

UNDERSTANDING LIVELIHOOD IMPACTS  
OF PARTICIPATORY FOREST  
MANAGEMENT IMPLEMENTATION IN INDIA  
AND NEPAL

## WORKING PAPER NO 2

# Participatory Forest Management in **ORISSA**: A Review of Policies and Implementation



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## **ABBREVIATIONS**

CFM	Community Forest management – used here to connote indigenously initiated forest management practices
DPF	Demarcated Protected Forest
KL	Kendu Leaf (also known as tendu leaf). Gathered from <i>sp .Diospyros melanoxylon</i> tree and used in proction of bidies, local cigarettes.
MFP	Minor Forest Product
NTFP	Non Timber Forest Product
RF	Reserved Forest
UDPF	Undemarcated Protected Forest
VSS	Vana Samrakshyan Samity (Village forest protection committee)

## **TERMS USED**

Crore	Ten million
Lakh	One hundred thousand
Podu	Traditional practice of shifting cultivation over forest fallows

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## SUMMARY

This paper provides a brief discussion on the forest policies, forest products especially non-timber forest products and nature of participatory forest management prevalent in the Orissa. It has four sections. Section I gives a brief discussion on the forest policy and the conditions of forest in the state. The second section analyses the relationship of different stakeholders on the forest products. The third section discusses the policy and practices relating to the non-timber forest products, which provide livelihoods to the poor. The fourth section analyses the structure of participatory forest management, both the indigenously initiated community forest management (CFM) prevalent in many areas of the state and the later formal Forest Department sponsored Van Samrakshyan Samities (VSS).

Orissa is in many ways unique in terms of forest management in India. It is also unique because of its high incidence and intensity of poverty in rural areas in general, and tribal areas in particular. Even though 37% of the geographical area of the state is forest land, the actual forest cover has been reduced to an estimated 30% of the geographical area due to deforestation caused by a variety of factors. As a result the livelihood conditions of the forest-dependent population have been adversely affected. The prevalence of poverty in the tribal areas, where the major proportion of the forest is located, is exacerbated by three factors: the degradation of forests, the unfavourable state policies for both non timber forest products (NTFPs) and the forestry sector in general, and thirdly the conduct of many secondary stakeholders such as industrialists, mining interests, traders, and forest mafias, who have further contributed for the erosion of forest dwellers livelihoods.

The state has been unable to carry out adequate development activities in the forests and forest fringe villages, due to the low priority given to this sector and the lack of funds in its disposal. It has also been unable to mobilize funds from the central government and foreign donors, due to poor governance and a lack of political drive among the state's leadership. As a result the development and regeneration of forest and development activities in forest-fringed villages are inadequate.

Before independence government forest policies emphasized the commercial use of the forest as also its conservation. The policies also paved the way for the regulation of rights and privileges of forest dwellers over forest and produce. This trend continued in Orissa up to late 1980s. The state tried to obtain more and more revenue from the forest. By contrast the livelihood of forest dwellers including the tribal was affected adversely due to the pro trade and industry oriented policy of the state, as well as its revenue earning motives.

In the meantime the trend in the deforestation and diversion of forest area to non-forest use increased considerably, particularly during 1970's and 1980's, due to a variety of reasons including excess extraction of forest products, the active role of forest mafias, and the diversion of forest areas for development of mines, irrigation and other projects etc.

During 1980s there were two important positive developments, in relation to protection of forests through people's participation.

The first is was the emergence and recognition of self-initiated forest protection groups in different areas of the state. These groups evolved in order to regenerate, conserve and manage forest through judicious and democratic ways on a voluntary basis. Their priority has been how to address livelihood problems through protection, management and development of the forests. The formation of local community groups has already begun to gather pace in the 1960s, and over the 1970s and



1980s spread rapidly. Furthermore, there were efforts by these groups to consolidate their gains through linking individual group efforts in terms of formation of federation. During the last two decades the self initiated groups have formed federations at block, district and state levels. The objectives of these federations are: 1. to play an important role in intra and inter village conflict management and resolution, 2. to raise the bargaining power of CFM groups' vis-à-vis other stake holders, and 3. to advocate policy changes for pro-people forest policies at different levels.

The other development has been the change of attitude at the government level in regard to forest policies and forest dependent people. They have gradually started shifting from policies oriented to state revenue earning and conservation to policies considering the livelihood issues of forest dwellers.

The experience of self-initiated community forest management practices partly contributed to the change of attitude of forest policy planners. Central and state governments recognised the positive role of local people in protection, management and development of forests and realized the need for incentives for the forest dwellers to further encourage their efforts. As a result the 1988 National Forest Policy emphasised fulfilment of local needs and environmental services. It also emphasised the need to involvement of local people in protection and management of forest. Soon after several provision of the 1988 forest policy resolution were amended by the state government in order to encourage participatory management in the forest sector through Joint Forest Management: by facilitating the creation of formal local forest protection groups, Vana Samrakshyan Samities (VSS). An important point to note here is that JFM is operational only through administrative orders of the state and has no legal status even today.

The Forest Department took initiative in the formation of VSS in Orissa, and after 1993 VSSs were formed in different forest divisions of the state. The formation of VSSs was slow up until 1997-98, but there after numbers increased rapidly so that by the end of 2003 more than 7,000 VSSs have been formed in the state.

Many of the local VSS groups are extremely weak institutions, and are beset with a number of problems. It is estimated that as many as half of the total VSS formed are dormant and inactive. Problems have arisen from a number of factors. In order to fulfil the formation targets for VSS, many indigenous CFM groups have been persuaded by the Forest Department to register themselves as VSS groups, so in fact it is simply a change of label in many cases and many of the converted VSS groups do not like the management arrangements followed. Because none of these groups has legal status and the Forest Department does not take the CFM groups seriously. There is no tenure security to the VSS as these have been created by an administrative order of the state, despite the fact that the guidelines issued in 2000 by the central government that VSS should be registered under Society Act 1960. Micro plans (i.e. forest management plans) have not been prepared in over 90% of the VSSs. Similarly Memoranda of Understanding between the Forest Department and VSS have not been signed for 60% of the VSSs. As such a large number of VSSs exist without proper institutional development and forest protection

The participation of members in general and women in particular, in decision making processes is weak. The incentive for forest protection is also low due to 50 % of the final products being retained by the Forest Department.

In the absence of legal status for either type of group, conflict management becomes a problem. There are widespread inter village, as well as intra village conflicts, for instance over boundaries. There is also conflict between the JFM and CFM groups on the one hand and CFM and Forest Department on the other.

Recently the government has unified all the forest related activities under the authority of FDA . In the new arrangement the Forest Department has significant control over the activities relating to allocation of resources through VSS. The modes of the FDA arrangements is not yet clear, nor are its functioning, efficiency and impact on livelihood of forest dwellers. However there is a great deal of concern that it is a regressive step centralising control rather than devolving it.

NTFPs play a crucial role in rural livelihoods in Orissa, supporting both households' consumption requirement as well as employment and income during lean periods. Prior to March 2000, the state NTFP policy was regulatory and revenue-orientated. The state has nationalized important commodities like bamboo, kendu leave and sal seeds. For the rest of NTFPs it was giving lease to private parties / corporations. In the process it created monopoly in the procurement of these products. The policy of the state favoured the traders / merchants and industrialist's interest along with its own. As a result the poor forest dwellers could not get fair price for their products. It was presumed that the state is the owner of forest and its products.

Due to strong criticism against the state NTFPs policy from a cross section of society the state changed the policy in March 2000. The new policy deregulates trade, handing over procurement rights of 68 items to the Gram Sabha. It has abolished the state price fixation committee and empowered the district level authority (collector), and the Panchayat Samity to fix the prices of NTFPs in consultation with different stake-holders.

However, the PRIs in the state and especially in tribal areas so far lack the necessary institutional and financial capacity to handle the control and marketing of NTFPs. The ground level reality at the block level reveals that many panchayats have no infrastructural and other facilities in order to control, regulate and procure NTFPs. In such a situation the traders, who were active in procurement of these products have got the license from the panchayats to carry on 'business as usual'. Further, there is an interlinkage of the sale of forest products with credit markets, such that gatherers have to sell the commodities to the creditors at low prices. Furthermore, there have been no efforts on the part of the government, panchayats or others to raise the value added of these products. As a result the middlemen take the maximum profit margin.

As a result, even through the forest dwellers have to devote a considerable time during the year in the procurement and processing of the forest products, there is no improvement in their livelihood. They continue to have to sell their collected products at low prices to the same established traders. As such there is has so far been little improvement in the living conditions of these people.

Overall, despite the Government of Orissa's efforts for encouragement of participatory forest management through people's participation, it has achieved limited gains so far. The institutional and economic base of VSS is weak, and this is due to the manner in which the participatory scheme has been designed and implemented. It has ignored the development of self-initiated groups and their management practices for conservation and management of forests. There are poor relationships between new VSS groups and pre-existing CFM groups, primarily due to the state policy. Further, the lack of funds within the state has resulted in inadequate development of forest resources and forest dependent people. The overall situation is low development and maintenance of forest and forest dependent people: There has been little improvement in the livelihood conditions of the forest dwellers as yet.

# 1 INTRODUCTION

Orissa has drawn the attention of social scientists and policy planners because of its widespread rural poverty. The state has high level of income poverty, with about 47% of people below the poverty line in 2000 according to Planning Commission, Government of India. The percentage of poor people residing in southern and western Orissa are relatively higher in comparison with that of coastal Orissa. The majority of the tribal population lives in southern and western Orissa. It is also in these regions the major portions of the forest of the state are located. In the absence of reliable and dependable sources of livelihood a large number of poor people, especially in western Orissa resort to outside migration. A number of factors, including lack of access to resources, and unequal exchange relations for poor people, contribute for prevalence of poverty in the state. In recent years the policy makers have recognized the importance of peoples' participation for development, management and regeneration of forests. It is argued that the livelihood conditions of the tribal and other marginalized groups, residing near by forest villages, cannot be improved unless there is improvement in their access to forest produce and development of forest. In view of this participatory forest management has received due attention since late 1980s in the country as well as in the state of Orissa.

## 1.1 Geographical and Historical Perspective

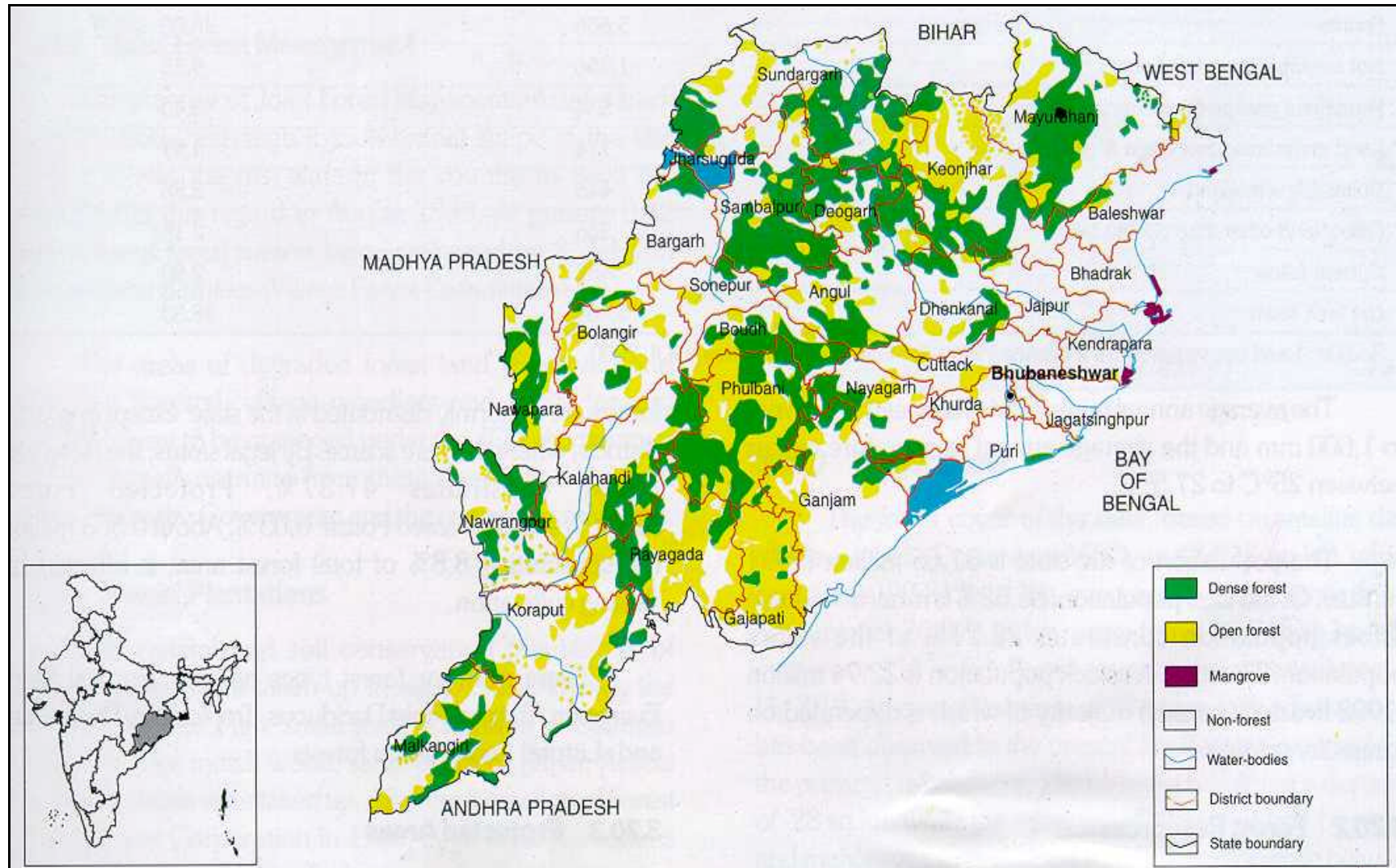
The state of Orissa is located in the East of India with a total geographical area of 15.57 million ha. The population of the state is 36.71 million (3.6% of the population of India). Of the total population, 85% are rural and 15 % urban. The average population density is 236 persons per sq km. The tribal population constitutes 22.2% of the total population. The livestock population is 22.7 millions constituting 4.8% of country's livestock population. The state ranks 4<sup>th</sup> among the states/UTs in terms of area under forest cover.

The state can be divided into four distinct physiographic regions. These are North Plateau, Eastern Ghat, Central Tableland and Coastal Plains. Forest is mainly found in first three regions of the state, as are the tribal populations. There are 46,989 revenue villages in the state. Of these 29,302 (62.36%) have forest as a recorded land use. These villages have a total population of 15.93 million constituting 43.39 % of population of the state. Villages having less than 100 hectares formed 85% of the total forest villages.

The economy and livelihood of the state and its people is predominantly agriculture based, with 75 % of the working population involved in it. However, 47.1% of population in the state is below the poverty line. Of the total poor, 90% live in rural areas, and the intensity of poverty is particularly high among the tribal population located in forest-fringe villages. . In view of this there is a need to understand the forest and forest related issues in order to understand the livelihood of people dependent on forest.

The present day state of Orissa has a complex historical tradition because it has been formed over time by taking areas from other states with different administrative and institutional arrangements including forest institutions.

