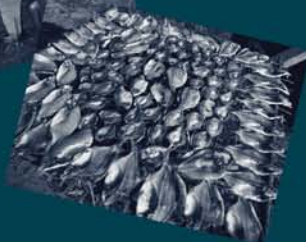


A Fair Share ?

Experiences in Benefit Sharing from
Community-managed Resources in Asia

Edited by

Sango Mahanty
Kenneth Burslem
Erica Lee



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Erica Lee



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A Fair Share? Experiences in Benefit Sharing from Community-Managed Resources in Asia

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RECOFTC is an international, non-profit organization that supports community forestry and community-based natural resource management, and receives core funding from the Swedish International Development Cooperation Agency (SIDA) and the Swiss Agency for Development and Cooperation (SDC). Through strategic partnerships and collaboration with governmental and non-governmental institutions, programs, projects and networks, RECOFTC aims to enhance capacity at all levels and to promote constructive multi-stakeholder dialogues and interactions to ensure equitable and sustainable management of forest resources. RECOFTC's main geographical focus is the Asia-Pacific region, but it welcomes collaboration with organizations from other regions.

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Foreword

As the target year of 2015 for the Millennium Development Goals draws closer, it is imperative that we examine and understand how Community Based Natural Resource Management is contributing to these goals, as well as sustainable natural resource management. What benefits and costs are created through CBNRM? Who captures these benefits, and who bears the costs? What are the key mechanisms that influence the outcomes? By answering these questions, we start to gain a clearer picture of whether the benefits of CBNRM initiatives will be sufficient to raise rural people out of poverty, and provide them with sufficient incentive to sustainably manage their resources.

The learning initiative leading to this book was born of the shared interest of our organisations in understanding the challenges and successes being faced by CBNRM initiatives in generating and sharing benefits, and the critical factors that influence these outcomes. Over a period of about six months, a number of partners from three countries in the Mekong region – Cambodia, Lao PDR and Vietnam – came together to address these questions. Through a series of case studies, national workshops and a regional workshop, we reviewed the outcomes so far of CBNRM initiatives through a ‘benefit sharing’ lens.

In all three countries, the process generated very fruitful exchange between practitioners and policy makers, and between people working in sectors as diverse as fisheries, ecotourism and forestry. The initiative generated considerable interest as well as follow-up activities in these countries, and we are pleased that the findings can now be shared with a wider audience.

This book captures the main lessons and issues emerging from national and regional discussions. It also presents one case study from each country, selected to highlight issues in different sectors. As we struggle to find ways to strengthen the poverty reduction potential of CBNRM, we hope that this book offers some practical areas to target for future action.

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Guenther Meyer
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Harm Duiker
Netherlands Development
Organisation (SNV)



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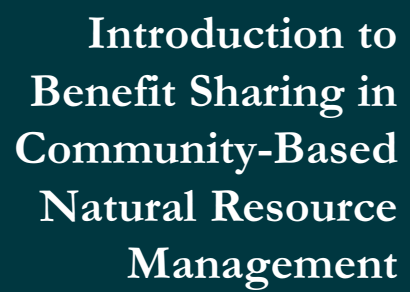
The learning initiative on benefit sharing in community-based natural resource management was jointly funded by RECOFTC (through the support of SIDA and SDC), WWF US, and SNV. Although these organizations provided funding, the initiative would not have been possible without the generous support and collaboration of our many partners in Cambodia, Vietnam, and Lao PDR. Special thanks to the Community Based Natural Resource Management Learning Institute in Cambodia, and the Department of Livestock and Fisheries and the National Agriculture and Forest Research Institute in Lao PDR. The close involvement of our partners will ensure that the lessons generated are taken up, explored, and applied far beyond what can be captured and communicated here on paper. Thanks also to WWF Lao PDR, WWF Cambodia, WWF Vietnam, and Wallaya Pinprayoon of RECOFTC for their dedication and support in facilitating case studies and arranging excellent workshops on a shoestring budget.

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Abbreviations

ACIAR	Australian Centre for International Agricultural Research
ADB	Asian Development Bank
AIT	Asian Institute of Technology
AMRC	Australian Mekong Resource Centre
CARERE	Cambodian Area Regeneration and Rehabilitation Project
CBET	Community Based Eco-Tourism
CBNRM	Community Based Natural Resource Management
CDP	Community Development Plan
CF	Community Forestry
CFM	Community Forest Management
CFMB	Commune Forest Management Board
CIP	Commune Investment Program
CMDCP	Cambodian Mekong Dolphin Conservation Project
CPA	Community Protected Area
CPC	Commune People's Committee
CRDT	Cambodian Rural Development Team
DAFO	District Agriculture and Forestry Office
DARD	Department of Agriculture and Rural Development
DC	Diameter Class
DLF	Department of Livestock and Fisheries
DOF	Department of Forestry
DPC	District People's Committee
ETSP	The Extension and Training Support Project for Forestry and Agriculture in the Uplands
FA	Forest Administration
FMB	Forest Management Board
FOMACOP	Forest Management and Conservation Project
FPU	Forest Protection Unit
FUG	Forest User Group
GAPE	Global Association for People and the Environment
GTZ	German Technical Assistance
IDRC	International Development Research Centre
IFDMP	Indigenous Fisheries Development & Management Project
INGO	International Non-governmental Organization
IO	International Organization
IUCN	World Conservation Union
JFMA	Joint Forest Management Association
MoE	Ministry of Environment
MRC	Mekong River Commission
MWBP	Mekong Wetlands Biodiversity and Sustainable Use Programme
NAFRI	National Agriculture and Forest Research Institute
NGO	Non-governmental Organization
NOFIP	National Office of Forest Inventory and Planning
NRMC	Natural Resource Management Committee
NTFP	Non-Timber Forest Products
OARD	Office of Agriculture and Rural Development
PLG	Partnership for Local Governance
PLUP	Participatory Land Use Planning
PRDC	Provincial Rural Development Committee
RDC	Regional Development Coordination
RECOFTC	Regional Community Forestry Training Center
SDC	Swiss Development Cooperation
SIDA	Swedish International Development Cooperation Agency
SFM	Sustainable Forest Model
SNV	Netherlands Development Agency
SWIM	Small-scale Wetland Indigenous Fisheries Management
SWOT	Strengths, Weaknesses, Opportunities, Threats
UNDP	United Nations Development Programme
VDC	Village Development Committee
VFA	Village Forestry Association
VFMB	Village Forest Management Board
WCS	Wildlife Conservation Society
WWF	World Wildlife Fund
YLL	Yak Loam Lake
YLLMC	Yak Loam Lake Management Committee



Chapter 1: Introduction to Benefit Sharing in Community-Based Natural Resource Management

Sango Mahanty
RECOFTC

Michael Nurse
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As community-based approaches to natural resource management gain ground in the Asian region, many of us have become concerned with what benefits are actually reaching communities through these initiatives, and which individuals are receiving them. In some countries, benefit sharing is a relatively new issue, while in others it has been under discussion for some years. WWF Greater Mekong Programme and RECOFTC felt that it would be useful to collaborate on a learning initiative to support reflection and learning on this important issue. The Netherlands Development Organization (SNV) also supported the initiative and the sharing of emerging lessons.

This chapter sets out some key definitions and concepts, and outlines the approach used to reflect on benefit sharing processes and outcomes in three countries: Vietnam, Lao PDR, and Cambodia.

1. Why Think About Benefit Sharing?

As practitioners focus increasingly on the poverty reduction potential of community-based natural resource management (CBNRM), it has become clear that there is a need to seriously analyze the benefits generated through CBNRM and identify the recipients of such benefits. In terms of resource management, it is also important to consider whether the incentives created through CBNRM are sufficient to engage communities in the long term, and ultimately support poverty reduction and sustainable NRM outcomes (Dubois 1998; Ratner 2006; Jones 2004; Mahanty *et al.* 2006; Beck and Fajber 2006). Distributional issues are critical to equity and social sustainability, and therefore need to be considered at an early stage (Balland and Platteau 1999; Russell and Harshbarger 2003; Colfer 2005; Pagdee *et al.* 2006; Adhikari and Lovett 2006).

That being said, the learning initiative on benefit sharing was not a dry analytical exercise. The purpose in looking at benefit sharing experiences to date was to identify

the issues and constraints encountered, successful strategies that supported benefit sharing, and key challenges for the future. The ultimate goal for such an assessment was to improve CBNRM practice, provide justification for enabling policy and laws, and identify areas for future work.

Figure 1 sets out the learning process that RECOFTC, WWF, and other partners facilitated over the best part of a year. In brief, it involved national workshops in Vietnam, Cambodia, and Lao PDR, to review case studies and current national experiences and issues related to benefit sharing. These were then presented and reviewed at a regional workshop facilitated by RECOFTC in June. A common analytical framework was used at these workshops to enable comparison of issues and lessons learned across the three countries.

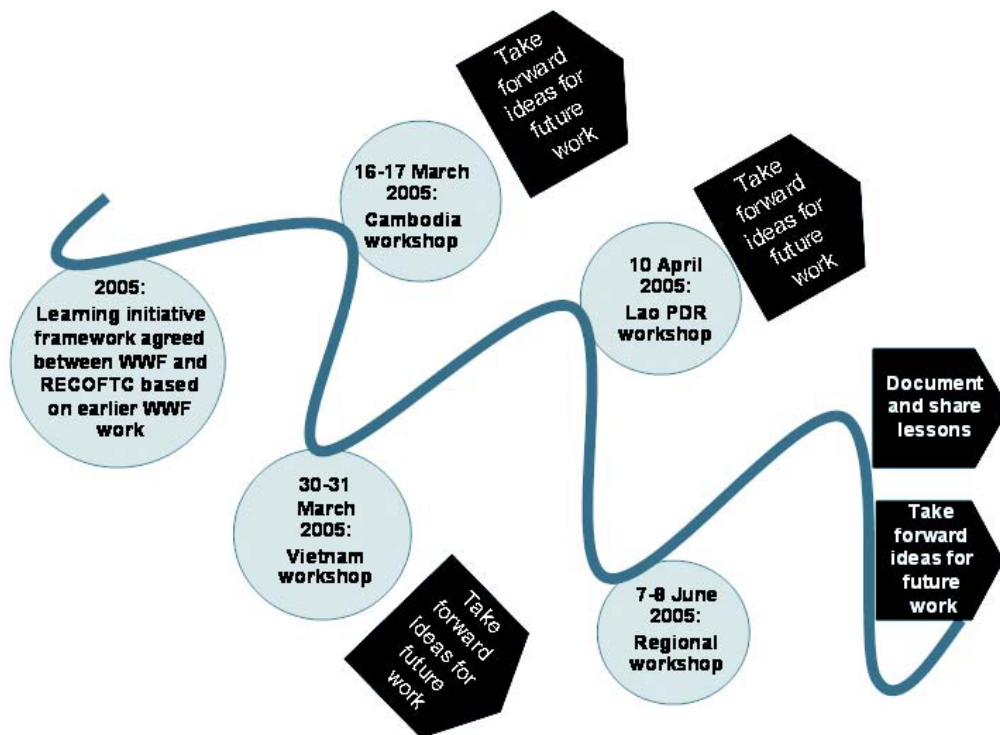


Figure 1: Map of the Learning Initiative on Benefit Sharing in CBNRM

2. Benefit Sharing: Definitions and Key Concepts

The term benefit sharing can mean different things to different people, and a starting point for this process was to specify how we interpret it in the context

of this learning activity. We have used the term to refer quite broadly to a range of monetary and non-monetary benefits that could emerge from CBNRM processes, including:

- Income: from the sale of resources or employment in CBNRM activities and enterprises
- Non-monetary benefits, such as:
 - Subsistence resource use e.g. food, building materials, fodder, fuelwood, medicinal products;
 - More secure resource rights;
 - Political empowerment of marginalized groups;
 - Strengthened capacity and learning amongst individuals or groups of people;
 - Maintenance of the cultural and religious values associated with resources (Tyler 2006; Adhikari and Lovett 2006).

Also of interest to the wider set of actors involved in CBNRM are the environmental benefits, including the maintenance of environmental services such as watershed protection, carbon storage, and biodiversity conservation.

In addition to benefits, CBNRM involves costs. For example, resource users agreeing to restrict resource use in an area and to commit their time to CBNRM activities bear opportunity costs in forgoing alternative uses of their time and of the land or resources. Other costs can include the time spent on:

- gathering information for management planning on resource area and condition, traditional rights, current use patterns, causes of resource degradation, and social conditions;
- establishing community rights to use and manage an area, for example the process of registering a forest user group with the government, or the obtaining of a red book certificate in Vietnam;
- negotiating management arrangements and agreements, including developing management rules, reviewing arrangements over time, and mediating conflict if it should arise;
- regenerating degraded resources;
- checking compliance with rules, monitoring, and protection activities (Adhikari and Lovett 2006; Jones 2004).

Initial studies on costs of CBNRM show that, as with benefits, the costs of CBNRM may be borne unevenly by different groups in a community (Adhikari and Lovett 2006; Tyler 2006). Gaining an understanding of benefit sharing therefore requires us to consider who bears the costs, and the relative magnitude of costs compared with benefits for different groups.

3. Framework for Analyzing Benefit Sharing in this Learning Initiative

Put simply, there are two key questions we attempted to address through the learning initiative: What benefits are actually reaching communities through community-based resource management? How are these benefits and costs distributed within communities?

According to current research and thinking in CBNRM, issues of governance, resource conditions, and socio-economic conditions within communities can play a key role in the distribution of costs and benefits (Dubois 1998; Balland & Platteau 1999; Agrawal and Gupta 2005; WRI *et al.* 2005). Broader governance (law and policy) and resource-related factors can contribute to an understanding of benefit flow to communities, while local governance arrangements and socio-economic conditions (“community conditions”) can shed light on distribution of benefits at the community level. Figure 2 maps out these relationships, and highlights the links between these factors.

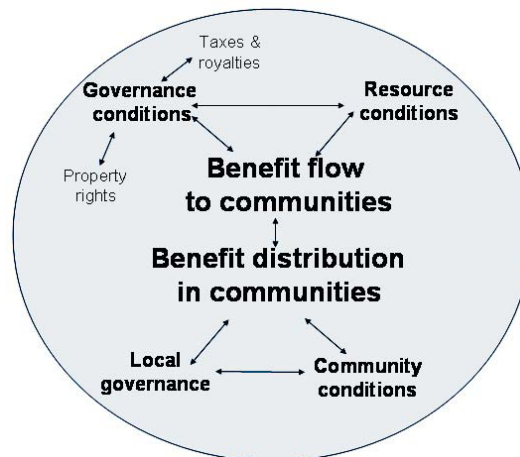


Figure 2: A Framework for Analyzing Benefit Sharing

Based on this framework, the participants in the learning initiative applied a common set of questions to CBNRM case studies from Vietnam, Lao PDR, and Cambodia.

Benefit Flow to Communities

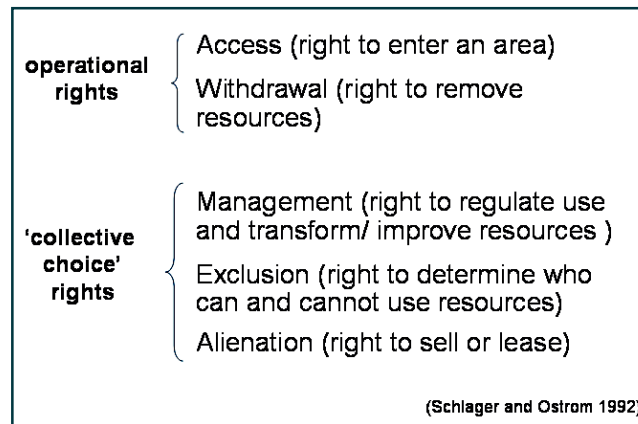
Governance Conditions

Property rights: what kinds of rights do communities hold? (see Box 1)

Other laws and policies: are there policies or laws in place guiding benefit flow (e.g. payment of taxes and royalties); if yes, how equitable and workable are they?

Resource conditions

What is the condition of resources under community management (e.g. degraded or high value?), and what are the implications for benefit flow?



Box 1: A Typology of Property Rights

Benefit Distribution in communities***Local governance***

How are decisions about benefit sharing made?

What is the role of existing or new local organizations in benefit distribution?

Community conditions

How is benefit distribution affected by community conditions (including the differing power, interests, capacities, responsibilities, and relationships between individuals and groups in the community)?

In practice, case studies and discussions in workshops did not deal equally with these questions; they tended to focus more on issues of benefit flow over distributional issues at community level, particularly in the forestry context. Experiences with community forestry indicate, however, that benefit flow and benefit distribution are best tackled in parallel to minimize distributional inequities and maximize poverty reduction potential (Hobley 2005). Certainly in the case studies of NTFPs, fisheries, and eco-tourism considered in this initiative, distributional issues were starting to emerge (see Chapter 8 for more information).

It is important to note at this point that the analytical framework presented here has its limitations. For one thing, it does not consider the role of local government in detail. Another limitation is its suggestion that a clear line divides issues of benefit flow and internal benefit distribution when, in reality, such issues can be quite difficult to separate from one another. For example, research in Vietnam has found that property rights to forest land in the form of red book certificates may be easier to obtain for households with political ties (Nguyen 2005), highlighting that property

rights and community conditions can be knitted together. In spite of these limitations, however, the framework did serve as a good starting point to start looking at benefit sharing issues, particularly given the newness of benefit sharing to a number of participants in the initiative.

4. Using this publication

Readers can use this publication to acquire a broad overview of benefit sharing issues, as well as to gain insights to the issues and challenges being faced in Vietnam, Cambodia, and Lao PDR.

Country-based case studies have been selected from different resource management fields: community forest management in Thua Thien Hue Province, Vietnam (Nguyen), Yak Loam Lake eco-tourism project in Ratanakiri, Cambodia (Chea), and community-based fisheries management in southern Lao PDR (Molloy *et al.*). Each of these case studies applies the analytical framework to specific projects and locations to gain a detailed understanding of benefit sharing issues in the specific case under discussion. These case studies were prepared by the authors following the national workshops.

Reports from each of the national workshops are also presented here: Vietnam (Vickers), Cambodia (Halley *et al.*), and Lao PDR (Gerrard). These summarize the key discussion points and outcomes of the national events that brought together many case studies and experienced CBNRM practitioners to review lessons and issues. The analytical framework was used in national workshops to help frame discussion questions.

The regional overview at the end of this publication brings together common themes, lessons, issues for the future, and areas for further action in the Mekong region. As our Indonesian colleagues attending the regional workshop discovered, a number of these issues have relevance beyond the three countries that have been this initiative's focus. We hope that our colleagues in the other parts of the world will reflect on the wider relevance of the discussed issues in light of their experiences.

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**Benefit Sharing from
Community-Managed
Resources**

CAMBODIA

Chapter 2: Report of a national-level workshop Kratie, Cambodia

16-17 March, 2006

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Prak Thearith
Mlup Baitong, Cambodia

1. Introduction

A two day workshop on benefit sharing in Community Based Natural Resource Management (CBNRM) was held in Kratie on 16-17 March 2006. Organized jointly by the WWF Greater Mekong Programme, the CBNRM Learning Institute, and RECOFTC, the workshop drew delegates from local communities, provincial and national government, and NGOs to share their experience, challenges, and lessons learned from CBNRM initiatives.

The workshop objectives were to:

1. Analyze lessons of benefit sharing from a range of CBNRM initiatives in Cambodia in terms of the relationship with governance arrangements, capacity, constraints, opportunities, policy, and legal frameworks;
2. Facilitate networking among partners and key stakeholders including government, NGOs, and communities; and
3. Identify and document experiences, needs, local context, and local indigenous knowledge related to natural resource management.

The workshop was attended by 55 participants from six provinces and municipalities, including Phnom Penh, Ratanakiri, Steung Treng, Kratie, Mondulakiri, Siem Reap, and Kampong Speu.

Workshop structure and process

The workshop included presentations and group discussion, with the first day focusing on seven case studies on benefit sharing in eco-tourism, community forestry, and fisheries projects, and a panel discussion on the legal framework for benefit sharing (See Table 1). On the second day, participants met in small groups to discuss and document their own experiences relating to the four key questions on benefit sharing in CBNRM:

1. How does the policy and legal context influence benefit sharing?
2. How does national policy related to benefit sharing apply in practice at the local level?
3. Do community level organizations facilitate equitable benefit sharing? Why or why not?
4. How are benefits/costs shared with the community?

