

Tenure Reform: New Policy – New Policy Instruments



Key Recommendations:

- From restrictions to minimum standards.
- Encourage forest farmer initiatives.
- Develop forestry extension.

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Findings from Policy Consultations

The EU-SFA-FAO China Forest Tenure project commissioned 16 case studies in 6 provinces in 2010. In the case studies the relevance of training materials in participatory forest management was tested. Also, the regulatory constraints to the management of collective forests by forest farmers, after implementation of the tenure reform, were assessed. The views from

different stakeholders (forest farmers, forest officials and private sector) were elicited.

As the process of collective forest tenure reform was only initiated in 2003, (to be completed by the end of 2012) regulations designed for the pre-reform era are still in place. All stakeholders agreed that two of these regulations were particularly restrictive for the farmers to exercise

the use and management rights they were given in the tenure reform. The first refers to the timber harvesting control regulations ('logging quota system'). The second refers to the restrictions resulting from the designation of public welfare forest ('ecological forest').

Stakeholders also referred to other conditions influencing forest management.

Conditions for Forest Management after Reform

The main factor influencing forest management is the small size of the forest area, of around 1 ha per farmer. Moreover much of this forest is young or in bad condition.

Another factor is the wide spread labour migration of people of working age, reducing availability of labour and leadership.

Various collaborative arrangements are initiated by farmers and government to encourage formation of larger management units. These include share holding

arrangements, lease and cooperatives.

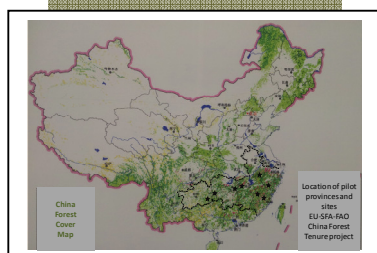
With the increase of rural incomes from the remittances from labour migrants, the relative importance of forest based income declines.

The cumulative effect of these factors is that for many forest farmers their forest becomes more of a saving account, safety net or provision for pension, than a source of income. The gradual increase of value of the forest may for them, be more important than the intensive management (and plans)

for the generation of regular forest income.

Stakeholders also reported the growing interest in managing the bamboo forest, 'economic forest' and (fir) timber plantations, as well as the conversion of natural forest to bamboo and fir.

Stakeholders emphasized the diversity in conditions: There are also areas in which farmers' livelihoods depend much on large areas of (natural) forest.



Location of project provinces and sites on forest cover map

Restrictions

Logging quota



The basic rationale of the well established system of request, formulation and allocation of logging quota (ensuring that the harvest does not exceed the increment) is generally accepted. The problems in its implementation have also been long recognized. Transparency in local allocation is often questioned. The quota usually remains well below the estimated

allowable cut, contributing to over-mature and under managed forest, etc. One solution is to gradually replace the quota system through approval of the allowable cut identified in management plans. The case studies also demonstrated other initiatives to address problems in the logging quota system. In Jiangxi, the transparency of the process and predictability

of the quota allocation has been much improved, after the initiation of the tenure reform.

This type of adaptation of the system can also accommodate the needs of smaller management units without forest management plans.

Stakeholders also identified the reluctance to allocate quota for natural forest as a serious management constraint.

Public welfare forest

Out of China's 195 million ha forest area, 100 million ha has been designated as public welfare forest. In Hunan, almost half of the collective forest area is 'ecological forest'.

Stakeholders reported that the compensation offered was by far not enough in view of the benefits foregone.

The natural forest protection policy also affects the allocation of

logging quota in commercial natural forests. Farmers in most provinces explained that logging quota were not allocated or severely restricted, also in commercial natural forest in their area. In addition the collection of many NTFPs has been banned. Examples include the bans of tapping of pine resin, the harvesting of hardwood poles for

mushroom production, bamboo shoot harvesting, charcoal making, and commercial fuelwood harvesting.

In the participatory planning exercises that were part of the case studies, many farmers explained that the main reason for their participation was the hope that the management plan would allow them to use their natural forest.



Benefits foregone – an example

There are 520 households in Wenxiang village (Anhui), living in 17 hamlets. About half of the people of working age work outside the area. Of the 1744 ha village area, 1200 ha is forest land; 75 % of the forest has been designated as public welfare forest.

As the summary below may demonstrate, many restrictions on forest use, pre-date the 1998 introduction of the public welfare forest.

Pine resin: Annual output is about 400,000 jin, 2.5-2.6 jin per pine. Since the second half of 2007 the collection of pine gum has been banned, seriously affecting farmers' incomes. Pine resin had been tapped in the village for over 20 years. In 2006, villagers could get about 100 Y/day from resin tapping. Collection of forest products such as **mushrooms** has always

been strictly limited by the forestry department. After the designation of the public welfare forests their use is banned.

Charcoal: Tea making uses a large quantity of charcoal. The policy prohibits charcoal making.

Firewood: Before 1987, firewood was the main source of income from natural forests. Since 1987 firewood collection for commercial purposes has been prohibited.

Opportunities

Local initiatives and institutions

The case study teams also investigated customary practices and local initiatives in both the technical and institutional aspects of forest management.

The teams found many examples of customary institutions (rules) and practices (such as controlled burning to encourage rapid growth of newly established fir plantations) in all provinces. They also found that the rapid changes in China in the recent past have contributed to erosion of both customary practices

and the local institutional capacity to maintain and generate them. Particularly villagers' trust in the potential transparency and efficacy of local collective arrangements for forest management is low in many areas.

