the fourth King of Bhutan. The aim of the Social Forestry Day was to promote tree planting and creating environmental awareness among the Bhutanese youth. In 1992, some of the forestry activities were decentralized to the districts from central level, including the CF programme. The CF programme was legalized in the Forest Nature Conservation Rules (FNCR) 2000 and was revised in 2003 (see Box 1).

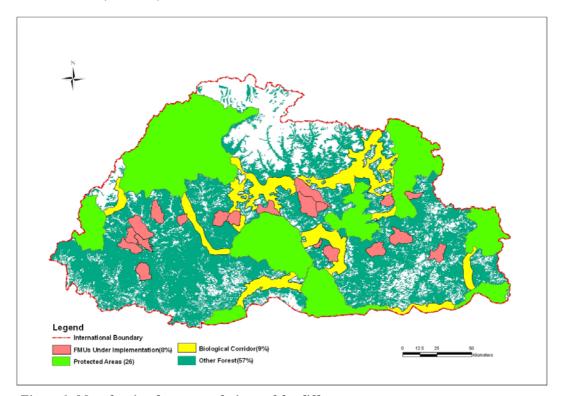


Figure 1: Map showing forest area designated for different purposes

#### Box 1: Statement of CF in Forest and Nature Conservation Rules 2003

Any area of the Government Reserved Forest that is suitable for management by a Community Forest Management Group may be designated as Community Forest.

All individuals and households with traditional claim to forest produce from the proposed CF area has the opportunity to join the CFMG

Source: Forest and Nature Conservation Rules volume I, 2003, DoF, MoA.

The CF programme was given further impetus in the 9th five year plan (2002 -2007). The 9th five year plan defines CF as a broad development strategy that can embrace diverse forms of local decision making in all sorts of forestry matters that affect people's lives. Initially the CF programme received little support from policy makers due to little emerging substantiated evidence and lack of documentation from the field.

#### 2.2. Other Relevant Policies

The Department of Forests (DoF 2003) states that subsidized timber (so-called rural timber supply) for rural construction will be supplied based on quantities specified in Forest and Nature Conservation Rules (FNCR) Volume II, 2003. The royalty imposed on this timber is minimal, ranging from Nu. 4 – 40 per tree depending on sizes. The rules stipulated that for new house construction the *Thram* holder, or resident, has the right to subsidized timber every 25 years and renovation/extensions to a house every 5 years. The FNCR 2003 states that dry firewood is supplied free of royalty to the rural communities. In addition an entitlement of 8 cubic meters wed firewood for each household with electricity, and 16 cubic meters of wed firewood for each household without electricity can be collected through paying the royalty.

#### 2.3. The National and Millennium Development Goals

Stated by RGoB in the Millennium Development Goals Progress Report (2003 p.7) that the "poverty in Bhutan remains a predominantly rural phenomenon," poverty reduction in rural areas is the main national goal in the 10th five year plan (2007-2012). RGoB is also fully committed to the UN MDGs (see Box 2).

#### Box 2: Bhutan's commitment to UN Millennium Development Gaols

To ensure popular participation and continue delivering tangible benefits from political and economic modernization, the Royal Government of Bhutan has resolved that **poverty reduction shall be the main objectives of the 10**th **Plan** and also remains **fully committed** to meeting all the **Millennium Development Goals**.

Source: RGoB. 2003 p.3.

The CF programme targets the rural population by improving their livelihood and environmental resources, thereby contributing to the national and millennium development goals. The eight UN Millennium Development Goals (see Box 3) should be achieved by 2015. Two of the goals (one and seven) are directly relevant for Community Forestry in Bhutan. However, while achieving improved livelihood it will also contribute indirectly to other MDGs.

#### Box 3: The UN Millennium Development Goals (MDG), with no. 1 and 7 relevant for CF

- 1. Eradicate extreme poverty and hunger
- 2. Achieve universal primary education
- 3. Promote gender equality and empower women
- 4. Reduce child mortality
- 5. Improve maternal health
- 6. Combat HIV/AIDS, malaria and other diseases
- 7. Ensure environmental sustainability
- 8. Develop a global partnership for development

Source: United Nations, 2006.