Table 1: Summary of Key Activities and Highlights of the Workshop

Activities	Key Highlights
Workshop opening	Opening remarks by: <ul style="list-style-type: none"> • H.E. Kham Phoeun, Governor of Kratie • Mr. Seng Teak, Country Director of WWF • Key Note Address and Conceptual Framework by Dr. Sango Mahanty, RECOFTC - <i>“Thinking about Benefit Sharing: Concepts and Questions”</i>
Introduction	Overview of workshop objectives and agenda was presented by Mr. Srey Marona (CBNRM Learning Institute) and expected outputs was facilitated by Mr. Cheam Mony (WWF)
Presentation of seven case studies	<ol style="list-style-type: none"> 1. <i>Mekong Wetland Biodiversity Conservation and Sustainable Use Programme</i> - by Mr. Sous Sivutha, Deputy Co-Manager of MWBP project (IUCN/UNDP/MRC) 2. <i>Benefit Sharing between Indigenous Communities and Seima Biodiversity Conservation Area</i> – by Mr. Pet Phatrak, Seima Biodiversity Conservation Area (WCS) 3. <i>Participatory Natural Resource Management (Forestry) Project in Tonle Sap Lake</i> - by Mr. Kong Boravuth, Staff of FA (Siem Reap Forestry Administration Cantonment)

Activities	Key Highlights
	<ol style="list-style-type: none"> 4. <i>Building a Strong Multi-Sectoral Partnership: A mechanism for sharing the responsibilities and benefits from managing Mondulhiri Protected Forest</i> – by Mrs. Amalia Maling, Srepok Wilderness Area Project (WWF) 5. <i>Yak Loam Lake Core Zone Protected Area and Benefit Sharing</i> – by Mr. Chea Phalla, Land Titling Advisor (Partnership for Local Governance in Ratanakiri Province) 6. <i>Benefit Sharing Mechanism and Role of Stakeholders in Chamboke Community Based Eco-tourism</i> – by Mr. Prak Thearith, Project Officer of CBET (Mlup Baitong) 7. <i>Mekong Dolphin Eco-tourism Development in Support of Community Livelihood and Dolphin Conservation</i> – by Mr. Phay Somany (Department of Fisheries and WWF)
Panel session	<p>Panel discussants:</p> <ol style="list-style-type: none"> 1. Panel Moderator – Mr. Ken Serey Rotha 2. Forestry – Dr. Sokh Heng 3. Fisheries – Mr. Chhuon Kimchhea 4. Land – Mr. Hue Chenda 5. Environment – Mr. Ros Chor
Small group discussions and group presentations	<p>Key questions discussed by four small groups:</p> <ol style="list-style-type: none"> 1. How does the policy and legal context influence benefit sharing? 2. How does national policy related to benefit sharing apply in practice at the local level? 3. Do community level organizations facilitate equitable benefit sharing? Why or why not? 4. How are benefits/costs being shared within the community?
Next steps	<p>Plenary session was facilitated to discuss next steps and to nominate a working group to follow up and prepare for the regional workshop.</p>
Summary and closing of workshop	<p>In the workshop closing, Mr. Ken Serey Rotha (CBNRM Learning Institute) and Dr. Sango Mahanty (RECOFTC) outlined some factors as emerging lessons and issues for benefit sharing in Cambodia, such as defining benefits, gender equality and women's participation, agreements, limits of participation, equity of costs and benefits, building human capital, consultation, and cultural factors.</p>

2. Overview of Selected Case Studies

Many case studies were presented at the workshop and their lessons are incorporated in the workshop discussion points in Section 3. Here, we include a summary of case studies that raised particular lessons on benefit sharing outcomes and processes.

2.1 Benefit sharing with indigenous communities in the Seima Biodiversity Conservation Area

This pilot site for Participatory Land Use Planning is in the Seima Biodiversity Conservation Area, located in the southern part of Mondulkiri Protected Area. The indigenous (Phnong) people who resided here were displaced in 1975 and returned in the 1990s. When the Phnong returned to their original territories, these areas were also being used by other communities. The residents of this area are dependent on the forests for livelihoods.

The Participatory Land Use Planning (PLUP) process is guided by the PLUP manual and the Forestry and Land law, and is facilitated mainly by government staff. A PLUP committee has been created as a focus for activities. Capacity has been built in the community through training courses and study trips. The villagers already manage the land with traditional rules and systems. They wish to continue the old system and protect the natural resources, but also wish to increase their income. A major threat is immigration to the area, and the PLUP process aims to minimize or eliminate immigration.

Key resources are resin, which is a very important source of income and is under a strong management system, and fishing, which is under a system with elements of strong management but that is currently threatened.

The PLUP process assists the villagers in assessing and managing needs as part of a plan for community land use. The benefits so far have been:

- Slowing of immigration to the area;
- Management of traditional uses of natural resources for greater sustainability;
- Community knowledge of the laws is improved;
- Community is working within the laws;
- Development of trust between key stakeholders; and
- Providing clear rights and stronger tenure for the community which strengthens their ability to protect their own rights.

The case study highlights the importance of considering the non-financial benefits of CBNRM processes, including capacity building and political empowerment.

2.2 Participatory Natural Resource Management (Forestry) Project in Tonle Sap Lake, Siem Reap

The Tonle Sap area had plenty of forest resources to fulfill local needs in the 1970s, but by 1993, was depleted due to over harvesting by commercial users combined with shifting cultivation. The objective of this project is to establish accountability, sustain forest and fisheries resources for local requirements, and develop a participatory process to achieve such goals.

A community forestry committee was established with elected members from the community. Responsibilities and a benefit sharing structure were established, with 10% of funds distributed to the commune development fund for implementation of the commune development plan and 90% spent by the community on tree plantations, forest protection, infrastructure development, and assistance for the poorest community members.

The participatory process has helped the community to adopt sustainable practices, and support benefit sharing arrangements. The success of community forestry is dependent on an appropriate share of the benefit within the community. So far, the main benefit for the community in Siem Reap is from the poles harvesting. The money generated has been used to build the local school and fund other development activities. Benefit sharing includes ensuring traditional sustainable use of forest products and non-timber forest products (NTFPs), commercial management, and the distribution of direct and indirect benefits. It has also been important to fund the re-establishment of forest resources to ensure the long-term sustainability of the resource, highlighting that benefit sharing ultimately depends on a resource base that can continue to generate benefits.

2.3 Benefit sharing mechanism and role of stakeholders in Chambok community-based eco-tourism

The Ministry of Environment (MoE), who manages Kirirom National Park, was extremely concerned about the impact of illegal hunting of wildlife and harvesting of trees that were rendering the park totally unsustainable. An estimated one million trees were being cut each year, with little thought given by villagers to the needs of the next generation. The government and community responded to this destruction in 2002 by introducing, with the support of local environmental NGO Mlup Baitong, community forestry (CF), community protected areas (CPAs), and community-based eco-tourism (CBET).

The goals were to:

- Assist Kirirom National Park in protecting forest and wildlife
- Educate villagers and tourists on the importance of natural and cultural resources and how to protect them for sustainable use
- Generate incomes to help reduce poverty in Chambok communities.

A two-year renewable agreement was signed in 2003 between MoE and Mlup Baitong for the CBET area within Kirirom National Park. The second renewable agreement was signed for five years in 2005 between MoE and the community. The CBET area, which is a 161 ha site, is governed by a committee that includes elected representatives from all nine villages of Chambok Commune. The Community has drawn up rules and regulations to ensure that the area is protected and managed. Significant decisions are made with participation from key stakeholders, including villagers, village chiefs, the commune council, district governors, provincial governor, Kirirom national park officers, Provincial Department of Environment and Tourism, and MoE.

The CBET area generates financial benefits that are shared within the community. Revenue is obtained through entrance and parking fees, homestays, oxcart rides, music and dance performances, bike rentals, and the sale of souvenirs. Women in Chambok are actively involved in establishing eco-tourism, particularly in selling food and handicrafts to tourists. The revenue from the CBET goes directly to the community through activities to support sustainable livelihoods and natural resource conservation. Funds are distributed in the form of wages for eco-tourism related work (the site directly employs 16% of the total adult population), enforcement activities, and committee running costs. Additional funds are placed in a community fund. 57% of funds generated go to funding wages and administrative activities, 12% to assistance of vulnerable people, 13% to infrastructure improvement, and 18% to the community fund. Presently, there is US\$ 2,500 in the community fund, which has been generated from income earned from 2003 until 2005.

The community decides how to use this money to benefit the development of the villages. This may be used for infrastructure (such as a village meeting hall), education, support to vulnerable families, and/or low interest credit. In order to make a decision on any expenditure other than running costs, at least eight members of the committee must be in agreement. Any villager can propose an idea for how the money should be spent through their representative on the committee. At the beginning of each year, the committee makes an annual plan for spending with clear objectives.

Monthly reports are produced on income and expenditure. They are publicly displayed as well as distributed to all stakeholders. To ensure transparency and accountability, a Natural Resource Management Committee (NRMC) has been established for monitoring and observing management of the whole community (CF, CPA, CBET

and Women Group). The Committee has seven members drawn from these groups and Commune Council, Forest Administration (FA), and Kirirom National Park Office.

In addition to receiving and facilitating financial benefits, CBET committee members have undergone capacity building in leadership, facilitation, administration, English language, computer, micro-project designing, and management skills. They have also received training as tour guides and in cultural aspects, such as sculpting and carving, traditional music, and dancing.

Key lessons emerging from the Chambok case include the need to ensure employment and equitable distribution of income generating opportunities amongst the communities; otherwise, conflict can result. Keeping community funds transparent and accountable has been effective in reducing the potential for conflict among community members.

2.4 The Mekong dolphin eco-tourism development in support of community livelihood and dolphin conservation

The Irrawaddy Dolphin which inhabits the Mekong River is listed by the World Conservation Union (IUCN) as 'Critically Endangered.' They face a range of threats, including gillnet entanglement, dynamite and electric fishing, over-fishing of important dolphin prey species, and habitat degradation, especially environmental pollution. The majority of the people living along the Mekong River, particularly between Kratie and the Cambodian-Lao border, are entirely reliant on natural resources. This reliance creates a high risk of over-exploitation of fisheries, and contributes to the threats facing the Irrawaddy Dolphin.

The first pilot dolphin eco-tourism project was developed in Kampi, 18 km north of Kratie. Kampi is a poor village where fishing provides subsistence for most families and a source of income for others. The project has been a collaborative venture of the Cambodian Department of Fisheries, WWF - Living Mekong Programme, Wildlife Conservation Society (WCS), and Cambodian Rural Development Team (CRDT). Conservation and management activities are undertaken by the Cambodian Mekong Dolphin Conservation Project (CMDCP), with the Mekong Wetlands Biodiversity and Sustainable Use Programme (MWBP) providing additional support in 2005.

The objectives of the project include:

- To improve community living standards;
- To exchange the subsistence fishing of villagers with tourism services so as to reduce fishing activities at Kampi dolphin pool; and
- To increase participation of local communities in dolphin conservation by creating a positive attitude through related income development.

Project members began discussions at the beginning of 2004 on how financial benefits would be shared by local communities, provincial tourism, and fisheries departments, but no agreement was established. In 2005, an agreement was reached between the Kratie Governor, Department of Fisheries in Phnom Penh, provincial Fisheries and Tourism Departments, and Cambodian Rural Development Team. The entrance fee to the dolphin viewing site was to be shared between the local community (40%) and the provincial tourism (30%) and fisheries departments (30%). The revenue from the boat service was to be shared between boat owners (50%) and the provincial tourism department (50%).

In February 2006, under a sub-decree, the Commission for Dolphin Conservation and Dolphin Eco-tourism Development was established by the Government. The Deputy Governor of Kratie province, who is the Chief of the Kratie executive office of the Commission, became responsible for managing all revenues from dolphin eco-tourism at Kampi. The Commission subsequently changed the previous agreement. The Kampi community still receives 40% of the entrance fee revenue, while the remainder goes to the Commission. The revenue from the boat service is to be shared among the Commission (50%), and boat owners (50%). Under the new agreement, provincial tourism and fishery departments no longer receive funds directly but are allocated funds by the Commission according to perceived need.

In 2004, a village development committee (VDC) was established through free election and is responsible for all development activities in the Kampi village. The VDC has 11 members, which includes an accountant responsible for maintaining all financial records. They are required to prepare a plan and budget with goals and objectives in order to effectively use the funds generated by the eco-tourism.

The Kampi community is also gaining a number of indirect benefits. The project has been working with the independent NGO, Cambodian Rural Development Team (CRDT), to help initiate community-based agricultural activities and livelihood improvement developments in the area. An initiative has already achieved considerable success with projects such as the establishment of a thriving mushroom growing program in the commune. In addition, training has been provided to the VDC members on rural development vision, duties and responsibilities, how to organize a meeting, and development planning concepts.

A key lesson from this case study is that, while the community has shown a willingness to take part in dolphin conservation and develop a better understanding of the importance of dolphins, inequities in the flow of benefits to communities have emerged. Not all communities that previously utilized the proposed dolphin conservation areas are involved in sharing the eco-tourism benefits. Additionally,

there have been disputes within the VDC of Kampi on how the funds should be spent, resulting in a breakdown in community relations and a large sum of funds remaining unspent. There is a continuing need to address the framework for benefit sharing between communities and government agencies, and to increase the participation of community in all decision making and activities for the dolphin eco-tourism project.

3. Summary of Discussion on Key Questions

3.1 How does the policy and legal context influence benefit sharing?

The policy and legal context can positively influence benefit sharing outcomes in the following ways:

- By encouraging communities and relevant stakeholders to get involved in organizing and managing natural resources;
- By giving communities ownership and the right to manage and share the benefit within their communities;
- Providing a base for community forestry implementation;
- Communities can be clear about their rights and responsibilities; and
- Responding to the development needs of the country and communities.

The policy and legal context can also negatively impact on benefit sharing where:

- Laws exist but there is a lack of information dissemination and therefore community understanding of the laws;
- There are inconsistencies between government and community levels rules/policies;
- Implementation of laws is not appropriate or does not meet community needs;
- There is conflict and lack of coordination between different agencies within government; and
- The establishment of laws takes a lot of time.

3.2 How does national policy related to benefit sharing apply in practice at local level?

- The benefit sharing policy is not clear and does not apply to the real situation, so it is difficult for communities to implement it;
- The roles and responsibilities of each stakeholder in benefit sharing are not clear;
- Other relevant technical guidelines on benefit sharing are not used at local level; and
- There is no participation from local communities during discussions on benefit sharing policy.

3.3 Do community-level organizations facilitate equitable benefit sharing? Why or why not?

The success factors for equitable benefit sharing include:

- Communities participate in decision making;
- There is strong commitment from the local community;
- There are clear roles and responsibilities for relevant stakeholders;
- Transparency and law-based implementation is established;
- There is participation and support from stakeholders; and
- There is participation from women in decision making.

Concerns in regards to facilitating equitable benefit sharing:

- Lack of human resources in the project areas and low capacity and skills;
- Law enforcement is still limited; and
- Lack of participation from important stakeholders e.g. at government level.

3.4 How are benefits/costs being shared within the community?

Generally, funds generated through CBNRM activities are split between relevant stakeholders/government, costs of the project, and the community, e.g. Community Forestry project: Tonle Sap lake 40% for community forestry committee, 30% for development capital (project costs), and 30% for commune council (community).

To date, as there is no national policy on how funds generated through CBNRM are shared, the decision on how much of the funds are returned to the community depends on the capacity of the community/NGO to negotiate with government agencies. Some participants expressed that they preferred it this way because it allowed some communities to gain a greater percentage of the financial benefits.

Who is included in benefit sharing? This is difficult to determine, and people do miss out. The Chambok project is presently reviewing who receives benefits, and has flagged the need to have a mechanism for including new groups/individuals in benefits shared as they become involved in eco-tourism activities.

4. Emerging Lessons in Cambodia

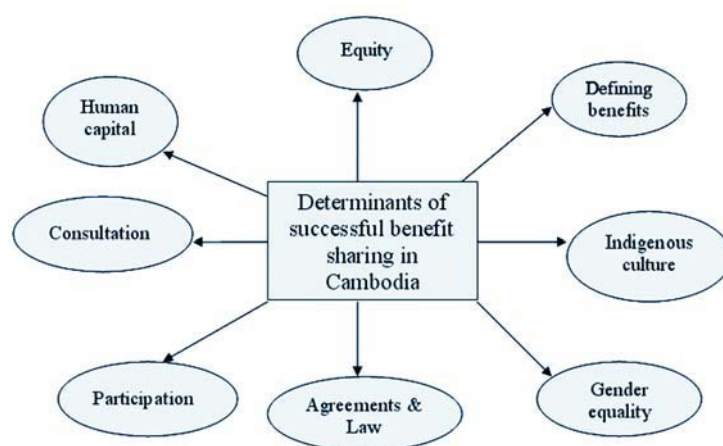


Figure 1: The Main Factors Believed to Determine the Success of Benefit Sharing Initiatives in CBNRM in Cambodia.

4.1 Defining benefits

Financial benefits seem to have been the main focus to date for participants in CBNRM, while non-financial benefits, like environmental services, capacity building, and cultural and religious existence values, have not been considered. Nevertheless, it was recognized by participants at this workshop that there are many non-financial benefits gained through the building of capacity and skills within the community, the sharing and recognition of culture, and the building of trusted networks with key stakeholders including government.

4.2 Gender equality - women's participation

Women need to be included in processes relating to CBNRM and benefit sharing, as their strong involvement in decision making processes and committees can support equitable benefit sharing outcomes. Women have been encouraged to participate in the planning process and decision-making for some CBNRM projects, but this needs to be reinforced. In Khmer society, the role of women in planning and decision-making is acknowledged, but often fails to include them in a practical meaningful way. As the presentations in the workshop indicated, the participation of women is growing and needs continuing encouragement.

4.3 Agreements

Coordination between national and local governmental bodies is still limited. Successful benefit sharing initiatives have involved agreements reached by government

departments at the outset of a project. Such agreements have provided “rights” for the community and ensured a sound basis for the projects. In cases where an agreement has not been reached by all stakeholders, there has been no security over the sharing of benefits. For example, with the Irrawaddy dolphin eco-tourism project, there was an agreement on benefit sharing amongst stakeholders which was invalidated when the government created a new agreement. This kind of breakdown in agreement creates a strong disincentive for communities to continue their active engagement in the resource management activities supported by the projects.

4.4 Limits of participation

The limits of participation need to be considered, as not all community members can and will be involved. The discussion on “Why is there no participation?” concluded that the primary reason is likely to be that benefit sharing has not been equal or even equitable. For example, the first step in the process of establishing a community project is often to gain support from external organizations; only some community members typically participate during this stage. When a project is running well and community members are benefiting, other members of the community want to become involved. There needs to be a process established whereby new participants can join in the project on an equitable but not necessarily equal basis to founding members. A mechanism is required to update the policy, by-laws, and overall agreements, as a project expands, to reflect the new environment.

4.5 Equity

Equity in benefit sharing is vital, but until now, there has been no standard mechanism or legal documentation to ensure equity. How the benefits are shared depends on negotiation and facilitation by government institutions and stakeholders in each case. For example, in the Chambok eco-tourism project, the benefits are shared with the communities and the commune council, but there is no legal document or binding agreement to ensure that the commune council receives financial benefits. In contrast, in Siem Reap’s community forestry project, a binding agreement has been negotiated which gives the Forestry Administration no share in the benefits, with all benefits going to the commune council.

The agreement for sharing of benefits very much depends on communities/stakeholders’ abilities to negotiate an appropriate agreement. This dependence is both a strength and a weakness.

4.6 Building human capital

The community needs to consider carefully the issue of building human capital and assets. A quote from one of the presenters provides some insight to the significance of capacity building:

“If we had been given money ten years ago, that money would probably be gone by now. But we got something better through the training you gave us - confidence in ourselves, skills in negotiations, knowledge about many things, asserting our rights. These do not go away.”

Money may therefore be better invested in training, capacity building and asset building, as these are long term initiatives and provide far reaching benefits for the community. The lack of capacity and skills in communities is also recognized as a barrier to the success of long-term projects.

4.7 Early consultation

There needs to be consultation, inclusion, and agreement between all relevant stakeholders from the outset of a project to ensure successful implementation. The projects that have been most successful in establishing a strong governance structure are those that have consulted and gained agreement from all relevant stakeholders from the outset.

4.8 Indigenous culture

There can be clear benefits for the protection and promotion of indigenous culture. The Yak Loam Lake (See Chapter 3 by Chea) and Chambok case studies are good examples of where eco-tourism projects have not only provided financial benefits to the community, but also promoted and supported indigenous cultures. Both projects provide the opportunity for the promotion of traditional cultural aspects of these communities through activities such as dance or making of handicrafts. Elders of the communities are asked to provide advice on cultural aspects of the projects. In the case of the Yak Loam Lake eco-tourism project, an area of high cultural value for the community has also been protected and enhanced.

Consultation and strengthening of indigenous culture are considered to be major benefits in some CBNRM projects, and go hand in hand with natural resource management objectives. An example is the concern of indigenous communities to protect their “spirit” forest.

4.9 Legal and policy challenges

The existing legal framework provides no clear mechanism to support benefit sharing. A sound legal framework would ensure security of projects and encourage more investment and commitment from communities. Existing projects could be used as pilots in order to determine an appropriate legal framework for the future.

Land encroachment and land alienation are great political challenges. Without the security of land tenure, there is no security for CBNRM and benefit sharing projects. Cambodia’s Land Law does provide land security for people, but a lack of

implementation and of people's understanding of the law and their rights have led to land encroachment and alienation.

5. Next Steps for Cambodia

The workshop on benefit sharing in CBNRM was the first opportunity in Cambodia for a range of organizations and community representatives to come together to share experiences, benefit from lessons learned, and document cases.

The workshop participants identified the need to further analyze, document, and learn lessons from projects on benefit sharing in CBNRM in Cambodia. A working group and secretariat (network) were established at the workshop to assist in further documenting and sharing experiences on benefit sharing in a Cambodian and regional context. The network will be able to contribute to:

- Future development of a strong legal framework;
- Building social capital within communities;
- Economic value creating strong local institutions to ensure benefits are shared at the local level, improving the commitment of communities to CBNRM; and
- Adapting the analytical and conceptual framework to the Cambodian context.

In the short term the secretariat aims to:

- Disseminate experience and lessons learned from the regional workshop to the network organizations and key forums.
- Translate key sections of this publication into Khmer to be distributed to network organizations (dependent on funding).
- Explore more with network organizations and key forums on benefit sharing mechanisms and assist with documentation to prepare for development of a future national framework.

RECOFTC and interested members of the network in Cambodia are discussing further opportunities to collaborate in developing a field-relevant framework and criteria to assess benefit sharing outcomes.



Chapter 3: Benefit Sharing in the Yak Loam Lake Eco-tourism Project, Ratanakiri, Cambodia

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Abstract

The Yak Loam Eco-tourism project in Ratanakiri province in Cambodia's northeast was implemented by the Partnership for Local Governance (PLG)/Cambodian Area Regeneration and Rehabilitation Project (CAREERE)/Seila program under a decentralized governance community based natural resource management approach.

The project assisted the Tumpoun community to obtain management rights to manage the Yak Loam Lake Protected Area as an eco-tourism site based on a 25-year lease with the province. Using the CBNRM approach, the project provides numerous benefits to community members by developing negotiation and leadership skills, as well as building 'natural,' social, financial, and physical assets.

