Supporting Forest Tenure Reform in China

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Forest Management Team Meeting (Open)
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Agenda

• Overview of forest tenure reform
• Project focus, organization and scale
• Main activities, outcomes & key lessons of the project:
  – support forest farmer cooperatives & promote participatory forestry management
  – support forest tenure trade centers
  – promote information & knowledge sharing
• The way forward
Devolution of Tenure Rights in Collective Forests

• New round of forest tenure reform initiated in 2003

• Grant land use rights & forest ownership to individual households:
  – Issue renewable certificate to household for verification of scope & rights for period of 70 years
  – Permit farmers to sub-contract, lease, transfer or mortgage their forests

• Ensure farmer’s rights & allow them to manage their forests for income generation & livelihood improvement
Reform Process and Results

Results:
• 168 mil. ha (92%) clarified; 82 mil. households received certificate (144 mil. ha)

Principles:
• Each household has equal rights to contract collective forest land
• Decisions about tenure arrangements must be adopted by village conference participated by all villagers
Challenges

• New forest right holders managing their small forest areas (1 to 2 ha on average)
• Marketing their products
• Transfer of tenure rights & prevention of inequitable outcomes of such transfers
Project Focus

• Development of **forest farmer cooperatives** & approaches to participatory forest management

• Operation of the **forest tenure trade centers**, in facilitating & regulating tenure rights transfer

• Sharing of **experiences, information & knowledge** for capacity development of key actors
Project Organization

- Implemented by Policy and Legislations Department of SFA & FAO
- EC funded: 2.75 million Euros
- Duration: Jul 2009 – Dec 2012
- Project Steering Committee
- Project coordinator, Project director, FAO LTU
- National and international consultants and institutions
China Forest Tenure

- Anhui
- Zhejiang
- Guizhou
- Jiangxi
- Hunan
- Fujian
Activities and Outcomes in Supporting Forest Farmer Cooperatives

• Assessments on 28 forest farmer cooperatives
• Results were shared & reviewed in workshops at county & national level
• Guidelines & policy briefs
  – Forest Farmer Cooperatives
  – Participatory forest management planning
Activities and Outcomes in Supporting Forest Farmer Cooperatives

• Training materials & training courses
  – forest farmer cooperatives
  – participatory forest management planning

• Exchange visits between cooperatives

• Small grants to support forest farmer cooperatives
Two Examples

• “Three - prevention” association in Dacao village
  – Fire
  – Theft
  – Effects of pests & diseases

• “Bamboo shoots production cooperative” in Xiaozhuang
  – Members increased from 7 to 132 households
  – 266 ha bamboo forest
  – Offer 0.5% increase in prices for members
Key Findings and Lessons

- By 2010, **94,000** FFCs were registered, covering 6.55 mil.(9%) rural households, 4.86mil.ha (5%) collective forest land

- Key principles:
  - **voluntary** in joining or in leaving
  - **one member one vote** in decision making
  - increase resources & enhance farmer’s income
  - market oriented with support from government

- Two major types:
  - **profit oriented cooperatives**
  - **service oriented associations**
Key Findings and Lessons

• Positive results in realizing economics of scale, pooling resources, facilitating access to markets and services.

• Policy is presently focused on profit cooperatives; More attention is needed for the service associations;

• Services provided need to be widened, especially in provision of market information;

• Collaboration with other cooperatives are to be established.
Typical Forest Tenure Trade Center Services

Service Types
- Administration
  - Tenure Registration
  - Permit for Transporting Timber
- Intermediary
  - Release Market Information
  - Asset Valuation
  - Organize Auction and Bidding
  - Mortagage Loan
  - Forest Insurance
Activities and Outcomes in Supporting Forest Tenure Trade Centers

- Assessments on 26 forest tenure trade centers in 6 pilot provinces
- Results were shared & reviewed in a national workshop
- Development of guidelines for regulating forest tenure trade
- Support one forest tenure trade center at provincial level as a model center
- Training
Key Findings and Lessons

• Core function of tenure trade centers is to administer tenure rights & facilitate trade in tenure rights

• Transactions or sub-contracts between new right holders & others that may also be registered

• Facilitating trade in tenure rights is much less successful because:
  – Most sub-contracts are arranged informally
  – Complex procedures & high transaction costs

• Another challenge is the lack of capacity in forest asset assessment
China Forest Tenure

Project Published Books
Project Working Papers
Sharing Experiences, Information and Knowledge

Study tours to Brazil, Finland & Hungary

High-level meeting to share project findings with policy makers
International Conference on Forest Tenure Reform – The Way Forward

• Key outcomes of the project provided important inputs to the forest tenure reform process

• Tenure reform in China has been a major success in many ways

• The way forward of the reform is about ensuring equal access to the rights
Thank You!

Project Website:

http://www.fao.org/forestry/tenure/china-reform/en