**Map 1: Map of Orissa Showing Forest Cover, according to Forest Survey of India**



Source: Forest Survey of India 1999

Up to 1905 Orissa was a part of the lower Province of Bengal. In 1912, the Province of Orissa and Bihar was created by clubbing together parts of the Bengal Presidency and the Central Provinces. On 1<sup>st</sup> April 1936 the new Orissa Province was created, bifurcating the pre-existing Province of Orissa and Bihar, and merging from Madras Presidency the Koraput, Ganjam and Baliguda subdivisions of Phulbani district. In 1948, at Independence, twenty-five feudatory states also merged with Orissa. Later, the two feudatory states namely Sareikella and Kharsuan were reallocated from Orissa to Bihar by the Central Government. Lastly, the ex-princely state of Mayurbhanj was merged into Orissa in January 1949. Thus the present state of Orissa is an amalgamation of different parts coming from Bengal, Bihar, Madras Presidency and Central Province.

## **1.2 History of Forest Policies in Orissa**

In view of the manner in which Orissa has emerged, one finds different types of institutional arrangements, including forest institutions and traditions, in different areas. We now briefly review the forest administration / tradition present in different parts of the state in historical perspective.

The beginning of a forest policy in pre-independence India started in 1855 when the then Governor General, Lord Dalhousie, issued a memorandum on forest conservation. It was the first attempt towards a systematic forest policy. Dietrich Brandis, a German botanist was appointed as the Inspector General of Forests in India, with the responsibility for organizing a Forest Department for scientific exploitation of forest resources. Rules and regulations were framed to manage the forest resources. The main purpose of the Forest Acts under the British government was to have state control over the forest with a view to increase its revenue by using forest commercially, and therefore reducing the rights of the forest dwelling and using communities. The first Act came into existence in 1865. Gradually the state exerted more control over the forest resources in order to earn: subsequent forest laws were modified in order to increase revenue.

### *1.2.1 Forest Act 1865:*

This Act provided power to the government to declare any land covered with trees or jungle as government forest by notification (Nath, 1991). However, the existing rights of individual or communities were not touched in the Act. Certain restrictions were put on the collection of forest produce by the forest dwellers. Timber like teak was declared as state property and trade on such timber was restricted. It is noteworthy that the first attempt of managing the forest by the state was confronted with the rights and liberties of people especially the forest dwelling communities. The Act was applicable to the forests under the control of the government and there were no provisions to control private forest. However this Act gave a message to the people that the government now can intervene in their traditional practices of using the forest for fuel, fodder and food.

### *1.2.2 Forest Act of 1878*

The imperial administrators looked at forests as a source of revenue. The Forest Act of 1878 amended the 1865 Act, and according to the new provisions the forests were divided in to (1) reserve forest, (2) protected forest, and (3) village forest. Laws were made more stringent over cutting trees for timber purposes. Further, grazing of cattle was prohibited in reserved and protected forests, and penal provisions were prescribed for the violations of forest regulations. This Act empowered the state with strong powers and curtailed further the rights of individuals over the forest. As such it affected the livelihood conditions of tribal population and other forest dwellers, which were mostly dependent on the forest as a source of their living (Nath, 1991).

### 1.2.3 First Forest Policy Resolution of 1894

The first policy resolution was promulgated in 1894 with the stated objective of administering the forest for the benefit of the public. One of the important components of the resolution was that it made provision for relinquishing land for agricultural use. At the same time it forbade cultivation of small patches all over the forest areas and any other action that would reduce the forest below the minimum need. The provision also directly hindered the swideners (*podu* cultivators) who cultivated the forestland in rotation. The Act was further amended during 1927

### 1.2.4 Forest Administration in Orissa till Independence

Up to 1905 Orissa was a part of the lower province of Bengal. Forest administration started in Orissa during 1883-84. For the first time forest were declared as Reserved Forest (RF) under section 19 of the Indian Forest Act 1882. There was one forest division in Orissa, namely Angul Forest Division. The total area under RF in Angul was 691.5 sq. km (RCDC, 1996), and it increased to 968.6 sq. km during 1888-89. Out of this, 725 sq. km was in Angul subdivision and the rest 243.4 sq. km was in Khurda subdivision. The extent of protected forest (PF) was about 850 sq. km. In 1891-92 the Orissa Forest Division was divided into two divisions, namely Angul and Khurda with RF of 725 and 303 sq. km respectively. The tenants were permitted to collect firewood, brushwood and bushes, for domestic consumption purpose, on payment of 4 annas (25 paise).

The province of Bihar and Orissa were created in 1912 clubbing together parts of Bengal Presidency and Central Provinces. There were seven forest divisions in this newly formed province, out of which three were located in Orissa. A total of 1,920 sq.km of RF and 2,769 sq. km of PF were under the control of these forest divisions. The new Orissa province was created on 1st April 1936, bifurcating the Orissa-Bihar province and merging Koraput, Ganjam and Baliguda subdivision of Phulbani district from Madras Presidency. The new Orissa province had 3,628.5 sq. km as RF and 1,510 sq.km as PF forest area. The forests of Ganjam had been brought under the forest administration in 1850, but regular reservation and forest settlement did not start until 1885-86. By 1900 almost all the forest blocks were reserved under the Madras Forest Act of 1882. In 1901, systematic working plans were made for the Ganjam forests.

Prior to the merger of ex-princely states with Orissa in January 1948, there were nine forest divisions. These divisions had 3615.6 sq km of RF, 541.3 sq km of DPF and reserved area of 328.7 sq km. By the year 1949, when merger of princely states were completed, the total forest land was 26,332.5 sq kms which include RF, DPFs and reserved area.

It is noteworthy that each of these ex-states had had separate forest administration. Systematic forest management started in Mayurbhanj during 1897. Forest management appears to have started in other ex-states during 1910. The Indian Forest Act 1927 was extended to most of these ex-states after their merger with Orissa. However, forest areas of Koraput, Ganjam and Baliguda subdivision of Phulbani districts were administered under the madras Forest Act, 1882.

The Orissa Preservation of Private Forest Act, 1947 was extended to many of these ex-states forests. The Maharaja of Jeypore owned the forest of Koraput district, excluding small areas belonging to the Makhasadars and Inamdars. These Makhasadars and Inamdars were tenure holders under the Maharaja. Almost all the forest had been declared RF under the Provision of the Madras Forest Act of 1882. The Ex-Zamindars of Ganjam district did not have any working plan or schemes for management of these forests. Between 1944-50 the forests of Paralakimendi ex-zamindari were administered by the DFO, Paralakimendi. Clearly the state of Orissa had heterogeneous practices of forest management in different areas.

### 1.2.5 'Rights and Concessions' under the Forest Rules 1928 Patna Ex-state

The Working Plan and rule 9 of the Forest Rules of 1928 do not allow any rights over the produce of the reserved forests. However, certain concessions have been granted in the 'B' class reserved forests. The tenants paying the "nistar-cess" are allowed to remove from annual coppices of 'B' class reserved forests, trees of reserved species at one-fourth of royalty and those of unreserved species free of royalty for their domestic use within the village only. Similarly villagers are allowed to remove minor forest produce such as fruits and flowers, free of royalty for their domestic use. For the produce, possessing commercial value, the tenants are allowed to remove only limited quantities. Further, in the Khesra forests, the cess-paying tenants were granted some concessions as in the 'B' class reserved forests to remove timber, firewood and other minor forest produce. The tenants, who do not pay cess, have to pay one-fourth of the royalty for removing timber of reserved and unreserved species. They are allowed to remove firewood free of royalty (see Orissa District; Balangir 1968, pp.166 ff).

### 1.2.6 Sonapur Ex-state:

Similar to Patna Ex-state, here also the people have no rights in the reserved forest, except those explicitly granted. Grazing of animals is allowed free of charge in the 'B' class forests but subject to existing limitations. In the village forest the tenants had to pay a forest cess or commutation of one and half anna per acre of wetland (irrigated) and one anna per acre of *Att* (dole, sandy) land in order to enjoy the forest rights. The concessions include fuel and fencing materials of unreserved species for their own construction, trees for making agricultural implements and for house building purposes with permission of the authority. The tenants were also allowed to remove minor forest products like roots, fruits, grass and leaves. Grazing of cattle is allowed free of cess. But they are supposed to pay some fee per cow and buffalo (*ibid*, p.167).

It is clear that the people in ex-princely states had rights and concessions on many types of forest produce; either without any payment or with nominal payments to the authorities for their own consumption, house building and grazing of cattle. Similarly at the time of notification of the area as reserved forest several rights and concessions with regard to grazing, collection of minor forest produce, and even timber in some instances, and rights to shifting cultivation were enjoyed by people. However, with the passage of time and a general erosion of respect for community rights, particularly of the poor, most of these came to be ignored by the Forest Departments especially after independence (see Rao, R.K. et al, 2003, p.4819 ff).

The intervention of the state in the pre independence period on the forest restricted people's customary rights on the forests. The forest policy resolution 1894 emphasized commercial use of forest as also its ecological value. It also paved the way for the regulation of rights and privileges of forest dwellers over the forest and produce.

## 1.3 Forest Policies in Post-independence Orissa

This section provides a brief discussion on the forest policies in the state.

### 1.3.1 Orissa Forest Act 1972 (OFA)

As per the Government of India Act 1935 forests were put under the provincial list. This empowered the state governments to frame their own laws. However the government of Orissa did not frame any Act regarding forest till 1972. The Indian Forest Act 1927 was applicable to all parts of Orissa, except in the districts of Ganjam, undivided Koraput and Baliguda and G Udayagi taluk of Phulbani district, where the Madras Forest Act, 1882 was in force. The government of Orissa framed the Orissa Forest Act (OFA) during 1972. Some of the key provisions are given below:

Section 3 of this Act provides power to the state government to notify any land as reserved forest. The Act also provided detailed procedures by which to declare the proposed reserved forest including the rights and privileges that exist in favour of any person. Further section 33 of the Act states that the state government may, by notification, declare any land as protected forest, which is not included in a reserved forest. Similarly the state government may, by notification, declare any land as village forest for the benefit of any village community or group of village communities. Section 27 and 37 of this Act provide provisions under which any person can be declared as offender of the forest.

In regard to the customary rights and liability of forest dwellers towards forest the state assumed wide power to declare any land as forest. Any unauthorised dealing by the people on forest dealing on the forest produce was made offensive. The Act provided ample power to the forest officials *vis a vis* the local people as far as their exercise of the rights and privileges are concerned.

Some provisions of the Orissa Forest Act have been amended in March 2001 on the basis of Orissa Forest (Amendment) Bill 2000. The objectives of the Bill are to arrest further damage to forest resources and prevent killing of animals. These will be achieved by imposing stringent punitive measures against the offenders'. The penal power of forest officials has been increased. The ideas are to ensure that the laws have the deterrent effect on the offenders. As per amended laws, no suit, prosecution or other legal proceedings shall lie against any forest officer for any thing done by him in good faith under the Act or the rules or orders made thereafter.

Further, no court shall take cognisance of any offence allegedly to have been committed by any forest officer while "acting or purporting to act in discharging of duties under or in pursuance of the provisions of the act or the rules or orders made thereafter, "except with the previous sanction of the state government. Forest officers include a forest guard. The foresters and officers above the foresters will be given police power. Whenever they can arrest a thief while stealing forest products they can send them directly to court. Even they can fire gun in order to prevent theft of wood hunting of animals and for self-protection.

The Orissa Assembly amended several provisions of Orissa Forest Act 1972 on 9th April 2001 making these more stringent in dealing with forest-related crimes. The state government has also declared a novel policy to reduce theft of forest wood from the forest. According to the new provision the seized wood will be auctioned at the place where it has been confiscated. There is incentive for the person who provides information to the Forest Department and the forest officer who seizes the materials. Of the total money realized from the auction 25 % will go to the person who has provided information and another 25 % will go to the officer who has confiscated the items. Thus it will provide incentives to both the persons (Dharitri 12.09.2003)

### *1.3.2 Forest Policy of 1988*

This policy represents a significant departure from previous policies because it emphasised that the local people must be actively involved in programmes of protection, conservation and management of forest. Local people living in and around the forest were given a chance to participate in the protection of forest. They were considered partners, not only in forest protection and regeneration of forest but also in sharing the usufructs and profit as well. The focus of forest management shifted from commercialisation to conservation of forest and the rights of the local populace on the forest products. During the 1970's and 1980's, self initiated community forest protection groups had already emerged in many districts of Orissa. Even though these initiatives got little or no support from the state Forest Department, the central and the state government began to perceive its significance and acknowledged the need to recognise and legalise community efforts. In August 1988



the government of Orissa passed the nation's first forest policy resolutions recognising community management.

### *1.3.3 JFM Resolution of 1990- a participatory Approach*

Subsequently on June 1, 1990, the Government of India passed guidelines launching the JFM programme. It recommended the participation of village communities in the regeneration of degraded forest, and notified that village that are effectively protecting the forest would have exclusive rights to that forests produce.

The policy aims at recognition of rights of organised communities over a clearly defined degraded patch of the forest. Communities would receive benefits for the responsibility of protection and conservation of specific forest patches. It also encourages the Forest Department to take the help of non-governmental organisations to serve as catalyst between the Forest Department and the village community for spreading the message of conservation of forest and participatory management practices.

### *1.3.4 Guidelines on JFM 2000*

On 21<sup>st</sup> February 2000, the government of India issued guidelines for various JFM activities, in response to several issues confronting the forest protection committees, the NGOs and the Forest Department.

The major features of the guidelines are provision of the legal status to JFM committees under the societies registration Act, 1960, increased participation of women in general body (at least 50 % women members) and executive committees (at least 33%), extension of JFM to less degraded forests, preparation of micro plans for JFM areas by the Forest Department with consultation with the users groups, recognition of self initiated forest protection groups and contribution by the forest protection committees and the Forest Department for regeneration of resources.

### *1.3.5 Formation of the Forest Development Authority (FDA) May 2002*

The central government passed resolution in May 2002 for consideration of all types of forestry related programmes under Samanvit Gram Vanikaran Yojana (SGVY) through forest development authority. Under this resolution all the forest related programme as well as village development programmes in the forest-fringed villages would be implemented through joint forest management committees.

Involving communities in forest protection began by the government in the mid 1980s when the Social Forestry Project was started with the support of Swedish Development Agency (SIDA). The jurisdiction of this project was confined to the village woodlots and plantations near the village common land known as 'Social Forest'. There was no involvement of communities in the protection of natural forest under this project. The Orissa Village Forests Rules were framed in 1985 and involvement of NGOs in the process ushered in people's participation in forest management.

In pursuance of the National Forest Policy of 1988 the government of Orissa issued a resolution on 1<sup>st</sup> August 1988 according to which the local communities will be involved in protection and regeneration of degraded reserved forests with the promise of certain benefits and concessions to them. The state government modified certain provisions of the resolution in 1990, 1993, 1996 in the light of the guidelines issued by the Central government and came to be known as joint forest management (JFM). The latest resolution relating to forest protection initiatives is called Samanvit Gram Vanikaran Yojana (SGVY). It will be implemented through the Forest Development Authority

(FDA). The FDA will work in every district of the state. The FDA will be registered under society of registration act. The central movement has decided to transfer funds to FDA directly. There is a plan to take the help of NGOs and local people in afforestation programme.