The project has established mechanisms to ensure good governance and equitable benefit sharing, and has become both self-managing and sustainable. Key achievements are: the protection of a natural environment, enhancement of indigenous culture, and building and strengthening community capacity. Despite the project's success, however, significant issues remain to be resolved. These revolve around land tenure, government support at the national level, and equitable distribution of funds.

1. Introduction

This case study focuses on the benefit sharing aspects of a community-based eco-tourism project within the indigenous community of Yak Loam Lake, a project that aims to preserve the natural and cultural significance of its people and the area. The structure, mechanisms, and experience of establishing an environmentally and financially stable community-based natural resource management (CBNRM) project are outlined. This project has been achieved under the umbrella of the government's decentralization program (Seila program) in the Ratanakiri province, Cambodia.

Cambodia is rich in natural resources, but these have been heavily degraded by over twenty years of civil war, as well as the rapid adoption of a free market economy since 1990. Other factors affecting the decline in resources include increasing population, poor resource management, and unregulated use of natural resources.

Cambodia has a population of 13 million, 84% of whom live in rural areas. 85% of these rural Cambodians depend directly on natural resources for their livelihood (McKenney and Tola 2002).

There is increasing support for CBNRM within the policies and legislation of Cambodia, but there exists a lack of practical application. The government also supports the process of Participatory Land Use Planning (PLUP) for sustainable natural resource management, but is still struggling with the legal procedures of its recognition and implementation.

Legislation and government policy encourage a decentralized planning approach to strengthen the capacity of local governance on NRM issues and to secure traditional community use rights and livelihoods, especially for indigenous people. A land law was introduced in 2001 to secure indigenous communal land rights.

1.1 Ratanakiri Province

Ratanakiri province is located in the northeast of Cambodia (see Figure 1) and is home to indigenous minority groups. During the past 50 years, the indigenous communities in Cambodia have lost (and continue to lose) major portions of their land to new settlers, infrastructure development, and commercial ventures. This issue has been most apparent for the Tumpoun people in Yak Loam commune, Banlung district.



Figure 1:
Location of Ratanakiri Province

1.2 Tumpoun People of Ratanakiri

Traditionally, the Tumpoun people have mainly relied on subsistence-level swidden farming and collection of non-timber forest products (NTFPs) for their livelihoods. Literacy is low in the community, and land alienation and deforestation have eroded its resource base. Data collected in 1995 indicated significantly diminished tree and fish species, wildlife, and NTFPs.

The Yak Loam commune is home to Yak Loam Lake - a volcanic crater lake located 4 km east of Banlung town, the capital of Ratanakiri Province. The Tumpoun who live in the five villages around the lake consider it sacred and part of their customary territory. An increasing number of visitors over the years, combined with unmanaged development of the Lake, has adversely impacted the lake area.

The Tumpoun had no control over the lake area and many themselves were exploiting the resources available as their traditional, social, and environmental control systems were weak and in disarray.

In 1995, the International Development Research Centre (IDRC) began its work in the province. It initiated the creation of a protected area in Yak Loam commune, which included the culturally important Yak Loam Lake. The lake area was included as one of eleven provincial protected sites. The main activities focus on protecting the lake area and preserving a site of high cultural value for the local community.

The project proceeded in a number of phases:

- Phase 1 (1995-1997) involved primarily awareness-raising on NRM issues and prohibition of commercial activities around the lake.
- Phase 2 (1997-2001) involved the encouragement of local communities to participate in the project via management committees and lease agreements.
- Phase 3 (2001-2003) focused on capacity building with the local community, reviewing income streams, developing transparent management systems, and exploring options for sustainable eco-tourism developments. In this phase, the community gained full independence and the project became self-managed.

1.3 Study method

This case study was conducted by reviewing two existing reports:

1. The Yak Loam Project by Ashish, Joshia and John Ingt
2. Impact of Yak Loam Protected Area Project on Communities Livelihood conducted by Provincial and Commune Researchers, coordinated by Sok, Mary

Additional information was collected from field work. The author also interviewed a number of former and present employees of Partnership for Local Governance

(PLG), the Yak Loam Lake Management Committee (YLLMC), and other stakeholders.

2. Study Findings

Transparency, accountability, and participation have been guiding principles in the development of the Yak Loam eco-tourism project.

The following initiatives were introduced to ensure adherence to these principles:

- An annual workshop allows an annual work plan and budget to be discussed and finalized, and informs the provincial government, the PRDC, and the commune council of the project's activities.
- Quarterly and annual reports are circulated to the Provincial Rural Development Committee (PRDC), commune council, district authority, and NGOs and relevant international organizations (IOs).
- Income and expenditure reports from all sectors of the project are reviewed at monthly committee meetings.
- An administrative structure defines the role of all committee members and each village in the commune is represented by a member.
- A formal interview process by the committee and the commune council is carried out to recruit new committee members.
- Members are rotated on the committee on an annual basis.

2.1 Non-financial benefits

When the YLLMC was first established, the committee members had very limited skills, knowledge, and confidence to fulfill their roles. Informal and formal training have been provided in the form of planning, financial management, environmental impacts, leadership, Khmer literacy, spoken English, typing, and computer skills. The committee members have also had the opportunity for study tours.

The committee members now have the capacity to be able to deal with all administrative and financial tasks for the project. Moreover, the committee has developed the capacity to deal with conflicts that arise, and are able to interact with local authorities and NGO/IOs. For example, they have successfully negotiated with farmers for the removal of chomkars (upland farming fields) that were in the protected area.

According to Mrs. Pol Tu, a member of the women's handicraft weaving group:

"I never had any education. I joined this activity because I wanted to learn and improve my literacy skills, and learn how to calculate and communicate to assist in selling handicrafts for the benefit of women in my community."

Community members, particularly from the villages close to the protected area, are actively involved on a voluntary basis in activities such as tree planting, fire protection, and reporting of illegal activities. The YLLMC also said that participation grew in meetings and workshops, which were well attended once the community understood more about the project. People are normally given a meal for activities that involve heavy labor and a small cash payment.

Other non-financial benefits or indirect benefits of the project have been:

- Building of physical assets: This includes basic infrastructure - transport, shelter, water, energy and communications - and the production of equipment that enables people to pursue livelihoods which incorporate traditional culture and knowledge, such as a cultural center. In May 2006, Mr. Trach Norng, chief of YLLMC reported:

“We have built a new parking lot and a small bridge to accommodate an increasing number of visitors by using our investment fund.”

- Building of social assets: The project builds social resources including networks, membership of groups, trust, access to wider institutions of society, and a general “broadening of the community’s horizons.”

In May 2006, the team leader of the parking lot reported that the local tourists were coming to visit every week. Despite being such regular visitors, they complained they had never received free entry, but believed other people were receiving free entry. In order to reduce this tension, it is vitally important that the ticket issuing process is fully transparent and beyond reproach. This applies both to the entry fee tickets and the vehicle entrance tickets, as a theft prevention measure. This solution has created understanding and earned smiles from local visitors and YLLMC.

2.2 Financial benefits

PRDC, commune council, district authority, and community representatives decided in phase two how the money generated from the eco-tourism project would be allocated to the different stakeholders.

A contract was agreed to by all stakeholders, stating that the income from the eco-tourism activities would be divided into five categories, as follows:

1. Operational fund is for annual operation, including salaries and small maintenance.
2. Reserve fund of US\$ 5,000 is in case of a shortage of funds for the annual operation.
3. Investment fund of US\$ 5,000 is to provide funding for additional infrastructure.
4. Once the above cited budget is reached, PRDC will receive 25% of the total amount of surplus.

5. The remaining 75% of the surplus will go to community development committee/commune council as the commune fund.

The committee by 2003 successfully generated enough income to support the project and all project support was phased out at this time. The income earned by the project has increased substantially. In 1998 US\$ 705 was earned, compared to US\$ 6,763.20 earned in 2003.

The year 2005 marked the first time there was a surplus of funds to distribute to PRDC and to the commune fund. The total amount earned was around US\$ 16,368. The allocation of funds for 2006 based on this amount is as follows:

- The Annual Operational Fund for 2006 is planned for US\$ 5,323 (32% of income). This amount will be used for staff salary, protection activities, and minor maintenance of infrastructure and various environmental, cultural, and tourist educational activities. (13 staff members receive monthly salaries ranging from 65,000 to 110,000 riels, or approximately US\$ 15-27.)
- The Reserve Fund amount US\$ 5000 (31%) and Investment Fund US\$ 5,000 (31%) were deposited in the sub-national bank under the Yak Loam account. The Investment Fund is reserved for construction of new infrastructure and the decision on new infrastructure requirements is agreed to by the Yak Loam commune council and PRDC.
- The surplus fund was about US\$ 1,045 (6%). Of this surplus, 25% (US\$ 261) has been allocated to PRDC, and 75% (US\$ 784) has been allocated to the Yak Loam Commune Council for Commune Fund.

The Commune Fund money (US\$ 784) will be used to implement the Commune Development Plan (CDP), which is guided by the Commune Investment Program (CIP). This money is to benefit all members of the local community, rather than to provide direct financial benefits to individual members of the community. These Commune funds are to be used for various development activities within the Yak Loam community and are administered according to the commune fund financial system. At present, there are no government taxation procedures in place for community-generated funds from CBNRM. For the time being, the funds remain in the Yak Loam account. This issue is subject to further discussion between the community and the government.

PRDC has no experience in receiving money generated from CBNRM, and there are no government procedures in place for the money to remain and be spent at the provincial level.

2.3 Governance factors influencing benefit sharing

In 2005, the tourism industry of Cambodia has grown to almost one and a half million visitors. Providing service to a rapidly growing tourism sector remains a big challenge for Cambodia, especially Ratanakiri province. During the high season in 2005, Yak Loam Lake received an increased number of visitors (23,880 people compared with 14,374 visitors during the third quarter in 2004). It was quite difficult to manage the tourists at that time as the site is relatively small, and the infrastructure of the whole province is quite limited. The challenge for the project is to be able to accommodate growing numbers of tourists without adversely impacting the natural and cultural values of the area and community (see Box 1).

Box 1: Yak Loam Community Decides

In May 2005, the provincial authority and YLLMC were approached with a private commercial development plan for Yak Loam Lake. The plan proposed building huts and guesthouses, improving access by building a new paved road around the lake area, and setting up a restaurant. The provincial authority, under the chairman of the vice governor, established a provincial working group to review the private sector investment plan, a group that included the Department of Tourism, Deputy District Governor, private representative, Yak Loam Commune Chief, and YLLMC. The result of the meeting required the YLLMC to consult with five villages for approval.

The community members in Yak Loam commune did not agree with the private sector development plan for the following reasons:

- 1) The idea went against the 25-year agreement between the provincial authority and the community;
- 2) The natural, spiritual, and cultural environment might be destroyed by building the infrastructure and accommodations for a large amount of visitors;
- 3) The community may lose access to use NTFPs for its daily livelihood; and
- 4) The community was afraid of losing job opportunities and income generation.

YLLMC reported its response to the vice governor, the provincial authority, and investors. During this period, the deputy governor of Banlung district confirmed with YLLMC its response a number of times. This concerned the YLLMC and the whole community in YLL commune, as they thought they might lose the management rights for YLL. YLLMC sent a letter to the Executive committee/Provincial Rural Development Committee (PRDC) and Partnership for Local Governance (PLG) for discussion and information. PLG convinced the Executive Committee to put this issue on the PRDC agenda for discussion. The leader of YLLMC raised the concerns of the five local communities. Basing his decision on the arguments provided by local communities, the decentralized governance of CBNRM, and the successful generation of income by the project, the governor rejected the proposed development plan. PRDC was proud of the community's ability to make a good decision and influence government to protect the environment around the lake.

2.4 The challenge of equitable benefit sharing

The activities of the project have resulted in the community changing its livelihood strategies to adopt different ways to earn income, especially through investment in tourism. Ms. Dou Ui, a staff member of YLLMC, said:

“We set up a women’s weaving group for the interest of our women. When our women produce weaving material, I buy from them and sell to tourists at the lake.”

Such investments in tourism have improved the earning capacity of some members of the community, but not all of the community members have received direct financial benefits from the project. Since the distribution of wealth has not been uniform, jealousy and tensions in the community have arisen. For example, handicraft artisans earn money when goods are sold, but other community members receive no funds through this activity. Providing direct financial benefits to all villagers has not been possible, because the only source of funds is through employment by the YLLMC.

3. Discussion

The Yak Loam Project has achieved its objectives of: (1) communities manage Yak Loam Lake and surroundings in a sustainable way with full community participation and support from all levels of government, and (2) YLLMC and communities are able to manage the lake area without outsider support.

Capacity of the community has been and continues to be built to the point where they are able to manage the project independently and to make decisions that recognize not only financial but also non-financial benefits of the project.

The national level has changed its attitude towards indigenous people by recognizing their rights in laws and policies. This has meant that the YLLMC has also received more respect from the province and has been able to voice its views openly. The signing and request of contracts by the provincial authorities has ensured that the provincial authorities have a sense of ownership of the project and are willing to support it. Encouragement from national officials has been crucial to ensure the confidence of provincial authorities in supporting the decentralization project of CBNRM.

The provincial government has not had much influence in preventing natural resource exploitation as it has not been able to stop land sales in Yak Loam commune or stop the functioning or expansion of the brick factory. It is not clear whether this is due to a lack of political will or a lack of clear administrative procedures. This illustrates that, even where there is policy that should effect change, it is often not implemented at the grassroots level.

The Cambodian government's perception of eco-tourism is quite limited, as it only recognizes financial benefits and fails to recognize environmental and cultural benefits. This was demonstrated by the vice governor's initial support for private development plans for the lake area. On the other hand, the community was able to appreciate the development's possible impacts and consider other non-financial benefits from the Yak Loam project, which led them to reject the development proposal. The refusal of the development proposal was a result of the ability of the local community to negotiate for and adopt the decentralized plan of PRDC.

During the development of the Yak Loam Lake project and the policy formulation process, government officials expressed a variety of views on how the benefits from CBNRM should be shared. For example, some people wanted funds to be channeled to the national level, while others strongly advocated for these funds to be directed to the local level. Individual perceptions sometimes mixed with self-interest and institutional interests, as well as corruption, have led to slow intervention by individual government officers. The decision making mechanism needs the provincial line departments working together, coordinated by the PRDC. The PRDC is able to ensure that funds are kept at the local level, according to the decentralization policy.

The local people feel that the income from the local area should serve and improve the local situation rather than go elsewhere or be misused. Mr. Pai Keng, the former leader of YLLMC stressed that,

"The lake project gets the support from communities, commune council, and the district and provincial authorities. The project does not provide benefits only to community, but also to the province (directly through funds to the PRDC) and national levels (indirectly through implementing national policy)."

An issue of concern for the community is the lack of communal land security beyond the lake area. To ensure the long-term future of the Yak Loam Lake eco-tourism project, this issue needs to be addressed by the government. Not considering the context in which this project sits may mean the future failure of this project.

4. Conclusion and Lessons Learned

The major achievements of the three phases have been the protection and enhancement of the natural resources within the Yak Loam Lake Protected Area, a reformulation and capacity building of the YLLMC to include only community members, a 25-year lease between the provincial authorities and the YLLMC, and self-governance of the project by the community.

A CBNRM conservation approach takes considerable time to support; without this allowance of time, the project would have been unsuccessful. The Yak Loam Lake

Protected Area was supposed to be achieved in the first and second phase of the project. However, self-reliance and sustainable management remained a concern of the community and provincial authority. Thus, the project has continued into a third phase.

The effective conservation of natural resources is dependant on the capacity of the community and the active involvement of the local authority. There needs to be main-streaming of natural resource and environmental management into newly adopted policies for decentralization and deconcentration of government functions.

Benefit sharing, mediated through transparent and participatory mechanisms and processes, does create a strongly motivated environment to engage relevant stakeholders who can sustain the use of natural resources and enhance community livelihoods.

However, land speculation is a great and political challenge for Cambodia. Therefore, CBNRM needs to deal with pressing issues of land and common property tenure, and needs to be integrated into multi-community development to contribute to local governance and poverty reduction of indigenous communities.

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Benefit Sharing from
Community-Managed
Natural Resources

LAO PDR

Chapter 4: Report of a national-level workshop Ban Geun, Lao PDR

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1. Introduction

In 2003 the Department of Livestock and Fisheries (DLF) and the World Wide Fund for Nature (WWF) in Lao PDR embarked on a formal partnership in support of improved management and conservation of aquatic ecosystems and biodiversity. This partnership includes two aquatic resource management projects - *Community Fisheries: Supporting Food Security and Aquatic Biodiversity (ComFish)* and *Aquatic Resources Management to Improve Rural Livelihoods of the Xekong River Basin (ARL Xe Kong)* - both of which are working towards the development of community-based management systems which will support sustainable livelihoods and strengthen food security. The issue of benefit sharing is critical to these systems as management efforts are directly aimed at maintaining fish stocks and aquatic resources for long term use.

As WWF and the DLF were beginning to lay the groundwork to support community fisheries co-management in many areas of Lao PDR, they recognized this learning initiative on Benefit Sharing in CBNRM as a good opportunity to bring together and review the experiences from different sectors currently working on CBNRM, and to provide guidance for the development of a co-management approach to aquatic resources.

Given the varying scope of CBNRM approaches in Lao PDR, the national workshop on benefit sharing here was organized to bring together a large range of stakeholders currently working on four main sectors of community resources: fisheries, forests, non-timber forest products (NTFPs), and tourism sites. The workshop was held in Ban Geun on 10 April 2006 and included participants from a variety of National and Provincial Government departments and NGOs working on CBNRM in Lao PDR. The specific objectives of the workshop were to (1) share experiences in relation to benefit sharing from CBNRM related projects in Lao PDR, (2) network among partners and key stakeholders, and (3) generate a series of lessons learned which can be applied across sectors and which will inform the RECOFTC Regional Learning activity and the DLF – WWF community fisheries co-management activities in Lao PDR.

2. Workshop Structure

The workshop was held over one day, bringing together 25 participants from government institutions and NGOs whose work supports community management of natural resources. Six case studies were presented, detailing community management systems and benefit sharing arrangements established for tourism, timber, non-timber forest products, and fisheries resources. An additional presentation was given by the Department of Livestock and Fisheries on community use and participation in management, within the context of integrated watershed management.

Breakout groups were established for discussion of lessons learned from the case studies presented and the experiences of the participants. Group discussion focused on the following three questions: (1) How does the national legal and policy context influence benefit sharing? (2) Do community level organizations facilitate equitable benefit sharing? and (3) How are benefits/costs shared within communities? Group discussion results were presented, followed by a plenary discussion of general lessons learned about benefit sharing of community-managed resources in Lao PDR and the results of the workshop as a whole.

3. Overview of Case Study Presentations

Six case studies were presented, providing examples of community-based natural resource management and benefit sharing relationships which have been established in Lao PDR (see Box 1 for a list of presenters). As previously mentioned, the six case studies provided examples from four main types of community managed and co-managed resources, including tourism sites, timber, non-timber forest products, and fisheries. The case studies provided a historical perspective of CBNRM in Lao PDR and gave concrete examples from both past and present work on how benefit sharing arrangements can be established and maintained.

Box 1: Presenters at the Ban Geun workshop

<p>Mr. Paul Eschoo, National Tourism Administration – Asian Development Bank Mekong Tourism Development Project</p> <p>Mr. Bounoum Villaysone, Provincial Agriculture and Forestry Office Khammouane Province</p> <p>Mr. Khamphay Manivong, National Agriculture and Forestry Research Institute</p> <p>Mr. Joost Foopes, Netherlands Development Organization (SNV)</p> <p>Mr. Chanthavong Silimanotham, Department of Livestock and Fisheries</p> <p>Mr. Bounthong Saphakdy, Department of Livestock and Fisheries</p> <p>Mr. Prachit Noraseng, Provincial Agriculture and Forestry Office, Champasak Province</p>
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3.1 Tourism

Two examples of community based tourism were presented from the Lao PDR National Tourism Administration - Asian Development Bank Mekong Tourism Development Project.

The first of these was nature tourism in the Nam Ha Protected Area in northern Lao PDR. In this example, communities sign a contract with a tour company which is bringing tours into the area. In the contract, the village agrees to not exceed a set number of treks and tourists per year, provide a village guide for each tour, sell the tour exclusively to the tour company, maintain and prepare sleeping and eating facilities for tourists, wear traditional clothing when working with tourists, maintain the trail, not cut down trees or hunt in the area of the tourist trails, and keep the area clean. In return, the tour company agrees to promote and sell treks, send tourists to the site according to market demand, always use village services and pay for them according to prices set in the contract, monitor quality of tourism services provided by the village, inform the village of any complaints made from tourists, and provide monthly feedback to the village. Villages are paid set fees for different tourist activities such as village stay, forest picnic, bird watching, etc., and there are agreed upon arrangements within the village for how this money is distributed.

The second example was Khong Mountain in Phou Xieng Thong National Protected Area in southern Lao PDR. Tourism to Khong Mountain consists primarily of Thai tourists coming across the Mekong River directly into the Protected Area. One of the main attractions is the large variety and quantity of wild orchids in the area. In this example, an agreement was signed between the District Government Office and the local village (Mai Singsamphan Village) *“to conserve and protect the national cultural, historic, and natural heritage found within lands administered by the village for the present and future enjoyment, pride and common benefit of villagers, the Lao people and domestic as well as international visitors.”* As part of this agreement, the village designated an orchid conservation area to protect wild orchids and an orchid propagation area to support the villagers’ efforts and maintain a supply of orchids for sale to tourists. Regulations regarding tourist payments were established with money being distributed between the boatmen, the village guides, homestay families, Phou Xieng Thong NPA Management, the Village, and District Government.