## 3. Current Progress of Community Forestry

As of 1st June 2006, 31 CFs have been approved by the Department of Forests. The total forest area under CF is 2,749 ha with 1,565 household managing the community forest areas. For details see Table 1.

From Table 1, it can be calculated that the current average area is only 1.76 ha per household. The FNCR 2003 allows the size of CF to be 2.5 ha per household (see Box 4). The reason for this difference is that communities initially had their doubts about the policy as CF was mainly regarded as a community plantation programme and about 50% of degraded forests were to be included in any CF. The current trend is for communities to apply for the maximum area if the forest is near and around their villages. This is because communities are now convinced that CF will be handed over and the inclusion of degraded forest will be lifted.

#### Box 4: Allowable size of CF area for each household

The size of the community forest area is not more than 2.5 hectares per household participating in the CFMG, subject to marginal increase/decrease where the Department determines that this adjustment is necessary in response to the local situation.

Source: Forest and Nature Conservation Rules Volume I, 2003, DoF.

Since 1997, only 31 CFs have been established. The main reason for this slow start was the initial scepticism of the communities concerning whether the Forest Department would actually hand over government forest area. Initially, the DoF was also concerned that CF would have a negative impact on the conservation of the forests and the overall forest cover.

Table 1: Overview of Approved Community Forests

Sl.	Dzongkhag	Name of Community	Area	No. of	Year of	Forest type
No.		Forest	(Ha)	Households	Approval	
1	Mongar	Dozam	300	114	1997	Chirpine
2		Yakpugang	260	103	2001	Broadleaf
3		Masangdaza	87	37	2002	Mixed
4	Pemagatshel	Gayzor	20.9	29	2001	Broadleaf
5		Salibagar	10.12	56	2002	Chirpine
6	Trashigang	Joensham Lamdoksa	131.97	126	2002	Broadleaf
7	Lhuentse	Ngangney	10	33	2002	Mixed
8		Merculing	70.85	29	2003	Broadleaf
9		Tshokpethang	48	36	2003	Chirpine
10		Lekcha	17.50	17	2003	Bamboo
11		Gakey	58	28	2004	Broadleaf
12		Zhasela	33.48	14	2005	Mixed
13		Chalibadeb	26.80	27	2005	Conifer
14	Trashiyangtse	Namtongphung	13	60	2002	Chirpine
15	Samdrup Jongkhar	Ompuri	81	39	2003	Broadleaf
16	Bumthang	Shambayung	46.46	23	2003	Mixed
17		Siptangzur	75	30	2003	Mixed
18	Haa	Tshapay	95	33	2003	Mixed
19	Sarpang	Dungkarling	115.40	62	2004	Broadleaf
20	Wangdue Phodrang	Lamjithang	240	86	2004	Mixed
21	Chukha	Lobneykha	195	81	2004	Conifer
22	Zhemgang	Norzin Choling	105.44	84	2004	Broadleaf
23		Pipla Management Plan	38.28	107	2004	Pipla
26		Yoesel -Pelri	42.91	21	2004	Broadleaf
24	Trongsa	Willing	29.52	12	2004	Broadleaf
25		Tshangkha	42.54	25	2004	Broadleaf
27	Punakha	Woku-Damchi	75.50	42	2005	Broadleaf
28		Lumsum	60	29	2005	Broadleaf
29		Yargay	15	20	2005	Plantation of Cupressus
30		Mangi Zingkha	41.34	17	2005	Plantation of Cryptomeria and broadleaf natural forest
31	Tsirang	Samdrup	363	145	2006	Chirpine and Broadleaved
		Total	2,749.01	1,565		

Source: Approved Community Forestry Management Plans.

Other reasons for the slow implementation of the CF programme were the limited capacity within the forestry services, poor communication between the communities and DoF, changes in the CF rules and initial different interpretation of the FNC Rules 2003.

Box 5 illustrates that with awareness of the legal framework and clear communications between DoF and communities, the CF programme will take off.

#### Box 5: Communication between DoF and Communities is necessary

Good awareness on policy and legal part of community forest establishment by Geog Forestry Extension Agent and understanding the benefits of community forestry has motivated us to establish community forest.

