



Asia-Pacific Network for Sustainable Forest
Management and Rehabilitation



Food and Agriculture
Organization of the
United Nations

Report Exchange Visit

*Strengthening Forest Tenure for Sustaining Livelihood and Generating Income
Pu'er / Dehong, 28 June - 01 July 2016*



**FAO Technical Cooperation Programme
TCP/RAS/3506**

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Background

Strong and secure forest tenure for forest dependent communities is a necessary condition for improved income and sustainable livelihoods. However, in many Asian countries community tenure is generally weak and contested. This commonly results in conflict. Strengthening the forest tenure systems is necessary if forest dependent communities are to benefit from forests and forestry activities. This entails a progressive change in forest policies and institutions involved. Any change brought to policies or institutions has to be built on a solid understanding of the current situation and on a set of objectives. While strengthening forest tenure is a critical and urgent first step, secure tenure alone is not enough to guarantee an improvement in the livelihoods and income of forest dependent people. A second pillar is needed, namely strong and capable institutions at all levels that steer and support a genuine process aimed at strengthening forest tenure.

FAO is implementing a technical cooperation programme on forest tenure called “Strengthening Forest Tenure for improving livelihoods and generating income” in three countries: Cambodia, Nepal and Viet Nam. As part of the programme, policies and institutional capacities were reviewed in those countries. These resulted in both short and midterm recommendations for the strengthening of forest tenure systems and institutional capacity for these three countries. As part of the recommendations, for all three countries specific suggestions included to further and continuously promote the allocation of management rights to households and communities, and to strengthen and put in place measures for realizing the management rights. However, these countries have relatively limited practical experience with such measures.

The process to privatize and de-collectivize forestry in China started since the early 1980’s. To date some remarkable results were achieved. The reform opened the door for many stakeholders to participate in the management, protection and utilization of collective- or State-owned forests, and significant efforts to reduce deforestation were made (FAO, 2009). These efforts resulted in an annual gain of about 1.5 million ha of forest area, or a forest cover of 22%, or five percent of the world’s forests. Also, China is the world’s leader in private forest ownership, amounting to 85 million hectares, which is mainly attributed to the 2008 collective forest ownership reform (FAO, 2015).

China is considered to have successfully implemented forest tenure reform, which benefited rural communities significantly:

- China is reporting the greatest annual forest area gain (1.5 million ha / year between 2010 and 2015). (FAO, 2015)
- China accounted for an increase of 85 million ha in private forest ownership, mainly as a result of the implementation of the 2008 reform of collective forest ownership. (FAO, 2015)

- China has become the world's largest exporter of wooden furniture and there has also been a dramatic increase in the export of non-wood forest products. (FAO, 2008)

More detailed information on the experience with tenure reform from China can be found in annex 1.

Exposure Visit Objectives

The overall objective of the exposure visit was to provide an opportunity to key government officials dealing with forest tenure in Cambodia, Nepal and Viet Nam to learn from China's experience. This was meant to enhance their understanding on challenges and opportunities involved in forest tenure reform. This experience was expected to improve the knowledge and understanding of decision makers from Cambodia, Nepal, and Viet Nam and allow them to facilitate the processes of forest tenure reform in their countries.

Learning Objectives

At the end of the exposure visit, participants will be able to:

- Learn the challenges and opportunities in forest tenure reform and key processes/steps involved in it
- Understand key factors that enable a successful forest tenure reform
- See first-hand the implementation and result of forest tenure reform at community level by observing communities' activities related to income generation as a result of forest tenure reform
- Based on the exposure to forestry practices in rural China, identify opportunities for strengthening forest tenure for forest dependent communities in their respective countries
- Develop a practical action plan for strengthening forest tenure in their respective countries.

Dates and Location

Pu'er / Dehong and Kunming, China, June 28 – July 1 (2), 2016

Who joined?

The exposure visit facilitated two participants per country from the government partner institutions in the TCP. Individuals were nominated by the project partners and included senior national level officers with a mandate for strengthening forest tenure in the country. A detailed list of participants can be found in the table below.

Table 1: Overview Participants / Organizers

Name	Country	Position
PARTICIPANTS		
Mr. Long Ratanakoma	Cambodia	Deputy Director of Department of Forest and Community Forestry
Mr. Bun Radar	Cambodia	Deputy Director of Department of Forest Industry and International Cooperation
Mr. PemKandel	Nepal	Joint Secretary- Monitoring and Evaluation Division - Ministry of Forests and Soil Conservation
Mr. Surendra Kumar Yadav	Nepal	Joint Secretary - Central Forestry Training and Communication Centre
Mr. Tran Duy Duong	Viet Nam	Vice Director of Forestry Economics Research Centre of VAFS
Mr. Tran Vu Phuong	Viet Nam	Researcher of Forestry Economics Research Centre of VAFS
ORGANIZERS		
Mr. ShenLixin	China	Executive director, APFNet-Kunming Training Center (APFNet-KTC)
Mr. Toon De Bruyn	RAP	International Consultant Forest Tenure Capacity Building

Approach

The exchange visit created an opportunity to share and learn from the experience of four countries, and to identify opportunities for strengthening forest tenure in the three pilot countries through observation and discussion. The exchange visit exposed the participants to some direct results of China with forest tenure reform, and allowed them to reflect on how to apply some of the more successful efforts for strengthening forest tenure reform in their respective countries.

During the exposure visit, participants were asked to reflect on the observations and develop ideas on how to apply it to their countries.

Overview Activities

Day 1

Date	Time	Tentative schedule	Remarks
28 June	whole day	Arrival in Kunming and check in Golden Spring Hotel/Dinner	
	Upon arrival	- Opening and Welcome and Introduction Program, TCP and Participants	FAO APFNet KTC

Participants arrived from their respective countries and checked in the hotel. They were greeted by the organizers, and informed of the program and the expectations from the organizers.