Tourism in Lao PDR is at an early enough stage that tourist products such as treks or village stays are currently being developed in collaboration with communities. As a result, payment schemes and systems for benefit sharing are being established from the outset with agreement from everyone involved and with relatively large benefit for communities. In establishing these systems, community participation should be defined by the villagers themselves and can vary both between villages and household

units. Sharing benefits within a village depends on the village makeup; however, villages as a whole can receive a large portion of total revenues from tourism if they are able to provide a variety of the goods and services that tourists require. Villagers seem to work well in service groups providing a support network which strengthens the value of the product or service.

The lack of capacity, in both human and financial resources, weakens the enforcement of national protected area laws and regulations in Lao PDR. This has presented an opportunity for village involvement not only in tourism goods and services but also in protection of the natural resources that ecotourism activities rely upon. The tourism office and tour companies have collaborated to forge cooperative agreements with villagers regarding protection and conservation of tourism sites. Paying villagers directly and indirectly for protection of the natural area has proven to be a good system for both tour companies and village development.

3.2 Timber

Two case studies were presented, outlining two different systems for sustainable forest management and distribution of community benefits, for their participation in the management systems. The first of these comes from the Joint Forest Management (JFM) system developed through the Lao-Swedish Forestry Program which has been operating in Lao PDR since 1992. The JFM program tested two different models of community participation in sustainable forest management in a pilot site in Savannakhet Province in south-central Lao PDR.

In the first JFM model, villagers formed a Joint Forest Management Association which managed the production forest area with technical support from the District Agriculture and Forestry Office (DAFO) according to a management plan prepared by the National Office of Forest Inventory and Planning (NOFIP) of the Department of Forestry (DOF). In this case, the Joint Forest Management Association (JFMA) was given a contract with full rights and responsibilities to implement the whole management plan for one management area which includes rights to log and sell logs and/or process logs and sell sawn timber. Villagers had to pay expenses plus a royalty to the government per logged volume according to the official regulations. Part of the expenses (5% of log sale revenue) also went to the District Forestry Development Fund. Village net revenue¹ from the management went to the JFMA, of which 60% went to a village development fund; 30% was reserved for the implementation of the following years operations (salaries of the board and management team; stationary and equipment; cost for services by DAFO staff; payment for forest work by villagers which include seed collection, raising seedlings, log scaling, survey works, boundary

¹ Village net revenue = Sales of logs – (royalties + other taxes + logging labor + log transportation + district forestry development funds)

demarcation; log sale operation, etc.); and 10% was paid as a forest protection fee (for villages where logging activity did not take place in a particular year).

In the second JFM model, DAFO conducted the harvesting and sale of timber and the villagers were contracted to protect the forest, for which a forest protection fund (10%) and a village development fund (5%) were established. Villagers were also hired as labor for harvesting, nursery, and enrichment planting work (roughly 30% of revenue). In both cases, villages were required to make a plan and get permission from the district or province to use the village or district development funds.

The second case study outlined the Forest Management and Conservation Project (FOMACOP) which piloted community forestry at a relatively large scale (260,000 ha) in southern Lao PDR, between 1995 and 2000. The FOMACOP Project supported the development of Village Forestry Associations (VFAs) through which villagers and government acted as partners in sustainable forest management. 43% of timber revenue went to the VFAs for labor and compensation, a social welfare fund which villagers could apply to in times of emergency, and a rural development fund for activities such as road development, electrification, technical support, or low interest loans. In order to access funds, villagers needed agreement within villages, a rough plan submitted to the project and DAFO, and certification by the District Cabinet. In addition to the revenue distributed through the VFAs, 41% of income went to forest conservation and 8% was distributed to each of the PAFO and DAFO operations.

Both of these sustainable forest management systems resulted in improved involvement of villagers in decision making and forest management processes. Village-based forest management was seen to improve forest protection and sustainable management and also benefit both the rural communities, through accumulation of village capital, and the government, through more efficient collection of royalties and taxes, as well as improved forest protection and sustainable management (Bouahong and Sousath, 2005). However, both programs were also seen as very labor-intensive in terms of establishment and start-up costs, with considerable support needed in terms of capacity building and transparency at all levels. Conflicts between villages were a common problem, identifying the need for conflict resolution mechanisms to deal with complaints and grievances from all participants.

3.3 Non-timber forest products

Two examples of benefit sharing relationships were presented regarding production and sale of non-timber forest products (NTFPs). In northern Lao PDR, 55 poor families in Nam Pheng village were able to get a better price for bitter bamboo by establishing a marketing group which helps to set prices, determine harvesting times and levels, and sell larger quantities collected from individuals to get a better price from traders. Following the formation and operation of the marketing group, village

income increased at least six-fold, the community improved its cash income, reduced its debts, and reduced its dependency on rain-fed upland rice from shifting cultivation. The marketing strategy also led to increased interest by the community in sustainable management of its bamboo resources (Soydara and Ketphanh, 2000).

Similarly, four villages in Pathoumphone District of Champasak Province changed their marketing strategy for locally produced honey to involve a local NGO working in the area (Global Association for People and the Environment – GAPE) and a private company in Vientiane (Xaoban Group). Previously, the villages were collecting wild honey for sale in the local market. The problem of a limited local demand was resolved when GAPE offered to transport the honey in 40 L containers for sale in Vientiane through the Xaoban Group, who re-packaged the honey into small containers and coordinated retail selling as one of their products. The added value and new market for the honey resulted in a three-fold increase in village income from the honey, and the Xaoban Group was able to add a new product to their line and claim a portion of the revenue from its sale.

NTFPs differ from tourism and timber in that villagers are already capturing a large share of the benefits, with distribution within communities depending primarily on who is collecting the resource. NTFPs therefore have a strong potential to generate income and food security for low-income households. Experiences from Lao PDR show that, by adding value to the sales chain through processing or group marketing, there is potential to bring more benefits back to communities and to create new options for benefit sharing between stakeholders. This, in turn, will result in more incentives to communities and other beneficiaries to sustainably manage NTFP resources.

3.4 Fisheries

Two case studies were presented from projects working in wetland areas of southern Lao PDR (see Mollot *et al.* this volume). The first of these examined a series of communal wetland management systems established through collaboration between the Livestock and Fisheries Section of Savannakhet Province, the Asian Institute of Technology (AIT) Aqua-outreach, Imperial College London, and MRAG Ltd, a private consulting firm based in the UK. Three types of management systems were established and analyzed for their effectiveness in delivering communal benefits following stocking of the wetlands with fish fingerling. These management systems sought to restrict access to wetland resources according to the objectives of the community. The three main systems under research included: (1) a community fishing day where tickets (i.e. fishing licenses) are sold and revenues contribute to a village development fund, (2) establishment of fishermen groups who harvest and sell fish from the communal wetland with a proportion of revenue going back into the village development fund, and (3) renting of communal wetlands to private individuals or groups with rent

income contributing to a village development fund.

The second case study examined the Small-scale Wetland Indigenous Fisheries Management (SWIM) project supported by the Australian Centre for International Agricultural Research (ACIAR) and the International Development Research Centre (IDRC) and implemented in partnership with the Provincial Livestock and Fisheries Section of Champasak Province and the Australian Mekong Resource Center (AMRC). The SWIM project worked towards formalization of traditional management systems while stocking hatchery fingerling into community wetlands to enhance fish productivity and increase benefits from the wetland to the community as a whole. The project strengthened community management systems where a share of increased revenues from fish harvests was being directed back into village development funds.

All of these management systems examined how revenue from wetland fisheries could be directed back into the village, an important component of which should be a clear understanding of the potential for loss of revenue to people who previously had access to these wetland areas (Tubtim and Hirsch 2005). Distribution of benefits within villages should also be analyzed. As we have seen across sectors, it should not be assumed that common property resources deliver equal benefits to all households within a community. Rather, the different approaches to CBNRM will deliver unique sets of benefits to different social groups. The management systems from both of these case studies are more thoroughly described and analyzed in Chapter 5 (Molloy *et al.*).

4. Discussion

4.1 How does the national legal and policy context influence benefit sharing?

Legal structure in Lao PDR exists at different levels and varies by sector. National laws provide guiding principles and leave significant scope for local level decision making. The Forestry sector has the most advanced legal structure. Prime Ministerial Decree number 59 (issued in May 2002) on the Sustainable Management of Production Forests recognizes the participation of villages in all aspects of production forestry and that the share of benefits from forestry operations should contribute to the development of participating villages (National Forest Strategy to the year 2020). Rights and access to non-timber forest products were not a part of forestry law until the Ministry of Agriculture and Forestry Regulations on Village Forest Management was issued in 2001. This regulation acknowledges that NTFPs can be collected from village forests for sale, with the condition that management plans are formed and approved. Unfortunately, this does not address the difficulty in developing management plans for many NTFP species, whose lifecycle and management requirements are largely unknown. While implementation of this forestry legislation is still under

development, it is clear that, under the current legal framework, there is significant scope for village participation and benefit from forestry activities in Lao PDR.

There is currently almost no legislation related to either fisheries or tourism. Lao PDR is at present without a national fisheries law, with aquatic biodiversity currently covered under the Water and Water Resources Law (Article 42, March 1997) and the Ministry of Agriculture and Forestry Regulation (No. 0360/2003) on the Management of National Biodiversity Conservation Areas, Aquatic Animals and Wildlife. This gap in specific legislation for fisheries has been addressed in many areas by village-based rules and regulations concerning fishing practices, gear, or restricted areas. These types of agreements carry significant strength at the local level; however, they do not protect villages from larger scale planning decisions which may affect the resource, such as hydropower development or road infrastructure that may alter the hydrological cycle of a river and result in significant impacts on critical habitats and freshwater biodiversity.

Tourism has been identified as an area of strong potential for supporting both village development and improved management of natural sites and National Biodiversity Conservation Areas. National Ecotourism Strategy and Action Plan to the year 2010 describes the guiding principles for eco-tourism in Lao PDR, which include the promotion of responsible business practices to work cooperatively with local authorities and people to support poverty alleviation and conservation benefits. Again, given the lack of strict legislation regarding community involvement in tourism ventures, locally specific agreements have been successfully developed and implemented between villages, tour operators, district authorities, and protected area managers.

Decentralized responsibility encourages high levels of participation and ownership at the local level. In the cases of non-timber forest products, fisheries, and tourism, there is considerable support for local level decision making and management because of the recognition that it is more efficient to manage these resources in cooperation with communities who are directly benefiting from the resource. To further support this decentralized process, there is a need to improve institutional arrangements for addressing issues which fall outside the scope of local management, such as provincial or national level policy decisions which may affect common property resources. There is also a need to facilitate improved information sharing between communities. There is considerable scope to develop locally specific management structures such as marketing groups, as demonstrated in the NTFP case study on bitter bamboo. Improved communication between villages would help to demonstrate and spread alternatives and best practices and encourage innovation for resource management and village-based livelihoods.

4.2 Do community level organizations facilitate equitable benefit sharing?

The most common formal village-based organizations in Lao PDR are: Lao National Front for Reconstruction, Village Elders, Lao Woman's Union, Lao Youth Union, Lao Party Committee, and the Lao Trade Union. These groups were established more for the purpose of security rather than to support village development and natural resource management. They are effective at conflict resolution, negotiation between villages, and as a direct link between the village and the government. They are a critical component in establishing and gaining consensus for management systems. Few people within village organizations have experience in the development of natural resource management plans, marketing of village products, or improvement of livelihoods and economic growth, however, and significant capacity building and training will be necessary if these are going to be the new tasks of these traditional village based organizations.

Alternatively, there is an opportunity to develop different, more specific village-based groups based on development needs. There have been many examples within Lao PDR of the establishment of functional groups to represent villagers within the context of development. The NTFP case studies described in this chapter show how village marketing groups for bitter bamboo and honey have successfully increased the price of village products to bring more revenue back to villagers.

4.3 How are benefits/costs shared within communities?

General findings within Lao PDR suggest that the higher the revenue and the more public the resource, the less distribution there is of benefits to communities. This is most acutely demonstrated in the case of high value timber when a village receives a very small percentage of the profit for investment into the village development fund. However, to use this money, the village must first formulate a plan and obtain permission from the district or province. The money is usually used for public infrastructure and is not readily available to all members of the community. Individual villagers do benefit from helping to monitor and select trees; however, these are not necessarily the people from the village who are most in need.

Tourist sites are also a public resource of quite high value, but the revenue generated is divided between many different groups providing tourism services, including tour companies and park management. Within the village, there are often groups of people willing to sell their services to tourists. Household involvement in the tourism industry is dependent upon their available resources (surplus food, suitable house for a home stay, skilled labor, etc). In the case studies of tourism revenue, a percentage of the tourist fee contributes to a village development fund and the villages themselves control fund disbursement.

Fishery resources are often regarded as low to medium value resources by the government itself, but are considered of high value to the livelihoods of communities throughout Lao PDR, especially in rural areas. The government has little capacity or financial resources to commit to the management of fishery resources, and these systems are often left as open access or under some form of community management and traditional resource tenure. In some examples of community based fisheries management, the community charges a harvesting tax (i.e license fee) with funds generated contributing to a village development fund. In this case, the village is generating revenue from a specific management system that decides internally how to distribute this money within the community.

In the case of NTFPs, typically all families are allowed to collect and benefit from the resource. Thus, the level of household benefit depends on the availability of family members for this type of activity. It is often primarily women who collect and process NTFPs, and transactions with the seller can either be done on an individual basis or through a marketing group. Generally, the village keeps 10% for a village fund which will support the village as a whole.

5. Conclusions

There are many diverse approaches to both CBNRM and benefit sharing in Lao PDR. These range from forestry models where potential income is quite high and strict regulations have been established to mediate the flow of benefits to communities and the State, to NTFP management where most benefits go to villagers, to community fisheries management that has been established for cultural or pragmatic reasons. Benefits accrued to the village are both monetary and non-monetary in nature.

Given this large scope, the understanding of benefits and benefit sharing is still rather limited within the context of CBNRM in Lao PDR. Most case studies focused on financial benefits and distribution of revenue without looking at the significance of non-material benefits. Despite this lack of understanding, benefit sharing is increasingly becoming an issue in the face of a perceived decline in the resource base. Management structures for NTFPs and fisheries are becoming more and more common. Communities are increasingly seeing these resources as in decline and are looking for ways to effectively manage them for long term benefits to cultural belief systems, conservation, and village economic development.

CBNRM models that were the most successful at managing common property resources for the community as a whole were developed with a strong commitment from and involvement of the community. Co-management agreements on fisheries developed in collaboration with neighboring villages and District authorities have

proved successful over the long term. NTFP marketing groups driven by community initiatives and direct need have significantly increased direct revenue to local livelihoods. Tourism models developed with a long process of village consultation and a legal contract between villages and tour operators have proved to bring the most benefits to the various stakeholders and service providers involved.

The higher the revenue and the more public the resource, the less distribution there is of benefits to and within communities and the more complicated developing systems for benefit sharing seems to be. High value resources such as timber involved the most complicated system for benefit sharing, which was not always successful over the long term. Lower value goods such as NTFPs which are directly harvested by villagers provided direct benefit to any villager who could collect them and thus were the most easily accessed by those most in need.

Finally, there are many similarities and lessons learned that can be shared between sectors. Participants identified one of the biggest benefits of the national workshop as bringing people from a variety of sectors together to discuss similar issues and processes and learn from best practice in each sector. This will be an important step in developing our knowledge base and human resource capacity to ensure equitable sharing of benefits in the diverse field that is CBNRM.

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Chapter 5: From Traditional Management to Fisheries Co-Management – a review of benefit sharing in community-based fisheries management in Lao PDR

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Abstract

Numerous approaches to community-based management of capture fisheries have been applied in southern Lao PDR. The motivation behind developing community-based management systems, and the community perception of the benefits received, vary according to factors such as the type of resource under management, the use of the resource by local people, and the cultural and geographic characteristics of the community. Community participation is essential in management decisions and enforcement, whether these approaches are based upon customary resource tenure, formalized community-based fisheries management systems, or on a more institutionalized approach as advocated through fisheries co-management models. Effective management of indigenous fish stocks in both riverine and wetland environments, combined with conservation of critical aquatic habitat, will be necessary to maintain the high freshwater biodiversity and production used by millions of people throughout the Mekong Basin. The socio-cultural and geographical characteristics of the community also need to be understood, so that management systems address the community's use of and access to aquatic resources and develop unique approaches that are adaptive to the needs of local people. This must be accompanied by government support to provide clear definitions of property rights and access rights, legitimization of community management and enforcement, and national policy and laws for resource users to benefit from the management of common property aquatic resources.

1. Introduction

This report describes some of the key lessons learned on benefit sharing mechanisms from various modes of community-based management for capture fisheries in southern Lao PDR. It includes an analysis of traditional management

systems, formalized community-based fisheries management approaches, and the emerging role of fisheries co-management.¹ Analysis of the different approaches will offer management groups and policy makers a clear understanding of the effort required for each approach to ensure management success and equitable sharing of benefits.

Numerous approaches to community-based management of capture fisheries have been applied in southern Lao PDR. These have been developed either by a village implementing some form of traditional management on its own initiative, or through projects implemented in partnership between communities, local government, external agencies, and academic institutions. These management systems vary according to the type of resource and the objectives of management. The different approaches may be classified as community fisheries management, fisheries co-management, community wetlands (*pha nong*, *nong soum sohm*, *nong samakhi*), conservation wetlands (*nong sa ngouan*), or deep pool fish sanctuaries (*vung sa ngouan*, also called Fish Conservation Zones). In all cases, the unifying theme is the strong role that the community plays in management decisions and enforcement. The motivation behind developing community-based management systems and the community perception of the benefits received will vary according to factors such as the type of resource under management and the use of the resource by local people, as well as socio-cultural and geographic characteristics of the community.

Successful approaches to the management of common property fishery resources must recognize the complexity of managing aquatic resources both within and between communities along the length of a river system. Benefit sharing mechanisms attempt to ensure the equitable use of common property resources in these systems. To ensure that continued benefits from the abundant freshwater biodiversity of the Mekong Basin are available for future generations, the concept of benefit sharing must also support the responsible use and management of fishery resources. This may make it necessary to reduce excessive competition for fishery resources and strengthen management incentive and capacity within a community; this can create a situation, however, where community management capacity is strengthened at the exclusion of former users of a communal resource.

¹ Traditional management systems are based on customary resource tenure – the individual or community's right to own and access land or natural resources over which they have ancestral claims. It may involve complex social systems based on traditional use and cultural beliefs. Conventional CBNRM agreements have formalized traditional management systems through State recognition of the role of the community in managing fishery resources. Fisheries co-management extends the shared responsibility between communities and the State and attempts to define the management responsibilities of each party. The state, through the relevant agencies, provides technical assistance, disseminates information, facilitates dialogue and develops a legislative framework that supports the rights of communities to develop and enforce co-management regulations.

The understanding and commitment of the community are required to define management objectives in a way that support the development of resilient and effective approaches to fisheries management. Resilience in this context refers to approaches that recognize local knowledge and use of the aquatic resources, are adaptive to local conditions, and share the benefits of management effort according to the objectives of the community. It should be emphasized, therefore, that there is no single approach to ensure successful management and sharing of benefits; rather, each community should be aware of the management options available and be encouraged to participate based upon local conditions and their understanding of the resource.

2. Culture and Conservation in Community-based Fisheries Management

Capture fisheries and fish protein are important components of rural livelihoods and food security throughout Lao PDR. Effective management of indigenous fish species in both riverine and wetland environments, combined with conservation of critical aquatic habitat, are necessary to maintain the high freshwater biodiversity and production utilized by millions of people throughout the Mekong Basin.

In Lao PDR the management of aquatic biodiversity has traditionally been focused at the village level, where management systems were based upon cultural beliefs and developed through a democratic process agreed upon and enforced by members of the community (Roberts and Baird 1995; Tubtim and Hirsch 2005). These traditional management systems typically focused on important habitat for capture fisheries, such as deep pools in the river or wetlands on the floodplain, where village regulations would restrict fishing effort (Baird 2006). These types of management systems are highly diverse, ranging from restrictions on certain types of fishing gear, seasonal restrictions on fishing effort, species restrictions, or complete prohibition of fishing effort inside demarcated areas (see Table 1).

The approach to implementing community-based fisheries management is often shaped by the socio-cultural and geographical characteristics of the community (Shoemaker et al. 2001). Cultural belief systems shape community behavior towards diverse activities such as agricultural production, collection of non-timber forest products (NTFPs), capture fisheries, and natural resource management. The geography of a community will determine the type of habitat available for spiritual practices, agriculture, natural resource use, and conservation.

In some cases, the recognition of the need for fisheries management arises from cultural beliefs and involves some form of communal effort to respect ancestral guardian spirits who reside in critical riverine habitat such as deep pools, or in sacred forests and wetlands. Village regulations to respect these spirits may include

prohibitions on fishing and hunting or restrictions on specific fishing gear within the areas where the spirits reside (see Table 1). In these examples, the community receives spiritual benefits which are interpreted as successful hunting, agriculture, or fishing in a given season. Where certain cultural beliefs lead to village regulations that protect critical habitat and restrict harvesting effort, it follows that there would be conservation spin-offs that may translate into sustainable use of natural resources from these areas over time, thereby providing sustained benefits to the community.

Other management examples involve a conservation approach to capture fisheries management where the community recognizes the need to conserve critical habitat and freshwater biodiversity for the benefit of future generations. Village regulations based upon conservation goals stem from a perception of a decline in fishery resources. The benefits of community management are interpreted as conservation of fish stocks to improve or maintain fish catch in later years “for our grandchildren.” The spectrum of approaches, ranging from a spiritual focus to a conservation approach, includes a number of variations on the styles of community-based fisheries management, as each community makes management decisions based upon the perceived benefits.

