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## **Building Resilient Institutions for Participatory Natural Resource Management**

In addition to other interventions, the three GTZ projects built local institutions to promote community-based natural resource management (CBNRM). This part describes a part of the process and the lessons that emerged in terms of building sustainable institutions for participatory natural resource management (PNRM).

### **Political and Legal Contexts**

#### **Bhutan**

The development philosophy of Bhutan focuses on five developmental aspirations: (i) human resource development, (ii) conservation and promotion of culture and heritage, (iii) sustainable and equitable socioeconomic development, (iv) good governance, and (v) environmental conservation. In its 5th Plan (1981-1986), the Royal Government of Bhutan initiated the process of decentralisation by devolving responsibility for planning and implementation to dzongkhags (districts). This was underlined by a focus on geog (block) based planning in the 9th Plan (2002-7), providing the legal basis for the involvement of local communities in their own development affairs. Self-reliance, sustainability, and accountability are to be increased, in addition to the strengthening of local institutions. This is accompanied by the promotion of community forestry and farmers' groups facilitating improved resource governance.

#### **India**

The decentralisation of forest management in India was initiated by the announcement of the Forest Policy 1988. This was followed by the Ministry of Environment and Forest Order of 1990 directing states to start the implementation of joint forest management. The decade of community-participated watershed management was initiated simultaneously in the 1990s. All of these policies and Acts are based on the premise that participatory approaches are key to integrating effective natural resource management.

In the state of Himachal Pradesh, the government issued guidelines for participatory forest management in 1993, in conformity with the National Forest Policy of 1988. The government also promulgated the Himachal Pradesh Participatory Forest Management Guidelines in 2001, entrusting the management of natural resources, including forests, to village communities (known as village forest development societies or VFDSs) and outlining short and long-term incentives for them in order to raise their interest and commitment towards better resource governance.

In addition, the 73rd Constitutional Amendment in India (1993) revived panchayati raj institutions (PRIs) and gave them more authority and responsibility for natural resource

management. Three 'Fs' (funds, functions, and functionaries) were entrusted to the panchayats so that they could gradually become the vehicle for decentralised forest management. If this system is made operational, this will have far reaching implications for resource governance as over 70% of the Indian population is still rural and largely dependent on natural resource management for their livelihoods.

## **Nepal**

A progressive approach to decentralised natural resource management has made Nepal a regional role-model. The promotion of community forest user groups (CFUGs) and their federating into FECOFUN (Federation of Community Forest Users, Nepal) has provided a basis for the effective networking of institutions for sustainable forest development and the management of forests by communities.

The Master Plan for the Forestry Sector 1989 designated forest user groups as the principal vehicle for local collective action and stipulated that forest officials adopt new roles as advisors and extension agents. The Forest Act of 1993 and Forest Regulations of 1995 legitimised community-based forest management, gave community forest user groups rights as legal entities, and provided mechanisms for their administration and registration.

## **Scope and Rationale**

There is a trend around the world towards increased decentralisation of natural resource management from central to local authorities, including local communities. Community-based forest management seeks to devolve authority and responsibility from the state to the local community. Like other regions of the world, there is a significant shift in natural resource management in the Hindu Kush-Himalayan region; a move from state control to community controlled management regimes.

Appropriate institutions are a pre-requisite for successful implementation of PNRM. Both the formal and informal rules of institutions (North 1990) not only guide human behaviour by defining access to and control over resource use and management, but also provide a framework under which different actors interact and act to achieve collective goals. Many problems of unsustainable resource use such as unclear property rights, top-down centralised implementation, inadequate short-term benefit-sharing mechanisms, and the alienation of resource users in management decisions, result from weak institutions. Realising the paramount importance of institutions in natural resource management, GTZ placed considerable emphasis on the building of sustainable institutions at the local level in natural resource management in the projects in Bhutan, India, and Nepal.

## **Sustainable Institutions: Project Experience**

In all three projects, local institutions comprised of local forest users were built into participatory or joint structures and their skills, knowledge, and capacity were developed through training and formal and informal interactions to enable them to interact properly with other stakeholders and manage forest resources in a sustainable way.