**Box 1: Evolution of JFM in Orissa during the period 1988- 2002**

August- 1988	The state government came out with a resolution to involve the community in protection of reserve forest. In lieu of the effort of protection and conservation, certain bona -fide needs of the communities were to be met from the forest. The Forest Department formed Village forest protection committees (VFPC) in response to this resolution. The VFPCs were assigned the responsibility of the protection of forest against fire; grazing, illegal felling of trees, theft etc. The emphasis of the forest protection was non-natural regeneration. The divisional forest officer was supposed to allot forest areas to VFPCs and legally register them as VFPCs.
October 1988	The resolution of august 1988 was modified to bring in distinction between the official members and non-official members in the village forest protection committees (VFPCs).
December 1990	the resolution was further modified to involve the community to protect both RF and PF
July 1993	A comprehensive resolution for involving communities in protection and management of forest was brought in, and for the first time, the government used the term JFM. The resolution mentions JFM as a scheme for regeneration and the protection of forest. It emphasised the involvement of the communities in regeneration and protection of degraded forests only. This effort of the government led to the constitution of Vana Sanrakhayana Samities (VSSs) around the degraded forest where there is a great potentiality of regeneration. This resolution declared all the VFPCs formed by the earlier resolutions null and void.
August 1994	Modification of July 1993 resolution for enhancing the area to be allotted to each VSS was done. According to the earlier resolution, the area under each VSS should not exceed 200 ha. After the modification, the ceiling, of 200 ha was waived wherever the villagers are able to protect more areas. There was also a change in the rules for convening of a meeting of the executive committee of the VSS. In the absence of Naib Sarpanch / deputy of the Gram panchayat, the members could now decide on one among them to preside over the meeting.
December 1994	The scope of JFM was extended to social forestry plantations. The village wood lots and block plantations managed by village forest committees were to be brought under JFM once they were declared as village forests. The VSS would get 100 % share over the forest products and also the final harvest on the trees planted under the social forestry project. If there were any further plantation or regeneration in the village forest, the VSS would get a 50 % share in the final harvest.
September 1996	Through this resolution, the government took up the very important step to notify the JFM areas as village forest. Since many of the protected forests in Orissa are burdened, quite often conflicts cropped up between forest protecting and non-protecting villages. In order to give the forest protecting villages exclusive rights over the forest under protection, the government through of notifying these forests as village forests. But the resolution was not implemented because of difference of opinion within the Forest Department.
May 2002:	All forestry programmes of the Centre were consolidated under SGVY (Samanvit Gram Vanikaran Yojana) and implemented through FDAs. The programmes would be implemented through VSSs. Now funds from the Central government will be directly coming to the VSSs.

Source: Community Forestry, Vol.2 No.4, May2003, p19

Despite all the amendments and innovations, there are several lacunae in the resolutions relating to JFM in the state (see also Poffenberger et al, 1996). Some of these are as follow:

- o The resolutions provide user groups with usufruct rights only. They clearly note that land is not to be allocated or leased.
- o The resolutions generally recommend village level committees as functional management groups. Village- level groups are to operate under the supervision of Forest Department officials.

- The Forest Department does not recognise the indigenous community based forest protection committees despite the JFM guidelines. As a result these committees have no legal rights to fight against mafias and others whenever there is conflict.
- The VSSs have been created by the administrative orders of the state. It has no legal sanctions. Even though the government of India guidelines on JFM 2000 clarifies that the VSS should be registered under the society registration Act, 1960, till to date the VSSs have not been registered under this act and as such have no legal of station.
- The tenurial period of usufruct rights is not mentioned.
- The resolutions limit community management and benefits to degraded forestland.

According to the status report 2000 brought out by the office of PCCF, Orissa, out of a total of 6768 VSSs formed as on April 1999, Memoranda of Understanding have been signed only in case of 2617 VSSs or 39 % of the total. Further micro plans for forest management have been prepared for the forest areas protected by 177 VSSs (2.61%) only.

It is clear that there has been increase in the formation of number of VSS in order to fulfil the target by the Forest Department Rapid increase of VSS without proper nurturing of community participation and institution building and without preparing micro plans in the VSS villages, which are necessary for development of forest through participation of local people, is open to all kinds of problem. There cannot be sustainable participatory development of forest management in such situations

Now we turn to the state's objectives on forest policies during the 9<sup>th</sup> and 10<sup>th</sup> five Year plans.

#### *1.3.6 Objectives of Forest Policy during the 9<sup>th</sup> Five Year Plan.*

The main thrust in the forestry sector is afforestation of wasteland and restoration of degraded forests. Besides, conservation of forest has to re ensured by intensifying protective measures and enlisting people's involvement in checking illegal felling and removal of trees. The strategies adapted by the state Government for the forest conservation and development emphasizes on the following main components

- Conservation of ecologically fragile eco-system and preservation of biological diversity in terms of flora and fauns.
- Increasing the vegetative cover by afforestation through social forestry, farm forestry and other plantation programs.
- Meeting the basic needs of the people in respect of fuel wood, fodder, minor forest produce and small timber.
- Implementing National Wild life Action Plan for conservation of wild life and
- Creating people's movement for achieving the above objectives.

An outlay of Rs. 122.75 crores has been proposed in the ninth five year plan for forestry and wild life schemes out of which a sum of Rs.18.80 crores (Rs.188,000,000) was provided in the Annual Plan, 1997-98. It is clear that the emphasis of forest sector during the 9<sup>th</sup> Five year Plan was more on the development and conservation of forest with some component on people's needs for the forest products.

#### *1.3.7 Objectives of Forest Policy during the 10<sup>th</sup> Five Year Plan*

The objective of forest sector during the 10<sup>th</sup> five-year plan is to promote sustainable forest management in the state with a large goal of supporting the rural livelihood (Economic Survey 2002-2003, pg 6/12). The plan is to focus on conservation and development of forests and optimal use of forest resources in a sustainable manner. The forest policy, rules and regulations in force will also be fine-tuned and modified whenever required to make the policy and institutional environment

conducive for Joint Forest Management of degraded forests. The plan will adapt an approach combining elements of asset creation, institutional development to promote sustainable management practices (ibid)

#### 1.4 Investment in the Forest Sector

It has been accepted in the Annual Plan document 2002-2003 Orissa, vol. I, by the Government of Orissa, that there has been very little investment in the Forestry Sector during the 9<sup>th</sup> five year plan, except under the Revised Long Term Action Plan (RLTAP) for undivided Koraput, Balangir and Kalahandi (KBK) districts. During the last two decades allocation of funds from different sources including from Central government and other sources has been meagre (see Table 1). Virtually there is no inflow of fund from foreign donors except from SIDA during mid 1980s and early 1990s, which was very small amount. As a result forest sector has to be managed from the meagre state government's funds. The total expenditure (both plan and non-plan) on the forestry sector of the State Government constituted about 1.32 % of the total revenue expenditure during the period 1996-96 to 1997-98. Out of this expenditure, a major part was utilised for payment of salaries and wages to the Forest Department employees. As a result there was very little investment in this sector.

**Table 1 Forest Expenditure during Period 1980-81 to 2001-02**

Year	Sources					Total Expenditure
	A. Forest Non-Plan	B. Forest Plan				
		State	Central	Centrally sponsored plan	Total	
1980-81	5.8	2.4	0.7	0.6	3.7	9.6
1981-82	6.6	1.9	1.0	0.7	3.6	10.2
1982-83	78.0	2.6	0.5	0.7	3.7	11.7
1983-84	88.2	3.1	0.5	0.7	4.3	12.5
1984-85	9.2	4.3	22.3	1.8	8.3	17.5
1985-86	10.3	7.5	0.8	1.5	9.7	20.0
1986-87	12.2	12.7	0.7	1.1	14.5	26.6
1987-88	13.3	18.6	0.8	3.3	22.7	36.1
1988-89	14.7	19.3	1.8	2.0	23.0	38.0
1989-90	14.8	20.8	1.4	2.2	24.5	39.3
1990-91	15.7	26.4	3.2	3.2	32.8	48.5
1991-92	18.6	28.1	3.6	2.5	34.2	53.8
1992-93	24.3	38.3	4.0	2.6	44.9	69.2
1993-94	22.0	29.3	0.9	0.7	30.8	53.5
1994-95	24.0	20.4	2.4	6.0	28.9	53.8
1995-96	33.0	22.3	0.9	1.0	24.3	57.8
1996-97	34.8	17.1	2.5	4.1	23.9	59.4
1997-98	36.2	13.1	1.1	2.4	16.6	53.8
1998-99	43.5	24.0	3.0	2.0	29.0	72.4
1999-00	52.6	16.2	4.8	1.1	40.5	93.0
2000-01	55.0	20.4	11.1	2.4	88.9	108.2
2001-02	50.8	12.7	17.0	2.2	82.7	95.4

Source: Govt. of India, Planning Commission, Orissa Development Report, New Delhi, Dec. 2002, Page-185. (Office of the Principal Chief Conservator of Forest, Orissa, Bhubaneswar)

It has been realised that this trend has to be reversed and investment has to be increased for conservation, development and regeneration of the state's forests. The annual plan 2002-2003 proposed 10 % of the state plan outlay in the forestry sector. An outlay of Rs.6, 972.10 lakh (Rs.

697,200,000) has been proposed in the annual plan 2002-2003. The sources of investment in the Forestry Sector (see Govt. of Orissa, Annual Plan 2002-2003, p122) during the Annual plan period would be the following:

- External development assistance from international development agencies.
- State plan funds
- Centrally sponsored schemes
- Grants from the 11<sup>th</sup> Finance Commission

## 1.5 Forest Resources in Orissa

The figure of forest cover available for the year 1962 gives us the earliest complete picture of the forest area present in Orissa. Because it was during 1962, the estate forests came under the jurisdiction of the Government of Orissa after estate abolition of 1951-52.

**Table 2: Forest Areas in Orissa from 1962 to 1997**

Year	Total Forest Cover (sq. kms)
1962	67,801.1
1967	69,442.3
1972	69,793.1
1977	69,660.5
1982	61,253.3
1987	59,439.4
1993	58,861.1
1997	58,135.0

Source: Rath, 2002 (Vasundhara).

**Table 3: Comparative Status of Forest Areas in Orissa.**

Year	Total	Of the total %age as		
		RF	DPF	UDPF
1959	65,489	38.14	0.82	61.04
1969	67,461	35.82	0.83	63.34
1985	56,784	51.62	34.56	13.82
1990	57,167	47.38	28.19	24.43
1991	59,554	48.0	28.0	24.0
1993	57,167	47.38	28.19	24.43
1997	58,135	-	-	-

Source: (1) Forest Enquiry Committee, 1959; (2) 5th Five -year plan; (3) Statistical outline of Orissa, 1991; (4) Orissa Forests, 1990, PCCF office; (5) State of Forest Report, 1991, Forest Survey of India and (6) Orissa Forests, 1993, 1999, Statistical Branch, PCF office cited in RCDC, 1996).

Note: RF: Reserved Forest, DPF: Demarcated Protected forest, UDPF: Undemarcated Protected forest.

The forest enquiry committee appointed by the Govt. of Orissa submitted its report on the status of forest in the state. The committee observed that the total forest areas of the state were about 65,677.7 sq. km, or about 42 % of the total geographical area of the state. However a large part of different types of forest (such as unreserved Khesra, Undemarcated protected forests, unreserved land and open forests) were in fact only barren land and hills without vegetation. It had estimated that the actual forest area was not more than 38,850 sq. km. or 25 % of the total area. The areas under forest cover in the state over the years since 1962 is given in Table 2. It can be seen that the area under forest

cover in the state increased from 67,801 sq. km in 1962 to 69,442 sq km in 1967. It remained constant for a decade (1967-1977). Then it came down to 59,439 sq. km. in the year 1987. There was further decline of forest area in the early 1990s. However there was slight increase in area during late 1990s. As per the satellite image there has been increase of 5 to 6% of forest. But the satellite picture has taken picture of forest including the shrub and 'small bushes.' In fact there has been decrease of forest by 8 to 9 % in hinterland forest area, (Samaja 14.09.2003)

The statistics are highly politicised and contentious, because the extent of 'forest land' (under Forest Department management) diverges so much from actual 'standing forest', reflecting poorly on Forest Department management performance. (See box 2 below).

### Box 2: Contested Forest Cover Statistics

The following newspaper report illustrates the contest over the reliability of forest statistics in Orissa:

#### **Wildlife group rejects survey findings on Orissa forest cover**

**By Jatindra Dash, Indo-Asian News Service.** Sat, 3 May 2003 17:14:51 +0530 (IST)

**Bhubaneswar, May 3 (IANS)** A green group Saturday rejected the findings of a survey conducted by the Forest Survey of India (FSI) that claimed that forest cover in Orissa had increased. The FSI, a central government body, released last month its report in which it claimed that the forest cover in Orissa had increased by 1,805 sq km in 2001 compared to 1999. But the Wildlife Society of Orissa refuted the claim. "The state has been losing forests at an alarming rate," Wildlife Society of Orissa secretary Biswajit Mohanty told IANS. "Even the government has admitted this and expressed the helplessness of the Forest Department in fighting the well-organised and heavily armed forest mafia contributing to the decline."

According to the FSI survey, Orissa ranks fourth amongst states and union territories in terms of area under forest cover. The state has a total area of 155,707 sq km of which 26,329 sq km is reserved forests, 15,524 sq km protected forests and 16,282 sq km un-classed forests. The survey says the total recorded forest area was 58,135 sq km, which is 37.34 % of the total geographical area of Orissa. "However, only 31.36 % of the state has forests," Mohanty contended. "The survey has included non-forest tree cover of plantations like tea, coffee, and rubber, orchards including mango and jackfruit within the forest cover area." "It has also assessed linear plantations along roads, canals, farmlands, homesteads and urban areas of more than one hectare as forest cover. These two kinds of areas were left out during the 1999 survey."

Mohanty says timber smugglers were active throughout the state and were decimating the dense forests of Satkosia, Keonjhar, Balliguda, Rayagada, Athmalik, Boudh, Simlipal, Daspalla, Baisapalli, Pallahara, Bonai, Dhenkanal areas. Due to the strong demand from cities like Bhubaneswar, Cuttack, Angul, Sambalpur, Balasore, Berhampur, and Rourkela there was a well-organised racket in felling prime timber trees in these forests, he said. Mohanty claims the use of digital interpretation in the latest survey enabled the inclusion of small forest areas, which were earlier excluded. While the 1999 survey listed 26,288 sq km of dense forests, the 2001 survey recorded 27,972 sq km. Similarly, open forests of 20,745 sq km recorded in 1999 grew to 20,866 sq km in 2001.

<http://puggy.symonds.net/pipermail/wildlife-india/2003-May/000241.html>

The comparative picture of forest area of different types is given in Table 4. It can be seen that the proportion of reserved forest has increased slightly during mid 1980s early 1990s. During the 1990s the composition of different types of forest has remained the same.

It is clear from the table that there has been decrease in the forest area during 1980s and 1990s. This is despite the Forest Conservation Act of 1980.

**Table 4: Forest in Orissa at a Glance (1997).**

<b>Forest Area</b>		<b>Units</b>
Geographical Area	155,707.0	sq. km
Total recorded forest area	58,135.5	Sq. km
Actual forest area	46,941.0	sq. km
% recorded forest land area to geographical area (Govt. defined)	37.3	%
% actual forest cover to geographical area	30.2	%
Per capita forest area	0.2	ha
<b>Forest Category</b>		
Reserve forest	45.3	%
Protected forest	26.7	%
Un-classed forest	28.0	%
<b>Density (Nov-Dec 1995)*</b>		
40%and above	26,101.0	Sq. km
10 to 40 %	20,629.0	Sq. km
Mangrove	211.0	sq. km
<b>Forest Composition</b>		
Sal (30%)	16,938.3	sq. km
Teak (03%)	2,030.6	sq. km
Miscellaneous (40%)	21,024.3	sq. km
Bamboo pure (27%)	1,374.8	sq. km
Bamboo overlapping	17,794.6	sq. km
Conifer	4.0	sq. km
<b>Under working plan/scheme 1977- 78</b>		
High forest	24,813.1	sq. km
Coppice	2,056.0	sq. km
MFP overlapping	11,164.7	sq. km
Misc. industrial overlapping	7,794.3	sq. km
Plantation overlapping	2,872.4	sq. km
Bamboo overlapping	14,926.7	sq. km

\* Forest Summary of India 1997.