Table 1: Examples of Various Approaches to Community-Based Management of Capture Fisheries based upon Conservation Principles or Spiritual Beliefs

Management System Details	Habitat	Benefits
Fishing gear restriction - prevention of ‘water banging’ techniques* as a means of making spiritual merit *striking the water with sticks to disorient fish and chase them into gill nets	Deep pools (example: ethnic groups from Sepon district on Xe Bang Hieng)	Spiritual benefits as ancestral spirits reside in or near the deep pool and offer merit to the villagers. Conservation benefit of restricting fishing effort in critical deep pool habitat.
Seasonal restriction of fishing effort. At the beginning of the rainy season, village regulations prevent blocking of fish migrations into seasonally flooded habitat important for fish spawning and nursing	Seasonal and perennial streams on the floodplain	Broodstock/fingerling conservation, protection of fish migration corridors
Species restriction - village regulation to release all fish fingerling of important species (e.g. <i>Wallago leerii</i> fingerling conservation, a village regulation from the Nam Kading)	Rivers, streams, seasonally flooded areas	Fingerling conservation (size restrictions)

Management System Details	Habitat	Benefits
Fish Conservation Zones - seasonal or permanent ban on fishing effort in demarcated areas	Deep pools, streams, wetlands	Fish species conservation for both broodstock and juveniles
Fish Sanctuaries associated with the village temple – restriction of fishing effort near the temple	Rivers, streams, wetlands	Merit making, awareness raising, fish conservation

3. Community Based Fisheries Management and Village Development Funds

Since the early 1990s, a number of projects involving villages, local government agencies, NGOs, and academic institutions in Lao PDR were collaborating to strengthen community-based management of capture fisheries (Noraseng *et al.* 2001; Hirsch *et al.* 2001; Garaway and Arthur 2002). The objective of these initiatives was to strengthen management of communal wetlands and enhance fish yield through stocking activities supported by government fish hatcheries. Apart from the spiritual and conservation factors of managing communal wetlands, the principal aim of these initiatives was to support management as a mechanism to strengthen local food security and raise income for village development funds. The concept of CBNRM was promoted as a means to formalize traditional management systems between the village and local government agencies (Noraseng *et al.* 2001). Analysis of these initiatives reveals how the various approaches to community-based management generate unique sets of material and non-material benefits that are shared within the community (see Table 2 & 3).

3.1 Savannakhet and Khammouan

In the southern provinces of Savannakhet and Khammouan, government agencies like the Provincial Livestock and Fisheries Section and the Regional Development Coordination (RDC) were collaborating with academic institutions like the Asian Institute of Technology (AIT) in Thailand, Imperial College London, and MRAG Ltd, a private consulting group based in the UK. The activities used adaptive learning approaches in community fisheries management as a means to adapt to uncertainties in the process, with experimental management systems being fine-tuned to improve community benefits (Garaway and Arthur 2004).

The benefits generated through community participation in fisheries management were both material and non-material. Income to the community from harvesting and selling fish was invested in village schools and health clinics, access roads, renovations to the village temple, and access to electricity. Other material benefits included the

supply of fish for cultural festivals and subsidized fish for local consumption and poorer households within the community. Important non-material benefits to consider included the increased skills and capacity for communities to manage wetland resources and the accompanying sense of ownership and responsibility endowed to the people.

Garaway and Arthur (2002) found the three most common forms of community wetland management to be variations of the following:

- group fishing;
- renting; and
- community fishing days.

Group fishing involves various arrangements where the community assigns access rights to rotating groups of fishermen from different households within the community. The wetlands are fished repeatedly throughout the dry season by whichever group has the access rights for that specific period of time. The fish harvested by each group is sold, with profits being shared between the fishing group and the village development fund.

Renting of wetlands requires the community to hand over the access rights to a private individual or group for an annual price upfront. While this approach has required the least management effort from the community, it excludes the general population from the benefits of common property resources of the wetland. It also transfers management responsibility to the renter, who might not have the same management objectives as the community.

Community fishing days involve community agreement to closure of access to a wetland until an agreed day when fishing will commence, usually near the end of the dry season. In many cases, tickets are sold for fishing rights, with the revenue contributing to village development funds. Once the community fishing begins, all households have access to the wetland, including neighboring villages, as long as each person purchases a ticket prior to fishing. In some cases, the price of the ticket may vary according to the type of fishing gear used so that the larger, more efficient gear types are taxed at a higher ticket price.

Each of these three main approaches sought to increase the return of material and non-material benefits to the community as a whole. The specific approach applied in each case depends upon the management objectives of the community, which may vary from conservation principles that protect mature broodstock, to maximizing fish yield in a given season. In the case of group fishing and community fishing days, the wetlands were stocked with fingerling from the provincial fish hatchery to increase community interest in management and potentially increase the fish yield from the communal wetlands.

Table 2 compares the three main management systems adopted by communities in Savannakhet and Khammouan. Community assessment of management strategies has shown the Group Fishing approach to provide the most income for community development activities, but this also requires more fishing effort, management skills, and strong leadership from the village. The intensity of group fishing effort will vary with each community according to the management objectives and the productivity of communal wetland habitat. In some cases, the community objectives for group fishing may incorporate the conservation of broodstock to maintain high fish yields and communal benefits in future years.

A Community Fishing Day approach to management, as shown in Table 2, reveals how these systems typically result in less income for village development funds in comparison with group fishing. Direct benefits are accrued by individual fishers in the form of fish catch rather than community income to support village development. Non-material benefits are in the form of high level of participation in the fishing day by a wide range of people regardless of age, gender, or socio-economic status. The fishing days thus become a social event which serves to unite the community in a common purpose. The high level of fishing effort may, however, have a disadvantage in terms of responsible use of fishery resources and conservation of broodstock.

The final management approach represented in Table 2 is renting the wetland to private individuals or groups. The advantage of this approach is the limited management effort required by the community. This can be an appropriate management system if the community has limited time, interest, or capacity for the management of common property resources.

In the case of two management approaches – group fishing and community fishing days – the stocking of communal wetlands with fingerling has served to increase community interest in management, as people recognize that stocking could potentially benefit the community by improving fish yield and returns to the village development fund. This has provided the incentive for the community to improve and modify access rights to the wetland in the interest of strengthening community management systems to enhance overall benefits. Figure 1 shows how the benefits from these two management systems were divided mainly between community income for village development and fish for consumption.

The above examples demonstrate that community management to enforce some form of access restriction was effective at increasing standing stocks of fish in communal wetlands (Lorenzen *et al.* 1998). This implies that community management systems that reduce excess competition for wetland resources will increase the return of benefits back to the community through higher fish yields, financial returns to village development funds, and improved food security.

Table 2: Summary of Advantages and Disadvantages of Three Approaches to Community Fisheries Management

Management type	Advantages	Disadvantages
Group fishing	<ul style="list-style-type: none"> More income than other systems Villagers manage themselves Villagers make regulations Good for taking care of brood stock and fingerling. Good for self-recruiting species Fishers get income Fishing and income daily Fish provide benefits other than income Easy control income 	<ul style="list-style-type: none"> Can be difficult to organize groups Takes time and expense Price of fish not constant Can be difficult to control (i.e. enforce management) Fish consumed/lost for village work and meetings, fishing groups
Community Fishing Day	<ul style="list-style-type: none"> Selling tickets easier & less time-consuming than group fishing Lower income than group fishing but still reasonable Income all at once Fish for consumption Villagers catch fish together in solidarity, village harmony Easy to control small waterbody (management of the resource) 	<ul style="list-style-type: none"> Difficult to monitor who has & hasn't paid for tickets on fishing day Fishing day makes the water turbid, which may affect the young fish Difficult to monitor and record catches Get less income Difficult to sell tickets in some cases Over-harvesting can impact broodstock
Renting	<ul style="list-style-type: none"> Income all at once Little management effort required once the wetland is rented Villagers have time to do other work 	<ul style="list-style-type: none"> No shared fish for consumption by the community Difficult to monitor and record catches Villagers not participants in harvest or management Difficult to define a reasonable rental price Destroys broodfish (over-harvesting of broodstock) Provides less income Renters may not follow contract agreements

(adapted from Garaway and Arthur 2002)

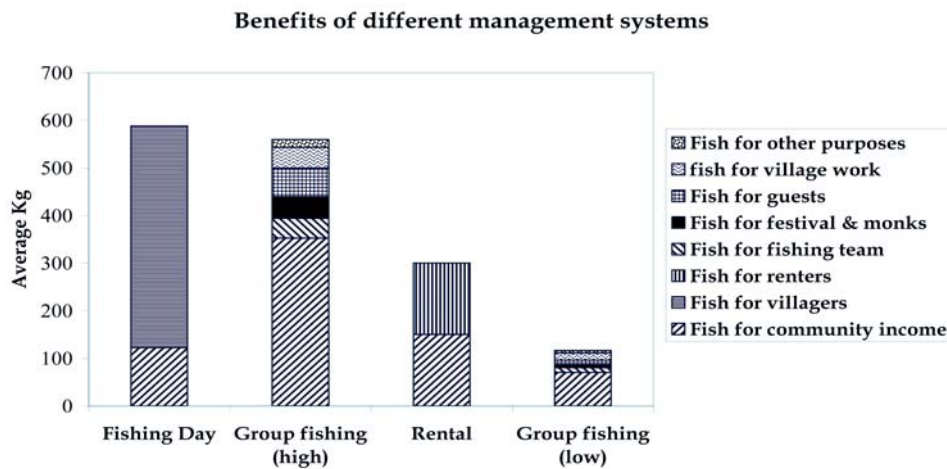


Figure 1: The Benefits from Different Management Systems in Communal Wetlands
(Source: Garaway and Arthur 2002)

While this example is from a closed wetland system, the approaches studied offer important insight into how management objectives will affect the extent and form of benefits (material or non-material) to be shared within the community. Factors influencing the community objectives for management of capture fisheries will often include variations of the following:

- maximization of fish yield;
- clarification of property rights and access rights to the fishery;
- maximization of revenue for village development funds;
- conservation of broodstock; and
- preservation of cultural beliefs to respect guardian spirits.

As demonstrated in Table 2 and 3, each community must balance the perceived benefits against the overall objectives of management to determine the advantages and disadvantages of each approach.

3.2 Champasack

Champasack province was the target area for two projects on capture fisheries management supported by the International Development Research Centre (IDRC) and the Australian Centre for International Agriculture Research (ACIAR). The Small-scale Wetlands Indigenous Fisheries Management (SWIM) project, and its predecessor, the Indigenous Fisheries Development & Management Project (IFDMP), were implemented in collaboration between the Provincial Livestock and Fisheries Section and the Australian Mekong Resource Centre (AMRC) from Sydney University. Through research into socio-geographic factors in community-based fisheries management, these projects sought to increase fish production from communal

wetlands through stocking with indigenous fish fingerling and strengthening wetland management capacity between communities and state agencies (Noraseng *et al.* 2001).

Research into the extent and type of community management systems in Champasack demonstrated how common property wetland resources are managed according to the geographical and seasonal aspects of the fishery, as well as socio-economic conditions of the resource users (Hirsch 2000). SWIM research into eight wetlands revealed a range of existing management systems despite the communities having similar social-ecological systems. Cultural beliefs often influenced the use and management of the wetlands. Access rights were assigned to a single village or shared amongst the larger community with management responsibility assigned to a host village that may have different access rights from those of the surrounding community.

Noraseng *et al.* (2001) found that strengthening community management of wetland resources often altered the existing access rights, while supporting traditional belief systems regarding guardian spirits. The effects of the change in access rights could benefit some villages at the expense of former users of the wetland (Table 3).

As Table 1 and 2 have shown, the type of benefits shared within a community is largely determined by the management approach adopted by the community. Whether management objectives are based on cultural beliefs or more pragmatically based on conservation ideals or village development needs, there is a diverse range of benefits received in terms of fisheries management, food security, skill development, public discourse and awareness raising, and spiritual development. In the case of communal wetlands, those people who participate in community fishing days or group fishing may receive additional benefits in terms of personal fish catch, while families unable to participate in community fishing days may receive benefits in the form of subsidized fish prices (Table 3).

*Table 3: Summary of Perceived Benefits (material and non-material)
from Management of Communal Wetlands (modified from: Noraseng et al. 2001)*

Management Intervention	Advantages	Disadvantages
Traditional management systems are formalized and modified to adopt stocking of indigenous fish species	Increased awareness of management of common property resources	Regulations that restrict access may exclude former users of the wetland
	Income from fish sales supports village development fund	Low capacity or poor leadership creates challenges in administering the village development fund
	Subsidized fish prices for poor families	Apparent low returns, but in fact is a significant amount at the village level, especially for fund managed by the community
	Increased awareness of communal benefits from wetland conservation	

Some key questions remain: Does everyone in a community benefit equally? Is there any disparity? Since one aim of management may be to increase material benefits to the community (such as increased fish catch and village income), it is important to know how these benefits are distributed within and between communities. Noraseng *et al.* (2001) conclude that common property will not necessarily deliver equal benefits to all households and the different management systems may have different implications for the various social groups. In the case of the SWIM project, the perceived changes in wetland productivity following stocking activities initiated a change in management approach concerning access rights. In one case, the management responsibility and access rights shifted from 17 villages to a single village. This issue of access rights and the scale of common property resources is important to consider in the context of fisheries management and benefit sharing (Tubtim and Hirsch 2005).

In the case of the SWIM project, the new exclusions within and between villages have resulted in clearer definitions of property rights and benefit sharing. The justification for exclusion of neighboring villages was made for the sake of village development of the host village, to reduce excess competition for wetland resources, and to provide incentives for improved management of the wetland. Many feel that the modified management system and downward shift in scale of access to common property wetland resources has resulted in clearer property rights and management responsibility which will strengthen overall management of the wetland ecosystem. To avoid conflict and inequity following changes in access rights, however, it will be important to consider the process to determine which community gains property rights and to identify alternative options for the former users of the common property resources.

4. Benefit Sharing in Open Access Riverine Fisheries

The previous examples from Champasack, Savannakhet, and Khammouan provinces were focused solely on the issue of access rights in communal wetland ecosystems. The advantage of this approach was that it allowed the researchers to examine relatively small geographic areas that are essentially closed systems, providing a clear analysis of the benefits accrued through different management approaches.

In riverine fisheries, the approaches to community-based capture fisheries management may also support access rights of a host village to the exclusion of other neighboring villages, but the fish stocks themselves may be moving between villages across large geographical areas as part of seasonal fish migration cycles. This essentially creates an open access fishery in the rivers that support some of the most important and productive fisheries in the Mekong Basin.

Open access fisheries often lead to excessive competition for the resource and ultimately to its decline. Intensive or destructive forms of fishing in one section of the river may have consequences for users of the fishery resources in other areas. The management of riverine capture fisheries must address the challenges of migrating fish stocks and the issue of equitable use of fishery resources across large geographical areas. The matter of benefit sharing of fishery resources within and between communities from the headwaters to the floodplains of a river will be a challenge for policy makers, community groups, and government agencies responsible for capture fisheries management.

In Lao PDR, the Department of Livestock and Fisheries (DLF) is the main government agency charged with the responsibility for developing effective policy and management approaches for capture fisheries in both wetland and river ecosystems. In recent years, the DLF has become actively involved in developing community-based fisheries co-management plans to address gear restrictions, species restrictions, seasonal restrictions, and the conservation of critical habitat such as deep pools and floodplain spawning grounds. The results of these efforts are community agreements to restrict fishing effort in critical habitat or during a critical period of a species' life cycle, such as spawning season.

Tension between villages could develop if one village understands its management effort to be restricting its own fishing effort and benefiting other villages as fish migrate either upstream or downstream. To be effective, these co-management approaches will need to be extended along the length of the river, from the headwaters down to the floodplains, and driven by the perceived benefits of each community. The resource users feel that if everyone is involved in fisheries co-management, then the benefits and the costs of management are distributed along the length of the river.

5. From Traditional Management to Fisheries Co-Management

Considering the importance of capture fisheries to household food security and economy, it is imperative that effective approaches to fisheries management be implemented and supported by the resource users and local government. In the growing market economy of the Mekong Basin, it is recognized that effective management of fishery resources is a complex issue that will require considerable understanding and coordination across different economic sectors (Hirsch 2000; Coates *et al.* 2003). In the case of fishery resources, this will often require transboundary approaches that reach beyond the border of a single village, district, province, or country.

Traditional management systems that focus on critical habitat within a village territory are part of the solution to transboundary management, but they must be connected to a larger effort that recognizes the linkages between upstream and downstream habitats and resource users. Formalized agreements on CBNRM have the ability to adopt the traditional management ideas into codified arrangements where management objectives, responsibilities, and benefits are more clearly defined and understood within a community. These initiatives must also seek to understand the interplay across communities and between community and state in complex riverine systems where migratory fish stocks are essentially shared by multiple users throughout the river basin.

Related to the issue of multiple users of migratory fish stocks is the increasing threat to fishery resources from outside the fishery sector. Development in upstream areas is capable of having impacts on fishery resources far downstream, and vice versa, as habitat loss and alteration of the hydrological regime from logging, agriculture, energy, and transportation infrastructure continue to increase (Ahmed and Hirsch 2000).

Recognizing the complex nature of managing migratory fish stocks, there is need to develop an approach that learns from these challenges, adapts to local conditions, and allows users of fishery resources to communicate with one another from upstream to downstream areas regarding best practice, opportunities, and threats to aquatic resources.

Fisheries co-management, sometimes referred to as community-based fisheries co-management to emphasize the strong role of community participation (Pomeroy 2001), is widely regarded as an important stage in the evolution of community-based approaches to capture fisheries management. In fisheries co-management, an effective approach involves the strong participation of the community combined with the role of the state in developing appropriate policies and legislation to support community rights, legitimize community property rights and enforcement, promote best management practice, provide technical support, address upstream-downstream issues, and provide a platform for dialogue.

6. Conclusion: Sustaining Benefits Through Effective Aquatic Resource Management

Throughout Lao PDR, there are numerous examples of communities who organize themselves to manage and conserve the natural resources that are important components of local livelihoods and cultural belief systems. In each case, the community has implemented a management plan that is unique in its evolution from local understanding and access to the resource, and the process followed to define management objectives and regulations.

The multiple approaches to community-based fisheries management described in this report are not intended to be a complete list of available options; rather, they are a review of some of the successful approaches that have sought to strengthen community participation in management and equitable sharing of communal benefits. While the examples have primarily focused on enclosed wetland ecosystems, the lessons learned to define management objectives and effort and the consequent sharing of benefits can be applied to other fishery resources, including migratory fish stocks in rivers.

We have discussed some critical issues influencing benefit sharing from these different modes of community-based fisheries management. Firstly, there is a continuing need to understand how communities access these resources. Successful management depends upon the support and understanding of the communities involved. There must be clear incentive for community participation in management in order to fulfill the specific management objectives and provide suitable benefits back to the community. In particular, the question of how benefits accrue to different groups within communities and between communities needs to be addressed, as we have found, in many cases, the access rights to fishery resources are altered by the implementation of community-based fishery management.

An improved understanding of the issues surrounding benefit sharing from different management systems will allow villagers, community groups, and government agencies to make sound decisions on developing fisheries co-management plans for fishery resources across diverse habitats such as rivers, wetlands, and rice fields. This must be accompanied by government support to provide clear definitions of property rights and access rights, legitimization of community management and enforcement, and national policy and legislation to support the role of resource users in the management of common property aquatic resources.

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Benefit Sharing from
Community-Managed
Resources

VIETNAM

Chapter 6: Report of a national-level workshop Hue, Vietnam

30-31 March, 2006

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1. Workshop Rationale and Objectives

This workshop was part of a joint learning activity between WWF Greater Mekong Programme and RECOFTC on poverty alleviation and benefit sharing implications of community forestry in the Mekong region (Laos, Cambodia, and Vietnam). The national workshop for Vietnam was jointly facilitated by WWF and SNV program offices in Hue City, with funding and advisory support from RECOFTC.

Community-based forest management is still an emerging concept in Vietnam. There have been several projects and pilot schemes aimed at developing appropriate community forestry strategies for Vietnam over the last decade. However, it was only with the passing of the Law on Forest Protection and Development at the end of 2004 that communities were legally entitled to hold tenure over forest use rights or forest land. This position is still, however, in conflict with civil law, under which ‘communities’ (groups of households), villages, or any entity below the level of commune (the lowest level of local government) are not recognized as legal entities in their own right. Consequently, there are few practical examples of established benefit sharing systems for community forestry in Vietnam.

Due to the shortage of first-hand practical experiences of community forestry, the facilitators believed that the workshop should focus on the following two objectives:

1. Examine the existing policies, local governance systems, and potential future changes which may affect benefit sharing through community forestry.

2. Compare, among a variety of concerned stakeholders, prevailing opinions, mindsets, and the levels of understanding regarding benefit sharing mechanisms, in particular with regard to governance and resource conditions.

2. Participation

The second objective required the participation not only of administration and International NGO representatives, but also of people from rural areas that have direct experience with community forestry initiatives. These latter individuals are generally not familiar with the standard workshop format in Vietnam, which involve presentations heavy in technical language and detail and lengthy question and answer sessions. They may also be uncomfortable expressing opinions in front of authority figures.

In order to address these difficulties, the workshop was organized with an emphasis on group discussion sessions rather than presentations. Furthermore, to encourage greater participation and to allow contrasting opinions to emerge, participants were divided into three groups during discussion sessions. Each group worked in parallel with identically facilitated discussions and exercises, and presented its findings to the full meeting for comparison and feedback. The participants in each of the three groups were as follows:

Group 1, Community representatives: This group consisted of twelve village heads from Thua Thien Hue and Quang Nam provinces, including three women. These individuals all represented villages in which community forestry had been initiated. It was the original intention of the workshop organizers to invite a wider range of community-level stakeholders, including ordinary farmers as well as village heads. However, it was not possible to organize participation of such individuals due to administrative difficulties in arranging invitations and the prevailing opinion that village heads can adequately and accurately represent the views of other villagers.

Group 2, Government representatives: This group included local government officials from provincial and district levels and line agency representatives involved in the forestry sector from central, provincial, and district levels. The provincial representatives came from Quang Tri, Thua Thien Hue, Quang Nam, and Dak Lak provinces. The maximum size of this group was 15.