Day 2

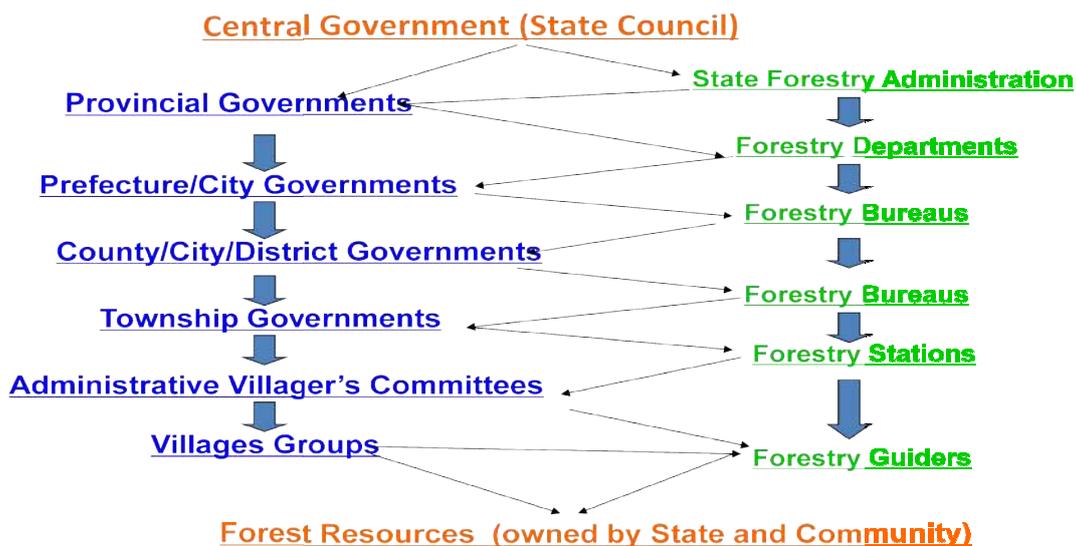
Date	Time	Tentative schedule	Remarks
29 June	07:00	Check out and Departure to Kunming Airport	
	08:30 and 09:35	Kunming to Pu'er (Flight MU 5891 and MU 5893)	
	10:00 and 11:00	Check in Mancheng Hotel in Pu'er City	
	11:30-13:00	Meeting with officials from Local Forestry Department - Welcome to Pu'er and Introduction of participants - Introduction of Collective Forest Tenure Systems Reform -- by LFD (confirmed) - Discussion: Q&A	APFNet-KTC Local Forestry Department(LFD)
	13:00-14:00	Lunch	
	14:00-18:00	Field visit: - Community forests and Upland Agroforestry Models (Coffee and Tea Agroforestry). - Visit Bamboo Production Enterprise - Cultivation Base for Rare and High Value Medicinal Herbs under Natural Forests.	APFNet-KTC Local Forestry Department(LFD)
	18:30-19:30	Dinner	

Activity 1: Introduction: Collective Forest Tenure Systems Reform

After the welcome and opening by FAO and APFNet, a brief introduction of the participants and resource people was made. This was followed by an introductory presentation focused on forest tenure and the reform processes in China by AFNet KTC and the Local Forest Management Bureau. During his presentation, Prof. Lixin from APF Net KTC, participants had an opportunity to learn about Yunnan province and Pu'er City, and about definitions of forest resources, the

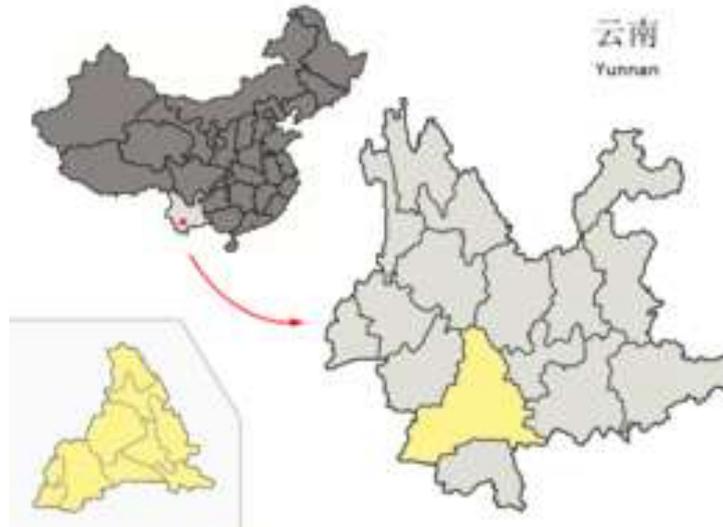
administrative system of the forest sector, the modalities for land tenure and ownership of forest resources, and the history of collective forestland tenure reform in the rural community.

Figure 1: Administrative System in China



The introductory presentation was followed by a presentation by Mr. Bi Hom Xing who gave background information on the collective forest tenure system in Pu'er city was presented by the local forestry department. Pu'er City is situated in the Southwest region of Yunnan Province and administers one district and nine counties over a jurisdiction area of 45,385 km². It is the largest prefecture in Yunnan in terms of area. Pu'er City is 470 km south of Kunming. Pu'er Prefecture borders the Laos and Vietnam in the Southeast and adjoins Myanmar in the Southwest, sharing an international border of 625 km with these countries. The Lancang (Mekong) River, Red River and Nankang River flow to the neighbouring countries. A significant segment of the famous Southern Silk Road traverses Pu'er City. The total population of Pu'er Municipality is 2.37 million, of which 1.44 million are ethnic minorities, accounting for 61% of the total. There are 36 ethnic minorities in the prefecture and 14 of whom are indigenous inhabitants, which mainly include the Hani, Yi, Dai, Lahu, Wa, Bulang and Yao peoples. It is an important production area of the renowned Pu'er Tea and one of the largest tea production areas in China.