Note: The total area under crop composition and working plans exceeds the total area under RF and DPF because there are some overlapping areas and UDPFs, which have under such management and crop composition.

Table 5 below provides detailed description of forest resource available in the state during 1997. It is seen that forest area constituted 37.3% of the total geographical area of the state. By contrast actual forest cover formed 30.2% of geographical area. Clearly about 7% of forest land area in the state does not contain any tree cover. Further, the forest area or forest cover is distributed unevenly in different regions of the state (see Table 4). It is clear that the %age of forest area to geographical area is much below the state average (31.4%) in coastal districts comprising of Baleswar, Bhadrak, Cuttack, Ganjam, Jagatsinghpur, Jajpur, Kendra Para and Puri except Khurda and Nayagarh. On the other hand, the districts of Southern Orissa (namely Gajapati, Kandamal, Koraput, Malkangiri, Nawarangpur and Rayagada) Western Orissa (namely Kalahandi, Balangir, Sambalpur, Deogarh) have much higher forest cover.

**Table 5: District wise Forest Cover** (during 1999- 2000 as per satellite report)

District	Geographic area (km <sup>2</sup> )	Total area (km <sup>2</sup> )	Forest area as % of geographical area	Of the total, % as		Scrub (km <sup>2</sup> )
				Dense forest	Open forest	
Angul	6,375	2,650	41.6	62.6	37.4	156
Baleshwar	3,806	306	8.0	48.0	52.0	51
Baragarh	5,837	904	15.5	46.8	53.2	112
Bhadrak	2,505	31	1.2	74.2	25.8	0
Balangir	6,575	992	15.1	50.8	49.2	310
Boudh	3,098	1,280	41.3	60.2	39.8	71
Cuttack	3,932	656	16.7	55.2	44.8	183
Deogarh	2,940	1,358	46.2	57.5	42.5	12
Dhenkanal	4,452	1,266	28.4	52.1	47.9	179
Gajapati	4,325	1,552	59.0	56.0	44.0	205
Ganjam	8,206	2,188	26.7	50.0	50.0	870
Jahatsinghpur	1,668	24	1.4	62.5	37.5	1
Jajpur	2,899	259	8.9	47.1	52.9	46
Jharsuguda	2,081	276	13.3	38.8	61.2	33
Kalahandi	7,920	2,139	27.0	54.3	45.7	569
Kendrapada	2,644	217	8.2	90.3	9.7	0
Keonjhar	8,303	3,378	40.7	49.4	50.6	45
Kandamal	8,021	5,390	67.2	56.8	43.2	376
Khurda	2,813	434	15.4	63.8	36.2	209
Koraput	8,807	1,484	16.9	45.1	54.9	738
Malkangiri	5,791	2,188	37.8	49.2	50.8	11
Mayurbhanj	10,418	4,132	39.7	69.8	30.2	37
Nawapara	3,852	1,237	32.1	47.5	52.5	146
Nawarangpur	5,291	1,150	21.7	59.7	40.3	116
Nayagarh	3,890	1,705	43.8	60.5	39.5	262
Puri	3,479	211	6.1	84.8	15.2	51
Rayagada	7,073	2,733	38.6	47.9	52.1	601
Sambalpur	6,657	,3289	49.4	69.7	30.3	64
Sonepur	2,337	313	13.4	55.3	44.7	53
Sundargarh	9,712	4,096	42.2	64.1	35.9	275
<b>Total</b>	<b>155,707</b>	<b>48,838</b>	<b>31.4</b>	<b>57.3</b>	<b>42.7</b>	<b>5,782</b>

Source: Ministry of Environment and Forest, Dehra dun. State of forest Report 2001, Forest Survey of India.

### 1.5.1 Nature and Density of Forest Cover

Of the total forest, Reserved Forest constitutes 45.3%, the Protected Forest forms 26.7% and that of Unclassed Forest forms 28% in the state (Table 3). The distribution of these categories of forest varied widely in different districts with forest cover (see Table 4). Similarly, the distribution of forest with 40 % and above density, 10 to 40 and mangrove constituted 55.6 %, 43.9 % and 0.5 % respectively in the state. The state's forests contain a high proportion of valued species. For instance, Sal forest, (*Sp. Shorea robusta*; a high value timber species) form 30 % of total stands. Miscellaneous trees cover 40 %, and pure bamboo constitute 27 % of total crops. The crop composition reveals that a variety of trees, bamboo, shrubs and other products are found in the forests of the state, and this composition provides a variety of products to local people. It is clear that the forest area in recent years has decreased. A variety of reasons have contributed for deforestation. The causes of deforestation are discussed below in brief.



## **1.6 Causes of Deforestation in Orissa**

A number of factors, including growing human and livestock population pressure, industrialization, urbanization and overall economic development has led to depletion of state forest resources in recent years. Kashyap (1990) has cited a number reasons contributing for deforestation in the country as a whole. These are (1) population pressure leading to increase encroachment on forest land for raising crops and for fuel and fodder, (2) Diversion of land for development projects like water reservoirs, physical in fractures like roads, railway tracks, power, industrial estates, etc., (3) Over exploitation of forest for industrial raw material, railway sleepers, and timber for a variety of purposes. (4) Heavy grazing by the cattle, (5) the practice of shifting cultivation by different groups in tribal region, and (7) Destruction of forest due to insects, pests and fire.

In Orissa some of the important causes of forest destruction are forest fires, flood and cyclones. But the damages caused by natural calamities are not the dominant causes of deforestation as evidenced from reports of the Forest Department for 1959-60, 1963-64, 1971- 72, 1977-78 (Fernades et al 1988:p178). A number of factors, including fire accidents, deliberate burning of jungles by smugglers, often in convenience with forest officials, illegal felling of trees, shifting cultivation, big industrial projects, development infrastructure (like hydroelectricity projects, railways, roads etc), mining, irrigation, dams and resettlement projects (like in Dandakaranya), excessive dependence of native people on the village forest to meet their everyday needs etc., have contributed for the destruction of forest. The destruction of forest due to various causes during the period 1971-72 to 1981-82 is given in Table 6. The total areas deforested during the period were to the extent of 18,106 hectares. The three divisions mainly Karangia, Sundargarh and Jeypore had very high deforestation. Admittedly these are areas where the mining and wood related mafias are very active, who are likely to have contributed for deforestation.

Orissa lost a considerable area of reserve forest (602,600 hectares) between 1981 and 1985 (State of Forest report, FSI, 1997) even though the state has low industrial wood consumption.

### *1.6.1 Diversion of Forest Area*

Diversion of forest area to non-forest use is an important contributing factor for the reduction of forest cover in the state. The forest area diverted during 1980s and 1990s was 27,466 hectares. The purposes for which diversion has taken place during the period 1982 to 2002 are given in Table 5. It can be seen that the three important sources of diversion in the state are mining, irrigation, and human habitation and other. It is interesting to note that in the 1990s the area diverted for irrigation is negligible whereas it is much higher for the mining sector, forming the most important reasons for diversion. Some measures have been taken by the state to compensate the areas diverted for other uses through a forestation and planting of trees in other areas, but the efforts in this direction are limited and the success achieved is low.

**Table 6: Government Forests Deforested For Various Projects: 1971-72 to 1981-82**

Division	Farms, settlement, cultivation	Industries mining etc	Resettlement	Development infrastructure	Irrigation, Dams	Others	Total
Athgarh	279.6	75.4	0.0	0.0	0.0	357.49	<b>712.5</b>
Baripada	0.0	29.3	198.9	0.0	0.0	0.0	<b>228.25</b>
Balangir	0.0	0.0	9.7	0.0	0.0	0.0	<b>9.71</b>
Dhenkanal	23.1	0.0	0.0	13.38	0.0	3.74	<b>10.22</b>
Ghumsur south	0.0	0.0	0.0	0.1	67.24	0.0	<b>67.34</b>
Jeypore	0.0	261.2	420.7	17.93	1,799.02	0.0	<b>2,498.9</b>
Karangia	0.0	0.0	0.0	6.07	0.0	7,059.63	<b>7,065.75</b>
Keonjhar	0.0	0.0	1340.3	83.24	0.0	31.1	<b>1,654.68</b>
Nayagarh	0.0	0.0	0.0	0.0	35.29	0.0	<b>35.29</b>
Puri	749.3	121.5	847.4	478.3	135.97	0.0	<b>2,324.4</b>
Sambalpur	0.0	2.0	0.0	50.25	2.89	0.0	<b>55.09</b>
Sundargarh	3173.0	180.2	53.2	0.36	0.0	0.0	<b>3,414.32</b>
<b>TOTAL</b>	<b>4217.0</b>	<b>669.6</b>	<b>3070.27</b>	<b>649.63</b>	<b>200.41</b>	<b>7,459.57</b>	<b>18,106.45</b>

Source: Fernandes et al (1988:184)

**Table 7: Forest area diverted to non-forest use in Orissa (in hectares) during post-independence period.**

Forest area released for non forest use	Ha
Between December 1980 to June 1999	27,466
Between 1991 to 1999	24,124

Source: A Decade of Forestry in Orissa 1981-90. Table 2.4.5 and 2.4.6 and Orissa Forest 1999, p.27.

**Table 8: Forest Area diverted to Non-forest sectors in Orissa (in hectares) between 1982 and 2001-02.**

Purpose	No. of proposal	Forest area diverted (in hectares)	%age of total area diverted
Irrigation	57	6,002	22.18
Industry	05	2,406	8.89
Mining	73	9,406	34.77
Transmission lines	41	2,661	9.83
Road, Bridge	23	194	0.72
Railway lines	05	1,965	7.26
De-forestation, Human habitation and others	33	4,421	16.34
<b>Total</b>	<b>237</b>	<b>27,055</b>	<b>100.0</b>

Source: Economic Survey of Orissa 2002-2003, p. AIVX 298, PCCF, Orissa, Bhubaneswar.

### 1.6.2 Organizational Structure of Forest Department in Orissa

In January 1948 there were 9 forest divisions in the state. There were five territorial circles with 27 forest divisions up to 2002-2003. Recently five new divisions have been created with funds from the central government, taking the total divisions to 35.

Recently the Government of Orissa has reorganized the Forest Department into two departments in May 2003. These are: the Territorial Department and the Wild-life Department. The territorial

department includes regional Forest Department, social forestry and tree plantation. Further, the number of territorial division has been increased from 27 to 35. It appears that the department of forest has been reorganized in order to increase the efficiency of the department through better control and supervision.

### *1.6.3 Orissa Forest Development Corporation (OFDA)*

The OFDA was registered during September 1962 as government Organization. In October 1990 the Simlipal Forest Development Ltd merged with the OFDC. It has been known as the Orissa Forest Development Corporation Limited since 14.11.1990. The main objectives of the corporation are to purchase minor forest produce and agricultural surplus from tribal in order to reduce exploitation by the traders. But the corporation has been unable to fulfil its objectives. It has been running on losses since last five years (i.e. since 1998-99). During 1998-99 the loss was Rs.48.28 crores. It has increased to Rs 110 crores during the year 2003-04. [The reasons for the losses are inefficiency in the working of this organisation.

## 2 FOREST PRODUCT AND ITS UTILIZATION BY DIFFERENT STAKE HOLDERS IN ORISSA

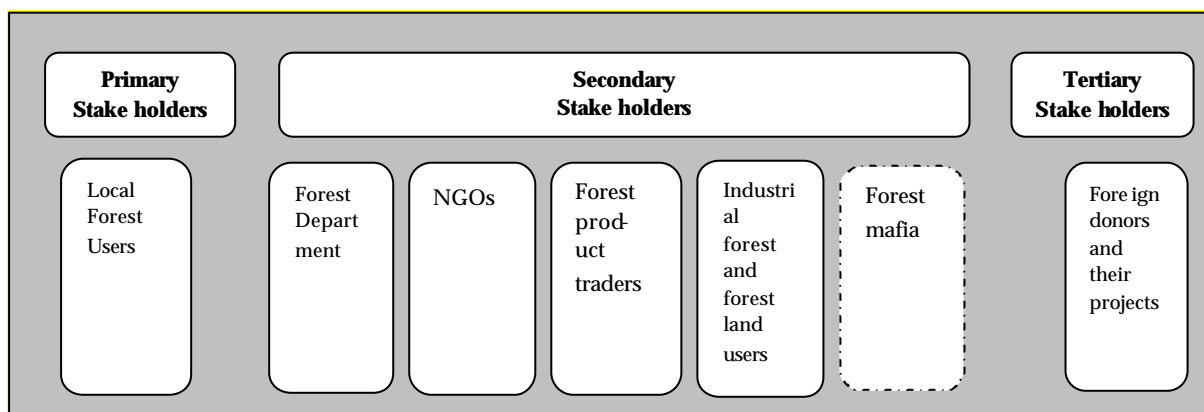
This section analyses the utilization of forest and its products by different stakeholders and their behaviour in relation to other stakeholders.

There are several stakeholders in the forestry sector. Some have positive roles while others have a negative role. The stake holders can be classified as follows: These are: forest users, Forest Department, industry and forest use including saw mills and mining, traders, and Non governmental organizations and foreign donors.

For the government forest and forest resources are an important source of revenue. The forest dwellers use it as a source of biomass, a means to ensure daily requirements of food, fodder and NTFPs, and a way to maintain their livelihood. Industrialists use forestland for locating units (by diverting the forest land for non –forest use), and sourcing inputs. Traders buy non-timber forest products (NTFPs) from the primary gatherers at low prices and sell at a higher price for profit. Timber mafias cut timber trees illegally and sell them in the market. NGO's play a vital role in the forest and forest management programmes, working for grass roots empowerment, and helping in promoting participation of the people in the forestry development programmes.

We discuss briefly the role of each of these agencies and their impacts on the livelihood situation of forest dependent people.

**Figure 1: Forest Stakeholders**



### 2.1 Forest Users

The symbolic relationship between forest and forest dwellers is based upon food; fuel wood and non-timber forest produce, which they get from forest. The population directly dependent on forests may be estimated at about 137 lakhs, if 50% of rural population is taken as forest dependent. This estimate is on the lower side as most of the rural population in Orissa depends on forest. However, even by considering this conservative estimate, the annual requirement of forest products for forest dwellers is about 67 lakhs M.T. of firewood, 2.8 lakh MT of small timber, 350 lakh MT of fodder, and 4 lakh MT of Bamboos. This estimate is based on average minimum annual consumption of 24 quintals firewood, 3.5 cft small timber, 12.5-ton fodder and 5 bamboos per family per year. Supply of forest products to the forest dwellers, at this minimum level, is essential for checking theft from

forest. Besides, there is demand for these items in the urban areas also. At present the level of production is so low that it is not possible to satisfy the requirement.

### 2.1.1 Demand and Supply of Forest Produce:

There is large demand for many types of forest produce, such as fuel wood, timber, bamboo and fodder. But the present level of production of these items is far from adequate. The current level of requirement and their present production is given in Table 9. The gap is very large leading to illegal destruction of forest to satisfy it. One important fact to note is that alternative sources of fuel utilized in the state both in rural as well as in urban areas is very low. According to 55th NSS Round, 1999-2000, out of 1000 of rural families, 906 families or 90.6 % of them use fuel wood for preparing food in home. It was 73.4 % at all India level. Similarly 35 % of urban families in Orissa depend on fuel wood for preparing food in comparison with 23.3 % at all India level Table 8b. The average annual consumption of fuel wood in the state was 523 kg in comparison with 635 kg at all India level. The amount of fuel wood consumption per year was 7.6 million tones. It has increased to 8.5 million tones during the year 2001. The requirement of fuel wood is far from the availability of it. Given that the use of alternative source of fuel is low in the state households have to manage fuel wood legally or illegally from different sources including from forests. In such a situation the demand on the forest is very high.