Group 3, NGOs and researchers: This group included expatriate and local staff of project and program offices under the Netherlands Development Organization (SNV), World Wide Fund for Nature (WWF), German Technical Assistance (GTZ), Helvetas, Tropenbos, and Asian Development Bank (ADB), as well as staff from the Forestry Faculty of Hue University. Group members worked in the forestry sector in Quang

Tri, Thua Thien Hue, Quang Nam and Dak Lak provinces. The maximum size of this group was 15, composed of roughly equal numbers of Vietnamese and foreign nationals (Netherlands, UK, Nepal, Germany, and Denmark).

3. Workshop Process

The workshop was divided into three distinct thematic sessions:

- Policy and regulatory frameworks (External governance)
- Internal governance
- Community and resource conditions

Each session was scheduled to consist of two presentations of 15 minutes each, followed by a period of questions and answers on both presentations. The group discussions lasted for one hour on theme 1 and one and a half hours on themes 2 and 3. The discussions were guided by facilitators according to pre-arranged instructions, which described the exercises and leading questions to be used. Each group discussion was designed to result in tabular and written outputs, which were compared and discussed in a plenary period at the end of the session.

3.1 Theme 1: Policy and regulatory framework (External governance)

This session was focused on an assessment of the ‘enabling policy environment’ for benefit sharing through community forestry in Vietnam. The two guiding questions for the session were:

- What is the policy and regulatory framework for community forestry?
- Do existing laws allow for fair distribution of benefits?

The two presentations summarized two components of the legal framework: (1) central government Decision 178, which governs benefit sharing arrangements between forest users or managers and government agencies (but which was promulgated before community forestry was legally endorsed), and (2) the Forest Protection and Development Law, finalized at the end of 2004, which allowed land tenure and use rights to be held by communities and village-level entities.

The discussion groups began with a SWOC (“strengths, weaknesses, opportunities, challenges”) analysis of the prevailing policy framework, as outlined in the two presentations. This was collapsed into a simple positive/negative analysis for the group of community representatives, as the distinction between strengths and opportunities, for example, appeared to cause confusion. As a follow-up to this exercise, groups were encouraged to address the following two questions in open discussion:

- 1 Do the current policies provide enough motivation for communities to participate in Community Forestry?
2. What changes to policy can be made to provide more motivation for communities?

Time constraints cut short the latter parts of these discussions, but the questions were addressed in plenary session after groups presented their SWOC results.

Lessons learned

Relevance of existing policies:

Decision 178 was designed to address benefit sharing for forest land allocation to households, not to communities. The existing legal and policy framework for benefit sharing in community forestry is still considered unclear, particularly with regard to disparity between the main legislative tools - Decision 178 and the FPD Law.

Villages and communities are recognized in the Forest Protection and Development Law as potential holders of forest tenure, but are not explicitly recognized as such under Decision 178. Communities also have no legal status under civil law. Hence, villages/communities are now legally entitled to be allocated forest land, but it is unclear whether or not they can legally be recognized as an appropriate entity to receive a share of benefits from forest management.

Under Decision 178, the community's share of income from timber sales shrinks as forest condition improves. Reducing the state's share of timber income, and allowing more commercial exploitation of natural forest, is necessary to provide incentives for community forestry.

Frame conditions for community forestry:

Community forests must necessarily consist of areas large enough to provide benefits to all users. Whereas plantations can be readily divided up into small management units for household allocation, natural forests should not be subdivided, as this would make coherent forest management extremely difficult. For this reason, natural forests were considered more appropriate for community forestry than plantation forests.

Minority ethnic communities still employ traditional communal management and benefit-sharing systems, while the majority Kinh, generally do not. Ethnic minorities were therefore considered to be better suited to engaging in community forestry.

Financial support:

There are very limited funds in the national budget available for community forest allocation and support. Such activities are heavily dependent on donor-supported programs.

Comparisons between groups

All groups agreed that lack of legislative clarity in benefit sharing is a major concern. NGO/researcher groups cited the complexity of legislation as a weakness, while community representatives saw the complexity of timber harvesting approval procedures as a weakness. The message from both groups was that complexity of rules and regulations are a disincentive to participation.

All groups agreed that the new legal recognition of communities for forest management was an advantage of the current policy framework. Many community representatives (village heads) believed that individual household allocation would result in better management than community allocation. They claimed that household allocation provided greater clarity of tenure and hence greater motivation. Conversely, government and NGO participants maintained that devolution of management to communities was preferable to household allocation. They saw community forestry as an opportunity to take advantage of the high potential capacities, in terms of forest management skills and local knowledge, to be found at the grassroots level.

3.2 Theme 2: Internal governance

This session was intended to identify lessons for ensuring equitable benefit sharing among different individuals and households within the community, with particular emphasis on informal, autonomous, or traditional arrangements. The three leading questions governing this session, as presented during the session introduction, were as follows:

- How do communities manage their own affairs?
- Can they resolve internal conflicts?
- Can they make equitable decisions?

The two presentations under this theme did not directly address these questions. The first was a summary of the roles and problems of local government bodies in providing institutional and technical support to households and local groups involved in forest management activities. The second outlined a system for planning and conducting logging operations within community forests, but did not focus on the division of resulting benefits within the community.

The discussion groups began with a stakeholder assessment exercise. Facilitators presented groups with a prepared list of stakeholders in community forestry, including different interest groups within a village (internal stakeholders), as well as external agencies that may affect community forestry. The groups were invited to amend and approve this list, and individuals then assigned pins (points) to the stakeholders in answer to the following questions:

1. Who decides how villagers share the benefits from community forestry?
2. Who SHOULD decide?
3. Who resolves conflicts within a community forest group?
4. Who SHOULD resolve conflicts?

The government group formulated their own set of questions which, to a certain extent, prevented comparisons between their results and those of the other groups. Group discussions continued, with participants sharing examples of internal benefit sharing mechanisms from their own experience of community forestry.

Lessons learned

Understanding internal governance:

The concept of local and internal governance is poorly understood. This topic should be introduced in a circumspect fashion, as occurred in the group discussions, to prevent it from being confused with the workings of local government.

Appreciating internal governance:

The importance of intra-community relationships and structures in establishing equitable benefit-sharing mechanisms is not appreciated. More attention must be paid to this area by government, researchers, and projects, to match attention being paid to the legal framework. 'Benefit sharing' is inherently taken to mean the division of income and resources between communities and the different branches of government, rather than between different members of a community.

Influence in decision-making:

A disproportionate level of authority is invested in the village heads. This is especially true in ethnic minority communities, where their views and priorities are taken as representative of the whole village. Further consultation with other villagers is rarely carried out. After village heads, the Commune People's Committee (CPC) has the most influence over villagers' internal governance. It is widely recognized that villagers below the level of village head or traditional leaders (elders) currently have little or no influence in benefit sharing arrangements.

Independent CF bodies:

Village-level Forest Management Boards (FMBs) have been established in some areas, modeled on traditional decision-making bodies, but membership is generally confined to elite households and representatives of mass organizations (e.g. women's, farmers' and veterans' unions). Dak Lak province contains some well-established examples of these bodies.

Comparisons between groups

Role of village heads:

Community representatives (who were mostly represented by village heads) did not see the need for devolution of decision-making authority from village heads to other members of the community. Instead, complaining that they were overburdened, they recommended transferring some of their responsibilities upwards to commune-level officials. The community representatives also noted that local Communist Party officials had significant influence in decision-making and conflict resolution. While they saw the party's role in conflict resolution as appropriate, they thought it should have less influence in village-level decision-making procedures where community forestry was concerned.

Role of disadvantaged groups:

The NGO group estimated that women, poor farmers, and other less influential local interest groups already have a small degree of influence in decision-making procedures. However, according to the assessment of the other two groups, they have no influence at all. The NGO group was also alone in advocating a significant transfer of responsibilities to women and poor farmers.

Stakeholder identification:

The government group added Family Head, Veteran's Union, Religious Organizations, National Front, Armed Forces, and Employment Society to the list of stakeholders, but found that only the first two of this list had any influence in internal governance. The community group added local Communist Party, Justice Department, Village Management Board, and Commune Forestry Board to the list of stakeholders, all of which they considered to have a significant influence on internal governance.

All groups desired significant changes to the current systems of decision-making within villages but very few saw a need for changes to conflict resolution mechanisms. Community and NGO representatives agreed that benefit sharing mechanisms should be based on traditional practices and priorities as much as possible.

3.3 Theme 3: Community and resource conditions

This session focused on defining the type and value of benefits from community forestry that are available to be shared, and the human resources that are available to exploit these forest resources. The three guiding questions behind this session were:

- What is the value of the resources that can be shared?
- Can the resource base meet the minimum expectations of all stakeholders?
- What skills and knowledge are available locally?

The first presentation in this session concerned local or indigenous knowledge of forest benefits and its role in organizing research records. The second described the state of the non-timber forest product (NTFP) sector in Vietnam, and then discussed problems and challenges in developing suitable policies and guidelines for its exploitation.

The group discussions began with a brainstorming of the different types of specific benefit that forests might provide, the three categories of benefit being defined as economic, subsistence, and environmental. The precise meanings of these three categories were left largely to the interpretation of the groups. Individual group members then assigned points to some of these benefits according to their importance from the perspective of a villager. Discussions then continued by asking participants to consider what levels of the most important benefits should be available from community forests in order to motivate villagers to participate, and what constraints currently exist which may prevent these benefits from reaching villagers. Finally, the groups were asked to give examples of the use of local knowledge and experience in the design of benefit-sharing systems.

Lessons learned

Potential locations for CF:

Natural forest areas envisaged for allocation to communities are generally considered to be of poor quality, with low reserves of valuable timber and marketable NTFPs. There are areas of high-quality forest in central and north Vietnam, but those in the north are, on average, further from established markets than those in central provinces. Natural forests in central Vietnam are therefore more likely to deliver sufficient benefits to motivate local communities than those in the north of the country.

Potential benefits of NTFPs:

Factors preventing the full realization of potential benefits from NTFPs include a lack of market information, poor knowledge of cultivation practices, and the need for regulations for transfer and mobilization of money in commune and group funds. There is insufficient information on the distribution and exploitation of major products, such as rattan, to develop sustainable management strategies on a micro- or macro-scale. There is also some confusion regarding the definition of NTFPs, even though the term, in both English and Vietnamese, is seemingly self-explanatory.

Importance of local knowledge:

Local knowledge of importance in devising benefit-sharing systems includes the type, location, and abundance of products in natural forests. However, at times there is also a lack of awareness of the importance of sustainably managing resources, and of appropriate management techniques amongst villagers, which poses a long-term threat to maintaining sufficient benefits from community forests.

Comparisons between groups

The NGO group identified timber for both sale and local use as the most important income-generating benefit from community forests. In stark contrast, neither the government group nor community group actually mentioned timber as a benefit. Government and community representatives agreed that firewood was the most significant income-related benefit from community forests. NGO representatives, however, classified firewood as a subsistence benefit.

The government group concluded that potential ecotourism and associated business revenue from community forests provided more motivation for local people than any other potential benefit. However, the group classified this as an environmental, rather than an income-related, benefit. This classification reflects a lack of existing benefit-sharing mechanisms for community-based tourism in the region.

Government and community representatives both considered medicinal products as the second most important income-related benefit. This contrasts with the findings of a recent marketing study by WWF, which found that medicinal plants were used mainly in the household rather than being sold, and were increasingly being replaced by modern medicines. The NGO group allocated no points to medicinal products in the ranking exercise.

All groups reflected the general perception that villagers put a low overall priority on environmental services compared to subsistence and economic benefits of forests.

The NGO group felt that upcoming changes in policy will allow more communities to manage forests on a sustainable basis, thus providing them with more motivation. However, the community representatives found that community forestry had already proved useful in improving employment and income benefits from rattan and other NTFPs for the poorest households.

4. Workshop Assessment

Participants were asked to submit positive and negative comments summarizing their impressions of the workshop. Most of the positive impressions submitted, in decreasing order of frequency, fell into the following broad categories:

- Good organization and facilitation of group discussions.
- An opportunity for learning and networking.
- Successful organization and logistics.
- Interesting variety of participants.
- Appropriate topics.

Negative comments were confined almost exclusively to:

- Timing of the workshop and timekeeping of workshop elements.
- Content of some presentations not relevant to the topic.

Considering this assessment and the observation that the majority of ‘lessons learned’ emerged from group discussions rather than presentations, the organizers’ decision to focus more on interaction than presentation was probably appropriate.

The workshop did address the two specific objectives previously mentioned, but the lack of concrete examples of benefit sharing systems still precluded the recommendation of practical ‘lessons learned’ to submit to the regional workshop. The most important lesson was, perhaps, the need for improved understanding among participants of the meaning and importance of good internal governance as a precondition of equitable benefit sharing arrangements.



Chapter 7: Benefit Sharing in Community Forest Management (CFM) Thua Thien Hue Province, Vietnam

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Abstract

This paper presents one case study of benefit sharing in Community Forest Management (CFM) in Vietnam. The CFM process suggests several mechanisms for benefit sharing based on the decisions of the community through building Forest Protection Regulations. The case study outlines a simple process for sharing revenues from timber extraction which is based on a sustainable forest model. The study's findings reveal the challenges for CFM, which relate to policy as well as internal governance and local conditions. Benefit sharing policy is unclear and inappropriate regarding the decision-making roles of the community and government bodies. The study suggests some recommendations relating to practice and policy-making through benefit sharing mechanisms to enhance the power, rights, and incentives for communities to better manage their forests.

1. Introduction

The recent introduction of the Land Law 2003, the Forest Protection and Development Law 2004, and other legal documents have created a framework for the process of allocating and leasing forestland to organizations, households, and individuals for stable and long-term use for forestry purposes. For the first time, communities (or villages) have been recognized as potential recipients of forest allocation. Community forestry requires that benefits of the allocated land be clearly identified and that mechanisms be put in place to ensure equitable distribution of these benefits among community members. In many of the recent community forest allocations in Vietnam, these issues have been poorly addressed. Consequently, many community members lack clear incentives for participating in forest protection.

The Extension and Training Support Project for Forestry and Agriculture in the Uplands (ETSP) is a project financed by SDC (Swiss Development Cooperation) and implemented by Helvetas in Vietnam. The project has piloted the allocation of natural forest to communities in three provinces – Hoa Binh, Thua Thien-Hue, and Daknong – in order to generate experiences and lessons which may contribute to sustainable forest management in Vietnam.

Community Forest Management (CFM) is a new approach in Vietnam that gives the community and villagers an important role in all activities; they are both the main stakeholders and beneficiaries. In 1999, the government of Vietnam issued Decision No. 178/1999/QĐ-TTg to describe the process of sharing benefits from timber harvesting between local authorities and households with tenure of forest land. However, this Decision applies only to forest land allocated to individual households. It does not regulate rights and obligations of the village communities and is therefore not applicable in community forestry as piloted by ETSP. Therefore, a new benefit sharing mechanism is introduced in this CFM process.

As CFM has been introduced to Vietnam only recently, there are, as yet, few valuable experiences and lessons to draw on. It is therefore important to assess any new work that has been done in the arena of benefit sharing.

In ETSP's view, CFM is a participatory approach of forest management that includes the following elements:

- The village is given the right to manage land and forest in accordance with the forest protection and development law of 2004 and the land law of 2003.
- The village carries out activities that are related to forest protection and management. With support from extensionists and foresters, the village elaborates a five-year forest development plan and forest protection and development regulations.
- The approved plan is implemented by the participating households.
- The village decides the benefit sharing mechanism through an elected village forest management board (VFMB).
- The VFMB is responsible for monitoring and evaluation of the forest management plans.

Community context

Thuong Quang is a mountainous commune of Nam Dong district. It has seven villages, of which two (A Ka and A Ro) are populated by the Cotu ethnic group.

A Ro village was selected by ETSP as a pilot location for community forestry. The village includes 25 households, of which 21 are classified as poor according to government criteria. The 162 inhabitants are dependent on agricultural production for their livelihoods.

2. Study Findings

2.1 Implementing the Community Forest protection and development regulations

The villagers of A Ro have developed regulations for forest protection, which are set out in Table 1 below. These offer several opportunities for sharing revenues from fines or confiscated products. NTFP harvesting procedures are also included in these regulations, and is mostly done on an individual household basis.

Table 1: Implementing the Community Forest Protection and Development Regulations

Activities	Implementing Regulations
Fire prevention	Regularly checking and patrolling forest. Prohibition on using fire in the forest. Prohibition on entering the forest in the fire season. Clearing and cutting of fire breaks to prevent forest fires spreading to adjacent crops. All villagers are obliged to assist in a forest fire emergency.
Cattle grazing	Prohibition on free grazing of cattle in the forest. Violations: + the first violation is treated with a warning in front of the village. + the second and subsequent violations are recorded and taken to commune people's committee (CPC) to resolve.
Harvesting of non-timber-forest products (NTFP)	Outsiders are not allowed to harvest. If discovered, the illegally collected products are confiscated. Total harvest of bamboo shoots must not exceed 2/3 of total bamboo stems, leaving 1/3 shoots to maintain a viable crop for construction.
Hunting and harvesting of wildlife	Hunting and harvesting of wildlife is forbidden, except for mice, monkeys, and wild boars which cause damage to cropland.

The fining, compensation and rewarding process and procedure are as follows:

- A written record (minutes) is drawn up for all violation cases.
- The VFMB discusses the treatment of each violation.
- A village meeting is organized to approve the VFMB's decision on treatment.
- Rewards: the person discovering the infringement receives 20%; the person detaining the offender receives 20%; the village fund receives 60%.
- Compensation: The offender has to provide compensation to the value of damage caused in accordance with market price and agreement between VFMB and offender's village.

2.2 Benefit sharing of timber resources

Principles to calculate benefit sharing for forest owners/community

- To ensure that CFM can be implemented by the villages in a financially sustainable manner (i.e. without financial inputs/subsidies from state budget), the sharing of benefits from forests has to be arranged between the forest users, village, and commune.
- The most significant opportunities for benefit sharing will come as a result of timber harvesting either for subsistence uses, such as house construction and repair, or for sale.
- Benefits are calculated based on the projected growth of trees over the period of the five-year forest development plan.
- Harvesting plans are made by comparing stocking density of a range of diameter classes with those in a 'Sustainable Forest Model' (SFM), developed by ETSP.*
- The SFM is designed to show the ideal minimum age/size structure (based on the number of trees in each diameter class) of a particular forest type in order to ensure sustainable growth and production of that forest in the long term.
- Comparing the actual number of trees (as identified in inventory) with those of the sustainable forest model, the potential five-year harvest is the redundancy in each diameter class (DC) compared to the SFM. Sustainable forest models can therefore be seen as a control tool for monitoring the identification of forest growth, using a simple indicator like the number of trees in each diameter class.

Implementation guidelines

- An inventory is carried out every five years to identify the incremental growth and calculate the number of trees in each diameter class, to identify which can actually be harvested
- Based on the model, it is possible to specify the number of trees that need to be maintained (i.e. not harvested) in accordance with the SFM model; forest owners can harvest the trees at the appropriate time, taking account of the availability of labor and market demand.
- During the first five years, owners can harvest the surplus of timber calculated by comparing the initial inventory with the SFM. This is not yet considered as forest growth but is an 'advance' against future growth which is harvested early

*The SFM is based on number of trees per diameter class instead of the unit cubic meters (m³). They are defined based on the diameter increment of (natural) forests and set for a planning horizon of five years. It is the reference that defines the sustainable harvesting quantity in different diameter classes and provides the information about what kind of silvicultural measures could improve the structure of the given forest.

in order to meet the community's immediate needs. After five years, forest owners repeat the inventory and can harvest the surplus to the SFM, which is the actual growth of the forest.

Result of community discussion and implementation of benefit sharing related to timber

The implementation principles outlined above are illustrated in the case of A Dang Block. Based on the comparison between the number of trees in various DC of the SFM and the actual inventory results of two allocated forest blocks, only one block (A Dang block) is available for timber harvesting (see Figure 1 below). Comparing the potential supply from this harvest and the timber demand of the community for house construction, it is clear that the supply is only enough for subsistence purposes (i.e. no excess available for sale) during the first few years. Timber for commercial purposes is thus very limited in the first years after allocation, although after some time, the community will be able to sell surplus timber.

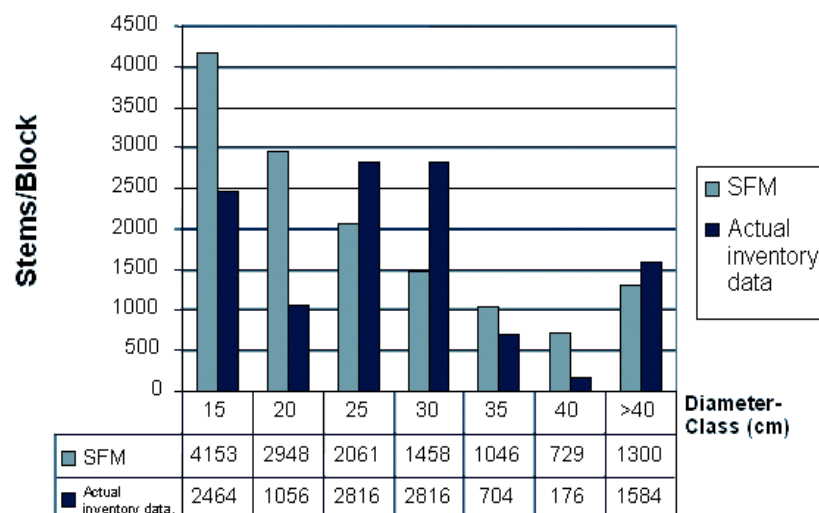


Figure 1: Comparison of Actual Inventory Data with SFM for the A Dang Block

The villagers of A Ro have agreed that only trees of 10 cm diameter and above will be eligible for harvesting. They have also agreed that the allowable cut according to the five-year plan will be spread evenly over the period to ensure a regular supply (see Table 2). The trees for subsistence use will be taken during thinning and selective felling operations. Furthermore, the species which are considered of highest commercial value will not be harvested at all, to allow them to be saved for future commercial harvesting operations.

