



2.1 Community forest management and umbrella organizations in Bolivia

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Introduction

Promoting and supporting community forest management in developing countries has been an important concern of international development cooperation over the past three decades. In recent years it has gained further momentum, spurred by international policy developments relevant to the forest sector (Anderson and Mehta 2013). Particularly in the context of addressing deforestation and national REDD+ strategies and action plans (Skutsch and McCall 2012), many governments are considering transferring use rights or even ownership of forest resources to local communities, or have done so. Much effort has been devoted to establishing a legal and institutional basis for community forest management, and enabling frameworks have improved notably in many countries, although this has received significant support from donor organizations (Molnar et al. 2007; Alcorn 2014).

In 2014, the German development organization *Gesellschaft für Internationale Zusammenarbeit* (GIZ) commissioned a study on behalf of the German Federal Ministry for Economic Cooperation and Development. It explored how communities supported by various initiatives performed in the ways they managed their forest resources, and identified examples of best practice. A key finding was that many communities are burdened with technical and managerial tasks, and that despite receiving additional help, specific capacity building is needed to ensure sustainable forest management. The study also found that important benefits came from the support of so-called umbrella organizations (Box 1). These umbrella organizations are effective in coping with identified deficits in individual communities, including organizational issues, marketing, and the technical and silvicultural aspects of forest management.



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Box 1. Umbrella organizations

In the context of community forest management, umbrella organizations bundle different groups together to achieve greater scale for cost-effective and efficient management, investment and business opportunities. The organization may focus on specific management, operations, marketing or product processing, or may take a more active part in the management of the forest and other natural resources. In addition, umbrella organizations can provide the technical, political and investment skills that frequently exceed the capacities of individual communities. Umbrella organizations can take various forms and may include community members or hired professional staff who are paid through the revenue from operations. Regardless of the form, the crucial common factors for success are local community ownership and transparency.

The GIZ study analyzed three umbrella organizations: two in Guatemala, and one in Bolivia. These bodies assist communities with the management of specific forest services, and by combining forest areas they achieve the necessary scale for efficient, economical operations. The umbrella organization makes up for management deficits and the lack of capacities of the individual communities — without transferring the community structures to the enterprise. Examples of their activities include administrative and legal matters, investments and loans, representing community interests, and activities related to marketing and improvements of the value chain through processing.

Of the three organizations, the Inter-Community Forestry Committee in Bolivia was particularly successful, and is looked at in detail here. It may serve as an example for community forest management in other countries and contexts, since communities in different countries face similar challenges.



The Inter-Community Forestry Committee

The umbrella organization Inter-Community Forestry Committee (COINFO) was one of the first organizations for forest management to be established in Bolivia. The German Development Cooperation (*Deutscher Entwicklungsdienst*) and the International Center for Tropical Agriculture (CIAT) initiated the development of COINFO in 2005. The goal was to represent the political and forest-related business interests of individual communities with government and private actors.

COINFO was immediately recognized by the government forest authority, municipalities, district governments and the forestry sector of Bolivia. It started work with five communities, and currently represents 17 member communities in Velasco province. It has the management rights to about 90,000 hectares (ha) of rich forests. These forests have up to 30 hardwood species per ha, 15 of which are now being exploited (only five species were being used in 2005).

Before COINFO was established, there were no suitable organizational structures or adequate technical capacities in the communities for the responsible, well-planned management of forest resources. The main motivation for communities to agree to organize collectively was that individually they did not have sufficient negotiating skills or market power, and timber buyers would often capitalize on this. COINFO began its work with basic organizational development and capacity building, and trained three to four people per village. These people were trained for the positions of legal administrator, technical officer responsible for forest management and operations, finance officer for accounting and bookkeeping, and secretary for documentation and correspondence.



By 2013, 11 of the 17 communities were carrying out their own harvesting activities. The other member communities received support from COINFO to obtain their legal forest management rights. For all forest management activities, COINFO pays fair prices at fixed rates and provides qualified personnel — a forest engineer and several forest technicians as inventory and harvesting specialists — to train community members. In addition, COINFO places a great deal of emphasis on helping its member communities carry out effective planning of forest management and harvesting, and organizing timber transport. The main focus is on the supply of logs. Only limited value is added through peeling logs for transmission poles and splitting for fencing stakes, since such processing is highly labour intensive and would greatly benefit from efficiency enhancements.

Impacts of COINFO

Although illegal logging has been widespread in all Bolivia's forests for decades, most of the natural community forests are still largely intact, with a high level of biodiversity and many hardwood species for harvesting. The average price for logs is US\$200/m³, but this varies widely, from US\$120 for lesser-known species up to US\$1,200 for high-quality Bolivian rosewood. In 2013, the harvesting rights to 3,860 ha generated US\$630,000 from selling 3,100 m³ of logs. The profits are first used to pay COINFO's service fee. After this is done, each village uses its own benefit distribution system. Most profits are distributed evenly among the households, but some money is used to fund village festivities or infrastructure projects such as a social centre, school extension or chapel.