Figure 2: Pu'er City in Yunnan Province



He explained the process of tenure reform at the policy and implementation level, and shared the backgrounds and results. Significant results were achieved since the Natural Forest Resources Protection Programme was initiated in 2000. A total forest area of 8,500 km², including 288 km² of reforestation was managed and protected. The project has successfully increased forest volume by 26 million cubic meters in a period of 10 years. Since 2002, Pu'er City has reforested a total area of 1,155km², including the conversion of 279 km² of agricultural land and afforestation of 720km² of bare land. More than 78,000 households have participated in the programme. As a result of this programme, the region has increased forest cover by 2%, and has reduced soil erosion and improved ecological conditions significantly.

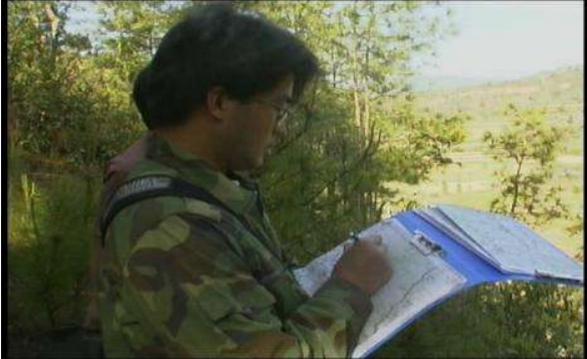
“We are all neighbours, we are just separated by mountains, which we share”

Mr. Bi Hom Xing, Pu'er Forest Management Bureau

After the presentations a discussion unfolded on the legal status of the villages, and the administration of the processes. It was also clarified that Pu'er piloted the reform process in 2005, and that as a result the certificates were issued for a shorter period compared to other areas. The starting point for the reform were the lack of clear boundaries between forest land and other land uses, the problem of illegal logging, the practices of shifting cultivation, and the lack of clear and strong tenure rights which resulted in a low motivation for forestry. In addition to the results mentioned above, more clarifications were given on the results: Land can be used as a

collateral for loans with the bank, and facilitated investments in NTFP's, subcontracting can be conducted on privately owned forests and resource ownership can be transferred, livelihoods of local people have improved significantly, although on the downside some people have used this right to see short term financial income leaving them with less livelihood options now.

Table 2: Process for issuing certificate

<p>Step 1: Field inventory /investigation of forestland</p> 	<p>Step 2: Boundary Mapping</p> 
<p>Step 3: Field visit and confirmation with the individual farmer</p> 	<p>Step 4: Dispute settlement and Mediation</p> 

Step 5: Administration, preparation of the certificates



Step 6: Public Ceremony to handover certificates



Step 7: Handover of the Certificate to the Individual



Activity 2: Community forests and Upland Agroforestry Models

After lunch, participants transferred to Nandaohé village to listen to the practical experiences the village has with the forest tenure reform. They first got background information on the village:

- 34 Household, 140 individuals
- 100 ha forest land (less than one ha per person)
- Land titles for 50 years (normally for 70 years)
- Average income from forestry (coffee, tea, timber): 16,000 USD/year
- Main forestry activities: pine plantation (*Pinus kesiya*), coffee and tea

Figure 3: Participants and organizers with members of Nandaohé Village



Agroforestry is one of the main approaches followed for reforestation, and members of the village committee confirmed that before the reform, they received limited benefits from forestry, and the forest was of low quality. The reform resulted in clear user rights, which resulted in a higher motivation for investing in forestry activities, including through the possibility to access finance with forest and forest land user rights as collateral. There is an increase in the benefits from forestry. There is also more diversity through understory cultivation. Although villagers are free which forestry activity they implement on their land, they have a platform for collective decision making (e.g. road construction, equipment).

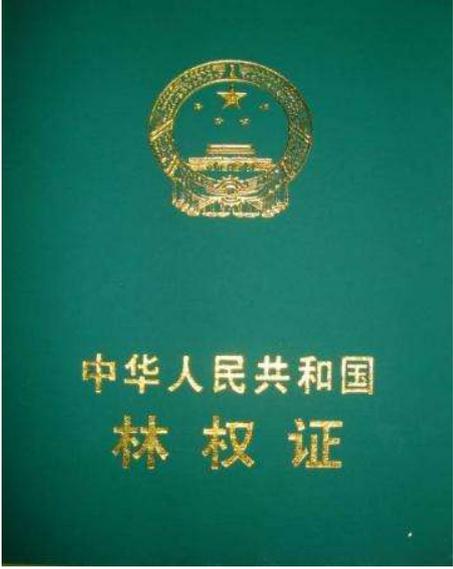
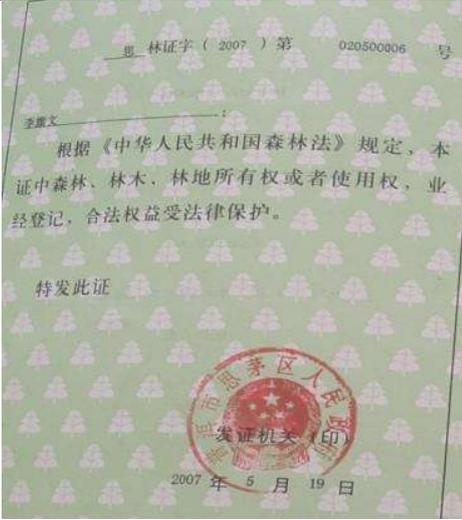
The village forest management group agrees internally on a set of village rules and regulations for the villagers. In order to strengthen the protection and management of the forest resources in Nandaohé village in general, and the non-commercial forest in particular, and to create a good living environment for every villager, the following rules have been developed: (see boxes and figure below).