**Table 9: Gap between Demand & Supply of Forest Products By 2001 (in 100,000 cu.m)**

Category of forest products	Requirement by 2001	Present level of production	Short fall
Fuel Wood	141.28	1.35	139.93
Bamboo	4.34	2.5	1.84
Fodder	434.66	NA	343.66
Timber	3.67	1	2.67

Source: Orissa Forest 1999, Compiled by Statistical Data section, Office of the PCCF, Orissa, Bhubaneswar

**Table 10: Annual Household Fuel Wood Consumption in Forested Rural Area (Orissa)**

	Average per capita Annual Consumption (Kg)	Projected Population Dependent on Forest (Million)			Total Annual Consumption (Million Tonnes)		
		1996	2001	2006	1996	2001	2006
ORISSA	523	14.6	16.2	17.9	7.6	8.5	9.4
INDIA	635	184.0	204.0	226.0	78.0	87.0	96.0

Source: ORG Data, FSI (Forest Survey of India)

### 2.1.2 Forest Labour:

There are about 10 million forest labourers in the state. This is a very disorganized, low paid group, uncertain about continuity of employment and adversely affected by environmental safeguards. They do not deny the need for environmental safeguards, but changing forest labourers' occupation is extremely difficult. As a result they still indulge in illegal felling of trees, transportation and sale of timber and firewood even after realizing that there is a ban on felling and forest is needed for their survival. The blanket ban on forest cutting is neither scientific nor does it support forest conservation, which is not possible without solving the employment need of forest labourers.

### 2.1.3 Kendu leave pluckers

Orissa is the second largest state after Madhya Pradesh for production of kendu leaves. It accounts for 15% of total production in the country. Substantial numbers of households depend on kendu leaves as an important source of their livelihood. In the state there are 15 to 20 lakhs (1.5 to 2 million) people who pluck kendu leaves. Of these, 50% are from Scheduled Castes and Scheduled Tribes. Further, of the total kendu leaf pluckers 75% are women. Besides the pluckers, there are 50,000 checkers and 17,000 seasonal staff. The pluckers receive one paise per leaf. For every twenty leaves, they get one paise incentive. Thus for every 100 leaves they get one rupee and five paise.

Kendu leaf trade was nationalised in 1993 with a view to ensuring fair price to the pluckers and enhancing Government revenue. However the experience during last few years shows that it has given revenue to the government but the condition of kendu leaf dependent population has not improved. Kendu leaf trade is a lucrative revenue earning activity for the Government of Orissa: the government gets Rs. 12,000 to Rs. 16,000 as royalty per tonne of dry leave. Without any investment government receives Rs. 70 to Rs. 100 crores annually (Rs. 700,000,000 to 1,000,000,000 or around £10-13 million). It has been estimated that the government gets Rs. 2.50 to Rs. 3 per hundred of leaves whereas the pluckers get one rupee for the same amount. (See Vanabharata, Oriya July 2000). Further there is exploitation by the middlemen who are involved in purchase of kendu leaves. The pluckers have to wait for months to receive their payment. They have to visit to the buyers time and again in order to request to get the payment. As most of them are illiterate and poor, there are numerous instances of cheating by the buyers in terms of payments. Sometimes the pluckers receive only part payments but have been told by the buyers that full payment has been given to them. Some NGO's have surveyed buyers behaviour of associated with kendu leaf and found frequent illegal practices. RCDC has carried out studies to understand the problem of kendu leaf pluckers, and has collected information from number of NGO's that in turn, have got information from kendu leaf pluckers. This information is given in Table 11 below. It is seen that 70 % of the money was not received by the pluckers on the first week of July 2002 even though they have sold the leaves two months back.

**Table 11: Some Aspects of Kendu leaves sale and Payment in the district of Balangir**

Block	Total villages surveyed	Tendu leaves Collected (price in Rs.)	Total amount received	Amount yet to receive(as at 5.7.2002)	Amount yet to receive as % of total collected	Surveyed source
Belpada	13	872,760.	205,885	666,202	76.3	Adhikar
Patnagarh	06	514,536.	115,024	399,512	77.6	RCDC
Khaprakhol	12	662,838.	241,234	421,604	63.6	Nipidita
Agalpur	10	499,860.	162,776	337,084	76.4	Palli Aloka Pathagara
Turekela	05	263,800.	106,586	157,214	59.6	Sramik Shakti Sangha
Bangomunda	03	146,993.	53,246	93,747	63.7	Anchalika Janaseba Anusthan
<b>Total</b>	<b>49</b>	<b>2,960,787</b>	<b>885,424</b>	<b>2,175,363</b>	<b>73.47</b>	--

Source: RCDC, Ama Jangala Ama.

## **2.2 The Forest Department**

The development of forest management is dependent upon the thinking and practice of the Forest Department. It is the duty of the Forest Department to provide a responsive and transparent system of forest management. Its roles need to be regularly redefined for changing circumstances, and this has been the case particularly after the advent of the National Forest Policy (NFP), 1988, and Joint Forest Management (JFM). In case of extensive forests its role is to provide protection and scientific management, promote people's participation to help management and ecological development outside the forest area. In case of forest areas lying within village boundaries its role is different. Its crucial role is of facilitator to people for their protection of the forest and promoting increased sustained production from it. The FD has to consider equitable distribution of forest products and strengthen village level institutions. Further it has to protect and manage the forest on a sustainable basis along with the villagers. Preparation of micro-plans village level at village level with consultation with the villagers is essential. Apart from protection and facilitator roles, Forest Department also has to play developmental role to improve income status of forest dwellers. Since, improvement in income provides the path for future development.

The foremost and fundamental concern that has been voiced is the legal basis of the JFM circular itself. The JFM Circular issued in 1990 by the secretary, environment and forests was to set a new policy on "involvement" of village communities and village assemblies in the regeneration of degraded forest lands." The circular, took the national forest policy, 1988 as its basis for envisaging people's involvement in the development, protection and management of forests, and to make the mechanism more effective concerning production, protection, collection, processing and ultimately marketing of timber and NTFPs. Therefore, the central concept of management has been to initiate an integrated approach so as to realize the full value of the growing stock, regeneration of degraded forests so as to benefit all, particularly the poor forest dwellers.

The workings of VSS, formed under the JFM policy have not been generally satisfactory as an independent, autonomous and vibrant institution at the grassroots level. Further it has succeeded neither in empowering forest dwellers and raising their socio-economic capabilities nor in conserving bio-diversity.

Government policies on collection, trade and disposal, processing and value addition of NTFPs affected different sections of population differently based on the degree of their forest dependence. Forest Acts and policy measures also directly influence extraction methods, agencies involved in collection, use, processing, trading, storage and marketing of NTFPs. However, a number of laws have been enacted to bring tribals to the mainstream, and to protect them from the exploitative interests of land grabbers and moneylenders, but these have had limited success. Meanwhile, a number of Rules, Acts, laws and administrative provisions have restricted the freedom of forest dwellers, and have weakened the relationship between tribals and forests. As a result these policies have alienated them from the basic sources of their livelihood.

The Orissa Forest produce (control of trade) Act 1981 defines the scope of the state government to exercise monopoly over certain products. The products accordingly are declared as specified forest produce from time to time. The Orissa Forest Act, 1972 also treats the forest products on private lands and non-forest commons as forest products. The state government is also empowered not only to declare any other product as specified forest produce, but also could exercise monopoly over the trade of almost all NTFPs. In fact all these have adversely affected the livelihood interests of the tribal at the grassroots level.

Many micro-level studies (Mallik et al, 1998, Fernandes et al 1988) categorically report that the commercial activities of the government organizations in the state are not at all in conformity with the

basic philosophy and spirit of the forest acts. Until recently many private traders as well as moneylenders acted as sub agents at the grassroots level to collect NTFPs. This indeed, is a contradiction, because in reality, these unauthorized agents perform a major part of collection of NTFPs. Primary collectors generally do not secure administered pieces for the products declared by the government owing to different kinds of their socio-economic incapability and unequal bargaining power vis a vis the buyers.

The fixing of prices for available NTFPs has recently been decentralized to the district level. The fixing of prices by the committee is on the basis of minimum wages as per the Orissa Forest produce (Control of Trade Act.) 1981 and Orissa Kendu Leaves (control of Trade) Act 1961. However these rules are generally deviated from, though specific rules in section -7 of the Orissa Forest Produce (Control of Trade) Act. 1981 and Minimum Wages Act 1948 categorically specify the procedure of price fixation. Even the prevailing market prices of the NTFPs in the respective areas are not taken into consideration. In such a situation the tribals are unable to secure a legitimate price for their products due to some reason or the other.

There are also restrictions with respect to procurement, storage, transportation, marketing and processing. These restrictions on permits, registrations etc. are an essential part of forest laws and policies essentially to ensure sustainable management of NTFP resources and ecological/environmental sustainability. But these policies, in totality may cause varieties of adverse effects on the livelihood sustenance of forest dwellers.

In Orissa, JFM and Panchayati Raj (PRIs) are not inter-linked (through PRIs are the sensitised institutions in governance at the grass roots level). Government Resolution 1993, and 1996 provide scope for due linkage between these two sensitised grass root level institutions. However there are several ambiguities in the functioning of village community's and the involvement of Panchayats.

The Panchayat (Extension of Scheduled Areas) Act 1996 and Orissa Gram Panchayat (GP) Act 1964 have been amended in 1997. Now the GPs have been empowered with ownership over 68 NTFPs, the GPs have not been well equipped with funds, infrastructure and man power to deal with collection, processing and trading of NTFP's. As a result the primary gatherers are unable sell their collection in time to the right agencies at the right price.

The state government nationalized the major forest products, namely: Kendu Leaves, Bamboo and sal seed with the expressed intention of protecting the interests of forest dwellers and to raise revenue for it. But the state Forest laws and regulations in practice create obstacles related to accessing, procuring processing and selling of forest products. Even today the forest dwellers have not been recognized as 'primary producers', despite their intermediary value addition work at the household level with their indigenous knowledge and skill. Although the state does not impose restrictions on the collection of NTFPs, immediately after the collection, it enters in to the trade scenario and restricts the flow of goods. This affects the forest dependent poor adversely.

As per forest regulation it is mandatory for the primary gatherers to deposit their collection with selected agents for sell. Further possession of items beyond certain amount of forest products is illegal as per law. However, it is not mandatory for the agent / lessee to actually buy them or pay at the government rates. It is a clear tilt of rules against the weaker forest dwellers. This is a strange situation where in the state decides the products to be nationalized, also decide their prices and leases, but does not hold responsible, when minimum support price is denied to Primary gatherers (as per the minimum wage Act. and Rule) despite provisions in the lease contract. This sort of behaviour of the state rules affect livelihood of forest dwellers adversely.



Both the state Forest Department and the forest development communities developed sense of distrust of each other for different reasons. The Forest Department was apprehensive of the encroachments, grazing, illegal, feelings, etc. by the communities. Thus the Forest Department views the forest dependent communities as a source of threat to the forest. By contrast, the communities feared the loss of access to traditionally used forests due to the lust of corrupt officials of the Forest Department. Even today the communities perceive the Forest Department as “the worst enemy of the jungle.” Under the prevailing conditions of mutual distrust, forest protection and management are very difficult to achieve.

## **2.3 Industry and Forest Use**

A number of forest products including bamboo and Sal seeds are utilized by forest based industries in the state. The major forest based industrial units in the state are as follows. There are four paper mills at Jeypore, Brajrajnagar, Choudwar and Rayagada; three plywood / MDF units at Balangir, Nawarangpur and Jashipur, and five oil units at Bangripasi, Kesinga, Ambaguda, Rairangpur and Ainthapali. Besides this, there are 55 small-scale units and 665-saw mill in the state. These industries employ about 25,000 people. The paper mills require about 6 lakhs MT paper pulp to produce about 2 lakhs million tones of paper. The plywood and MDF units require about 50,000 cu. m timber every year and oil plants require about 70,000 MT oil seeds every year. Besides this, small scale units and saw mills also require large quantities of timber and non-timber raw materials. For sustained supply of raw materials to these industries have to depend on the forest.

Trees are required for multiple purposes. By assuming that 50% of trees planted go for industrial uses, we are required to plant about 9 crore trees every year, which is 3 times the present rate of planting. However the forest product based industries have not contributed much to the state economy, on account of low productivity of these industries and low value addition of their output.

Forest product ‘services’, are vital for ecological stability, and in recent years on account of recurrent occurrence of droughts, floods and accelerated soil erosion in the state, the accent in forest management has been shifting toward the production of ‘services’ rather than “goods”. Of the forest product ‘goods’ produced more than half are used in domestic consumption.

The production of services and goods from forests has reduced considerably since the 1950s on account of two reasons. These are: (I) depletion of forest owing to increase biotic pressures, (ii) official diversion of forestland for non-forest use. In the state about 27,055 hectares of forest area had been diverted to non-forest use between 1982 to June 2002. As a result there is shortage of supply of forest products. The pattern of development in the state has generated a large demand for certain forest products, which is beyond the supply.

### *2.3.1 Saw Mills.*

Saw mills use timber as the main raw material. In 1990 there were 195 unlicensed saw mills in the state, and 665 licensed sawmills, making a total of 860 sawmills. Out of these, 447 saw mills (constituting 52 % of the total) were located within a radial of 10kms of forest areas. In addition to this there were numerous carpentry units and carpenters who use timber for their establishment.

The Orissa Sawmill and Sawpit (control) Act 1991, forbade the establishment of sawmills within a radial distance of 10 kms from the forest area. The spirit of this Act is not to give further license to new mills. In view of this Act, many Sawmills, which were located within 10 kms, were not given a license. However, some of them were able to continue to carry out their activities in connivance with some corrupt forest officials. Even though the Sawmill owners have challenged this Act, both the honourable High Court and Supreme Court have said that the Act does not contradict the law. By

June 2003, there were 174 licensed Sawmills. Out of 34 forest wild life divisions, sawmills are located in 15 divisions only. There were no sawmills in 19 divisions. Similarly, out of 103 municipality area, there is no sawmill in 20 municipality areas. The government of Orissa has constituted a committee in order to look into opening of more sawmills. The committee has recommended the opening of another 70 sawmills in urban areas in order to satisfy the demand for wood. There is strong protest by Orissa Wildlife Samity. (Samaja 27.10.03) However certain DFOs or Conservators of Forest have provided licenses to the sawmill owners for starting saw mills. There may be connivance between the forest officers and saw mill owners. As a result some saw mills are in operation with in the radial distance of 10km contravening the Saw mill Act 1991. Clearly sawmills are an important source of timbers demand, which puts a heavy demand on the forest.

## 2.4 Mining and Deforestation

Orissa is endowed with rich mineral resources. The major mineral occurring in the state are bauxite, chromites, coal, dolomite, fireclay, graphite, granite, iron, manganese, limestone, nickel and quartzite. These deposits are located in Kalahandi, Koraput, Keonjhar, Balangir, Dhenkanal, Sambalpur, Jajpur, Sundargarh and Phulbani districts. The exploitation of mines will have adverse impact on the forest development and livelihood of people dependent on forest.

The metal mineral resources of chromites, manganese and iron in Orissa constitute 97.1%, 36% and 14.1% respectively of the country. They are located in Keonjhar, Sundargarh, and Dhenkanal and Jajpur districts. It has been found that out of total 364 leases, 148 leases of iron, manganese and chromites are being operated over 37,664 ha, which includes 19,263 ha forest cover. The district wise details of leased minerals and forest covers are given in the Table I below.