The household responsibility system in both agriculture and forestry is an appropriate policy response to this lack of trust. But it does create problems in managing and governing the common pool resource aspects of forests. This, in combination with the labour migration, leads to

a variety of arrangements initiated by farmers and/or local government (such as different forms of leasing, village level forest protection groups, revitalization of common property regimes, etc.). The government promotes forest farmer cooperatives, meeting the demands for registration.

There is underused potential for building on the wide range of – informal- local initiatives, and for revitalizing customary practices and institutions.



Implementing tenure reform policy

As part of wider rural reform, forestry taxes and fees have been considerably reduced. Still, many stakeholders felt that further reductions were needed to increase farmers' interest in forest management.

Subsidies for afforestation, ecological forest compensation and construction of forest roads were generally felt to be too low.

Another important instrument for implementing the tenure are the Forest Tenure Trade Centers. Over 400 of these are operating in

19 provinces. They are designed to facilitate and administer the temporary transfer of forest tenure rights. Many such transfers took place in the early years of the reform.

Presently, very few transfers are being processed. Tenure right transfers that do take place are arranged informally, to avoid the centers' high transaction costs.

A range of other services is being provided by the centers, including the brokering of bank loans with forest stock as collateral, insurance of the

forest, market information for resources and products, and technical forest management services (including appraisal services and silvicultural information).

Some centers are well on their way to become full fledged forest farmers' service centers. But most smaller forest farmers are not aware of their services or consider them irrelevant to their needs.

To become effective providers for the forestry extension needs of forest farmers, centers will need to develop solutions to identify and meet forest farmers' extension needs.



Alternatives

From restrictions to minimum standards

The old restrictive regulations designed for government controlled forests need to be replaced by enabling regulations for farmer owned forests. To ensure that the legitimate interests of the wider public are met, the government may consider introducing a regulatory

approach based on minimum standards. These prescribe the minimum conditions for ecological sustainability and social equity that managers need to put or keep in place. Such standards focus on outcomes more than on process, thereby allowing for greater adaptation of

processes (such as e.g., management planning) to local ecological and socio-economic conditions. For the development of locally appropriate standards and the monitoring of changes in their status, experiences in China with the C&I approach for sustainable forest management can be mobilized.



Developing minimum standards from the ground up

As described in more detail in the project's 'Guide for PFM Trainers', four sets of standards are proposed for consideration. These refer to:

- ecology (forest health)
- economy (forest benefits and costs)

- institutional capacity (for local forest governance and management)

- environment (markets, policy, technical support)

For each of these principles (or national standards) local criteria or standards and indicators are to be defined by –

groups of local forest managers, with assistance from forestry technicians where needed. This forms the basis of a simple forest management plan and for the monitoring of the outcomes of the management by both forest managers and administrators.

New instrument for new policy: Forestry extension

As discussed earlier, most of the forest policy instruments initiated before the tenure reform, reflect the central planning (command and control) era, complemented with subsidies.

For the success of the tenure reform policy other types of policy instruments (based on information and communication) are required, as the experience with agricultural extension

demonstrates. Forestry technicians at township level are already providing some of these information services in addition to their administrative duties.

In collective forest areas the government may consider re-orientation of township level technicians to full fledged forestry extension agents. The forest tenure trade centers illustrate one model of separating law enforcement and information provision, at

both township and county level.

To equip the new forestry extension service for meeting the demands of forest farmers, particularly the competencies for the facilitation of learning processes will need to be strengthened. Government also needs to consider promotion and creation of regulatory space for farmer-to-farmer extension, particularly for services provided by farmers' cooperatives and associations.



The way forward

Fostering arrangements for deliberation

The findings and recommendations reported in the foregoing sections of this brief, represent the results from only one exercise in policy consultation. This is in response to the need expressed by the government for more and better consultative processes as a basis for collective decision making on a joint course of action in forestry. Forest policy experiences from the past (as discussed in the earlier sections) have illustrated the need for

some form of public exchange of arguments in collective decision making in China's increasingly complex environment. It is through this type of exchange of arguments that the validity of recommendations as presented earlier, can be critically investigated (or justified) and learning can take place before adoption and implementation of the policy.

The Task Force on Grassland and Forests under the auspices of the

CCICD (during the early 2000s) provides a good model of the type of forum for deliberation that may also be required for collective forest policy development.

Without such forum (that could also operate at provincial level) it is difficult to see how the type of policy consultation as reported here can be effective.

For more information, please contact:

Qiang Ma

Forestry Officer
Forest Economics, Policy and Products Division
FAO
Viale delle Terme di Caracalla
00153 Rome, Italy
Email: qiang.ma@fao.org

Chunqian Jiang

National Project Coordinator
Project Management Office
Building 25, Hepingli 7 Qu,
Dongcheng District,
100013 Beijing, China
Email 1: jiangchq@caf.ac.cn
Email 2: chunqian.jiang@fao.org

Hong Qi

National Project Director
Project Management Office
Building 25, Hepingli 7 Qu,
Dongcheng District,
100013 Beijing, China
Email: sfa8608@126.com

.....your comments and suggestions

In the spirit of the need for deliberative processes as suggested in the foregoing section, we very much encourage readers to send us their critical comments and suggestions for alternatives.

We hope that your reactions will demonstrate the need and interest in deliberation of ideas and proposals for the further development of policy for collective forests in China.

Please contact us at the (email) addresses in the box to the right.

About the project..

In addition to the work on forest tenure trade centers, the project has also assessed the performance of forest farmer cooperatives.

In addition training materials for strengthening cooperatives have been produced.

Training materials have also been produced for participatory forest management. As part of the testing of these materials, the regulatory constraints for forest management by farmers and farmer groups have been investigated.

For more information about the project and its activities, please visit the project website or contact us at the addresses above.

We're on the Web!

See us at:

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