Figure 4: Members of the Village Group of Nandahe village discussing the rules for forest management and patrolling with the interpreter.



During the discussion, participants took particular interest in the certificates issued and were asking detailed information on the contents of the certificates and on how the rights are being transferred. They requested for translation of the village regulations and the certificates and mentioned that they could be a good example for their respective countries (Cambodia and Nepal). They also compared this to the systems in their country and noted the differences in the duration of the certificates. As a general illustration for the impact of the reform on the forest cover, the pictures in the table below before and after the reform can be illustrative.

Figure 5: Forestland Certificates: contents

<p>Certificate of Forest Tenure Right, People's Republic of China</p>	
<p>Simao forestland certification (2007) No. 020500006</p> <p>Li Qi-Wen</p> <p>According to the Forestry Law of the People's Republic of China, the ownership or use right of forests, trees and forestland mentioned in this certificate has already been registered, with the legitimate rights and interests protected by the law.</p> <p>The certificate was issued by the Municipal Government of Simao District, Pu'er city on 05/19/2007</p>	

Title: A Registration Table of the Status of Forests, Trees and Forestlands

Forestland ownership / rights holder: Dawopu community, Nandaohu village

Forestland use rights / rights holder: Li Qi-Wen

Forests or trees ownership rights holder: Li Qi-Wen

Forests or trees use rights holder: Li Qi-Wen

Location: Dawopu community, Nandaohu village, Nanping county, Simao district

Size: 5.6 mu

Major tree species: coffee

Forest type: economic forest

The duration of forestland use rights: 50 years

The ending date: 12/31/2057

Demarcation:

East: between point 1 and point along the coffee land owned by Sun Zheng-You

South: from point 2 towards point 3 along Bayijing

West: between point 3 and point 6 (including point 4 and 5) along the forestland owned by Yang Min-Fa and Sun Yun-Chang

North: From point 6 towards point 1 along the forestland owned by Sun Yun-Chang

Certificate-issuing authority: The Forestry Bureau of Simao District, Pu'er City

The operator: Qian Xin-Qiu 05/19/2007

Person in charge: Cai Qi-Rong 05/19/2007

森林、林木、林地状况登记表
No.1

0530802050508620057030050

林地所有权权利人	南岛河、大窝铺小组	林地使用权权利人	李德文
森林或林木所有权权利人	李德文	森林或林木使用权权利人	李德文
座落	思茅区南屏镇南岛河村大窝铺		
小地名	巴依背	林班 / 小班	/
面积	5.6亩	主要树种	咖啡
株数	/	林种	经济林
林地使用期	50年	终止日期	2057/12/31

四至：
东：从1点后孙正有咖啡地至2点止。
南：从2点后巴依背至3点止。
西：从3点后杨明发、孙云昌林地至4、5点至6点止。
北：从6点后孙云昌林地至1点止。

注 记

填证机关
经办人：钱新求
负责人：蔡超荣
2007年5月19日
2007年5月19日

Title: A Change in Registration

Certificate-issuing authority

The operator

Person in charge

Date (Year, Month, Day)

变更登记

批准机关 (印)

负责人: 负责人:

年 月 日 年 月 日

批准机关 (印)

负责人: 负责人:

年 月 日 年 月 日

Box 1: Rules Developed by Village Committee of Nandaohé Village

A. In order to create a harmonious social environment, and to promote economic development, the village committee has unanimously passed the following rules:

- 1) Non-commercial forest should not be damaged for any excuse. Every villager has a responsibility to protect non-commercial forest, to conduct forest pest control and to prevent forest fires;
- 2) Villagers should not assault or insult others, cause alcoholism or drinking problems, and spread rumors or gossip to cause troubles;
- 3) Villagers should not damage water supply, road transport, electricity supply, telecommunications, manufacturing and other public facilities;
- 4) Pigs, cattle, sheep and other livestock are not be allowed to damage rice, wheat, soybeans and other agricultural crops;
- 5) Flammable materials should not be stacked indoors, and every villager should be alert to possible fire hazard;
- 6) Villagers should be careful of electric wire and should not steal electricity. When problems occur, they should ask for help from the electricians;
- 7) Villagers should not get engaged in illegal sectarian and religious activities;
- 8) Villagers should not participate in feudal superstitious activities. Also, they should stay away from the pornographic medium;
- 9) Villagers should not dump garbage in unallowed places, or pollute the drinking well water;
- 10) Villagers should not construct a house without permission, and they shall not violate the planning, or negatively affect the interests of their neighbors;
- 11) Villagers should pay all required fee in a timely manner;
- 12) Villagers should not abuse the elderly people, adolescents and disabled people;
- 13) School-aged children are not allowed to leave school without graduating for work.

B. 6 do's and don'ts for forest protection and management:

1. To protect forest ecosystem, but not to deforest for agricultural cultivation purpose
2. To afforest, but not to damage trees
3. To use timber according to the law, but not to conduct illegal logging
4. To conduct pest control, but not to set fire illegally
5. To better manage livestock, but not to let them cause damage to crops
6. To take care of collective property, but not to endanger the future generations

Figure 6: Participants observe the landscape of Nandoahe



Table 3: Comparison Forest cover at the beginning of forest tenure reform and after some years

Forestland Landscape 2009	
	
Forestland Landscape 2012	
	

Activity 3: Visit to Bamboo Production Enterprise

After visiting Nandoahe village, the delegation drove to a bamboo production enterprise where they were introduced to an enterprise producing various bamboo related products. Participants walked through the plantation, explored the site and discussed the production of bamboo juice, bamboo shoots, and bamboo poles.

