



Briefing Note 3

Institutional Arrangements for PFM: experiences from the NTFP-PFM Project in South-West Ethiopia

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Summary

Participatory Forest Management (PFM) in its very essence is an approach that bridges between communities and government on the issue of sustainable forest management. It is a scheme where communities represented by their newly established and legalized institutions and concerned government organs at an appropriate level enter into agreements for forest management. One of the fundamental components of PFM promotion is therefore innovation related to setting up strong and responsible community institutions that not only shoulder the assignment of forest management responsibilities but also negotiate on community's right over the forest as well as their decision making power. Therefore, success of any PFM process should also be measured by the nature of the local institutions built, especially their effectiveness in terms of securing communities right of forest access and decision making power. In Ethiopia, as probably in most countries, there is no readily usable and legally recognized institution that best fits PFM. Therefore, projects promoting PFM have to confront the challenges of experimenting with diverse forms of arrangements to develop what can work for a given socio-economic and ecological context. This briefing note shares the experience from one of the long running PFM projects in Ethiopia, the NTFP-PFM R&D project, which has developed with communities a specific approach to institution building.

Why Forest Management Institutions?

PFM is a process which is all about community organizations taking over responsibility for forest management from the government. This means the government transfers management responsibility of forest resources to the communities who were the original managers of the forest and who are assumed to still have strong links to the forest and knowledge about it. As such, these communities should form legally recognizable institutions. Organization of communities is essential not only for taking this responsibility but in order to ensure equity in forest use rights and management responsibilities, the latter ensuring protection of the forest from unsustainable use. This development of local responsibility, and embedding it in local, community-based institutions, is seen as the most sustainable way of protecting the forest for the long term.

Given that community based forest management is relatively new to Ethiopia, there are no legally recognized forms of institutions that are well suited for PFM. Therefore, one major component of any PFM project is the testing and establishment of new organizations which are fit for the purpose of forest management. In order to bring about sustainable forest management, establishing strong community-based institutions is a priority. The institutions

must cater for the needs and interests of the community as well as the government or state, so as to balance forest management for its local economic role as well as for its public environmental interest. This development of local institutions also falls within community's constitutional right to self-organize and engage in the management of communal forest resources. Only then can the government delegate management responsibility of the forests to the communities.

The Experience of the NTFP-PFM R&D Project

In the search for a specific response to the question of what form of community based organization is appropriate for PFM, the NTFP-PFM project has many experiences that are worth sharing with others. The project, during its two phases, has worked with communities and the government to explore the pros and cons of different possible institutional arrangement and has tested alternative options. This has involved a process of sharing information with communities about different institutions, the roles they could play and the linkages between them. After several weeks of village level debates and discussion a major workshop was held of representatives of all communities, the government and the project and the different options for institutional arrangements were discussed. By common assent, one arrangement was agreed by all parties.

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A bi-institutional arrangement was selected where one takes care of forest management responsibility and the other supporting the forest managing institution handles matters related to forest product marketing (Figure 1).

With regard to forest management, Got level Forest Management Groups (FMGs) are first formed and these are brought together through a common Woreda level Forest Management Association (FMA) that acts as an umbrella association for all FMGs in a woreda. The Woreda FMA is the one that is registered to acquire legal recognition, which thereby also provides legal status to the Got level FMGs which are its subsidiary units.

The association was opted for because in the region there is a long standing tradition that households have rather individualized access to the forest for the extraction of forest products. The association is therefore needed principally to protect this right.

It is interesting to note that Got level FMGs' comprise full members - people who are resident in the community, and also 'associate members'. The latter are those households or individuals that do not live in the Got where the forest is located, but still have community-recognized traditional access rights to the forest or part of it, such as Kobo-right holders.

A major problem identified by the community in southwest was market outlets for the forest products which members and associate members produce from their forest. For this, a second organization was chosen in the workshop. Two forms of marketing institutions have been tested: Private Limited Companies (PLC) and Cooperatives. Both models have their own advantages and disadvantages as presented in the section below.