## **Experiences from BG-SRDP in Bhutan**

NGOs are almost non-existent in Bhutan. The government is in the process of drafting a law to involve NGOs in natural resource management. BG-SRDP is working mainly through government organisations and forums. The project coordinates with donors in the natural resource sector and, quite often, a common approach is adopted for collaboration. The project has been very supportive of the establishment of farmers' groups and community forest management groups.

The process of establishing a farmers' group in Bhutan receives much attention. It involves raising awareness and carrying out social mobilisation and trust building. The development of savings groups with saving schemes and other activities of common interest follow. Although this process takes time, it creates understanding and ensures the full participation of communities, with the assistance of extension services. Issues like equity, gender, and feasibility studies are also addressed, although not yet adequately.

As forest user groups are still new in Bhutan, due attention is needed in relation to issues, such as financial auditing and the integration of groups into cooperatives, among others. Many rural people are still illiterate and, hence, it is difficult to ensure transparency and accountability.

## **Experiences from IGCEDP in India**

IGCEDP is working exclusively in the lower Himalayas (Changar) in Kangra district, Himachal Pradesh (HP), India. The project follows watershed management principles and has community forestry as a major component. Forestry initiatives are channelled through locally formed village development committees, which can register formally as village forest development societies (VFDSs) under the Indian Societies Act 1860. Registration provides them with formal access to lands on which plantations can be raised, as per the community's choice. Local communities and the Forest Department are fully involved in the implementation of such ventures (Kotru 2002).

The building and strengthening of local institutions – both formal, such as the panchayat raj institutions (PRI), and informal, such as village development committees, VFDSs, and user groups – is vital to sustainable forest management. For this, it is necessary to mobilise and sensitise local actors, for which IGCEDP has developed and tested guidelines for wider application. Moreover, the role of PRIs in facilitating good service delivery requires a consolidated link between forest resources and their use and local governance.

## **Experiences from ChFDP in Nepal**

Nepal's Forest Act 1993, together with the Forest Regulations 1995, and the Operational Guidelines 1995, sees community forest user groups (CFUGs) as independent, autonomous, and self-governing institutions, responsible for the protection, management, and use of any area of national forest with a defined forest boundary and user group members. CFUGs are formed democratically and registered at the District Forest Office (DFO). The CFUG's constitution defines the rights of users to a particular forest.

Community members and their participation Community members participate in preparation of the CFUG constitution and operational plan. The level of support that various agencies such as DFO, FECOFUN, NGOs, civil society organisations, local government, and concerned stakeholders provide, and the relationship among them in supporting CFUGs (Pokharel 2002), are clarified during the process. There is a fair chance that community forest user groups will be sustainable after the termination of external support. They have a sound policy and legal framework, are synthesised into village culture, fulfil the basic forest product needs of rural people, and satisfy many community development needs, with decisions made by local people at the grassroots level. Furthermore, CFUGs have been federated at the district, regional, and national levels, providing back-up and advocacy support.

In relation to benefit sharing, two of the main mechanisms observed were 'needs-based' and 'equal' sharing. The two are not mutually exclusive and were found to co-exist in many of the cases studied.

Community forestry is a regular programme of the Government of Nepal. The DFO is expected to deliver technical services and back-up support through its field level rangers and forest guards. However, the DFO has limited resources and the number of user groups is more than a forest ranger can visit in a month. Assessing the comparative performance of CFUGs, it is clear that institutionally and financially weaker CFUGs might become non-functional and ultimately disappear. They require capacity building to boost their managerial capacities through post-handover back-up support.

## **Lessons Learned**

### **Key lessons from Bhutan**

Although Bhutan has developed rules, regulations, and a Community Forestry Manual for participatory and decentralised forest management, more is still needed. Community forest user groups and an apex-level body (like FECOFUN in Nepal) could be instrumental in promoting participatory forest management in the country.

### **Key lessons from India**

VFDSs are parallel bodies within villages created by the Forest Department. They have their own development oriented micro-plans. There is, so far, no functional link with formal village institutions such as the panchayat, which is the official village-based institution responsible for the planning of development activities and their implementation.