Participants were particularly interested in the production of bamboo juice as it was considered a very lucrative opportunity: the producers mentioned that one pack with 30 cc of bamboo juice sells for the equivalent of 16 US\$ in Shanghai.

Participants took the contact details of the enterprise and brought with them samples to share in their respective countries.

Figure 7: Observing the production setup for bamboo juice



Activity 4: Visit to Cultivation Base for Rare and High Value Medicinal Herbs

Afterwards the group continued their visit to a production area for Dendrobium orchids, which are grown for the flowers and stem. These are used for medicinal purposes and used for tea. Participants had the opportunity to explore the gardens and try the tea. Although the tea price has reduced significantly recently, the production is considered lucrative, and an economically viable enterprise option for natural forest areas.

Jinling Plant Pharmaceuticals Company is the largest of its kind in using the medicinal herbs Dendrobium species in China. Currently, the company has three subsidiary companies, two of which are in China and one in Oudomxai Province of the Laos PDR. All of these subsidiary companies are specialized in growing rare and high value medicinal herbs, such as Dendrobium species, and they are the leading enterprises



in Pu'er City. For a decade since the founding of the company, it has become the earliest Dendrobium growing enterprise, and the largest of its kind in the region. The company has adopted the management model of "Company + Plantation Bases + Farmer Households". It has promoted the development of more than 30 plantation bases and 3,000 farmer households specialized in growing Dendrobium medicinal herbs which have contributed substantially to poverty alleviation amongst the rural farmers in the mountainous areas. These efforts further contributed significantly to the sustainable extraction and the use of Dendrobium resources, and to promote the modernization, internationalization and industrialization of traditional Chinese herbal medicines.

Figure 8: Nepali participants at the gate of the Dendrobium Production facility.



Figure 9: Dendrobium Production



Day 3

Date	Time	Tentative schedule	Remarks
30 June	7:30	Breakfast at Mancheng Hotel	
	8:00-12:00	Field Visit: - Wanzhangshan Forest Farm - Forestry industry based timber processing plant - Forestry industry based enterprise s raisin processing.	APFNet-KTC Local Forestry Department(LFD)
	12:00-13:30	Lunch	
	13:30-18:00	Field Visit: - Forest Department and service centre for transfer of forestland tenure certificate - Fine Variety Ecological Tea Garden	APFNet-KTC Local Forestry Department(LFD)
	18:30-19:30	Dinner	

Day 3

Activity 5: Visit to Wanzhangshan Forest Farm

The second day of the exchange visit started with a visit to the State Forest Farm of Wanzhangshan. Participants were welcomed by the manager of the farm and some staff members. An introduction with some background of the farm was presented by the senior management of the enterprise:

- It was established in 2001
- Total surface: 20,000 ha (12,000 ha state owned, and 8,000 ha district government owned)

- 48 staff members
- Land use:
 - 10,000 ha ecological protection
 - 3,000 ha production forest (plantation forestry)
 - 7,000 ha natural production forest
- Other activities: seedling cultivation, nursery, extension work

Wanzhangshan Forest Farm is a new type of state-owned forest farm that was created through reforming a previous forest logging enterprise. The forest farm covers 88km², of which 42.7km² is commercial forest and 45.3km² is amenity/ecological forests that are distributed in the first level tributary of the Lancang (Mekong) River. Currently, the forest farm has 60 permanent staffs. In the



past decade, the forest farm has implemented the Low-yield Forest Improvement Programme and afforestation on barren land. In total, about 40 km² of plantation forest has been established and eight million trees have been planted. The indigenous species, *Pinus kesiya* (Simao pine), is the main tree species used in the afforestation project.



- The survival rate has maintained at above 96% in the planting year and above 86% in following years. Through years of efforts, the forest stands in Wanzhangshan Forest Farm has been greatly improved. Sustained forest resources were enhanced significantly and net growth of forest resources is also increasing steadily. The establishment of effective management models for state-owned forest farms has contributed substantially to the

management goals of "seeing green mountains and steady stock growth", and to the erosion control and ecological protection in the watersheds of the Mekong River.

Figure 10: Wanzangshan Forest Farm: Plantation, Regeneration and nursery



For the protection of the protection forest, initially a different subsidy scheme existed between the provincially and state managed protection forest. The only remaining difference is when protection forest is on private land. Government managed protection forest and privately managed protection forest receive a subsidy of 75 RMB/ha and 150 RMB/ha respectively.

Figure 11: Participants listen attentively to explanations about the management of the state forest farm



In the 1980's a lot of logging of the natural forest happened, but since the 1980's reforestation and forest regeneration are promoted, and the forest cover has significantly increased. The forest farm has to be self sufficient, and is ran like a private – profit making – enterprise. They have to

achieve certain goals in terms of production and protection, and have to be able to generate sufficient income to pay for salaries and operational costs. They use profits for infrastructure development, maintenance of equipment, investment and share leftover profits among staff members. They actively planted 100,000 ha and produce ornamental trees. The Pinus plantation is also used for resin production (200 ton @ 10 RMB/kg). Selective logging starts after 13 years, and rosewood species are being introduced. They have a turnover of 5 bn RMB/year.

Activity 6: Visit to Forestry industry based enterprises timber processing plant.

Pu'er City in Yunnan province is an important forest industry production base, the initial formation of the forestry board, forest, forest paper industrial system, the forest industry in the city's economy proportion nearly 30%. The total output value of forestry from RMB 4.4 billion yuan in 2008 to RMB 12.3 billion yuan in 2012, in which, income from rosin is more than 1 billion yuan. The forest industry has maintained rapid and healthy development momentum. The city's major forest products such as plywood, resin, pulp yield increase by more than 15% compared to the same period, and the economic efficiency of enterprises improved significantly, cash income of the farmers in the drought conditions are still grew by more than 10%, the "hope in the mountains, rich by forest" of majority of farmer's aspirations put into reality.

