



India: Public Forests and Public Forest Agencies in Transition

**Public Forest Reforms: Issues and Future
Directions**

**International Forum to Celebrate CCAP's 10th
Anniversary**

Beijing, September 27, 2005

ONE INDIA: TWO STORIES

- **sustained economic growth**
- **Increased forest cover**
- **booming demand for forest products**
- **best known co-forest management program in the world**
- **largest numbers of poor people in a single country**
- **One of the lowest forest productivity**
- **Poorest forest people**
- **no real transfer of rights to to use forest land and trade in forest products**



Structure of the Presentation

- 1) Basic dimensions of the growth of Indian economy, extent of poverty, forest trade, and condition of forest resources**
- 2) Assessment of major public sector forest reform, the Joint Forest Management: its limitations and challenges -**
- 3) Legal, institutional and market impediments**
- 4) Challenges faced by India' forest sector**



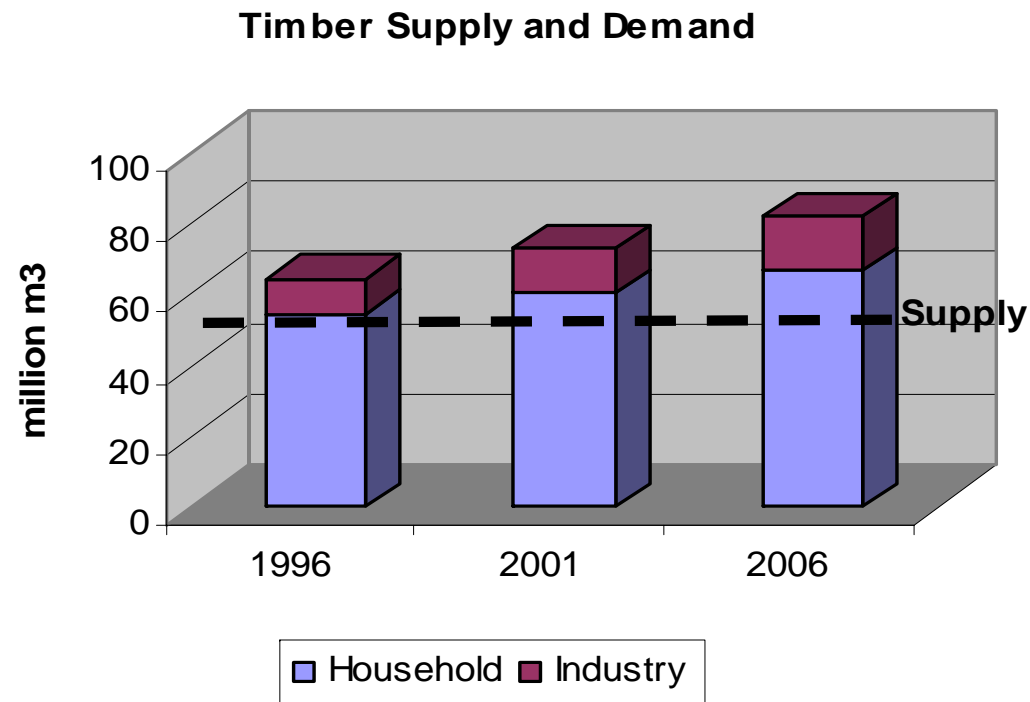
Basic Dimensions (1)

- **Annual GDP growth of eight percent p.a. 2004: \$ 688 billion**
- **25% of population below poverty line i.e. >250 million people**
- **Of 88 million tribal people, 94% reside in and around forest.**
- **Only country in South Asia to increase forest cover (38000 ha between 1990-2000), forest productivity 0.7 m³ per ha/year vs. global average of 2.1 m³ per ha/year**



Basic Dimensions (2)

Forest Product demand & supply:

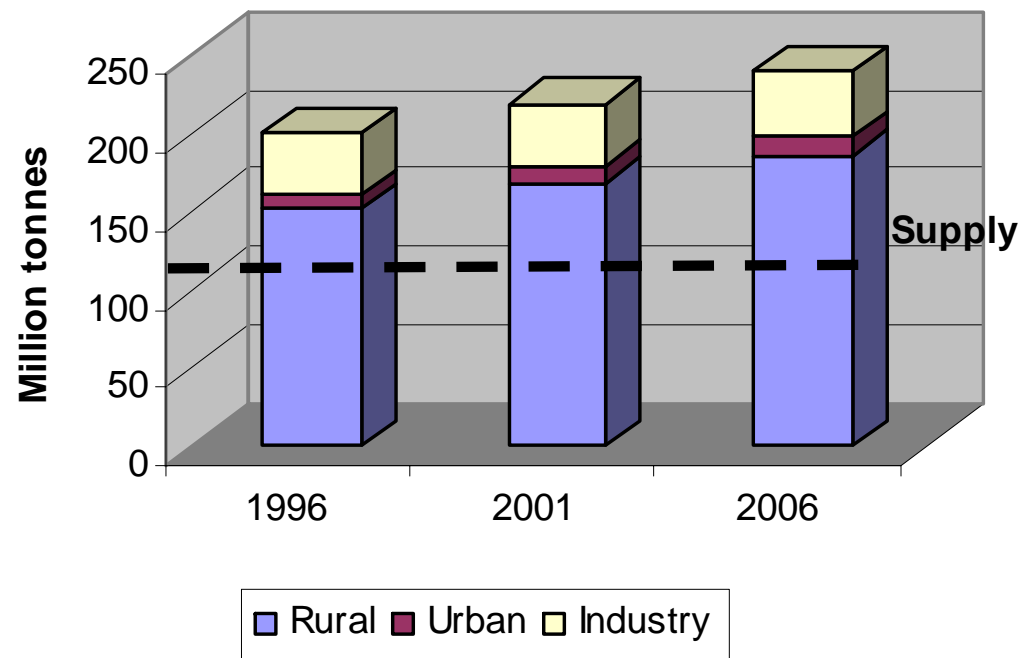




Basic Dimensions (3)

Forest Product demand & supply:

Fuelwood Supply and Demand





Basic Dimensions (4)

Forest Product demand booming and imports are increasing:

- **Imports of industrial wood volumes have grown threefold during the last ten years**
- **Imports from tropical timber producing countries have grown at 20% annually over the recent five-year period**
- **Total import of tropical timber in 2001 was 2 million m³**

Despite booming demand, 4 million head-loaders, mainly tribal women, do not earn even living wages



Why Forest Sector Reforms?

- **Long tradition of community protection and conservation of forests**
- **Growing social movements**
- **Increasing tribal unrest**
- **Deforestation and Forest land conversion**
- **Growing conservation movement**
- **Experimentation**



Elements of Reforms

- **1988 Forest Policy – radical departure from the past**
- **Joint Forest Management – major program to implement reforms**
- **JFM – now a principal element of forest management strategies in the country**
- **A co-management agreement for secured access to NTFP and a share in timber revenue as a return for protection and conservation**



Progress of JFM

- **JFM currently covers 27 states**
- **Involves 85,000 village committees**
- **Cover over 17.3 million hectares of forest land**



Critique

- **JFM in its current form is an extremely weak tenurial arrangement**
- **Most powers vested with the forest department**
- **It is creating a new set of beneficiaries in place of traditional tribal right-holders**
- **Sometimes accused of eviction of poor people by designating them as “encroachers”**
- **Since the issue of settlement of rights remains unresolved, JFM remains controversial**
 - **at times like an extension of coercive powers of forest departments**
 - **and at other times an instrument of friction within the village people.**



Orissa Example

- **A number of people, especially tribal people, continue to cultivate and live on lands without any valid title**
- **Rights on ancestral lands in the declared forest area and on hill slopes above 10 degrees are not recognized**
- **Since there is no demarcation of boundaries, even the settled agriculturists are declared as encroachers**
- **In absence of recognized rights over land, people are displaced without any compensation**
- **In absence of title to land, traditional forest dwellers get no credit from banks**



Legal Impediments

- **Forest Legal framework violates 1988 policy and constitutional guarantees**
- **Erosion of historic, traditional and ancestral rights of communities in JFM areas but particularly severe in wildlife areas;**
- **overwhelming jurisdictional powers of forest department make JFM an extremely weak and inequitable arrangement;**
- **Policies and legal acts decentralizing governance in conflict with forest laws**



Role of Forest Institutions

- **Forest departments play the role of**
- **planners and managers of forest resources**
- **enforcers of law**
- **regulators of markets**
- **harvesters of timber**
- **procurers of non-timber forest products**
- **marketers of all forest products**
- **manufacturers of finished products**
- **the regulators and competitors in certain markets.**
- **In addition, they also promote JFM**

By any standards, it is a tall order and therefore non-functional.



Market Impediments

- **Transit permits for many species**
- **Certain species sale only to state marketing monopolies**
- **Harvesting of timber from JFM areas only by Forest Department**
- **FD competitor for sale of farm products like fuelwood, depressing prices**
- **Lack of information**



Potential of Reformed JFM

- **Public revenues, based on a 10 percent share, can increase from 2,571 Crore (US\$570 million) to 6,340 Crore (US\$1.4 billion) by the year**
- **The production of timber could increase to almost 20 million m3 by 2020**
- **Annual community income could increase to almost Rs1 million, which based on 200 households, represents Rs5,000 per household in incremental income**
- **The potential increase in community income from existing JFM areas could be around Rs85,000 million (US \$ 2 billion)**



Challenges Ahead

- **Restore historic rights of tribal and long-settled communities on forest lands**
- **Clarify resource rights of forest communities**
- **Remove the incongruities between forest legal framework and human and constitutional rights**
- **Reform regulations**
- **Create conditions for full realization of market potential of community forest products in the rapidly growing Indian economy**

If we do this, there will only be one story to tell