Forest Department support is inadequate to sustain village forest committees or VFDSs in the long term after management is handed over. Promotion of short-term benefits is important to encourage the genuine interest of communities, the lack of which may affect the rehabilitation of degraded lands. In the long term (when major yields are returned by the forests) a distinction will have to be made between rights-holders and users. Registered forest societies include a limited number of users and many traditional users

**Table 1: Institutional Development**

GTZ Project	Implementing Agency	Intensity of Involvement of State Organisations	Development of Local Institutions	Institutions to Secure Long-Term Sustainability
BG-SRDP Bhutan –	Ministry of Agriculture with Department of Livestock, Agriculture and Forestry	High; implemented in close coordination with government agencies	Emerging priority	Community forest management groups
IGCEDP India	Mainly the Forest Department of Himachal Pradesh through the autonomous/ semi-governmental Himachal Pradesh Eco-Development Society (HPEDS)	Government line departments and the Forest Department in particular work closely with society	All community assets including the plantations handed over to the communities for joint management with the Forest Department	Village forest development societies (71), the Forest Department and gram panchayats work together as governmental NGOs through HPEDS in post project era
ChFDP Nepal	Government line agencies, local NGOs, local governments supported by the ChFDP Project Support Unit	Low; a) technical assistance b) securing handover of community forests as per rules and regulations	309 community forests handed over (+45 in the hand-over process)	350 CFUGs together with local governments, assisted by local service providers

are left out, creating ownership conflicts over land. It is important that the Memorandum of Agreement between the VFDS and the Forest Department is of long-term nature (i.e., at least up to the culmination of final yields) and includes all users, as well as rights-holders, and provides legal security. The current timeframes given in Memorandum of Agreement are not precise enough to ensure the confidence of local communities. In order to keep local people committed to participatory forest management, it is necessary to ensure that they are confident that they will receive benefits from their collective action.

So far, decentralised NRM in India is still evolving. Changes need to be made to the roles and organisational structure of the Forest Department, as they still reflect structures made under colonial rule for totally different conditions. These roles and structures have to be adjusted to the changing socioeconomic and institutional conditions. For this, a broader consultative forum is needed and should be based on regular networking between institutions, communities, and other stakeholders in the locality. This forum should work as a pressure group to affect changes at the policy and implementation levels.

In order to significantly increase the access of the rural poor to natural resources more reforms are required. Decentralisation in the NRM sector has, however, created a lever in political negotiations at the district level, providing space for more strategic local political mobilisation through NRM.

## Key lessons from Nepal

The joint learning team's visit to the Churia Forest Development Project and community level discussions and collective learning yielded a rich collection of observations, knowledge, and recommendations on the institutional capacity of user groups, their financial management, and required technical know-how. The most important lessons were the following:

1. Institutional capacity of forest user groups
  - Increase the institutional capacity of forest user groups and encourage democratic functioning and a local decision-making process to promote democratic norms in order to run forest user groups in a sustainable way without external support
  - Enhance the capacity of forest user groups to depend on their own resources and access rather than tied/untied external funds (whether from the state or other outside sources)
  - Reduce the dependency of forest user groups on DFO staff, NGOs, and donors and develop local resource persons and their technological capacities to address local conflicts and other critical issues
  - Devolve authority for monitoring and capacity building activities at the local level
2. Financial and management capacity of forest user groups
  - Explore sustainable financial sources for forest user groups; diversify and increase own sources of income in each group
  - Promote the idea of revolving and/or security funds at the individual group level, or at the district level, that can be used in difficult situations
  - Develop a spirit of entrepreneurship in forest user groups to promote economic viability
  - Create indicators of sustainability for different stages of the development of forest user groups and classify forest user groups according to these stages; government support should be provided to the neediest groups first, thus reducing conflict within and between groups
  - Reduce the administrative costs of both DFO structures and forest user groups and keep external financial inputs to a minimum
3. Technical know-how and/or services to be received
  - Avoid being overly conservative in the harvesting or removal of forest products. Harvesting operations have to be backed-up by continuous resource monitoring, in which local users participate
  - Train and build the capacity of local resource persons to reduce the dependency of forest user groups on DFO staff, donors, and NGOs

A strong feeling of ownership of the forest and the forest user group is paramount and a key to the successful implementation of all of the above mentioned measures. In addition, a strong collective feeling of ownership increases the likelihood of sustaining institutional arrangements for collective forest management.