A brief visit to a timber processing plant, Pu'er Hulten Wood Industry Co. Ltd, was made before lunch. The plant produces planks using Eucalyptus and Pinus. They source from various producers, including from individuals and communally managed forests. The going price is 400 RMB/ton for Eucalyptus. This visit was only superficial because of limited time and security limitations.

Figure 12: Visit to a Timber Processing Plant



Figure 13: Participants discuss with the president of the forest industries association



Activity7: Visit to Forest industry based enterprise: resin processing

This family owned enterprise is one of the oldest forest based enterprises in the area, specializing in the refining and trading of Pine tree resin. They use the raw materials produced by households and large scale producers. The participants had an opportunity to visit the production facilities and discuss with the owner. Some background information on the resin production and the company included:

- 20,000 HH as suppliers
- Buying price is 10 RMB per kg, with fluctuations in the selling price
- On average a HH produces between 3,000 to 5,000 kg or earn an average of 5,000 to 6,700 USD / year
- The produced 20 tons of refined resin in 2015, of which 14 tons were exported.
- The selling price is around 11.8 RMB per kg

This visit was of particular interest to the Cambodian delegates who took an interest in the ability to process locally the raw materials, as in the cases of community forestry in Cambodia, the raw materials is being exported to neighbouring countries.

Figure 14: Storage facility for processed resin



Activity 8: Visit to Forestry Service Centre for Transfer of Forestland Tenure Certificate and the Forest Department

The Forestry Service Centre has a broad responsibility:

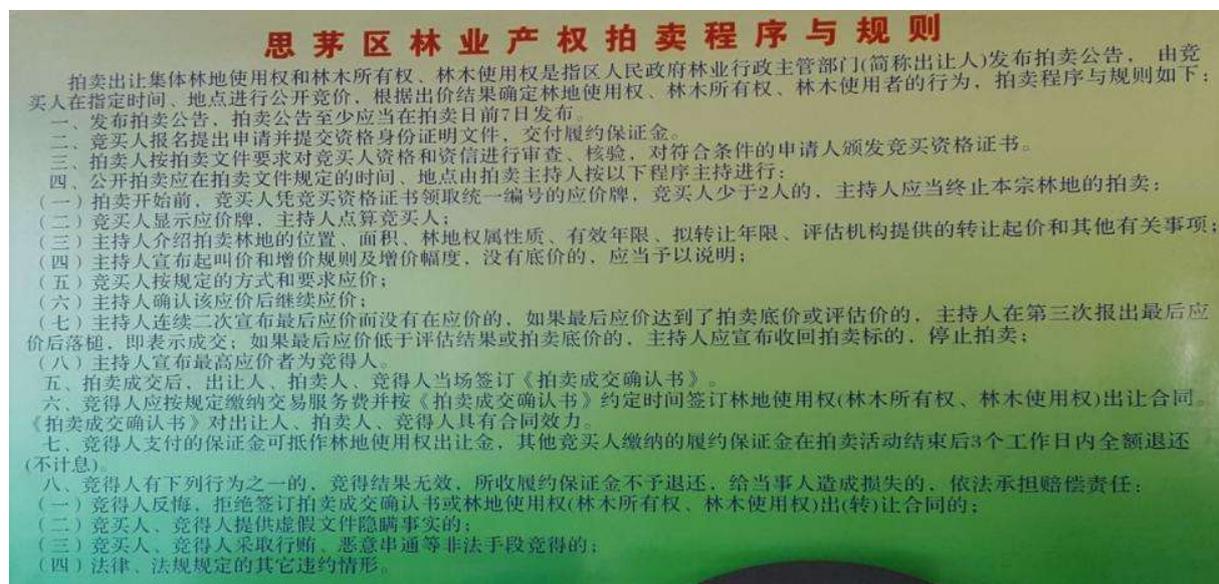
1. Transfer and auctioning
2. Regulating harvesting and issuance of quota
3. Certifying trade and export of timber
4. Wildlife protection and regulation of breeding
5. Insurance for forest fire and damages caused by wildlife

The main interest of participants was in the transfer process and the harvesting process.

After the forest tenure reform, forestland tenure is much clearer and forest management is done by households and villages. Individuals or communities can transfer their forestland to those who are willing to manage it. Local government established service centres to deliver forestland tenure certificate, and the services for transfer of forestland tenure certificate, forestland asset evaluation, policy guidance, practical technical assistance and applying for small loans by using official certificate as mortgage to individuals on forest management also being provided by this centre.

The auctioning process of forestland management rights in Simao is well laid out and a summary was presented as per the box below.

Figure 15: Forestland Auctioning Process



Box 2: The Auctioning Process and Procedure

The purpose of the auction is to sell the use right of collective forestland, the use right of forest resources, and the ownership of such resources. The department of forestry releases an auction notice to allow bidders to have an open auction at the designated time and place. According to the bidding results, the use right of collective forestland, the use right of forest resources, and the ownership of such resources could then be determined. The auction procedures and rules are as follows:

1. The auction notice should be released at least seven days earlier before the open auction.
2. All bidders should submit the registration application, provide eligibility identity documents, and pay performance bond
3. The auctioneer should check the qualifications and credit of all bidders, and auction qualification certificate could only be issued to eligible applicants
4. The open auction should be hosted according to the designed time and place by the auction moderator:
 - Before the start of the auction, all bidders need to provide their auction qualification certificate to receive price tags. If there are less than two bidders, the moderator needs to call off the auction;
 - All bidders show their price tags, and the moderator counts and determines the number of

bidders;