Source: CFMG member of Shambayung Community Forest, Tang, Bumthang, 2006.

Given the limited number and size of CFs, the CF area presently covers less than 0.1% of the total forest area. Due to this, the latest (8<sup>th</sup>) RNR conference in February 2006 clarified and provided strong support for the development of CF (see Box 6). The RNR resolution will be incorporated into the revised FNC Rules (currently in the final drafting stage). See Figure 2 for potential CF area as per the proposed FNC rules.

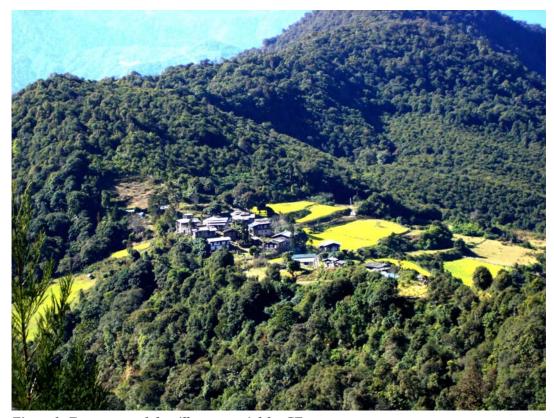


Figure 2: Forest around the village potential for CF

#### Box 6: 8th RNR resolution on CF

**Resolution 10**: Considering the small size of the total area under Community Forestry (CF) and recognizing its potential in the improvement of protective, conservation and productive functions of forest and forest ecosystems, the Conference resolved that:

- The forest areas around villages and human settlements as well as the interposing agricultural fields be allotted for Community Forestry:
- Capacity of the forestry staff to implement community forest programmes be strengthened:
- The NWFP development in community forests be stepped up: and
- The community forests development activities be documented.

Source: 8th RNR Conference Resolutions, 2006, PPD, MoA.

## 4. Potential Community Forestry Areas

We have made a calculation on the maximum potential CF area, based on rules stipulating a maximum of 2.5 ha per household be allotted. Table 2 shows the maximum potential area of CF in Bhutan.

While the known total forest area is based on 1996 data, new land use data is being prepared and the total forest area is expected to be lower. It can be seen from Table 2 that the maximum CF area is 237,944 ha (8.2% of the total forest area). The new data on total forest cover will not significantly change the outcome of the calculation of the maximum potential CF area. Considering the revised data on the total forest area, we have calculated the total CF area in the range of a maximum of 8 to 10% of the total forest area. Figure 3 shows the main forestry categories including the potential community forestry area.