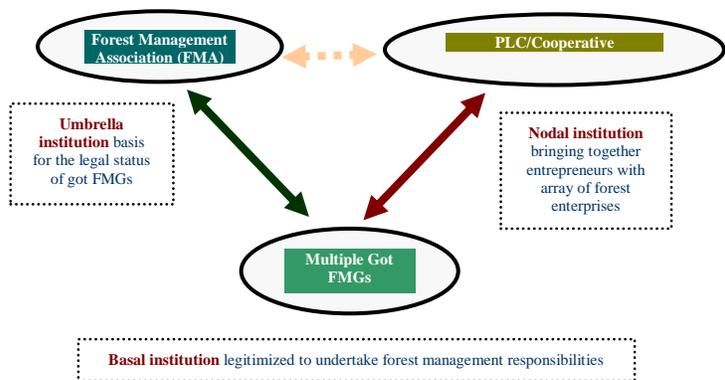


Figure 1. Organizational structure of the forest management institutional set-up

The two organizations are complementary despite their different roles and responsibilities. The woreda level FMA, with branches at the Got level – the FMGs, has the responsibility for forest management. The Forest Products Marketing Cooperatives (and PLCs in some cases) on the other hand are established to open a market avenue for the forest dependent communities that are organized as FMAs.

This is based on the thinking that communities need market outlets for their forest products so as to realize the benefits from engaging in forest management, that these market outlets should be easily accessible, and are best run by local people who share a similar responsibility for forest management. It should be noted that members of the cooperatives are also members of FMAs.

The woreda level FMA is an umbrella institution developed to act as arm of the community in negotiations with government at the woreda level. The Got level FMGs, the basal institutions closest to the forest, are responsible for carrying out the day-to-day forest management activities. Having been granted legal status as branches of the woreda FMA, they are the locus of authority to independently take forward forest management responsibilities.

PLCs and cooperatives are only established at a multi-kebele level as in order to be economically viable and profitable they need a certain volume, or quantity, of forest produce. This is not found at the level of the single got or kebele in this area.

Lessons Learnt

This briefing note only summarises the experience to date. A fuller research report will be available. However, there are already some key lessons to share. These are listed below.

- The organization of the community from Got to Woreda level using the association form has established a new form of social capital with intra-community bonds and extra-community bridges. In terms of intra-community bonds it ties the communities together at the Got level for a purpose - forest management. In terms of extra-community bridges it links the communities across the woreda as well as linking the community with the government for a common objective of sustainable forest management.
- This form of organizational set up gives communities a strong and coherent voice to negotiate with the government on their roles (rights, revenues and responsibilities). The woreda FMA will have more leverage to convince the government of the views of the communities rather than if each Got level FMG acted individually.
- The bi-institutional arrangement reduces the complexity of forest management and marketing dimensions by dividing up roles and responsibilities between the two organizations. It may also avoid the danger that corruption may weaken institutions when business and forest management are mixed into one.
- The separation of forest management and product marketing roles helps ensure efficiency within institutions while offering chances for strong interactions that will create opportunities for collaboration and support to each other to achieve the goals of forest management and livelihood improvement.
- The got FMGs are promising community organizations as a vehicle from which to launch forest land certification and the umbrella FMA can help facilitate the process of certification, while both can engage in forest monitoring jointly with the government.

- The umbrella FMA is an asset for the woreda as this newly emerging institution can contribute to the development of the government-led PFM Scaling-Up activities.
- The umbrella FMA having its office based at the woreda is close to the local government and so can help integrate PFM into the regular government development plans.

PLCs and Forest Product Cooperatives

Forests product marketing cooperatives are formed at multi-kebele level by individuals selected by FMG members from a group of Got level FMGs. In practice it is difficult for all members of the Got FMGs to join the marketing cooperative. The reasons for these arrangements include: having a large membership will make the institution inefficient; secondly the volume of forest products produced and channeled to market is also limited, which restricts the number of viable cooperatives that can be established per woreda. Therefore, only skilled, capable and interested individuals, with good entrepreneurial attitudes and experience, are identified and organized into the forest product marketing cooperatives.

In fact the project originally opted for a Private Limited Company (PLCs) model of marketing institutions. Experiences with the PLCs showed that they are profitable, fast in decision making, good in creating ownership of the organization, and manageable in terms of membership size. The simplicity of the organizational management means that few management tasks are delegated to each post holder and only to those with integrity. The PLCs quickly became independent and have run their business activities. However, the PLC form has some limitations that make them unattractive. These include: double taxation, legally restricted membership size (maximum of 50), absence of service providing government institutions at the local levels (often they are required to go to Hawassa to pay their tax and renew trade license), high establishment cost with no local government capacity to assist, plus a completely business oriented nature of that sort of organization.



Signing of memorandum of understanding for partnership working between Ganiti FMA and the two forest products marketing cooperatives Eniti and Shunobegati in Anderacha woreda.

Linkages of Cooperatives and FMAs

Linking the FMAs and the Forest Products Marketing Cooperatives and strengthening their capacity is essential so that they should support each other to ensure rights as well as responsibilities for sustainable forest management. They both have a shared goal and shared responsibility. In fact, these are not exclusive to each other. Members of the cooperatives are also members in the FMAs, and vice-versa. By helping them get along well together, these institutions have established a culture of partnership working through a signed memorandum of understanding (MoU). Their mutually supportive relation is mainly based on the Coop financing the woreda FMA and the two organizations undertaking joint planning and monitoring.