Furthermore, there are important social and environmental impacts. COINFO has ensured that no additional forest areas have been converted to farmland. There are more frequent patrols of forest areas, and offenders (illegal loggers) are reported. Villagers are now able to buy new clothes, bicycles, motorbikes, etc., and also benefit from general village development.

The tasks that men, women and youth carry out depend on their physical abilities. Only young or fit men are involved in forest work; women tend to go to the forest with their children to cook for the workers. In some cases, women have taken on the job of secretary.

In summary, COINFO has assisted in organizing communities and training individuals in various matters pertaining to forest management: bookkeeping, harvesting, marketing, training, financing, and communication with government authorities and donor organizations. COINFO's activities have reduced the pressure on natural resources and increased income from forestry, with the potential for additional income. Moreover, the more effective forest management generated sufficient profits to necessitate a benefit-sharing system, which has had a discernible impact on the community development.



Challenges and lessons learned

Transparency, financial administration skills and dependency

Lack of transparency and financial administration skills and dependency are some of the main challenges faced by communities and COINFO. Transparency is of utmost importance for the communities, particularly with following up and administering contracting processes; many villagers are not familiar with these tasks. There have been cases of community leaders who sold the timber to several different buyers and, once they received pre-payments, left the communities with the debts. Another considerable challenge is achieving full economic independence. To date, COINFO has been supported by various institutions such as GIZ, CIAT, *la Fundación para la Conservación del Bosque Chiquitano* and municipalities; it needs to become financially independent.

National Indigenous Forest Association

COINFO is one of ten regional umbrella organizations in Bolivia. They are part of the National Indigenous Forest Association (*Asociación Forestal Indígena Nacional*, or AFIN). Through AFIN, new umbrella organizations can draw on the many lessons learned by COINFO. These include a strong focus on effective communication, since communities need to be convinced of the benefits of sustainable forest management; the need for efficient planning of management activities; the costs of the services provided; and the need to ensure transparency at all levels of operation.

Promoting community forest management

The following activities are key to the further promotion of community forest management. They continue to require considerable support.

Exchange of experiences

Many lessons have already been learned, especially in countries and organizations that have taken the first essential steps toward legal forest management and economic profitability. Those that have not done so can learn and benefit from these experiences, especially in core areas such as organizational structuring, institutional agreements,

timber commercialization and establishing appropriate market structures. Donor organizations should facilitate South-South exchanges and partnerships to support the exchange of information.

Domestic capacity building through education and training

In order to scale up umbrella organizations, there is a need to adapt and revitalize curricula in forest schools and universities regarding community forest management and to train sufficient staff in the required skills. There is also an urgent need for regional training centres that are equipped with practical training material for community forest user groups.

Decentralize authority

Decentralized forest offices are the main access point for communities who carry out legal forest management. Local or regional public offices with well-trained public authorities are a prerequisite for community forest management. In the early phases of community forestry, management activities will be funded entirely by public donors, including national governments. Only later on, when communities begin to make profits, can there be a shift in the source of funding.



Conclusions

Community forest management has gained in importance in many developing countries in recent years, and umbrella organizations have proven to be a highly practical option to implement community forest management. They are able to provide the necessary structures at the appropriate scales for effective forest management. They also link communities with legal authorities, the timber industry and private-sector stakeholders. Furthermore, umbrella organizations can provide the required support and stability for communities to become more organized and to market their timber more efficiently and cost-effectively.

COINFO shows that umbrella organizations can be a highly effective way to promote collective success in sustainable forest management. These organizations must focus on clear communication, sturdy organizational structures and increased transparency.

Umbrella organizations are promising models for other areas of the world, where communities struggle with the same issues. Based on COINFO's structure, the development of an umbrella organization depends strongly on donors who focus on development assistance, and on government support. Donor organizations that work to implement community forest management should promote the establishment of umbrella organizations, and strive to create better organizational and management structures. Prior to establishing these organizations, however, goals need to be well articulated and must be communicated among the founding communities.



In order to motivate community members to establish an umbrella organization, they must be made aware of the prospective direct benefits from the beginning; e.g., improved market access, better prices, higher income, less time spent on overcoming bureaucratic obstacles, etc. Once a number of communities have established and structured an umbrella organization, there is a further need for coherent communication between the group and its members. The organization must ensure that it has the trust of its member communities in order to provide benefits.

This can be facilitated through representative boards, regular meetings and transparent processes and decisions. Another key task is to focus on capacity building and training to gradually develop community skills in forest management. Throughout the entire process, transparency must be emphasized as much as possible.

In summary, umbrella organizations must meet these goals:

- achieve the appropriate scale for economic forest operations;
- address management deficits and compensate for lacking capacities;
- enhance communication among all forest stakeholders;
- achieve positive impacts through reduced pressure on forests and increased income; and
- work toward full transparency and economic independence.

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