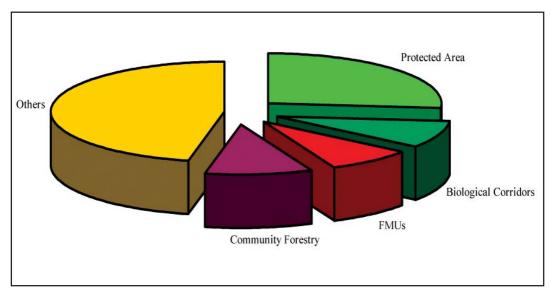


Figure 3: Visualization of the potential CF area as part total forest area

Table 2: Potential Community Forestry Area

Dzongkhag	Forest Area		Total Rural	No. of	Max. potential CF area	% of
	(Ha) *	Population	population**		(No. Rural HH x	potential CF
				households	2.5 Ha)	area
						of forest area
Thimphu	108,398		,	4,237	10,592.93	10
Paro	83,787	36,433	33,501	7,128	17,819.68	21
Haa	134,447	11,648	9,153	2,080	5,200.57	4
Chukkha	156,605	74,387	41,461	9,214	23,033.89	15
Samtse	127,910	60,100	49,961	9,992	24,980.50	20
Punakha	87,112	17,715	15,423	3,353	8,382.07	10
Gasa	144,872	3,116	2,714	696	1,739.74	1
Wangdue	298,072	31,135	23,613	5,247	13,118.33	4
Tsirang	48,658	18,667	17,001	3,400	8,500.50	17
Dagana	114,108	18,222	16,264	3,253	8,132.00	7
Bumthang	181,135	16,116	11,913	2,431	6,078.06	3
Trongsa	158,249	13,419	10,724	2,331	5,828.26	4
Zhemgang	184,431	18,636	15,250	3,177	7,942.71	4
Sarpang	190,651	41,549	28,953	6,160	15,400.53	8
Lhuentse	217,350	15,395	13,919	2,961	7,403.72	3
Mongar	172,258	37,069	29,916	6,503	16,258.70	9
Trashigang	180,272	51,134	44,318	10,307	25,766.28	14
Trashiyangtse	110,095	17,740	14,722	3,424	8,559.30	8
Pemagatshel	27,750	13,864	11,577	2,692	6,730.81	24
Samdrup	178,362	39,961	28,997	6,590	16,475.57	9
Jongkhar						
Total	2,904,522	634,982	438,871	95,178	237,944.16	

<sup>\*</sup> Source: Land Cover and Area Statistics of 20 Dzongkhags, 1996, PPD, MOA.

If all the potential CF areas are developed, 69% of the population would be involved in the CF programme. This figure clearly shows the significance of the CF programme as a potential rural development programme with the potential to reach the total rural population! To capitalize on this potential, the Dzongkhag Forestry Sector should identify the rural communities in each Geog and discuss the potential of CF with these communities. If the community is interested, the process of establishing CF should start immediately. Of course, resources are needed for implementation and the capacity of community and forestry staff needs to be strengthened.

It is, however, very unlikely that all the potential CF areas will be developed. There will be rural communities which are not interested in CF due to abundant forest areas in their surroundings with no competition or threats from outsiders, or due to the rural wood policy (which guarantees access to subsidized timber and fuelwood). For these reasons, communities might not recognize CF as a priority. But we can expect more rural communities will apply for CF as its benefits become clear.

<sup>\*\*</sup> Source: Results of Population and Housing Census of Bhutan, 2005. The FNC Act and FNRC specify that communities adjoining the forests or those with traditional claims can apply for community forestry. We assume that all rural household fulfil these requirements.

The above data will be influenced by rural-urban migration and population growth. In our calculations we did not use the migration and population growth figures. A study done by PPD in 2004 (PPD 2005) shows that rural-urban migration will continue but also that several new programmes will reduce the migration. CF, through employment possibilities and other benefits, might actually reduce rural-urban migration. With an average population growth of 3.3% (Census Commission 2005), we feel that the population growth and the rural urban migration will not influence our calculations in a significant way.

## 5. Community Forestry Contributions to Environmental Conservation

Though the CF programme is not mature enough manifest long term impact on environmental conservation, it is contributing already (see Box 7).

#### Box 7: CF can rehabilitate water sources

After establishing the community forest there is constant flow of drinking water. CF gives legal right to the community to protect water source through plantation and by controlling tree felling.

Source: CFMG member of Geyzor Community Forest, Zobel, Pemagatshel, 2006.

In the 31 approved community forest management plans, the objective of environmental conservation is explicitly stated and activities are planned and carried out towards achieving these objectives. Plantation development (with mainly native species) is carried out to protect water sources and to rehabilitate degraded or barren land, and potential landslide areas. All CF management plans ensure the sustainable use of the resources to maintain the environmental conservation and its perpetuation.

Temphel *et al* (2005) states that many foresters have reported an increase in vegetation cover in the CF area after the introduction of CF. CFMG members also report that there have been improvements in forest conditions since they gained the rights to regulate harvesting of forest resources and grazing in CF areas. Subedi (2006) states that in Nepal the introduction of the harvest regulation system in the CF management plan has improved the forest conditions. Buffum *et al* (2005) states that Community Forest Management Groups are harvesting timber conservatively and at levels below the prescriptions in the CF management plan, which means that the CFMGs are very careful in harvesting forest products from their community forests.