Table 2: Harvest Schedules of A dang Block

Block name	No. of harvestable trees	Year				
		2006	2007	2008	2009	2010
A Dang	5 - 10cm: 9,800	1,500	1,500	2,000	2,400	2,400
	10 - 15cm: 60	10	10	13	13	14
	20 - 25cm: 89	14	15	20	20	20
	> 40cm: 33	5	5	7	7	9

Unit: No. of trees

Based on the five-year plan developed with the aid of the SFM, the VFMB creates a harvesting plan each year. For example, according to Table 2, in 2006 a total of 29 trees will be extracted from A Dang block (the sum of the number of trees above 10 cm diameter).

The VFMB organizes a village meeting to inform the rest of the member households of the annual harvesting plan. Households then write and submit applications to the VFMB for a proportion of this annual cut. The VFMB reviews all submissions. If the total amount of requested timber exceeds that available for the current year, the VFMB selects the households to receive timber based on poverty status, condition of house, and participation in protection duties. The final list of household allocations of harvested timber is submitted to the CPC for approval.

2.3 Community conditions that influence the sharing of benefits

The application of the CFM experiment in A Ro village raises many issues regarding benefit sharing which could reduce the sustainability of forest management. Firstly, the government no longer pays for forest protection and the community is currently too poor to cover the necessary expenses on its own. Secondly, the forest area that has been allocated to the community is too small (60.3 ha) and of poor quality, so the villagers are not yet permitted by current legal documents and forest status to harvest any forest products.

Up to now, sharing of duties and benefits in the community is limited to the following aspects:

- Villagers can collect any NTFPs without making contributions to the village fund. This mostly benefits poorer villagers (there are very few NTFPs in the community forest, and only the poorest people collect them).
- All households in the community participate in unpaid forest patrols as a form of community service.

- VFMB has formulated the five-year development plan and monitored all forest protection activities with no compensation for their efforts to date.
- The village has fined outsiders caught illegally harvesting timber in the community forest and deposited a total of 2,636,000 VND (US\$ 185) in the village forest development fund.
- The community has four ha of acacia forest; 50% of the harvested volume will be shared between households who have contributed labor for planting and protecting the forest. The remaining 50% will be deposited in the village forest development fund, after transferring 15% of the harvested volume as resource tax to the commune. This tax is to compensate the Commune Forest Management Board (CFMB) for their supervision of management activities and the monitoring related to the management of village forest resources.

2.4 Governance factors that influence the sharing of benefits

Table 3 below outlines the main decision-making roles of the major stakeholders in the CFM process, particularly as they relate to benefit sharing. In summary, the village head and VFMB play the main role in deciding benefit sharing in the community, but they also have to pass the drafts of village meetings to all villagers for approval. The Forest Protection Unit (FPU), the Commune People's Committee (CPC), and District People's Committee (DPC) must approve all management plans and harvesting operations.

Table 3: Decision Making for Benefit Sharing of Stakeholders

Governance factors	Role in Decision making for benefit sharing
Village head	Implements the penalties for violations according to the laws and village forest protection regulation. Draws up minutes and hands over the violators to higher levels when necessary. Decides on the benefit sharing mechanism inside the community.
VFMB	Sets up the forest protection teams and organizes patrols. Records working hours of forest protection teams for future compensation. Selects households for subsistence timber allocation. Decides on the benefit sharing mechanism inside the community.
FPU	Supports the village on legal and technical issues. Sets penalties for forest violations.
DPC	Approves the CFM five-year plan, and approves the timber harvesting plan.
CPC	Approves the CFM annual plan, collect and submit timber harvesting plan to DPC. Treats and fines forest violations in cases below 500,000 VND.

3. Discussion

Villagers are already legally entitled to full benefits from NTFP harvesting. However, in practice, the benefits are often still illegally gained by outsiders. The total value of NTFP resources in the forest is, in any case, not very great.

The SFM procedures for harvesting timber for commercial and subsistence purposes are simpler than the current procedures applied by the government, requiring fewer levels of approval. Before community forestry, villages had no right to harvest timber for commercial purposes at all and, even for local consumption, were required to obtain approval from the Department of Investment and Planning at district level. ETSP now proposes that the community be permitted to harvest timber for commercial purposes with the approval of the DPC and, for local consumption purposes, with only the approval of the CPC.

The government is progressively shifting the cost of forest management to the forest recipients, but there are few changes in benefit sharing policy. It would thus be appropriate if the 15% tax on timber were to be allocated to the commune forest management board.

Currently, there are many constraints for CFM and benefit sharing which are summarized in table 4 below.

Table 4: SWOT Analysis of Benefit Sharing Mechanism

STRENGTHS (ACHIEVEMENTS) <ul style="list-style-type: none"> The community has developed a forest protection regulation, including benefit sharing mechanisms for some NTFPs. Local people are willing to accept the forest regulations and implement CFM. Forest is near the community so all villagers can monitor activities related to forest. 	OPPORTUNITIES <ul style="list-style-type: none"> Community forestry is underpinned by a legal framework (Land law 2003 and Forest Protection and Development 2004). The provincial government supports the new methodology of CFM process.
WEAKNESSES (INTERNAL CONSTRAINTS) <ul style="list-style-type: none"> The small area and poor condition of allocated forest provides insufficient incentive for local people to participate in the CFM process. 	THREATS (EXTERNAL CONSTRAINTS) <ul style="list-style-type: none"> As yet, the community has no legal document allowing it to harvest timber based on the sustainable forest model. There is also no legal document which gives villagers the right to fine violators from outside their own village.

WEAKNESSES (INTERNAL CONSTRAINTS)	THREATS (EXTERNAL CONSTRAINTS)
<ul style="list-style-type: none"> • The percentage of poor households in the community is high so it is difficult for the community to mobilize villagers to participate in forest protection and development, due to the long wait before they can get benefits from the forest (under current policy). • VFMB has low management capacity and currently receives no benefits (operational costs) from CFM so its incentive is low. • Short-term benefits available from plantations of exotic trees provide a perverse incentive for locals to change status of natural forest land to barren land (suitable for afforestation). 	<ul style="list-style-type: none"> • The procedure to get the forestland use certificate is too slow, so it is difficult for the community to curb violators. • The policy for allocating forest to the village is already clear, but it is not clear who will approve the five-year community forest management plan . • The current procedure for planning logging operations is too complicated. Clearance is still required from Department of Agriculture and Rural Development (DARD) at provincial level, which prevents the DPC from granting approval. • Credit and investment policies do not recognize a 'village' or 'community' as an entity eligible for support. • Local authorities worry that the allocated forest will be degraded quickly when the sustainable forest model is applied. They are afraid that the local people will select the most valuable trees to harvest.

4. Conclusions and Recommendations

CFM process is a new methodology which aims to encourage local communities to participate in forest protection and development, with the central government shifting the cost of forest management from government to the forest recipients. Therefore, some mechanism for benefit sharing, such as using the sustainable forest model, is required to provide incentives in the form of income and subsistence products to all members of these communities.

Although it is still a new method and there are few concrete experiences available, some lessons are drawn from the ETSP CFM initiative which may be useful for practitioners to facilitate benefit sharing in community forestry, such as:

- CFM needs to have the commitment of the villages and commune authorities and support of the district authorities.
- Forestland needs to be allocated to communities or to groups of households to ensure coordinated management of a natural forest area.
- The community should have a close relationship with the natural forest and its products (as in most ethnic minority communities).
- The allocated forest should be at least partly rich in forest with potential short-term benefits for the community.

- The area of the community forest should be large enough to provide sufficient subsistence benefits to the whole community.
- Any outstanding conflicts (such as lack of clarity over boundaries between neighboring villages, benefit sharing arrangements, etc.) must be resolved before allocation.
- To involve the community in forest protection, small groups should be formed so that the representatives of all households in the community have a chance to participate in forest protection, thus ensuring a fairer distribution of benefits.
- In a poor forest with limited timber resources, NTFPs must be developed as a short-term source of benefits.

From the SWOT analysis, the study has some recommendations related to policy making, as follows:

- Allow the VFMB to fine violators from outside the village in order to increase the effectiveness of the Village Forest Protection and Development Regulation and enhance the self-management and control of the community in CFM.
- Create a legal basis for the application of sustainable forest models. By using the sustainable forest model, the local people can cut a timber volume that provides them with a sufficient incentive to manage the forest responsibly.
- Concrete legal documents are required to complement the implementation of the Forest Protection and Development Law 2004, particularly in relation to allocating forest to villages and making clear the roles of various stakeholders and government bodies in approving the five-year forest management plan.
- Legal documents are required to allow the Office of Agriculture and Rural Development of the district to design tree marking procedures and for the DPC to approve the harvesting and thinning plans of the community, in order to reduce complicated administrative procedures.





Benefit Sharing in the Mekong Region

Chapter 8: Benefit Sharing in the Mekong Region – lessons and emerging areas for action

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1. Introduction

The regional workshop on Benefit Sharing in Community-based Natural Resource Management was held in Vientiane on 7-8 June 2006. Coordinated by RECOFTC, and supported by WWF, NAFRI, and SNV, the event brought together selected participants from earlier national workshops in Vietnam, Cambodia, and Lao PDR. The aim of the workshop was to consolidate and synthesize the *lessons learned* so far on benefit sharing, and to *identify areas* for future action. The workshop specifically aimed to:

- Analyze lessons learned in relation to benefit sharing from a range of CBNRM initiatives in Vietnam, Cambodia, and Lao PDR;
- Facilitate networking between practitioners and policy makers within and between countries;
- Identify common interests, needs, and issues for future action; and
- Identify, document, and disseminate regional lessons learned to practitioners and decision-makers.

The workshop involved a total of 43 registered participants from Vietnam (7), Cambodia (7), Lao PDR (22) and Indonesia (3), and a facilitation team of four people. The program consisted of a mix of presentations, small group activities, and plenary discussions.

This chapter synthesizes the key lessons in terms of (1) the flow of benefits to communities and (2) benefit sharing within communities. It is important to mention at the outset that the workshop did not reach definitive conclusions about benefit sharing outcomes in the three countries; rather, the focus was on understanding the critical factors that were influencing or could influence benefit sharing. Key lessons on each topic are summarized in a series of boxes in each section below. We also

present recommendations and areas for future action that emerged from workshop discussions.

2. Benefit Flows to Communities: Lessons and Issues

The introductory chapter explained that two key areas explored in relation to benefit flows were governance conditions (or the ‘enabling environment’) and resource conditions. Specific issues related to governance and resources were presented in national workshop overviews and case studies, and these were further discussed to better understand their role in shaping benefit sharing in this sub-region.

2.1 How many benefits are enough?

When considering the financial benefits from community-based natural resource management (CBNRM), we need to think about quantity as well as distribution. While the focus of this initiative has been more on the issue of distribution, a key point emerging in both national and regional workshops is that it is important to also consider whether the financial and other benefits created through CBNRM are sufficient to make a meaningful impact on local livelihoods and on reducing poverty. For example, a number of the case studies considered in national and regional workshops looked in crude terms at revenue generated through CBNRM activities. With more information on how this income fits in with the livelihoods of beneficiary households, we would have a clearer picture of the impact of CBNRM activities at the household level.

Such an understanding is important to assess whether the poverty reduction goals of many CBNRM programs are being met. In addition, in communities that receive little benefit, households may have a disincentive to participate in CBNRM activities and to undertake sustainable resource management. For instance, paying a high proportion of timber revenues in government royalties may be less attractive than illegal harvesting. The time spent by communities in negotiating and monitoring forest management agreements (particularly for high value resources) can also create a negative incentive in many countries, particularly for the poorest members.

The timber example illustrates that resources with a high revenue potential are more likely to attract the interest of other actors, such as the state or the private sector. Where the resource is publicly owned and potentially delivers a high revenue, the current policy and legal setup in Lao PDR tends to reduce the proportion of revenue that can be captured by communities. Discussion in the Lao PDR workshop found that typically more benefits were able to be claimed by communities where resources had a low financial value, such as NTFPs, fisheries, and ecotourism. For such resources,

in general, a greater proportion of revenue went to communities, and there was greater community control over how the revenue could be used. In the case of timber, a high value resource, the benefit flow was lower, and villagers had both a lower percentage of the revenue and a lower level of decision making authority on expenditure (Gerrard, Chapter 4).

We need to assess the 'quantity' of benefits in terms of livelihood and poverty impacts for households, as well as distribution. Often the quantity of benefits flowing to communities has been lower for high value resources such as timber, compared with resources like non-timber forest products (NTFPs) and fish.

2.2 Secure and substantial property rights

Often there is a relationship between the value of resources and the nature of rights gained by communities; degraded forest areas have traditionally been the first to be handed over for community management (as can be seen in Joint Forest Management in India, Social Forestry in Bhutan, and Community Forestry in Nepal). Conversely, high value resources tend to be associated with more limited rights, with restrictions on commercial use of resources such as timber. This is further compounded in many countries by the introduction of 'green felling,' domestic and/or export logging bans (e.g. Philippines, Sri Lanka, India, China), and quota restrictions in some centrally planned economies (e.g. Vietnam, Lao PDR). While the three countries under discussion have all been undergoing processes of decentralization in NRM, communities have more often gained 'soft' or operational rights to resources (e.g. to access and remove resources) than substantial rights to make management decisions about the current and future use of resources (Gilmour *et al.* 2005).

Secure property rights were seen in national and regional workshops as an important basis both for CBNRM, and for benefit flow to communities. In the case of Yak Loam Eco-tourism project at Ratanakiri, Cambodia, a 25-year lease (held since 1998) between the Provincial Rural Development Committee and the Commune Council was seen to provide the community secure tenure, and the confidence to negotiate and implement ecotourism activities that bring a range of financial and non-financial benefits to the community.

In the case of Community Forest Management in Hue, Vietnam, allocation of forestland to villages under the Forest Protection and Development Law 2004 provides the basis for villages to develop five-year forest development plans, and forest protection and development regulations. Although there will be a lead time before timber can be harvested due to its being a degraded resource, it is anticipated that significant benefit flows will come through the early stages of timber harvesting.

Who holds the rights?

Another issue with important implications for benefit sharing is the question of who holds the rights: a household, a user group, or a village. Associated with this is the question of what institutional arrangements exist at the community level to coordinate the internal distribution of benefits. Where rights are held by groups of households, or at the village or even commune level, local governance arrangements significantly influence benefit distribution, since they mediate collective decision making, management, and distribution of benefits.

In general terms, rights can lead to a better opportunity for communities and individuals to benefit from forest resources. However, rights alone do not guarantee a capacity to realize these potential benefits, as certain resources and capacities may also be required (Nguyen 2005).

Secure and substantial property rights are an important 'enabling condition' for CBNRM and for benefits to flow to communities. It is typically harder to achieve this for high value resources.

Although property rights are an 'enabling condition,' they may not in themselves ensure that benefits are gained by communities without people's capacity to access and exercise these rights. Where rights are communally held, local institutional arrangements play a key role in mediating internal benefit distribution within communities.

2.3 Appropriate revenue sharing arrangements

In addition to tenure, benefit flows are affected by laws guiding taxation,¹ such as a requirement to pay a percentage of income from an eco-tourism enterprise as tax, and royalties², and a requirement to pay a percentage from the sale of timber to government. In Cambodia, there are no laws that guide taxation procedures for community-generated funds from CBNRM. As a result, in the case of the Yak Loam eco-tourism project, money generated for the Provincial Rural Development Committee cannot yet be spent. The distribution of revenues from CBNRM activities between communities and state was a key issue of discussion in national and regional workshops, with general agreement that there is a need for clear rules to provide an equitable flow of benefits to communities. There was a concern that, without such rules, communities would not have the incentive to engage in CBNRM processes and to support sustainable resource management.

¹ In this context, tax refers to a compulsory contribution to government, levied on income, property, or transactions, generally proportional (i.e. a percentage) of the amount (adapted from Oxford English Dictionary).

² In this context, a royalty refers to a payment made to the resource owner by a lessee or user of the resource, in return for the 'privilege' of working it (adapted from Oxford English Dictionary).

Detailed benefit sharing guidelines in Vietnam

Vietnam provides an example of a very detailed benefit sharing guideline for timber extraction: Decision 178/2001/QD-TTg. This law specifies that 15% of the incremental 'benefit' (i.e., the incremental tree growth since the forest has been protected) goes to government and the rest to the household managing the forest area. The aim is to give people a share in the forest and an incentive to protect it by rewarding them for doing so. The law is also designed to avoid conflict over allocation of different forest types and quality, by defining benefits according to incremental growth of trees over time so that people who are allocated degraded land are not worse-off than households that receive forested land (Bao Huy 2006).

The Hue case study from Vietnam (see chapter 7) outlines attempts to implement sustainable harvesting practices that are consistent with this benefit sharing approach. The model is complex and requires considerable training of community members to implement, while the supply from harvest will be limited to subsistence in the early years (as the incremental growth is minimal), although this may vary according to the initial condition of the resources.

The absence of consistent benefit sharing guidelines in Cambodia

In Cambodia, where there is no clear legal framework for benefit sharing, there was considerable variation between the cases presented at the national workshop. For example, 100% of the revenues from the Chambok Community Based Eco-tourism project were going to the community, while in the case of the Mekong Dolphin Eco-tourism project, the community has only been able to gain 40% of revenues from entrance fees. In the Mekong Dolphin case, the involvement of government has meant that a portion of the revenue (60%) goes to the Commission for Dolphin Conservation and Dolphin Eco-tourism Development. Not surprisingly, there was a strong desire to have clear and equitable national rules to guide benefit sharing amongst the Cambodian participants, so that benefit flows do not depend solely on the capacity and power of individuals and communities to negotiate with other parties.

An emerging lesson is that appropriate guidelines for revenue sharing can help to level the playing field for communities. Without such a framework, widely different benefit flow arrangements can result, and some may be quite inequitable from the communities' standpoint. On the other hand, it is important for the legal arrangements to be clear and implementable. Some participants felt that, while Decision 158 (which specifies the share of timber revenue from that can flow to households holding red book certificates for forest areas) has appropriate goals, the need for complex modeling systems to assess incremental growth may render it unimplementable in its current form for the majority of communities.

Clear guidelines for taxation and royalties can support more equitable flow of benefits to communities. These need to be implementable – if they are too complex, many communities may be unable to work with them and to realize their rights in practice.

2.4 Clear and nested legal frameworks

The preceding sections highlight that benefit flows to communities ultimately require an enabling legal and policy framework. With the trend towards decentralization of NRM responsibilities in these countries, the role of local and/or provincial government, and informal/traditional rules and norms at the community level also gain importance. Conflicting rules at these various levels can leave actors unsure of their rights and responsibilities. For example, in Vietnam, communities have no legal status under civil law, but are legally entitled to be allocated forest land under the Forest Protection and Development Law 2004. This inconsistency makes it unclear whether or not they can be legally recognized as an appropriate entity to receive a share of benefits from forest management.

A related issue that was raised was the policy implementation gap; good policy at the national level could get lost in local field implementation. This was particularly a concern raised in the Vietnam case, where policy development tends to be highly centralized.

Marrying formal laws and informal rules

Another important point flagged in discussion was the need to avoid conflict between local/traditional norms and rules ('rules in use') and formal laws ('rules in form'). A key suggestion for minimizing such conflict was that national laws should be framed in such a way that there is flexibility for specific rules to be determined and supported at the local level, to complement indigenous management systems.

This is most likely to be successful in cases where countries have undertaken full devolution of authority for resource management to communities, as in Nepal. Here, the Constitution and Forest Operational Plans are developed by forest user groups and users have full authority to implement their provisions through their Forest User Group as a legal autonomous body. The new Tribal Rights Bill and Ancestral Domain legislations in India and Philippines, respectively, may offer similar legal authority to indigenous groups.

The law in Lao PDR, however, is more ambiguous, providing authority to farmers to gather forest products to satisfy 'family economic necessity.' Although policies do have provisions for rights to resources through land allocation and land use planning, the policies are not implemented well in practice.

In short, there was agreement that clear, well-understood, and ‘nested’ legal frameworks were needed to enable communities to maximize the benefits of CBNRM. At the national level, these would set out fundamental rights, principles, and objectives, but have the flexibility at the local level to accommodate local conditions and indigenous systems. Where conflicts arise, the Cambodian team highlighted that an independent judiciary system was a crucial asset in sustaining equitable benefit sharing outcomes.

Benefit flow is enabled by complementary rules at different scales. At the highest level, laws need to address fundamental rights and principles, with the flexibility to work with and support local/traditional institutions for local implementation.

2.5 Local government: capturing benefits or facilitating benefit sharing?

Workshop participants felt that, with decentralization processes giving provincial and local government a growing role in resource management, the role of local government in benefit sharing needs to be considered. As local authorities gain a growing number of responsibilities and little or no budgetary support to meet these, many of them unfortunately try to capture a share of the revenue from CBNRM. For example, in the Mekong Dolphin Ecotourism project, 60% of the revenue from entrance fees now goes directly to the Commission for Dolphin Conservation and Dolphin Eco-tourism Development, which was established by the Government. The Commission, without consultation, changed the previously held agreement. Provincial tourism and fishery departments under the new agreement no longer receive funds directly, but are allocated funds by the Commission according to perceived need. Participants pointed out that, ideally, local government should play a facilitating role for CBNRM. In order for them to fill this role, funding would be required from sources other than revenues raised through CBNRM activities, as such revenues should be focused on securing sufficient benefits for communities.

Local government needs to facilitate CBNRM rather than try to capture a share of CBNRM benefits, which are limited and generally already shared among many players. The activities of local government need separate funding outside of the revenue raised through CBNRM activities.

2.6 Benefit flow between communities

In all CBNRM arrangements, a boundary is drawn that determines who participates in developing and implementing the arrangements, and who does not. There is a risk that communities who use a resource but do not have long-standing rights to it, or are geographically separated from the resource, or for some other reason do not engage in the CBNRM process, will be disenfranchised. It is important to consider the potential issues between resource-using communities if conflict is to be avoided.