## Common lessons learned

Forest resources are more likely to be utilised sustainably if there is an effective structure of institutional arrangements. Such arrangements give rise to a meaningful authority system at the local level. A government forest reserve (state property) or a private forest (private property) can be as degraded (or as good) as a communal forest (common property). What matters are effective institutional arrangements and associated organisational mechanisms to monitor and enforce rules in order to prevent wanton harvesting of the resources. The common lessons learned were as follows:

1. Experience indicates that the following five features characterise well-functioning groups: (i) the group addresses a felt-need and a common interest, (ii) the benefits to the group of working together outweigh the costs, (iii) the group is embedded in the existing social organisation, (iv) the group has the capacity, leadership, knowledge, and skills to manage the tasks, and (v) the group owns and enforces its rules and regulations.
2. Furthermore, there are often important asymmetries of power and information among the various actors in natural resource management. Those with better information and more influence have a strong incentive to maximise their own short-term self interests at the expense of the group objectives. Hence, to be effective, natural resource management organisations must be able to structure social relationships internally so that participants overcome these temptations and become motivated to cooperate to achieve collective objectives.
3. Forest user groups that have a sound institutional setup, maturity in group dynamics (democratic interactions, a system of rule of law, quality of leadership, a regular source of income, and transparent financial management), and fulfil the basic forest product needs of their members in managing the forest, will have more chance of being sustainable in the long term. This is further proof that sustainability is directly related to the institution, forest management, and the fulfilment of at least basic forest product needs.
4. Social institutions are the backbone of community forestry, especially forest user groups. Thus, it is high time to revisit not only new group formation and forest management, but also the group dynamics of weaker forest user groups and apex-level bodies to ensure the long-term sustainability of community forestry. The role of FECOFUN and other apex-level bodies, and NGOs and CBOs will be vital in providing backup support to weaker user groups.

## Policies Implications and Recommendations

### Enhancing the sustainability of institutions

Experience from the three projects suggests that the following conditions are necessary to sustain the local institutions involved in participatory forest management:

- An **organised social institution** based on a traditionally organised social group
- The institution (user group) must be a **legal entity** or legally recognised
- **Clear decision-making mechanisms**
- **Defined boundaries** for user groups or social institutions and defined forest area
- A **regular source of income** to run the institution

A sound exit or phase-out strategy should be designed at the beginning of a project during the project formulation and appraisal.

## Managing group dynamics

The following conditions are necessary in relation to managing group dynamics:

- Develop an **appropriate policy and legal environment** that ensures the real participation of the users
- Raise **awareness on the rights and responsibilities** of members of institutions, including the initiation of forest management (protection, plantation, harvesting, and distribution of products)

Most of the necessary conditions have been fulfilled in Nepal's community forestry but are still questionable in the Indian context. Bhutan is in the initial stages of working with community organisations and NGOs. Thus, Nepal could be a good learning ground for sustainable community-based institutions involved in NRM in the region.

## Strengthening support services

The following are needed to strengthen support services:

- **Bridge the institutional gap for the delivery of services** – Inter-sectoral agencies have to be increasingly linked to ensure synergised service delivery and technical backstopping for the smooth delivery of services to the forest user groups.
- **Develop a reserve fund for each forest user group** – In order to meet unforeseen crises, about 5-10% of the annual income of forest user groups should be deposited in a reserve fund which will serve as a safety net for the group.
- **Develop a mechanism to support weaker groups** – Criteria should be developed to classify forest user groups as weaker, medium, or self-sustained, and strategies and guidelines should be developed/adopted to direct enhanced or value-added support to the weaker groups. These criteria may be used to provide services to weaker groups and for capacity building.
- **Allocate more resources to the forestry sector** – At present, support for the forestry sector is scarce. In the allocation of scarce resources by governments, the forestry sector must receive a higher priority.
- **Developing local resource persons** – Due to a shortage of manpower and logistic facilities, the Forest Department is unable to provide the necessary services required by communities. Developing local resource persons to deliver technical and other services may help to cover the gap.
- **Minimise administrative costs** – In order to give more focus to development and forest management, the administrative costs of user groups need to be reduced.