Besides controlled harvesting of resources, they also invest labour in their CF for the development of forest conditions. The CFs (Dozam, Yakpugang and Masangdaza) community forests have invested 7,524 person power days (since the CF establishment in 2000) in silviculture treatment for the improvement of the forest condition, fireline construction to protect from wild fire, tree seedling production and cane planting in the CFs (Wangdi and Tshering 2006). If these person power days are calculated in monetary terms it comes to Nu. 752,400 (or 16,720 US\$).

A total of 349 hectares are planned for plantation (with mainly local species) of which 160 hectares is already realised in CFs (see Table 3). The planted areas are normally small pockets of barren or degraded land (see Figure 4). The handing over of government reserved forest to communities contributes to the rehabilitation of these degraded areas, and to the protection of water sources and the control of landslips.



Figure 4: Degraded area in community forest is brought under plantation

As stated in Wangdi and Tshering (2006) the forests of nearby villages are overly exploited. Thus by bringing these forests under the CF programme the condition of these forests will thrive. Therefore, CF can improve maximal 10% of the forest area.

Besides plantation development and other silviculture activities, the community forestry programme also makes the community more responsible for environmental conservation in and around their villages. Temphel *et al* (2005) states that the first community forest handed over in 1997 had a significant number of wild forest fire incidents before the area was handed over to the community. After handing over to the Dozam community, there has been no such major incidence. Observations show that, in general, the incidence of forest fires has been reduced in community forest areas.

Table 3: Plantation Areas in Community Forestry

Sl.	Dzongkhag	Name of Community	CFArea	Total Area to	Planted as of
No		Forest	(Ha)	be planted (ha)	December 05 (ha)
1	Mongar	Dozam	300	63.3	44
2		Yakpugang	260	0	12
3		Masangdaza	87	0	1.2
4	Pemagatshel	Gayzor	20.9	0	4.7
5		Salibagar	10.12	10	6
6	Trashigang	Joensham Lamdoksa	131.97	70	41
7	Lhuentse	Ngangney	10	0	1
8		Merculing	70.85	11	1
9		Tshokpethang	48	8	9
10		Lekcha	17.50	0	0
11		Gakey	58	0	0.5
12		Zhasela	33.48	0	0.4
13		Chalibadeb	26.80	0	0
14	Trashiyangtse	Namtongphung	13	13	2
15	Samdrup Jongkhar	Ompuri	81	0	0.4
16	Bumthang	Shambayung	46.46	0	0.4
17		Siptangzur	75	1	0.4
18	Haa	Tshapay	95	0	2
19	Sarpang	Dungkarling	115.40	2	2
20	Wangdue Phodrang	Lamjithang	240	8.4	0
21	Chukha	Lobneykha	195	0	0
22	Zhemgang	Norzin Choling	105.44	5.58	0.4
23		Pipla Management Plan	38.28	0	0
26		Yoesel -Pelri	42.91	0	2
24	Trongsa	Willing	29.52	0	12
25		Tshangkha	42.54	22	3
27	Punakha	Woku-Damchi	75.50	6	0
28		Lumsum	60	2.8	15
29		Yargay	15	15	0
30		Mangi Zingkha	41.34	1.34	0
31	Tsirang	Samdrup	363	110	0
		Total	2,749.01	349.42	160.4

Other environmental benefits are presented in Box 8.

## Box 8: Benefits of CF

The community forest has benefited us in fuelwood supply and it also benefits the Samdrup Jongkhar town community. As its drinking water source is within the community forestry, watchful conservation and protection of this water source has sustained good quality and quantity of drinking water for them.

Source: CFMG member of Ompuri Community Forest, Orong, Samdrup Jongkhar, 2006.

## 6. Community Forestry Contributions to Rural Livelihood Improvement

With an approved CF management plan, the communities have access to their forest resources as per the management description (see Figure 5). No longer must they go through a lengthy process to get timber permits through the territorial forestry office as they have their own hammer<sup>1</sup> and permit system. The community only needs to apply for timber through the territorial forestry office if their CF cannot supply their needs. The process through the territorial forestry system can be time consuming (see Box 9). The preparation of CF management plans also takes time, but this is done in the village and in one exercise, and the plan is valid for 10 years. The fact that they have now "ownership" over their resources is often mentioned as the motivation by a community to establish a CF (in the strict sense the legal ownership is still with the Government, as only the management rights are handed over).