It is important to note that there are illegal mining activities by the mining leasees in many forest areas. The lease base holders, in connivance with some lower level forest officials, and officials of other department, often mine in areas adjacent to their leased area. As a result the destruction of forest area is much higher in comparison with the area legally leased for mining purposes. There are no official figures available on the extent of the area illegally operated by mining contractors, but the evidence given in Table 12 is indicative of legal mining in different areas of the state. Now the government of Orissa has liberalised the giving of leases in forest areas, compensating the people living in the area with some cash benefits. In December 2003 the Government of Orissa has approved a policy on grant of mining lease and transfer of land for commercial projects in scheduled areas of the state. Given that the mineral areas of the state has become the hunting ground for many national and international mining companies it will have long-term implications for the growth of forest and its consequence on the livelihood pattern.

**Table 12: Districts with mineral deposits and leased area for mining located in forest-covered area**

Districts	Mineral deposit	Leased area (hectares)	Forest cover (hectare)		
			Dense	Open	Total
Sundargarh	Iron, manganese	4,448	1,138	1,928	3,066
Keonjhar	Iron, manganese	25,615	7,530	6,494	14,024
Kosher	Chromites	620	274	54	328
Jajpur	Chromites	5,134	685	775	1,460
Dhenkanal	Chromites	1,847	137	248	385
<b>Total</b>		<b>37,669</b>	<b>9,764</b>	<b>9,499</b>	<b>19,263</b>

Source: A study of FSI 1991(unpublished) State of Forest report 1999 page: 80

## **2.5 The Forest Mafia**

This is a negative type of stakeholder on the development on forest. The operation of forest mafia in the state is a subject of public concern. According to the latest Forest Survey of India (FSI), the loss of forest cover in the state due to rampant illegal timber felling is high. It has been pointed out that timber smugglers are very active in Satkosia, Keonjhar, Balliguda, Rayaguda, Athmalik, Boudh, Simlipal, Daspalla Baisa Palli, Palla Lahara, Bonai and Dhenkanal area.

Due to the high demand for wood for furniture and house construction activities, particularly in urban areas and in neighbouring states, there is a well-organized racket involved in felling prime timber trees in the forest area of the state. Illegal felling of prime trees continues unabated, allegedly with active connivance of forest officials in many cases. The indication of the extent of illegally felling of trees during late 1980s and early 1990s is given in Table 13. This type of illegal felling of trees is very high in the state. Further, local woodcutters gain access to the nearby forests by reportedly bribing the lower forest officials. This has become so normalised that the cutters say they have to pay a toll fixed by forest officials for tree felling. There is evidence reported in newspapers that forest officials hush this matter up by releasing the culprits if villagers take the trouble to catch them and hand them over.. Local anecdotes indicate that local mafias, big or small supply wood to furniture production establishments located in urban and semi urban areas with or without approval of the Forest Department personnel.

Even though some steps have been taken at the state level by higher forest officials there are problems at the implementation stage it is claimed due to non-cooperation by lower officials. The procedure for punishment of mafia as well as encroacher is cumbersome. At the village level the ranger or forester has limited power. These officers have to report to the higher officer for certain amount of seized product or report to the police. Then the matter goes to court which takes a long time to decide the matter. As such punishment of mafia is a protracted and time consuming process. If there is connivance between the forest officers and the mafia the matter become very complicated. In such a situation it gives the wrong signal to the villagers. The mafia-related problems are an important issue in the state, which has to be tackled seriously at different levels by the state with the cooperation of civil society.

There have been some efforts on the part of the state to release encroached land from the mafia, leading to the release of about 2,235 hectares of encroached forestland. Among the different forest divisions of Orissa, Nawarangpur division has the highest area of encroachment. Many refugees from Bangladesh have been living illegally within this forest division, becoming an important source of deforestation. Likewise in Keonjhar forest division more than 4,500 hectares of forestland has been under encroachment by the mafia. This division has a history of connivance of forest officials and mafia. Because of the presence of many minerals in the district, generally found in the forest areas, it is lucrative for both the connivers. Mafia activities have increased in recent years. The state government has registered many cases agent of mafia, but there is hardly any progress or result in any cases. Only in Nawarangpur, more than 12,000 cases have been registered. But not a single hectare of encroachment land has been recovered from the hands of mafia. It is very difficult to get evidence from the official document on such a sensitive issue. Table 14 provides some indicative figures of mafia activities in forest sector in the state.

**Table 13: Illicit Felling by Individuals or Groups (1988-89 to 1992-93)**

Year	No of offences detected	Value of the seized materials (in lakh of rupees)	Total forest revenue (in lakh of rupees)	Value of seized materials as % of total forest revenue of the state.
1988-89	32315	62.23	5918.19	1.05
1989-90	28769	57.32	10901.31	0.52
1990-91	42355	78.9	10904.42	0.72
1991-92	72931	275.7	8466.60	3.25
1992-93	72995	271.3	10391.10	2.61

*Note:* The official figures do not include the large number of undetected cases. In that case the actual figures would be much higher than those furnished above. For example, between 1997 and 1999, there was a loss of 18 sq. km (6.94 sq. miles) of forest area in the Dhenkanal district mainly due to illicit felling, as per the estimates of Forest Survey of India (State of Forest Report: 1999, Table 3.20f.). The area lost is about 1.69% of the total forest area (1063 sq. km) of the district.

*Source:* Rath B., January 2002, People -Forest-State: A statistical Review of the Triangular Relationship in Orissa, Vasundhara, Bhubaneswar, Orissa, page-13.

## 2.6 Traders:

Traders of the forest products are an important segment of stakeholders. The behaviour of traders, and terms of trade with them fundamentally affect the livelihood of forest dwellers. Large numbers of vendors are involved locally in selling NTFPs. While many of them sell products collected from remote forests for making extra income, there is a network of merchants with intermediary buyers and sellers. Local traders and merchants are the main intermediaries. They buy NTFPs cheaply from the primary gatherers, and sell them to exporters/ processors or their agents at the upper hierarchical level at higher prices. In the marketing network however, the obstacles are many and varied. These include:

- Absence/ inadequacy of co-operative organizations.
- Non-availability of market and price information for quick disposal.
- Lack of access for credit institutions to meet operational credit needs.
- Local collectors are very often at the mercy of the intermediaries, due to interlinkage of credit and marketing of forest products.

Traditionally, the surplus of NTFPs has involved networks of local collectors and intermediaries bound by long-term, often interlinked with credit relationship. This system of linkage is well established despite state intervention to improve the marketing of NTFPs in the state. The primary gatherers have to sell their products at very low prices due to a variety of reasons including: lack of timely dissemination of information about the support prices (prior to harvest), marketing avenues, processing units for value addition, and urgent demand for cash for immediate consumption and other needs. Furthermore the value addition to the products collected by the forest dwellers is also very low. In such a situation they realize very low prices from selling the products. Given that alternative sources of earning open to them are negligible they have little choice but to be engaged in such activities where the rate of return for their labour is very low. Market intermediaries, including private traders, form the dominant link between the primary gatherers and the final consumers. They mop up a large proportion of the surplus generated from the products sold by the forest dwellers.

Market intermediaries emerge from the basic need to provide links between production and consumption sectors that are separated by time, form and location differentials. Market intermediaries remain essential for common duties that require time, space, technology and transportation before they reach final consumers. In many cases, the commodities are brought and sold several times, adding value at each step, before they are finally consumed.

**Table 14: Indications of Forest Mafia Activities in Orissa – Reported Recent incidents**

Name of the Village Block	Nature of Mafia (Small/Big)	What types of Goods stolen	From where to where	Actions taken by the Forest Dept., Police, Villagers	Forester known to be in connivance with mafia?	Source	Mode of transit
Balipatna (B) (Khurda)	Organized Big	Premature tree Timber	Village to nearby town	The Forest Department Enforced to plant trees within the Government land, school and office	Yes	The Sambad dt-20.01.04	N.A.
Ghumsura South (Bhanjnar)	Organized big mafia having arms and bombs	(Wood) timber of worth Rs.50,000/-	Village to nearby town	DFO organized a meeting among different forest guard	No	The Sambad dt-20.01.04	N.A.
Dashapalla Nayagarh	Organized (small)	25 nos. Sal/Timber	Daspalla forest to Nayagarh town	The police arrested and brought them to P.S.	No	The Sambad dt-20.01.04	N.A.
Kuchinda Kuchinda	Organized	Timber	Junani forest to Kuchinda	Arrested by the police	No	Dharitri dt-30.10.03	N.A.
Kulahira (Jharsuguda Dist)	Organized (Big)	Timber	Kulabira forest to Jharsuguda, Sambalpur, Kuchinda	Arrested by the police	No	The Samaja dt-29.10.03	N.A.
Jalaswar Block Raibaniya forest	Organized with arms	Lac, Tamarind, Kendu leaves and strong timber	Raibaniya forest to West Bengal	No action has been taken	No	The Samaja dt-25.12.03	N.A.
Gurujang forest Pallahada Deogarh	Saw Mill workers (small)	Sal, timber (26 nos. of 7 ft length)	Gurujang forest to different Saw Mills	Village people stopped the mafia, seized the timber and complained to the Forest Department	No	The Samaja dt-02.06.03	By foot
Anandpur Gathgaon Keonjhar	Organised (Big)	Sal timber more than 80 ft worth Rs.50,000/-	Gathgaon to Sukinda	Seized and complained to the DFO.	Yes	Dharitri dt-09.01.04	By mini truck
Nayagarh	Organised (small)	Sal, Saguan	Nayagarh to nearby city	Government had not taken any active steps	Yes	Samaya dt-25.12.03	By cart
Khandapada	Organised (big) with arms, bombs	Timber	Forest to town	F.D. arrested and challan to court	No	The Samaja dt-28.12.03	By cart
Maneswar Check Gate	Organized	Large number of timber 16 nos. Sal, 19 nos. Bija	To Sambalpur	Police dept. seized the timber	No	Dharitri dt-30.12.03	By truck no.OR15C 0744
Angul	Organized with arms	Teak wood worth lakhs of rupees	Angul forest to Jarapada and Jadanga	F.D. seized the timber	No	Times of India dt-08.07.03	By Tata 407 trucks

Since the technology and finance to perform these functions are beyond the reach of poor primary gatherers, these are left to intermediaries, who appropriate the greater share of the value of the products in terms of profit at hierarchical stages of exchange.

The intervention by the state, through the Orissa Forest Development Corporation and Tribal Development Cooperative Corporation, has not improved the marketing situation for the forest gatherers. This is because these organizations are unable to perform their assigned roles to buy enough products from the sellers due lack of financial, manpower and organizational power. As a result the sellers have to depend on the traders to as a final resort to sell their collected output.

## 2.7 Involvement of NGOS in the Forestry Sector

Orissa has a rich tradition of institutional pluralism. The role of NGOs can be classified into three categories. These are (i) service providers, (ii) facilitators and (iii) activists. A look at the activities of NGOs reveals that a majority of them are in the first and second categories. Most of the NGOs in the state indicate that they are engaged in a variety of activities including the forest sector and as such very few NGOs have mentioned forest related activities as their main role. However the Non-government sector has taken a keen interest in the forestry sector. There are of course some important NGOs such as the Regional Centre for Development (RCDC) and Vasundhara who mainly deal with forestry. These organizations have combined all the three types of role including activism in policy formulation and policy changes in the state. There are many NGOs which are working in forest-related activities but whose names are not found in any directories. The number of NGOs associated with this sector has been given in Tables 15 and 16.

**Table 15: Selected NGOs Associated With Forest Activities**

Circle:	Division	No. of NGO's
ANGUL	TOTAL	54
	Angul	5
	Athmalik	4
	Dhenkanal	29
	Athgarh	05
	Keonjhar	11
KORAPUT	TOTAL	20
	Balangir	1
	Rayagada	12
	Nawarangpur	1
	Jeypore	2
	Kalahandi	2
	Khariar	2
SAMBALPUR	Total	20
	Sambalpur	7
	Deogarh	13
BERHAMPUR	TOTAL	23
	Boudh	4
	Nayagarh	1
	Paralakhemundi	18
S.T.R. BARIPADA	Karangia	5
	<b>TOTAL</b>	<b>122</b>

Source: Forest Status 2001, Bhubaneswar.

**Table 16: NGO Involvement in Forest Development and Protection Activities in Orissa**

District	Forest protection	Social forestry	Agro forestry	Plantation	Total
Angul	-	3	-	4	7
Balangir	6	1	-	3	10
Balasore	-	-	-	9	9
Baragarh	-	-	-	-	-
Bhadrak	1	-	-	3	4
Boudh	-	-	-	2	2
Cuttack	1	3	-	7	11
Deogarh	2	3	-	2	7
Dhenkanal	10	4	-	11	25
Gajapati	1	3	-	6	10
Ganjam	2	5	-	15	22
Jahatsinghpur	1	1	-	3	5
Jajpur	1	1	-	13	15
Jharsuguda	-	1	-	3	4
Kalahandi	3	3	-	4	10
Kandamal	4	2	1	8	15
Kendrapada	3	3	-	6	12
Keonjhar	1	-	-	9	10
Khurda	1	6	1	16	24
Koraput	2	1	1	7	11
Malkangiri	-	-	-	-	-
Mayurbhanj	10	5	-	5	20
Nawarangpur	2	1	-	2	5
Nayagarh	2	7	-	6	15
Nawapara	3	1	1	4	9
Puri	1	8	-	9	18
Rayagada	2	4	-	4	10
Sambalpur	3	3	-	3	9
Sonepur	-	1	-	1	2
Sundargarh	3	1	-	3	7
<b>TOTAL:</b>	<b>62</b>	<b>71</b>	<b>4</b>	<b>168</b>	<b>308</b>

Source: Directory of Voluntary organization Orissa, 2000, PDC network Bhubaneswar-6.

The government of India (GOI) has recommended that NGOs be invited to help promote Joint Forest Management. However it has permitted only a limited role for them. The JFM letter from the GOI stated that the NGOs are “particularly well suited for motivating and organizing village communities for protection, afforestation and development of degraded forest land” (GOI 1990). The letter, on the other hand, has cautioned that ‘no ownership or lease rights over the forest land should be given to NGOs and the access to forest land and usufruct benefits should be given only to the beneficiaries who organize into a village institution (*ibid*, clause ii and iv). These directives initiated a qualified support by the cooperation of Forest Department for inclusion of NGOs in the JFM programme. In accordance with these guidelines there is involvement of many NGOs in the forestry sector. These NGOs are generally involved in spreading environmental awareness and protection where the growth of forest is seen as crucial. Many of them are also associated with spreading ideas about afforestation and the ill effects of deforestation.

There are some NGOs in the state which provide services for development of forest, and forest fringe people. It is very difficult to quantify the number of NGOs which are doing such work. For instance there are some NGOs including VIKALPA, in Kantabanji Tehsil, Kalahandi, which are associated with development of forest related activities. Similarly there are NGOs, which are active in

organizing the people especially tribal, whose livelihood is dependent on the development of forest and forest related activities. One such NGO is Agrabami. It has played active role in all the three activities associated with NGOs. There are other NGOs, which do similar work but the number is few. It is to be noted that NGO's roles are flexible, and diversified. Sometimes they are service providers other time play an anti-government role with a view to highlight the plight of the forest dwellers and or the inadequacy of services provided by the government of the day. Agrabami's role is an example of this type.

Many NGOs have played important role in organizing, the self initiated forest protection groups in different regions of the state. Some of them have taken the initiative in the formation of Forest Protection Groups and then formed networks for strengthening these groups with a view to improve their bargaining power vis-à-vis other organization / state.