Conclusions

One of the results of PFM is its need for completely new organizations for the purpose of forest management. However, these organizations must have a legal status so that the government respects them and is supportive of the rights of the communities in PFM. It is precarious to institute community institutions devoid of a supporting legal environment and to expect these to be recognized as legal entities. The sustainability of PFM depends greatly on the capacities of the community and government institutions involved, the relationships among them and their relative power.

Handing over of forest management responsibilities to communities is not an end by itself. There is a need for meaningful support from the government (and from NGOs) in all aspects of forest management and related interventions, such as the community-based institutions, to ensure that PFM is successful. The forest management institutions must be self-financing by generating sufficient revenue from sustainable forest use for its members and running costs. In this respect, forest regulations that allow sustainable use of forest products need to be in place. It is also important to empower these institutions so that they could solicit the necessary services from the government and can be in pole position to fulfill their forest management roles and responsibilities

South-West Forest and Landscapes Grouping

This grouping brings together three partners who have been working in this part of Ethiopia for more than 12 years: University of Huddersfield, Ethio-Wetlands and Natural Resources Association and Sustainable Livelihood Action. They have recognised the need for serious attention to be given to the forests and forested landscapes of the south-west highlands of Ethiopia. At present the grouping has two other projects in this area besides the NTFP-PFM Project. These are:

Wild Coffee Conservation by Participatory Forest Management Project (WCC-PFM) led by the University of Huddersfield with contributions from EWNRA and SLA and funding from the European Union and the Horn of African Regional Environment Centre and Network.

REDD+ Participatory Forest Management in South-West Ethiopia (REPAFMA-SW Ethiopia) led by Ethio-Wetlands and Natural Resources Association in association with the Development Fund of Norway with contributions from SLA and UoH, and funding from NORAD.

NTFP-PFM Project Summary

The “Non-Timber Forest Products – Participatory Forest Management (NTFP-PFM) Research and Development Project in South-west Ethiopia” started in July 2003. Its first phase ran until July 2007 and a second phase, for six years, will continue until mid 2013.

The project has a “research and development” orientation, in which it combines an integrated technical approach to the sustainable use and management of forest resources with a participatory and gender/equity sensitive strategy for improved rural livelihoods.

The project tries to explore and disseminate successful ways of applying Participatory Forest Management in Ethiopia so that forests can pay their way and become viable and competitive land uses which are sustainably managed by rural communities. This involves policy support, PFM institutional development, forest enterprise development and the economically viable marketing of forest products

Through the direct involvement of government institutions and communities in project implementation and the dissemination of project findings, the project aims to ensure the sustainability of its initiatives and their scaling up.

Briefing Notes (produced or in preparation)

1. Challenges and Opportunities for Sustainable Forest Management in South-West Ethiopia
2. Collective Forest Land Certification: a milestone for tenure security and sustainable PFM in Ethiopia
3. PFM Institutional Development: experiences from the NTFP-PFM Project
4. Bamboo Forest Restoration through PFM: experiences from Masha
5. Economic Assessment of the Costs of Deforestation in South-West Ethiopia
6. Forest Policy Development : engaging PFM with the policy process in SNNPRS
7. Evolving Interpretation of Participatory Forest Management in South-West Ethiopia
8. Forest-Based Enterprise Development: comparative experience of cooperatives and PLCs
9. Land use change in the highlands of south-west Ethiopia, 1973-2012

10. The *Korerima* Value Chain: enhancing the value of forest products

11. Competitive and Sustainable Forests: making forests pay their way in south-west Ethiopia

Project Funding Agencies



European Union, Environment Budget



Royal Netherlands Embassy, Ethiopia



Royal Norwegian Embassy, Ethiopia

Project Partners



The University of Huddersfield: With 18 years experience of field research, project management and consultancy / advisory work on natural resources in Ethiopia.



Ethio-Wetlands and Natural Resources Association: The first Ethiopian NGO to focus on forest and wetland issues. It has worked with most of the donors in the country and has run projects in three of the country's eight rural regions.



Sustainable Livelihood Action: A European Economic Interest Grouping which focuses on capacity building to support local NGOs and organisations in developing countries. Its staff have over 25 years of experience in Africa, Asia and Latin America.



Southern Nations, Nationalities & Peoples Regional State

For further details see: www.hud.ac.uk/wetlandsandforest/