#### Box 9: Statement on process of obtaining permits

Obtaining permits for timber and fuelwood from the Department of Forests is time-consuming Visits to the Range Office and then to the DFO may take more than two months. Establishment of community forests has reduced this lengthy process; now we can get these products easily from our community forest.

Source: CFMG member of Shambayung Community Forest, Tang, Bumthang, 2006.



Figure 5: House constructed timber from CF, Sarpang

If the community has more resources than they need for their own consumption they have the right to sell the surplus outside their member group (but must pay a royalty to the Government as per FNCR). To date, only a few CFs (Shambayung and Masangdaza) have the potential to sell their timber resources. With improved silviculture the potential of selling timber from CFs will generate significant monetary returns (Beukeboom 2006).

As previously stated, CFs are harvesting timber conservatively; therefore there is a greater potential for economic benefits from the CF area through optimizing the harvesting of timber. The danger from over harvesting is limited as the management plans are based on the sustainability principle and the activities are monitored by the Forestry Services.

<sup>&</sup>lt;sup>1</sup> A hammer is a marker that provides information which allows the tracking of the resources.

In addition to the income from the sale of timber, NWFPs can generate income for the community (see Box 10).

#### Box 10: Example of income generation from NWFP

Drametse Community Forest has generated Nu. 53,841 (about US\$ 1,200) for the community from the lemon grass distillation fees.

Source: Tshering and Wangdi 2006.

The CF programme has not focussed much on NWFP thus far, but it will become increasingly important (see Figure 6). Pfund and Robinson *eds* (2005) indicate the potential benefits from NWFPs may be large, particularly through local value adding activities. They also state that NWFP collection is currently based on traditional practices but with an additional focus on quality and product development it can generate income for communities.



Figure 6: Raw material for making tea at Pemagatshel (tea from Pemagatshel can fetch Nu. 300 per kilogram).

Another income stimulating activity is the establishment of community funds. These funds often start as saving funds but increasingly the proceeds from fines, sales and gifts contribute to the fund. A total of Nu. 546,772 (US\$ 12,150) has been collected by CFMGs since their establishment from 2000. As can be seen in Table 4, many CFMGs use the fund for small credit and loan to their members and for paying operational costs to manage the CF. The Table also shows that (limited) investments are made by the community for forest activity works, which indicates that communities are willing to invest and increase the value of their CF area.

Microfinance helps rural households to plan and manage consumption and investments, cope with risks and improve their living conditions. Saving schemes are normally the major source of finance before other microfinance schemes are explored (FAO 2006).

Beside the income stimulating activities from CF, the establishment of a Community Forestry Management Group with by-laws enables the community to better organize themselves for the benefit of the community. As an organized group they can better express themselves in the Block Development Committee, defend their rights and better express their priorities. It has been observed that the CFMGs are also now discussing issues other than CF.

Table 4: CFMGs which have established funds with amounts and use

Dzongkhag	Name of	Amount	Fund use	Other activities	
	Community	Collected	initiated		
	Forest	(Nu.)			
Mongar	Dozam	110,016	Small credits to CFMGS,		
			Refreshment for visitor and		
			Lakhang renovation		
	Yakpugang	89,332	Small credits to CFMGS, Refreshment for visitor and		
			Lakhang renovation		
	Masangdaza	26,324	Small credits to CFMGS,		
	iviasanguaza	20,324	Refreshment for visitor and		
			Lakhang renovation		
Pemagatshel	Gayzor	7,910	So far only saving		
	Salibagar	8,310	So far only saving		
Trashigang	Joensham Lamdoksa	48,457	Improvement of CF Nursery		
2 2			& Payment to Chairmen		
Lhuentse	Merculing	10,000	Small credits to CFMGS,	Start of vegetable	
	_		Refreshment for visitor and	marketing group	
			Lakhang renovation		
	Tshokpethang	32,126	Small credits to CFMGS,		
			Refreshment for visitor and		
	T 1 1	2.040	Lakhang renovation		
m 11	Lekcha	2,040	G II A	AHARD C. I	
Trashiyangtse	Namtongphung	3,025	Small Amount	NWFP for sale	
Samdrup	Ompuri	12,500	Future small credits to		
Jongkha			CFMGs & Lhakhang Rnovation		
Bumthang	Shambayung	63,433	Furniture, stationary, gift		
			donor and telephone		
	Siptangzur	2,800	So far only saving		
Sarpang	Dungkarling	6,605	Refreshment to the Visitors		
Wangdue	Lamjithang	12,000	Construction Meeting hall &		
Phodrang			CF management office		
Chukha	Lobneykha	36,954	So far saving only		
Zhemgang	Norzin Choling	19,240	Loan to CFMG		
	Yoesel -Pelri	19,600	Loan to CFMG		
Trongsa	Willing	14,000	Saving		
	Tshangkha	10,000	Saving		
Punakha	Woku-Damchi	8,500	So far only saving	Rural water schema and potato production group	
	Lumsum	1,200	So far only saving		
	Yargay	1,200	So far only saving		
	Mangi Zingkha	1,200	So far only saving		
	· •		· -		