## **2.8 Networking and Federations of CFM in Orissa**

In order to address various issues like information dissemination, conflict resolution, a platform for discussion, dialogue, exchange of ideas and building pressure groups, networking of NGOs is crucial. In order to strengthen the CFM network in the state CFM groups started to federate themselves at different level in different forms. They have formed their own federations at cluster, block and district level. One of their demands is that the state should adopt a community forest management policy instead of the current FD controlled JFM policy. It is to be noted that networking and the evolution of federations is quite varied at the local level with different representation mechanism, catering to different issues and undertaking different activities.

Odisha Jungle Manch (State Forest Forum) was formed during 28-29<sup>th</sup> March 1999. The basic objectives of this Manch are to strengthen and carry forward the CFM process in its logical development. Among other things this organization is taking up the roles of advocacy and lobbying activities at the state level in order to promote a comprehensive policy for community based management of forest (CFM) and forest products.

## **2.9 Donors in the Development of Forest-related Activities**

Involvement of foreign donors in the forest sector of Orissa has been limited. There was involvement of one donor country in forest related activities in Orissa during 1980s and 1990s; the Swedish International Development Agency (SIDA), which provided financial assistance for development of social forestry in Orissa.

The first phase of social forestry project (SFP) was initiated in the state during 1983-84 in nine of Orissa's thirteen districts and was extended to rest of the districts subsequently. The main objectives of SFP were to create sustainable forest resources for the people to meet their requirements of fuel wood, fodder, small timber and minor forest products. The project envisaged active involvement of local people in general and women and socio economically weaker section in particular. The operational components of the SFP were as follows:

- Creation of village woodlots and institutional plantations over common surplus revenue land, and degraded barren hills.
- Reforestation and rehabilitation of degraded protected 'B' class Reserve forest.
- To assist landless and land poor families to plant fuel, fodder and fruit bearing trees on common and private land.



During the second phase of the project the focus was market orientation of activities with a view to generate cash income, equitable distribution of output emanating from the project and sustainable development of renewable resources.

The scheme was implemented under the following main programmes. These were National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEG), and Rural Fuel and Wood plantation programme (RFWPP) (See Economic Survey of Orissa, 1997-98). The second phase of the project started during the year 1988-89 and it continued up to 1992-93. It was extended further up to 1995-96. Later, agreement between the state government and the Government of Sweden was signed to start a proposed follow-on project entitled Capacity Building for Participatory and Sustainable Management of Degraded Forests in the State. The project was to be implemented in two stages. Stage I continued during the period 1.12.97 to 31.05.1999. Stage II of the project has been conceptualized and to be implemented over a period of three years.

During stage I of the later project, work relating to preparation of village level organizations, demarcation of degraded forests, identification of successful VSSs and training of forest personnel was completed. The Forest Department identified 1,514 villages with 'successful' JFM activity. Rs. 1.28 crores was spent on these activities. Stage II of the projects planned for the intensification of JFM with active participation of local people. A sum of Rs. 73 crores was spent on these activities.

The SFP, during the 1<sup>st</sup> phase has covered 5,000 villages and with plantation activities in 33,590 ha. Similarly during the second phase (1988-93) 7,500 villages were covered with plantation over 55,312 ha. Plantation activities were carried out in all the 13 districts of the state through development of nurseries, village wood lots, plantation in barren hills, strip plantations, reforestation of degraded and depleted forest and institutional plantation etc. The physical and financial achievement under the SFP has been given in Table 17. It is to be noted that the plantation activities after 1995-96 has been funded from the state plan resources. Investment of Rs. 54-64 crores has been undertaken during the period 1995-96 to 2000-01. About 3.8 crores of seedlings have been distributed in all the 13 districts and 7943 hectares of areas have been covered.

The achievement under the SFP is not very encouraging as revealed from the Mid Term Evaluation of and Social Forestry Project 1991, Vol. I (PCCF, Office, Bhubaneswar). The participation of village forest committees (VFCs) in decision-making process in general and on issues like selection of land and species was weak. Rather the Forest Department mainly selected the species planted. The participation of women and weaker section of the society such as SC/ST was weak. The distribution of interim harvest was not equitable. The VFPs overlooked the issue of equity in the distribution of benefits and gender. There was lack of dissemination of information to the people in regard to the rights on community plantation and the arrangement of distribution of benefits. It has been found that the protection of plantation was more successful where the community participation was voluntary.

The above discussion on SFP in the state revealed that the coverage of the area is limited, the resource utilized was meagre, the choice of species was not in relation to local requirements, and the participation of local people especially the poor and women in management of the scheme was weak. Clearly it was a top down approach without much participation at the local level.

**Table 17: Physical & Financial Achievements of Externally Added Forestry Projects on Completion**

Name of the Project	Aid Agency	Project Period	Period Cost (Rs100,000s)	Actual Expenses (Rs100,000s)	Physical (in ha)
Orissa Social Forestry Project Phase I	SIDA	'83-4 to '87-8	28.17	27.06	33,590.00
Social Forestry Project Orissa Phase II	SIDA	'88-9 to '95-6	78.34	136.80	1,194.50
<b>Total</b>			<b>106.51</b>	<b>163.86</b>	

Source: Ministry of Environment & Forest

The state has been unable to mobilise adequate funds for the development of forest and forest related activities from the central government or from external donor. This may be due to inactive political leadership as well as bureaucratic attitudes prevalent in the state. Earlier there had been some efforts by the state government to get funds from external donors like World Bank and DFID for development of certain sectors of the state. But the negotiations between the state and the donors has led to protracted negotiations without any outcome. It appears that the state is not able to satisfy the terms and conditions of the donors. As a result the inflow of funds to the state including the forest sector is meagre or negligible.

The foregoing discussion reveals that there are negative as well as positive stakeholders in the forest sector in Orissa. The presence of positive stakeholders is meagre, and as a result there is little empowerment of the forest dependent people in the state. In such a situation they are at the mercy of agents who exploit them and take away a major portion of their earned surplus, creating a miserable conditions for them..

### **3 NON-TIMBER FOREST PRODUCTS IN THE LIVELIHOODS OF FOREST DWELLERS AND OTHERS DEPENDENT ON THE FOREST**

This section analyses the importance of forest products and their control by different agencies. Non-timber forest products (NTFPs) have been the lifeblood of the forest dwellers especially the tribal living nearby the forest. These products provide food and cash income to the poor tribal during the lean seasons. Yet policy makers have overlooked the potential of NTFPs in combating rural poverty and food insecurity, and state policy on NTFPs has mostly favoured private business interests: private leaseholders, traders, moneylenders as well as its own interest. The private business houses were the monopoly traders of major NTFPs till 2000. As a result the primary collectors were worse off because of the low payments received by them when they exchanged their products with the traders. Even the low income derived from the sale was irregular due to erratic procurement of these products by the buyers.

#### **3.1 Policy Reform for NTFP Marketing**

Due to concerted efforts by civil society the state NTFP policy has been changed in March 2000. Salient features of the revised policy are as follows:

- Shift in the objective of NTFP management i.e. from state revenue maximization to that of sustainable rural livelihood.
- Recognizing the necessity of transferring ownership rights over Minor Forest Products (MFP) from the Forest Department to the Gram Sabha/ Gram Panchayats.
- Deciding to do away with monopoly trading rights, which benefit only a small group of traders, at the cost of millions tribal and forest dependent poor.

The NTFP 2000 policy recognizes the critical importance of NTFPs in the livelihood of tribals and the rural poor. It seeks to give primacy to welfare of forest dependant poor over revenue objectives of the state. It also seeks to deregulate NTFP trade and encourages competition for NTFP procurement by conferring rights over 68 NTFP items to Gram Sabha as opposed to the earlier policies of monopoly leasing.

The NTFP 2000 resolution categories forest products into 3 groups. These are:

- specified forest products (Kendu leave, bamboo and Sal seeds). For evolution of state policies for these products see appendices I, II and III
- NTFPs: these include 60 items along with 7 tree based oil seeds.
- 'Minor Forest Products' (MFPs) or leased barred items: these include various kinds of barks, tubers and medicinal herbs.

The Gram Panchayats have now been entrusted for the procurement of the NTFPs. However, the traders still play an important role directly or indirectly in the business of these items. The problem of low price realized by the primary collectors persists even today. The prices of NTFPs are fixed at the district level rather than at the state level committee since 2001. However, the district level committees generally declare the price well after the procurement time. This situation has prevailed since 2001. As a result the collectors of the major NTFP items have to sell their produce to the traders at low prices. Further, a major share of the profit of the trade of NTFPs goes to the intermediary buyers rather than the primary collectors. This is due to the fact that the later do not have direct access to the markets and they are not involved in processing of the products for end use. The state, though rich in NTFP production, has hardly any processing facilities for the products collected, although the situation differs slightly between nationalized items (sal seeds, kendu leaves and

bamboo) and non-nationalized items, (although not very much from the primary collectors' point of view). Before discussing this there is need for clarification on the classification of NTFPs in the state.

### **3.2 Definition of NTFPs**

The state differentiates between Non Timber Forest Products (NTFPs) and Minor Forest Products (MFPs). This is because the Constitution of India stipulates that ownership over the MFP has to be transferred to Panchayats. The state has identified 85 items as NTFPs. Out of these, 68 items have been transferred to Panchayats. The rest have been divided into nationalized NTFP (bamboo, sal seed and kendu leave) and 'lease barred' items. The products under the lease barred items are mostly gums, barks and leaves that are either banned or allowed selective extraction by primary collectors. This classification came up only after the provision of Panchayat (Extension to Scheduled Area) act (PESA) came into being in 1996. In response to PESA the state has come out with legislation whereby Gram Sabhas have been given ownership rights over NTFP in their area of jurisdiction. In operational terms, it means that traders who want to operate in any area have to become registered with the respective Panchayat and pay a fee. The traders are supposed to pay the prices fixed by a district level committee.

After the promulgation of Orissa Gram Panchayats (Minor Forest Produce Administration) Rules in November 2002, the responsibility of fixing the minimum procurement price (MPP) has been vested with the Panchayat Samity. The MPP so fixed by Panchayat Samity is to be rectified by Gram Sabha and the Gram Panchayat has been empowered to modify the MPP if needed. According to the new rules, any person who is interested to deal in forest produce, can deposit a required amount of money and register himself as a dealer. The panchayat has the power to cancel his registration if it finds that the dealer buys forest products at less than the fixed price approved by it. Further, each dealer has to give a statement about the amount of products bought by him in the panchayat areas to the panchayat office and the Range Office of the Forest Department. But in practice traders do not follow this. It is noteworthy that there is no restriction on movement of produce inside the state. Overall it is clear that the Panchayats have been provided with the responsibility and authority of managing non-nationalized NTFP, but lack the capacity to exercise these powers, and in many cases they are not aware of their power

### **3.3 Nationalized NTFPs**

Sal seeds, kendu leaf and bamboo are the nationalized NTFP items in the state. Kendu leave trade was nationalized in 1973 and Sal seed during 1983, with a view ostensibly to ensuring a fair price to the gatherers, and also to enhancing government revenue. The contradiction between these objectives have largely been resolved in favour of the later: the policy environment relating to NTFP trade was characterized by revenue maximization by the state. Furthermore, apart from the above three nationalized forest products, trading rights for several marketable NTFPs were given to private houses as monopoly leases up to 2000. In such a situation the fate of forest products and livelihood of people dependent on these products, were in the hands of private parties and industries.

The price fixation of the NTFPs is mainly based on minimum wages. For instance, as per the relevant Acts [OFP (CT) Act 1981, and OKL (CT) Act, 1962] the price fixed for the NTFPs are mainly based on consideration of minimum wages. The Orissa Forest Products (control of trade) Act, 1981, section (7) states that while fixing the price of specified forest products, regards may be paid to among other things, "general level of wages for unskilled labour prevalent in the units and the provisions of the minimum wage Act, 11 of 1948". However the prices fixed by state have little relevance in the absence of mechanisms to ensure that these prices are paid. The monopoly leaseholders depend on

the local sub-agents/ traders in varying degrees for procurement of NTFPs. Because of low bargaining power of the primary collectors vis-à-vis these traders, the former rarely get the state administered prices.

The overall impact of the policies and laws were depression of prices received by the primary collectors for NTFPs especially due to monopoly leases and high royalty fixed by the Forest Dept, with a resultant deprivation of their livelihood. On the other hand the state generates significant revenue from its trade (kendu leave and sal seed) that is based on the hard work of the primary collectors.

It is desirable that the primary collectors should get a share in the profit from the operations of NTFPs. The state has a provision for channelizing of profits from kendu leaf operations to the primary collectors, but the system of distribution is faulty. For instance, a provision exists that at least 50% of the profit earned from Kendu Leaf (KL) operations has to be distributed to Panchayat bodies in the KL growing subdivisions. But so far only *ad hoc* grants have been given. Further, instead of sharing the profit within the kendu leaf growing / collecting areas the profit is distributed widely, even to non-kendu leaf areas. Further the funds given to the panchayats under the KL grants are utilized for a variety of purposes including payment of salaries to the staff. As a result the primary collectors hardly get much benefit from the transfer of profit to panchayats. Moreover, the %age share of revenue passed on to the primary collectors of KL as wages is the lowest in the case of Orissa at around 20%. (See Vasundhara, 1997)

Clearly, although NTFPs form an integral part of the livelihood of the forest dependent communities, state policies related to these items have been generally pro-rich and trader- oriented up until 2000. As a result the livelihood conditions of the poor, dependent on these produce, have been very precarious. Recent changes in the policies of NTFPs have not improved the livelihood condition much.

#### **4 PARTICIPATORY FOREST MANAGEMENT IN ORISSA IN PRACTICE**

This section provides a discussion on the functioning of Participatory Forest Management practices in the state. The scheme of Joint Forest Management of degraded forest was introduced in the state during 1993. The scheme envisages that local village level institutions namely Vana Samrakshyan Samity (VSS) comprising two members (a man and a woman) from every household living in the village will be formed. Each such samity is to nominate its Executive Committee (EC) comprising 10-15 members. The committees are to enforce proper access and control over forest areas, prevent theft, fire and encroachment and other forest offences, and act as a vigilance group for protection of the forest. The Forest Department will work jointly with the VSS.

Even though the JFM scheme started in 1993, the progress made under it was very slow up to 1998. There were about 1,105 VSS covering 104,454 ha of forest area (Tables 18, 19, 20). The average area protected per VSS was 95 hectares. The real growth of VSS numbers started during the years 1998-99 and 99-2000. The number of VSS increased from 1,105 to 6,685 between 1998 to 1999. Further, it has increased to 6,912 by December 2002. By the end of 2003 there were 7,002 VSSs in the state. However, in order to achieve the target of formation of VSS the Forest Department has simply persuaded many already existing self-initiated groups to convert into VSS. For instance in Balangir Forest Division out of 526 VSS formed by the end of 2003, 182 of these or 34.6 % were converted VSS. Clearly the number of VSS has increased during the last four years, and an average 800 VSS have been formed per year during the period April 1999 to December 2002, but about one third of these have been formed by converting the indigenous groups existing in the forest fringe villages.

There is differential growth of formation of VSS in different forest regions of the state (Table 18). The undivided districts of Koraput, Balangir and Kalahandi (comprising of six divisions) have much higher growth of VSS in comparison with other divisions. This growth has been due to increased flow of funds to these districts under the long-term development plan (LTDP) of KBK regions from the Central Government. It is noteworthy that the Central government has given grants to these regions for a variety of programmes including the development of forestry.