- The moderator provides a brief introduction regarding the location, size, forestland ownership, legal ownership period, proposed transferring period, the transferring price provided by the rating agency and other related information;
 - The moderator announces the starting price, price-increasing rules and price-increasing magnitude;
 - Bidders offer their preferred prices according to the auction rules and requirements;
 - The moderator confirms all offered prices;
 - Once the moderator announces the final price twice without receiving further bidding price, and if the final price goes beyond the auction reserve price, the auction is done after the third round of announcement. By contrast, if the final price is lower than the auction reserve price, the moderator should call off the auction;
 - The moderator announces the winner of the auction who offers the highest bidding price;
5. After the auction, the transferor, the auctioneer and the winner bidder should sign a deal conclusion letter;
 6. The winner bidder should pay the transaction fee and sign the contract regarding the transferring of the use right of forestland and forest resources;
 7. All other bidders will receive a full refund of their performance bond deposit within 3 working days after the auction;
 8. If the winner bidder is found of any of the following wrongdoings, the auction is invalid:
 - The bidder revokes or refuses to sign the auction confirmation letter or the right transferring contract;
 - The bidder has provided false documents;
 - The bidder is a bribe-giver, who has displayed malicious illegal behavior to win;
 - All other activities against the law;

Figure 16: Visiting the Forestry Service Center of Simao District of Pu'er City



After the visit to the Forestry Service Center of Simao District of Pu'er City, a visit to the Forest Management Bureau was organized to visit the APFNet –KTC regional office. This opportunity was used to have a short debrief, including for participants to share their main observations and lessons learned, as well as to share the ways forward and next steps. The participants had a discussion on what are the strengths and weaknesses of what they observed and listened to some of the challenges that the forest sector is facing, including the emerging challenges.

Activity 9: Visit to Fine Variety Ecological Tea Garden

The Fine Variety Ecological Tea Garden is run by Yunnan Pu'er Tea Research Institute, the only tea research institute established within the academic system of Yunnan. The institute has implemented more than 20 research projects funded by the provincial government, the provincial departments of sciences and technology, agriculture and education. Some outstanding achievements have been made in the germplasm of tea trees in Yunnan, the intrinsic relationship between Pu'er tea processing techniques and its quality, the functional elements in Pu'er Tea, and processing of large-leaf high quality tea varieties in Yunnan as well as the integrative utilization of tea products. The areas of research include the genetic diversity of Pu'er tea germplasm; the key techniques for managing ecological Pu'er tea plantations, key techniques for post fermentation of Pu'er tea, fine processing and integrative use of Pu'er tea, improving the quality of Pu'er tea by using beneficial microorganisms; appreciation of Pu'er tea quality; safety assessment and evaluation of the quality of Pu'er tea; and the sustainable development of the Pu'er tea

culture. All these efforts have contributed enormously to the development of tea industry in Yunnan Province.

Day 4

Date	Time	Tentative schedule	Remarks
1 July	7:30	Breakfast at Manchen Hotel	
	08:30	Check out and departure to Pu'er Airport	
	10:00-11:30	earliest flight (MU5711) from Pu'er to Kunming	
	PM	<ul style="list-style-type: none"> - Nepalese participants: Return to Golden SpringHotel in Kunming (Leave for Kathmandu on July 2) - Cambodian and Vietnamese participants return to home country 	

Ways Forward

During the reflection meeting, delegates from each country presented their key lessons learned and shared possible ways forward for their countries as follows:

Cambodia

- The country goes through regular policy reform processes, but the challenge is with the implementation. Until now, for example the National Forest Program is lagging behind with the implementation. The sites visited and practices observed during the past few days are good examples of how policy reform can be done effectively
- A key observation was with contract forestry, which is a good example of how local people can be encouraged and engaged in the forestry sector. However, in Cambodia, tenure is only handed to communities for a period of 15 years (whereas in China it is 50-70 years). This gives communities more security and incentives to invest.
- Farm Forestry is a good approach to achieve sustainable forest management, and seems to be contributing significantly to the livelihoods and income of local people
- The resin production was of particular interest to Cambodia as there is currently no processing capacity. We would be interested in developing more exchange on this.

Nepal

Key Observations:

- Secure and strong forest tenure is dependent on the reform. There is a reform not of some small elements, but of the whole system.
- Strengthening the forest ownership and management rights resulted in improved livelihoods and income.
- Land tenure reform has created a paradigm shift on forest management
- We need to differentiate the forest management according to the area, and flexibly explore which approaches to SFM are more opportune
- Forestry is becoming self-sufficient and sustainable: it contributes significantly to the livelihoods and income of forest dependent communities
- The government is taking on a new role and shifting it more from policing to facilitating, including for the forest resource assessment, providing technical support, and policy support

Ways to apply:

- In Nepal, there is a need for macro-level policy reform, leasing land and tenure rights to households, companies, and poor people
- There are opportunities for restructuring after the new constitution is moving towards federalism
- Prepare a brief presentation of the study tour to the minister and the secretary
- Review the TCP reports and the recommendations
- Write a working paper, which will include ways to formulate and translate
- Seek technical support and guidance

Viet Nam

- We observed a lot of similarities in the ways tenure is being decentralized
- Exposure to agro-forestry technology provided interesting ideas to promote in Viet Nam, including for tea and coffee.
- Although we have good policies, our implementation is not always good
- There is a growing effort to review the forestry law of 2004, and make the law more up to date, and able to respond to the present day needs for production and conservation.
- There is a recognition of extending the certificates from 50 to 70 years.

Ways to apply:

- Share experiences with colleagues at VN Forest.
- Review policy documents, and make recommendations to increase tenure certificates' duration.