Source: CF management plans, progress report and questionnaires.

Also, out of the 31 approved CFs, 25 have at least one objective stated in the CF management plan related to the improvement of their communities' livelihoods. CF areas which do not mention this in their objectives were established for the protection of water resources and surroundings natural resources (generally the earlier established CFs).

From the sale of timber and NWFP and the establishment of CFMG funds, the CF programme has the potential to significantly improve rural life. Given that the CF programme has potential to reach 69 % of the population, it can make a considerable contribution to reaching MDG one in Bhutan.

#### 7. Future Trends

Initially the CF programme focussed on the timber resources in the CF areas and preparation of management plans. A Community Forestry Manual was produced to improve the quality of the management plans (including the maps and annual harvesting limits). Recently, attention is being given to the potential value of Non Wood Forest Products from CFs. Inventory methods for NWFPs are now being developed, as well as product development processes.

Better use of NWFP will provide additional economic benefit to communities, especially if the business skills and product development of the communities can be improved. But a stated in Pfund and Robison (2005) the social contribution of NWFPs and the potential for the poor must be better integrated with crucial policies at the national level.

#### 8. Conclusion

The CF Programme is contributing increasingly to forest and environmental conservation through the active involvement of rural people. Silviculture activities are improving the forest condition, degraded or barren land is being planted and water sources are being protected. The willingness of the CFMG to invest both cash and labour to improve their CF shows that the CF programme is supporting the national forestry policy and will never be a threat to the National Forest Policy of maintaining 60% forest cover.

While conserving and improving the forest condition and livelihoods of the communities, the CF programme is also supporting Bhutan's commitment to the MDGs.

Given the above, the DoF should continue to support the CF programme and actively stimulate the up-scaling of the programme. The DoF should be more flexible in implementing the CF programme making favourable rules to allow communities to benefit economically by streamlining the sale of timber and NWFP.

This programme will contribute to the livelihood of rural communities by using and selling CF products. CF is also contributing to the livelihoods of Bhutan's rural communities through sale of timber and NWFPs.

To further expand these opportunities, the DoF should enable the CFMGs' business opportunities through creation of favourable rules.

Through reaching 69% of the total population, the CF programme has an excellent opportunity to contribute to the economics (saving schemes, sale of forest products, establishing small businesses) and organization of communities (contributing to decentralization and democratization) as well as the environmental conservation and sustainability (increasing the forest cover and quality) of Bhutan's

natural resources. This should be further stimulated through up-scaling and refining the policies on community forestry development.

Recognizing the potential of the CF programme, it is crucial that the DzFOs identify potential CF areas in the Geogs. It is recommended they continue to create awareness of both policy matters and the benefits of the programme before the 10th five year plan is prepared, and that an action plan be prepared to promote better resource allocation for the implementation.

This case study has shown that the Community Forestry Programme can contribute to the National and UN MDGs, while supporting the national forestry policies of maintaining 60% forest cover for all time. Up-scaling the programme will significantly increase the contribution that CF can make to the Bhutan society.

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