The case of community managed fisheries in Lao PDR (see chapter by Mollot *et al.*) addressed this particular issue through: access to subsidized purchase of fish for excluded users; stakeholder dialogue to resolve conflicts; and inter-community agreements for resource use. Where facilitation is required between communities, or where resources are in demand by actors outside a community or village, external facilitators were seen as playing an important role in supporting community management and benefit sharing.

It is important to consider communities and stakeholders that are excluded from the flow of CBNRM benefits; there may be options to enable excluded users to also benefit to some degree, which can strengthen the sustainability of the system and reduce conflict in the long term.

2.7 Understanding and realizing the potential value of resources

Of the three countries discussed, this issue was given the greatest attention in the Vietnam workshop. The conclusion was that forest areas being allocated to communities are generally of poor quality, but that higher quality forests may be able to generate more benefits for communities, and thus provide a greater incentive to engage in effective CBNRM. While NTFP resources were important to communities for a range of reasons, communities were not fully realizing the potential benefits from these resources because of limited market information and lack of capacity to manage growing demand for these products.

Effective and simple inventory methods could be an important tool to support benefit sharing by providing a better understanding of the potential benefits that could be generated from a resource, as well as providing a basis for sustainable resource management.

We need to better understand the status of resources and the potential benefits they can generate. Simple inventory methods can support benefit flows and sustainable forest management, but these need to be supplemented with good market information.

3. Benefit Sharing Within Communities: What Benefits and for Whom?

The concept of benefit sharing was relatively new to participants in the learning initiative, at least in the broad sense in which it is used here. Generally in these three countries, people have tended to focus on financial revenues in looking at benefits. By the end of the regional workshop, there was an impressive list of many different kinds of benefits that are being created through CBNRM initiatives. There was agreement that benefit sharing needs to be equitable and fair, rather than equal (where everyone gets the same return).

It goes without saying that communities are internally heterogeneous entities, comprised of individuals and groups that can be distinguished by their capacities, resources, characteristics, and backgrounds. To explore what this means for benefit sharing at the local level, the workshop participants were asked to consider the opportunities to gain benefits from CBNRM activities, and constraints from doing so, from the perspectives of some community groups (see Table 1). The analysis below shows that all groups have some opportunities to benefit from CBNRM, but to realize the benefits, potential risks and issues related to power, relationships information, and rights need to be overcome.

Table 1: Risks and Opportunities to Benefit from CBNRM

Stakeholder	Potential Issues or risks	Opportunities
Elites	Loss of power Loss of information control	Secure tenure Business development
Poor	Lack of power and information Enforcing regulations Restrictions on income generating activities	Delineate and secure tenure Open up access to resources Secure income generating and livelihood activities
Community organizations	Lack of power Lack of land and resource rights Lack of government support	Information dissemination Networks with external organizations Improved capacity to negotiate
Community Leaders	Loss of power and influence Traditional leadership may not enjoy formal authority Improve upward and downward accountability	Secure authority, share responsibility Consultation and participation Strengthen networks
Private sector	Compete with community for resources Lack of tenure Corruption, lack of transparency in government	Potential to align private and community objectives Potential to negotiate with communities with secure rights to land and resources

A number of participants held the view that, in the three countries under discussion, the critical area for attention at this time is securing benefit flows to communities (securing rights) rather than focusing on local governance arrangements and benefit distribution at the community level. Once benefit flows to communities are established, they believe, the local governance arrangements can be sorted out. An alternative perspective is that benefit flow and benefit distribution are best tackled in parallel if distributional inequities are to be avoided down the road, as occurred with ‘second generation’ issues with community forestry in South Asia, where poor benefit sharing

at the local level led to inequities and conflict. Certainly outside the forestry sector, benefits are already now reaching communities, and managing access to these is becoming a critical issue. In both the Yak Loam case study and the Chambok Community Based Eco-tourism project in Cambodia, for example, there is emerging conflict between villagers over access to project related employment opportunities. A better understanding of local governance arrangements is needed, and is raised as an area for future attention below.

3.1 Benefits and costs

A wide range of benefits was identified (see Box 1). There was general agreement that it was important for communities and other actors to consider these benefits broadly rather than just focus on financial revenues as a reason for engaging in CBNRM. It is also important to consider the timeframe for benefits, and whether they are short or long term, as a mix of these is often required to sustain community interest.

Box 1: Benefits Associated with CBNRM

Direct benefits:

Subsistence resources (NTFPs – rattans, fibers, medicinal plants, handicrafts, fish, fuelwood, timber for domestic use, etc.)
 Cash income to individuals (timber, NTFP, tourism, fisheries)
 Cash income to community (committee) and local authority
 Small scale timber harvesting (in \$ and for use within community)
 Employment: eco-tourism, forest inventory, and monitoring

Indirect benefits:

Sustainable environmental management
 Expanding resource base e.g. increased grazing area or land for agriculture production
 Building social relationships: internal (community solidarity)
 Building social relationships: linking the community to external organisations
 Capacity building
 Increased environmental & cultural awareness
 Skills development e.g. weaving
 Using indigenous knowledge and strengthening traditional culture
 Political empowerment
 Improvements in health
 Access to more valuable resources (though this has been limited so far)
 Opportunities for investment
 Recreation opportunities
 Reduction of forest fire
 Security of investment in improving or developing resources or associated infrastructure

While the benefits were considered in some detail, particularly revenue flows, it was more difficult to explore the ‘costs’ in CBNRM, as these are often difficult to quantify and practitioners have not been accustomed to tracking them. A better understanding of costs is needed to assess the overall ‘net benefits’ of CBNRM. The issue of costs, their distribution, and how they measure up against benefits therefore needs to be considered in more detail in future work.

A wide range of benefits are being created through CBNRM beyond financial revenues that contribute in various ways to the empowerment and the development of communities. We need to raise awareness of these benefits, even though these non-financial benefits are harder to quantify, as their impact on community development may nevertheless be significant. We also need to look in more detail at the costs of CBNRM, how they are shared, and how they measure up against benefits to get a realistic picture of benefit sharing outcomes.

3.2 Individual versus community benefits

In the case studies discussed, benefits were being created for individuals and for communities as a whole. Typically, a mix of individual and communal benefits was involved. For example, in the case of NTFP collection in Lao PDR, NTFPs were used at the household level and sold by households; a proportion of the revenue from sale had to be paid to a village fund, while the household kept the majority.

An interesting point of discussion in the workshop was the question of whether individual/household benefits are essential, or whether communal benefits can provide sufficient incentive for collective action. The workshop participants concluded that, in CBNRM systems, communal benefits are valued. Communal revenues can be used for whole-of-community impact on public goods such as infrastructure and social services. Where the revenue streams from CBNRM activities are small, collective use of these revenues, rather than distribution of small amounts to individual households, could have a greater impact in some respects. However, communal benefits worked best where there was a level of solidarity within the community and participatory mechanisms for transparent decision making.

Where the revenues from CBNRM are small, treating them as a communal resource may enable communities to invest in communal goods such as infrastructure and health and education facilities, while dividing the revenues between many individuals or households would dissipate the revenue into very small amounts. However, communal management of funds requires a high level of community solidarity and transparent and participatory management and decision making.

3.3 Local governance: the role of local organizations, representatives and decision-making processes in benefit sharing

Experience gained through research on common property management has shown that local governance arrangements are a key factor in successful CBNRM, and in the distribution of benefits from CBNRM (Adhikari and Lovett 2005). These can include decision-making bodies, such as village committees, village councils, village forest management boards, protection committees, eco-tourism committees, commune councils, community natural resource management committees and sub-committees, enterprise management boards, and mass organizations (women's unions, youth unions etc). As well as decision making structures, governance also includes the processes of decision making, communication and representation at the local level, and their linkages to wider decision making structures and processes in society.

Good Principles for Local Governance

The role of local organizations in benefit sharing is a relatively new focal area in these three countries, although much research has been done elsewhere on factors that can help or hinder these organizations in facilitating effective CBNRM (summarized by Agrawal 2002; see Box 2 below), one of which is 'fairness in allocation of benefits.' Recent analyses of 'good governance' have additionally highlighted the importance of principles such as transparency, participation, and accountability. These provide some general guidance, but more work is needed on specific strategies and approaches that support equitable benefit sharing through local organization.

Box 2: Some Lessons from Commons Research on What Helps User Groups Work Well

These are some of the user group characteristics that can assist groups to effectively manage resources:

- Small size
- Clearly defined boundaries
- Shared norms
- Past successful experience, social capital
- Appropriate leadership – combination of familiarity with changing context plus appropriate linkage to local traditional leadership
- Interdependence between group members
- Relative homogeneity of interests and identities
- Proximity between location of group and resources
- High level of dependence by group members on resources
- Fairness in allocation of benefits from common resources
- Nested within supportive governance arrangements at wider scales (Agrawal 2002)

Work is ongoing and well developed in Nepal and India on these issues, which is understandable given the necessity to address equity issues in these caste-based societies, and also their depth of experience in community-based forest management. Lao PDR and Vietnam have more structured institutions at community level and Cambodia very weak institutions that reflect recovery from civil conflict and associated internal migration. However, the criteria identified by Agrawal are relevant in the three countries, and able to be adapted to different national contexts.

In this learning initiative, we have been relatively weak in our analysis of the role of local governance arrangements. Some insights on local governance processes have been gained through the case studies (see Box 3 on Cambodia), but further analysis of the structure and functioning of these bodies would help to identify the strengths and weaknesses of current approaches, and gather lessons for practitioners. Local governance arrangements in Cambodia are in their infancy and the effectiveness of specialist commune committees on community natural resource management have yet to be tested. It would be useful if such analysis could also focus on processes of representation and negotiation/decision-making, which is emerging as an important facet of local governance in commons research (Ribot 2004).

*Box 3: Encouraging Transparency, Accountability and Participation
in the Yak Loam Lake Management Committee (YLLMC)*

Maintaining transparent, accountable, and participatory decision-making processes is an important but challenging task for local management bodies. The YLLMC has tackled this by introducing an annual workshop to develop an annual work plan and budget, preparing and distributing quarterly and annual reports to key stakeholders, providing income and expenditure reviews at monthly committee meetings, including a representative from each village in the commune on the Committee, and rotating membership on the Committee each year.

Role of existing organizations

One key question is the role of existing bodies working at the village level, such as the women's organizations and youth organizations in Vietnam and Lao PDR, or commune councils in Cambodia. Early experiences with CBNRM in these countries show that these bodies have not been set up to deal with CBNRM, and issues of capacity, entrenched structures, and power can hinder their role in CBNRM (an issue also relevant to existing groups in other countries and discussed by Mahanty and Russell 2002). There was recognition of the need to work with these organizations to a large extent, but that this would require the organizations to develop capacity and adopt a CBNRM mandate, and that at times, alternative structures may be necessary (see Box 4 on Lao PDR).

*Box 4: Lao PDR: Should We Work with Existing Village Organizations?
Views from the National Workshop*

The national workshop in Lao PDR found that village organizations can help to facilitate equitable benefit sharing, but that we need to recognize that these groups were not originally set up to help villages with economic development and resource management, which may require different skills and knowledge. There is a need to build capacity within these groups if they are to effectively take on this new role.

Such groups have a legitimacy that can be helpful to CBNRM initiatives in resolving conflict or other problems. At the same time, it is dangerous to get stuck in existing organizations or choose to work with them in an unquestioning way. It is possible to start new groups, and many such experiences, like NTFP marketing, are showing very positive results.

One important issue related to the mandate and functioning of existing village institutions is the flow of accountability. Participants felt that many existing local organizations linked to the state structure, such as Commune Peoples' Committees and mass organizations, are designed for upward accountability to the State rather than downward accountability to the community level, which diminishes their legitimacy and ability to represent community views. This will need to change if they are to take a lead role in implementing CBNRM and mediating benefit sharing at the community level.

Enabling conditions for benefit flow and processes for benefit distribution need to develop in parallel. We have information on factors that help make local organizations robust and able to manage resources effectively, but we need a better understanding of how they can better mediate benefit sharing within communities in countries of the Mekong region. Importantly, existing community organizations may not always have experience in or a mandate to facilitate CBNRM and benefit sharing processes. Capacity building for existing organizations or, at times, the development of alternative organizational structures, may be required.

3.3 Who participates?

We have so far discussed the mechanisms for participation and decision making in CBNRM. But ultimately not all community members can and will be closely involved in CBNRM activities, whether due to lapses in the design of CBNRM activities and participatory processes, poor functioning of local governance bodies, differing abilities and resources, insufficient incentive to participate, or a combination of these reasons. For example, eco-tourism activities typically engage households that can provide a required service, such as food, lodging, guide services, etc. The poorest households

may not have the resources to enable them to take part in an eco-tourism venture and conversely, concerns with enterprise viability and profitability may reduce the space to involve poorer households. Participants noted that there are always going to be those in a community who are more able to take advantage of change, have strong entrepreneurial skills, or are ‘early adopters’ of new technologies and ways of thinking.

Opportunity to participate in and benefit from CBNRM can thus be seen a function of program objectives, resources/capacity, power differentials, governance structures and processes, and access to benefits. A circular relationship can exist between participation and benefit sharing. If people do not participate in CBNRM activities, they are not able to directly benefit from them. If people do not receive benefits from CBNRM, they have no incentive to participate.



Figure 1: The Circular Relationship Between Benefit Sharing and Participation

For practitioners of CBNRM, participation continues to be a central issue at many levels, in the design of interventions, in the engagement of stakeholders, and in governance structures and processes. Getting participation ‘right’ is also central to the equitable distribution of benefits. Since this may not always happen at the outset, it is important to have the flexibility to engage additional participants over time as their understanding of and/or potential to engage in CBNRM activities increases.

The willingness of different groups to participate in CBNRM can be influenced by the perceived benefits of participating. The access to CBNRM benefits by these groups is in turn influenced by their actual level of participation. As with CBNRM generally, practitioners need to continually ask who is participating and why, and equally importantly, who is not participating. Because CBNRM is a learning process, we need the flexibility and mechanisms to engage additional participants over time in CBNRM activities.

4. Conclusions and areas for further action

Participants and facilitators confirmed the usefulness of the benefit sharing theme for regional and cross sector sharing of lessons.

Many of the key lessons from the learning initiative have already been summarized through this chapter. At the end of the workshop, participants were asked to reflect

on what they have learned (see Table 2). These can broadly be summarized as follows:

- There is value in comparing experiences between resources sectors – there were many parallel issues, and the differences between sectors stimulated important questions about why these differences existed.
- There was a widely felt need to move towards supportive and clear legal frameworks that secure the flow of benefits to communities from community-managed resources, both in terms of resource rights and taxation/royalty arrangements.
- Access to high value resources and commercial use is important to enable better flow of benefits to communities, as well as more effective management of high value resources.
- More attention to and understanding of local governance arrangements is needed in these three countries to understand and share knowledge on how they can more effectively facilitate equitable benefit sharing.
- We are at an early stage in understanding the costs, compared with the benefits, of CBNRM.

A number of areas for future action have been identified at the country level, which are summarized in Table 3. These are presented according to the target audience in the table, and a number of them were to be taken up by workshop participants. They include:

- In Vietnam: promulgation of benefit sharing regulations for communities and legalizing the status of community as an owner of the forest.
- In Lao PDR: introducing more enabling policies for CBNRM and strengthening local institutions.
- In Cambodia: establishing a national framework, mechanisms, and minimum standards for adoption of benefit sharing in CBNRM initiative.

A number of the ideas identified for future activities to improve benefit sharing in CBNRM (Table 3), are being actively taken up by the partners at the national and regional level. As national partners follow up on the recommendations for action, international partners are continuing their support for platforms to support multi-sector learning, capacity building for national and community partners on benefit sharing issues, and networking on benefit sharing in CBNRM.

Table 2: Lessons on benefit sharing identified by workshop participants

Vietnam	Cambodia	Lao PDR	International participants
<p>General lessons</p> <ul style="list-style-type: none"> Many different types of benefits flow from forests to communities <p>At community level:</p> <ul style="list-style-type: none"> Forest management boards play an important role Important to establish management mechanisms and monitor labor contribution and benefits <p>Governance:</p> <ul style="list-style-type: none"> Need flexibility in organization at the village level Accountability and representation important in village organizations Rules should be set by and agreed among villagers Transparency in decision making, monitoring, and evaluation are important <p>Resources:</p> <ul style="list-style-type: none"> Need good quality resources to derive benefits Important to assess forest resource situation and develop indicators for sustainable forest management Community conditions: we need to understand the community's potentials/capability/characteristics 	<ul style="list-style-type: none"> Need to understand the existing context (e.g. structures, community capacity & skills, resource base) and adapt CBNRM to these – this may involve behavioral change, negotiation, and adaptation from all sides Regulations need to work with traditional and customary management processes, but in reality, implementation is both difficult and complex Currently, some people are not very interested in CBNRM unless it generates direct benefits to them. The benefit sharing process cannot guarantee equitable and tangible distribution of benefits; the community must understand the concept of environmental and cultural benefits and value these as worthwhile objectives for CBNRM Whatever the CBNRM committee does must be open, transparent, and internally and externally accountable; otherwise, problems will occur 	<p>Governance conditions that support benefit sharing:</p> <ul style="list-style-type: none"> Effective regulation Strong traditional/indigenous system Policy implementation in proper way Transparency <p>To enable good flow of benefits, resources should be:</p> <ul style="list-style-type: none"> Rich/ Diverse Abundant High value <p>Community conditions that support benefit sharing:</p> <ul style="list-style-type: none"> Solidarity Good performance of leaders Good networks Good access to markets and infrastructure 	<p>Enabling conditions</p> <ul style="list-style-type: none"> Need clear enforceable, unambiguous rules over management (protection and use) sanctions and benefit sharing Think in terms of equity, not equality Benefit sharing flow to communities needs decentralization for improved delivery of government services and devolution to assure rights of access and use to communities We need a better understanding of the benefits and costs in CBNRM, both short and long term <p>Benefit sharing within communities</p> <ul style="list-style-type: none"> Still limited attention is being paid to internal governance and communal decision making processes in these three countries To use communal revenues for whole community impact, solidarity within the community is needed, as well as mechanisms for transparent decision making We need to look critically at participation in CBNRM and how this shapes benefit sharing, and at how to support early adopters while still helping the poor Good to use lessons from other countries, but do so critically Important to consider equity issues between resource-using communities We need to better understand the costs compared to the benefits in CBNRM

Table 3: Recommendations for action from country-based group discussions

	Government	Practitioners	Community level	International partners
Regional recommendations	<ul style="list-style-type: none"> Reform laws towards long term resource security for communities Clear legal frameworks needed to guide benefit sharing Develop nested legal frameworks for CBNRM that take account of indigenous systems Strengthen staff understanding and action on key factors influencing benefit sharing 	<ul style="list-style-type: none"> Learn from examples, but transfer lessons critically Continued capacity building needed on CBNRM and benefit sharing issues Continued networking between practitioners is important Aim to strengthen best traditional resource management practices 	<ul style="list-style-type: none"> Understand non-financial benefits of CBNRM in addition to financial benefits Local organizations need to be accountable, transparent, and participatory 	<ul style="list-style-type: none"> Investment should focus on capacity building; 'developmental,' not 'hand-out' Support documentation and exchange of information Further research on local benefit sharing mechanisms; consider action research in these three countries Further research on costs of CBNRM More work on Payments for Environmental Services as a mechanism for generating benefits Explore opportunities to establish more mechanisms to share multi-sector learning (at a national level) Bring together high level officials for open discussion of governance issues in benefit sharing (RECOFTC's Community Forestry Forum) Incorporate benefit sharing issues in university level curricula Examine CBNRM issues related to plantations More work needed on involvement of private sector in value chains of NTFPs (eg. WWF – Rattan, IKEA, Oxfam – Bamboo)
Vietnam	<ul style="list-style-type: none"> Development of benefit sharing regulations Preparation of guidelines Legalize the status of community as an owner of forest Develop monitoring mechanisms for benefit sharing at local level Strengthen capacity of field level staff 	<ul style="list-style-type: none"> Be cooperative Be open to learn and improve capacity 	<ul style="list-style-type: none"> Local organizations need to be accountable to those they represent Explore the use of forest management funds to pay for operational costs and local expenses 	<ul style="list-style-type: none"> Share experiences, data, and learning on CBNRM across countries Promote networking and dissemination on CBNRM

	Government	Practitioners	Community level	International partners
Lao PDR	<ul style="list-style-type: none"> • Introduce more enabling policies for CBNRM • Strengthen local organizations 	<ul style="list-style-type: none"> • Develop a system to monitor benefit sharing outcomes • Strengthen community organizations 		<ul style="list-style-type: none"> • Local institutional sustainability should be an important element in development intervention • Build on Xekong Province Biodiversity valuation Study to quantify the broad range of benefits coming out of CBNRM
Cambodia	<ul style="list-style-type: none"> • Establish national framework, mechanisms, and minimum standards for adoption of benefit sharing in CBNRM initiatives 	<ul style="list-style-type: none"> • Analyze and document community perceptions of indirect benefits • Raise awareness of benefit sharing issues in the country • Discuss value of non-financial benefits with communities • Further research needed within existing communities to determine the key drivers of benefit sharing in a Cambodian context • Need for an independent center of excellence on the CBNRM process to provide guidance on benefit sharing issues 		

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Community-Based Natural Resource Management practitioners today are squarely concerned with poverty reduction in rural communities, alongside sustainable natural resource management. The question of benefit sharing is a central issue in both of these realms: What benefits and costs are created through CBNRM? Who captures these benefits and bears the costs? What are the key mechanisms that influence the outcomes?

Through a series of case studies, national workshops, and a regional workshop, the partners in this learning initiative analyzed the benefit sharing outcomes and mechanisms associated with CBNRM programs in Cambodia, Lao PDR, and Vietnam. This book provides an overview of national case studies and lessons, and a regional synthesis of emerging lessons and areas for future action.



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