Evaluation

At the end of the exchange visit a short questionnaire was administered with the participants, to gauge their reaction to various aspects of the exchange visit. The results can be found in the table below. Overall the exchange visit was evaluated very positively, and participants demonstrated a very open and learning oriented attitude. There was a lot of interest in the case of China, including in the process of reform, the governance of the reform, and the impacts reform has on the livelihoods and income of people. Participants were particularly keen to learn about the process of getting tenure, transferring management rights, and the governance of the process. They took an interest in the ways people can exercise their tenure rights, and the benefits from tenure in terms of livelihoods and income. The resin processing and forest farm were among the highlights, as was the visit to the service bureau.

All participants wanted the exchange visit to be extended, and to have more time to visit the enterprises and the forests.

Table 4: Results of the Evaluation Questionnaires

Objectives and Contents		The only comments were that the length was too short, and that a SME should have been included (which it was: Resin production, and Dendrobium)
- Clear Objectives	Strongly Agree	
- Contents relevant to the objectives	Agree	
- Appropriate length	Agree	
Activities		A suggestion to add a site for more plant based NTFP enterprises was made. More time should be provided for the visit to the plywood factory
1. Introduction to forest tenure and forest tenure reform in China	Very good - Good	
2. Community Forestry and Agroforestry models	Very good - Good	
3. Forestry Based enterprises (Medicinal herbs)	Good	
4. Forestry Based Enterprises (Resin Production)	Good	
5. Wanzhangshan Forest Farm	Very Good	
6. Forest Department and Service Center	Good	
7. Ecological Tea Garden	Very good - Good	
Materials	Good	Some materials only available in Chinese
Environment	Good	More vegetarian options
Opportunities to apply	Good	

Annexes

Annex 1: Overview Forest Tenure Reform

Annex 2: Overview Draft Program

Date	Time	Tentative schedule	Remarks
28 June	whole day	Arrival in Kunming and check in Golden Spring Hotel/Dinner	
	Upon arrival	- Opening and Welcome and Introduction Program, TCP and Participants	FAO APFNet-KTC
29 June	06:00	Check out and Departure to Kunming Airport	
	08:20	Kunming to Pu'er (Flight MU 5891 at 8:20 am)	
	10:00	Check in Mancheng Hotel in Pu'er City	
	10:30-12:00	Meeting with officials from Local Forestry Department - Welcome to Pu'er and Introduction of participants - Introduction of Collective Forest Tenure Systems Reform -- by LFD (confirmed) - Discussion: Q&A	APFNet-KTC Local Forestry Department(LFD)
	12:00-13:30	Lunch	
	13:30-17:30	Field visit: - Community forests and Upland Agro-forestry Models (Coffee and Tea Agroforestry) - Fine Variety Ecological Tea Garden	APFNet-KTC Local Forestry Department(LFD)
	18:00-19:30	Dinner	
30 June	7:30	Breakfast at Mancheng Hotel	
	8:00-12:00	Field Visit: - Wanzhangshan Forest Farm - Cultivation Base for Rare and High Value Medicinal Herbs under Natural Forests	APFNet-KTC Local Forestry Department(LFD)
	12:00-13:30	Lunch	
	13:30-18:00	Field Visit: - Forestry industry based enterprises including non-timber enterprises, such as rosin processing, - Forest Department and service centre for transfer of forestland tenure certificate	APFNet-KTC Local Forestry Department(LFD)
	18:30-19:30	Dinner	
1 July	7:30	Breakfast at Manchen Hotel	
	08:30	Check out and departure to Pu'er Airport	
	10:00-11:30	earliest flight (MU5711) from Pu'er to Kunming	
	PM	- Nepalese participants:Return to Golden SpringHotel in Kunming (Leave for Kathmandu on July 2) - Cambodian and Vietnamese participants return to home country	

Annex 3: Logistical Arrangements

Arrangements

1. Visa fee will be reimbursed based upon a receipt and scanned copy of the visa.
2. The hotel payment will be arranged by the FAO, and will be deducted from the DSA.
3. The hotel transfer to and from the airport will be arranged through the hotel (in Kunming) and the organizers (in Pu'er)
4. Meals in Pu'er will be arranged through the organizers. Where no meals are provided the Daily Subsistence Allowance will cover this.
5. Please note that no dinner will be organized on the 28th in Kunming.
6. Please note that there are only limited credit card paying facilities in China
7. Throughout the exchange visit, translation between English and Chinese / Mandarin will be organized

About Kunming and Pu'er: Highlights and Weather

1. <http://www.chinahighlights.com/kunming/weather/june.htm>
2. The average daily temperature is expected to be between 17 and 24 degrees Celsius, and there is a chance for light rain.
3. 1 USD = 6.5 CNY

Hotel in Kunming City

Golden Spring Hotel (Jing Quan Da Jiu Dian in Chinese Mandarin Pronunciation)

Add:93 East Renmin Road, Kunming City, Yunnan province, China.



Hotel in Pu'er City

Mancheng Business Hotel (Man Cheng Shang Wu Jiu Dian in Chinese Mandarin Pronunciation).

Add: 46 # Cha Cheng Da Dao, Simao District, Pu'er City, Yunnan Province, China. (Note: English is not available in the hotel).

普洱曼城商务酒店 普洱酒店第14名

★★★★☆ (5)

地址：思茅区 茶城大道46号(阳光新城新天地商业城内)



价格信息：暂无价格信息

酒店电话：0879-3033111 (订房热线)

Annex 4: Overview Resource People Pu'er Forest Management Bureau

Name	Function
Mr. Bi Hom Xing	Former Director Pu'er Forest Management Bureau Chairman Forest Industry Association
Mr. Li Xuang	Head of the Forest Land Tenure Office Secretary of the Forest Industry Association
Mr. Chen Yong	Deputy Secretary

Annex 4: Relevant References:

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