

# Independent Forest Sector Review

Progress report

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## A. Progress on fact-finding

The fact-finding phase has progressed more or less as planned, but is not yet completed.

### A>Livelihoods:

#### o Activities

- The team has visited most regions in Cambodia: Mundlikheri, Snoule National Park, Seam Reip/Bantey Srey, Pursat, Kirirom, Aural National Park, Bokor National Park, Kampong Chnang, Kampong Thom, Ratnakiri (next week)
- The livelihood groups covered so far include: Charcoal producers; community forestry groups; commune councils; new land settlers; NTFP collectors; resin-tappers
- The team is reviewing the literature/reports on livelihoods and has interacted with researchers and others in the field

#### o Issues arising

- Information on livelihoods is available - what is more difficult to assess is the magnitude or extent of particular practices and issues.
- Forests are contributing to people's incomes (poverty prevention) but the potential to contribute to poverty reduction/development is less clear
- Where dependency is greatest - the availability of resources is also highest ??
- Charcoal production is a preferred livelihood strategy - not the result of desperation - and preferred to wage labouring
- Incentives in the market chains for key products (fish, rice and other products) do not encourage production, since consumer prices are high due to high transaction costs rather than high production costs. This also has distributional implications. (What is the situation for charcoal?)
- The "drivers" of forest degradation operate at two distinct levels and speeds:
  - More gradual degradation - charcoal use, crop land expansion, migration, population growth etc
  - More radical land use change/forest exploitation due to:
    - o changes in rights: e.g. concessions
    - o developments: e.g. roads followed by migration

- operations e.g. forest cutting, land clearance etc
- There are multiple and changing claims on land due to both of these types of drivers: rural people, rural communities; concessionaires (forest and land); migrating people; provincial authorities allocating 'rights' etc.
- In practice, there are markets everywhere for access to and transfer of assets - with costs and mechanisms. Even where there is no formal "capacity", there are well developed systems and capacity to run these informal "rules of the game". For example, people pay for encroached land - hoping it will eventually be regularised.
- Community forest groups are of two sorts:
  - Groups founded to prevent others from acquiring specific rights, but without specific management plans; and
  - Groups with management plans, but with unsure rights and uncertainty as the beneficial incentives
- The capacity of the commune councils appears weak: for example, there are no bank accounts and, in practice, "decisions" are made elsewhere. Nonetheless, the commune council is emerging as a forum where 'decisions' have to be discussed.
- The uncertainty about land demarcation, the permanent forest estate and rights is theoretically negative, these may be better for poor people than the loss of access which results from allocations in which they have no voice.
- People respect the authority of powerful institutions or alliances of organisations to control access. This includes both state and private authority. Forests are not, in practice, open access spaces.
- People are sometimes but not always aware of their own rights. In many areas, there exist more assets than those required to meet the needs of poor local people and rights only come into play where there are conflicts/competition.
- The development of roads is the main driver for development, changes in land use, opportunities for development and for speculation and exploitation.
- Forest management activities can be both positive and negative: bring roads, employment etc but also attract migrants and introduce uncertainty about access etc.

**B> Natural resources**

- **Activities.**

- The team has visited all regions of Cambodia from both a forest (DFW) and environment (MOE) perspective. Over flights were undertaken for NE and N Cambodia.
- Currently assembling descriptive data and maps on forest resources and ecology - based on secondary sources
- Thinking about development of landscape typology



- **Issues arising**

- **Landscapes and ecosystems**
  - Unit for strategic planning, management and monitoring (Zonation)
  - Issues of sustainability
  - Fit with institutional arrangements
  - Demarcation issues
  - Agencies and incentives
- **Management regimes**
  - Units of planning
  - Conservation areas

- Field agencies
- Strategic framework
  - Protected areas
- Forest management
  - Concession system
    - Planning systems
    - Monitoring and enforcement arrangements
  - Ownership regime
    - State concessions
    - Private concessions
    - Community forestry
  - Objective of management
    - Afforestation/reforestation
    - Plantations
    - Productivity questions
- Incentives
  - Eco-tourism
  - Clean development mechanisms

## C> Institutions

- Activities so far
  - Understanding of national trends (decentralisation etc)
  - Forest sector governance and organisation
    - Legislative framework - Rules of the game
    - Assessment of players (agencies) and their incentives
    - Sector capacity (major players DFW, MOE and private sector)
- Issues
  - Lack of political space for voice of poor
  - Tenurial uncertainty
  - Lack of clarity over land concession and forests
  - Voice of commune councils and provincial authorities
  - System of accountability: to whom, by whom?

What should be centralised and what can be decentralised?

- Application of Institutional principles
  - Principle of separation of functions

## D> Economics

### Activities

- Collection of costs and returns for different enterprises
- Analysis of incentives for different stakeholders
- Contribution of forest to national income and GDP
- Domestic timber and energy markets
- Understanding fund-flow mechanisms in government at central and local levels

All work in progress

### Issues

- Different royalty mechanisms
- Fit with other institutional trends, especially decentralisation and deconcentration

**B. Proposal for scenario-building phase**

During January, the fact finding phase will be completed and the ground prepared for the scenario-building in February. The main focus of the remaining fact finding will be in the areas of Institutions and Economics.

**Presentation of fact-finding results****a) Workshop 1. Natural resource situation (1/2 day)**

Agenda: Presentation by team  
Participants: FA/MAFF/MOE/Env NGOs etc  
Output: Reaction and consensus on description  
Identification of issues for scenarios  
  
Outcome: Finalisation of working paper

**b) Workshop 2. Livelihood issues (1/2 day)**

Agenda: Presentation by team  
Participants: FA/MAFF/MOE/Soc NGOs  
Output: Reaction and consensus on description  
Identification of issues for scenarios  
  
Outcome: Finalisation of working paper

**c) Workshop 3. Institutional and economic issues (1 day)**

Agenda: Presentation by team  
Participants: FA/MAFF/MOE/MFE/MOI + others  
Output: Feedback on analysis  
Identification of issues for scenarios  
  
Outcome: Finalisation of working papers  
Preparation of background paper for  
scenario-building exercises

The scenario-building phase will involve the team and selected individuals from the key decision making organisations.

**C. SFMP review**

A number of Forest Stewardship Council (FSC) recognised companies have been contacted and asked to submit a proposal to undertake the review in January 2004 with an aim to report in early February.