The increase of mere numbers of VSS may not lead to regeneration or development of forest and improvement livelihood of people dependent on forest. Even though thousands of VSS has been formed and registered, many of them are inactive. The figure available from the office of the Conservator of forest, Bhubaneswar does not give figures of active and dormant VSS. Recently, information from Balangir, Phulbani and Sambalpur district forest divisions have been collected by the author from different range offices of these territorial divisions, and enquiries made about the nature of activities carried out by the VSS in each range / bids. It is found that the percentages of VSSs, which are inactive are very high, in fact more than half of total VSSs formed. Further the overall situation of the division does not provide a real picture. For instance, of the 7 ranges in the district of Balangir, hardly two/three ranges have done well in terms of development of VSS. The percentage of active VSS has been found only in three to four ranges. The situation in the division of Phulbani and Baliguda and the district of Sambalpur are also similar. It appears that the initiative of the Forest Department in the formation of VSS has not resulted in the desired result of inculcating the spirit of participation among members of the groups in many VSSs. Another important fact to note is that the active VSS are found in the bids/ranges, which are away from the town/business centres: the VSSs located in the interior area are more active and engaged in protection activities.

**Table 18: Progress of Joint Forest Management and Community Forest Management Committees in Orissa (as at December 2002)**

Division	Total no of VSS formed	Average Area Managed per VSS (ha)	Number of 'Unorganised' Groups	Average Area Protected per 'Unorganised' Group	Number of VFPCs formed	Average Area Protected per VFPC
Angul	256	143.6	28	*	98	181
Athgarh	110	88.5			76	95
Athmalik	86	82.4			155	169
Balliguda	235	59.5			56	630
Bamara	258	99.6			138	191
Baripada	276	108.6			152	127
Balangir	378	122.7	38	164	457	215
Bonai	120	71.3	209	149	145	221
Boudh	112	94.6	10	76	150	35
Dhenkanal	172	125.1	68	59	148	206
Deogarh	143	81.3	188	161	222	155
Gh. North	75	99.3			55	520
Gh. South	102	159.1			160	219
Jeypore	481	72.9	196	298	139	72
Kalahandi	611	75.5	12	*	551	298
Karangia	21	97.3	7	*	220	167
Keonjhar	37	109.7	4	*	197	105
Khariar	381	92.6			81	102
Nayagarh	15	95.6	44	160	55	197
Nawarangpur	95	350.8			503	230
Paralakhemundi	516	90.4			106	97
Phulbani	473	62.6	143	36	214	253
Puri	27	137.0	10	200	83	211
Rairakhol	102	100.5	11	39	111	414
Rayagada	924	64.6			586	180
Sambalpur	423	139.3			11	147
Sundargarh	483	120.6	10	49	59	199
<b>Orissa Total</b>	<b>6912</b>	<b>97.0</b>	<b>978</b>	<b>149</b>	<b>4,928</b>	<b>205</b>

Source: Orissa Forest 1999, Office of the Principal Conservator of Forest, Government of Orissa.

\*: Data not available

**Table 19: Progress of VSS and VFPCS and Unregistered Groups in Orissa (1980-1999).**

Period	Number of VSS	Average Area protected per VSS (in ha)	No. of VFPCS	Average Area protected per VFPCS (in ha)	No. of unregistered groups
1981-90*	--	--	6,085	233.4	--
1990-99**	6,685	95.0	4,928	205.0	769

Source: \* A Decade of Forestry in Orissa, 1981-90, Table 2.4.10.

\*\* Orissa Forest 1999, p.37.

**Table 20: Number of VSS Groups and Area Protected 1998-2002.**

Period	No of VSS groups	Area protected per VSS (ha)
Up to March 1998	1,105	94.5
Up to March 1999	6,685	94.0
Up to October 2002	6,805	81.4
Up to December 2002	6,919	95.8

Source: Orissa Forest (various years), Govt of Orissa, Economic Survey of Orissa.,

**Table 21: Year wise Progress of JFM in Orissa 1994 to 2002**

Year	No of VSS	Total Area protected by VSSs (Sq. Km.)
1994-August	395	332
1996	1,060	939
1998	1,473	1,423
1999	6,685	6,346
2001	5,979	5,846
2002	6,912	6,620

Source: Forest Department

In order to achieve the targets of formation of VSS, the Forest Department has taken the initiative at the beginning, forming many groups quickly and converting many of the self-initiated groups. But since this initial effort, the Forest Department has shown less interest in post-formation support to the groups, and as a result, the many VSSs, which were formed earlier have become dormant.

#### 4.1 Problems with JFM

Even when the local institutions have continued to function there have been a number of problems with their functioning:

##### 4.1.1 Decision-making authority

Local communities find the VSS institution uncomfortable since it tends to erode the decision-making authority at the community level. It also disregards the traditional knowledge system of the community and instead has introduced a situation where the Forest Department plays an important role in decision-making relating to forest.

##### 4.1.2 Benefit sharing:

The 1993 resolution for JFM by Govt. of Orissa provides for 50% share in major or final harvest and a 100% of intermediate produce to go to the VSS. There is a feeling among the community that this means 50% of the benefits are taken away from it. As such there are problems of the level of incentive for hard work.

The non-timber forest produce (NTFP) policy in the State is regressive in comparison with policies of other neighbouring states. Till recently most of the marketable items (28 items) were leased out to private traders, alias a joint sector company. As per the JFM deal, 100% of the intermediate produce and 50% of any major harvest is supposed to go to the forest protection committee (Van Samrakshyan Samity, VSS). Thus, VSS should get 100% of NTFPs, but VSS members and NTFP gatherers get only wages for collection of some of these products. Thus, even on supposedly jointly managed forest land, the co managers are treated as mere labours, who are to gather NTFPs and handover to state



appointed agents at the state fixed prices. The state fixed prices are based on minimum wages principles and are not based on the value of the produce. Recently there have been some changes in the NTFP policy, but still the state has retained control over the major revenue earning NTFP items and has handed over only 68 'minor' MFPs to gram panchayats.

Even in the case of Gram Panchayat the transfer is not complete. For instance, according to the 2000 resolution in fact the panchayat has been given only a rudimentary role. Although the policy says that Panchayat are the owners of the NTFPs, in reality they have been given a minor role with regard to the trade of NTFP: simply to perform the registration of traders on payment of specified fee.

There are restrictions with respect to storage, transportation, marketing and processing of NTFPs. It appears that the restrictions on permits, registration etc. are an essential part of forest laws and policies. The objectives of these are ostensibly to ensure sustainable management of NTFP resources and ecological and environmental sustainability (and not only to raise greater amount of royalty). In practice these cause a variety of adverse effects on the livelihood options of indigenous communities.

As per the JFM plan the VSS, through its executive committee, is to execute an MoU with the concerned DFO for protecting, regenerating and management of forest area, VSSs constituted prior to 1993 have not been registered as VSS in full. Further, VSS institutions, in the absence of legal authority, have failed to resolve many interpersonal conflicts prevalent in the groups. In such situations VSS committee find it difficult to take strong action against erring individuals or the state for non-compliance. It also becomes difficult to ensure equitable distribution of usufructs given the prevailing socio economic inequalities in the rural communities (see Mishra, 1998).

There are mismatches between the fast changing forest policies initiated by Central and state governments without commensurate changes in the statutory rules and acts. This leads to several legal and institutional ambiguities. For instance, participatory forest management was initiated in Orissa according to village forest rules 1985 prior to 1990. These were framed under section 31, 32, and 82. (d of the Orissa Forest Act 1972). During the period 1988-2000 several government resolutions have been affected concerning village forest management. But, none of these changes have been incorporated in the existing statutory rules of 1985, which would have avoided confusion and legal invalidity (Mishra, 1998).

#### *4.1.3 Tenure Security*

Under the existing JFM framework villagers have hardly any secure rights over forest. As such there is not much incentive on the members to ensure the growth of forest products on long terms basis. Even today the Forest Department holds most of the controls and powers over forests as well as systems of management<sup>1</sup>.

## **4.2 Community Forest Management in Orissa**

This section provides a brief discussion on the evolution and functioning of community forest management practices in the state.

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<sup>1</sup> Even the Forest Enquiry Committee 1959 has recommended that, "Where people have preserved and protected forests within their village limits some legal protection should be given to these forests as other wise other villagers would destroy them as in Nowrangpur (Maidalpur), Sundergarh (Gamaridih). It was complained that the area preserved by the Kesinga Panchayat was leased out by the Forest Department to a company". (See Report of the Forest Enquiry committee, Govt. Of Orissa, P. 94, 1959)

Community forest management has a long history in Orissa. A large number of rural communities have evolved their own mechanism to deal with the forest degradation situation. Self-initiated forest protection groups emerged in response to loss of forests, encroachment of forest for cultivation, severe shortage of biomass for rural communities and lack of initiative from the Forest Departments to arrest these trends. Apart from hardship due to scarcity of forest products, the ecological effects of forest degradation, viz. loss of soil fertility at the foot hills and drying up of streams, played a significant role in inducing forest protection by villagers.

The first recorded instance of voluntary forest protection by communities goes as far as back to 1936. This is formed in the village Lapanga in the district of Sambalpur. By 1960s, many villages in Western Orissa took to forest protection on their own. In the 1970s it has grown in central Orissa. The districts where CFM has made substantial headways are Nayagarh, Mayurbhanj, Keonjhar, Dhenkanal, Sambalpur, Balangir and Phulbani. As per the estimate of NGOs federations of forest protecting communities (see Patnaik, 2002, RCDC) there are about 8000 village groups in the state protecting some two million hectares of forest in the state by now.

These communities embarked on protection and management of degraded forests under community management system. A brief historical evolution of (CFM) is given in Table 22 below. The primary objective of self-initiated groups was protection of degraded or partially degraded forest patches belonging to the Forest Department as well as non-forest areas. Other activities include adoption of silvicultural operation, regulating grazing and extraction, managing vegetation, fires control and grass distribution. The protection systems adopted include social fencing, voluntary patrols and paid guard depending upon the local situation.

One important aspect to note is that most of them were born out of the people's own volition, without any initiative from the Forest Department. They are protecting different types of forest. These include bushy forest, degraded forest; open forest, as well as the forest not yet degraded. These communities have taken control and management of forests irrespective of the legal status of forests. The management practices followed by them are diverse and strikes a balance between conservation and livelihood needs of the villagers. The last one and half a decades of community based forest management practices have paid off in terms of arresting deforestation and degradation of forests in the areas where CFM are in good number. It has also met the forest produce needs of local communities spreading ecological movement and responsibilities in the populace for maintaining their ecology (Patnaik, 1996, p.974).

**Table 22: Timeline of Evolution of CFM and JFM in Orissa**

	Traditionally, village communities were managing forest through customary rules. In many tribal areas and unsettled areas, villages were managing forest and forestland even during the British period.
1936-	First recorded history of CFM – Lapanga village in Sambalpur district.
1960s	Launching of community development programmes and formation of youth clubs... Youth clubs took up forest protection as an activity. Movements for setting up schools - forest are being protected to meet the expenses of the school.
1970s	Forest protection evolved in Puri (Nayagarh) Balangir, Sambalpur district. Emergence of BOJBP- a significant movement relating to CFM.
1980s	Spreading of CFM in Nayagarh, Balangir, Dhenkanal and Mayurbhanj districts.
1983-5	Initiation of social forestry project- formation of official village forest committees (VFPCs).
1984-87	<i>Anti Balco</i> ('Save Gandhamardan') movement increased the consciousness in people in Western Orissa to protect forest.
1985-	Orissa village forest rules- legal recognition of VFPCs and declaration of village forests.
1987-88	National Environmental Awareness Campaign sensitised the people on protection of environment and forest.
1988 - Aug	Historic resolution by Government of Orissa to involve villages in protection of RFS. Formation of village forest protection committees (VFPCs).
1990-May	Government resolution to involve community to protect protected forests (PFs).
1993-July	Comprehensive resolution on JFM and formation of Van Samrakshyan Samities (VSSs).
1994-Dec	JFM extended to social forestry. The village woodlots and the block plantations brought under the JFM.
1996-September	Further JFM resolution to give more rights to communities by declaring forests under Joint management as village forest.
1997-November	Process initiated at the Government level to draft a new resolution on JFM.
1998 - October	Massive campaign by the FD to form VSS.
2000 - March	New NTFP policy of the state and handing over of ownership rights of 67 NTFPs to Gram panchayats.
2001- July	Resolution of state price fixation committee, giving power to PRIs to decide to price of NTFP.
2002 - May	: All forestry programmes of the Center have been consolidated and these will be implemented under SGVY through FDAs. The programmes would be implemented through VSSs. Reportedly; there is a renewed drive by the FD to form VSSs, as the fund will be directly coming to the VSSs. Since the programme has just been initiated, details are awaited.

Source: Community Forest management in Orissa, Manoj Pattanaik, community forestry, Vol. 1, No. 1 and 2, January 2002.

#### 4.2.1 Networking among the community managers

The villagers involved in forest protection have developed their network for solidarity of exchange of information and problem solving. The network has been formed at block, district region and state level. The networks at cluster or forest block level are mobilizing people for collective protection and management of forest. These are found in the districts of Sambalpur, Deogarh, Sundargarh, Kalahandi, Koraput, Nayagarh, Nawarangpur, Rayagada, Gajapati, Phulbani and Boudh etc. The federations at different areas have been working towards strengthening the community based forest protection and management arrangements in the areas. It has been successful in minimising the breakdown of forest protection efforts frequently observed during the initial days.

The development of community forest management has taken root in the protection and development of forest in Orissa. It is noteworthy that this sort of development of organization and motivation of protection have aroused spontaneously. In such collective action the transaction cost of management is negligible. However, it is to be noted that the implementation of Forest Department-driven programme of JFM has created obstacles for local initiatives or in many cases converted the CFM into

'official' JFM. In such a situation the local and indigenous management practices, which have evolved since long, have given rise to uniform types of decision making in the new regime. In view of this some of the local communities find the new arrangements uncomfortable as well as unacceptable.

### **4.3 Policy Lessons for Participatory Forest Management in Orissa**

It is clear that the experience of management practices of CFM have many positive features, which can provide some positive lessons for proper working of JFM in the state. Yet the JFM guidelines of Govt. of India issued in 2000 lay down that all self-initiated forest protection efforts are to be brought under the purview of JFM by way of registration. There is resistance, in many cases, by the CFM groups to this act. Because this would affect their traditional structure and functions and there would be hardly any flexibility in the operation. Thus there is conflict between the CFM and JFM in terms of principle and organizational forms.

One of the main issues in participatory forest management in Orissa is how to resolve this conflict. The issue is: whether the CFMs have to succumb to the new regime and be converted into VSS? Or whether CFM groups can maintain their independent identity and be supported to overcome the problems present in the CFM arrangement; such that the CFM will grow in the areas where they are doing well.

Overall a number of policy observations may be made:

#### *4.3.1 Tenure security is a more effective incentive for the communities than monetary incentives.*

If communities set up their own institution, they exhibit exemplary resource use and are able to exert considerable social pressure on the erring members of the group.

#### *4.3.2 Biodiversity provides a greater assurance of livelihood security than the timber value of forests.*

Assurance of rights over forests resources solicits responsible behaviours and genuine participation from communities.

#### *4.3.3 Community-initiated groups and indigenous customary practices need recognition by the Forest Department.*

There is absence of proper legal sanction to forest protecting committees. This often led to harassment by the forest officials to the members, conflict of interest and uncertainty of rights over forest resources. Yet if communities are discouraged from informally coming together to protect adjacent forests – assets upon which their livelihoods depend, the forests and their livelihoods will surely deteriorate.

#### *4.3.4 Without legal status for community-initiated groups certain types of conflicts may not be managed properly.*

Conflicts of various natures are found in the forest area. These are conflicts in inter village and intra village level leading to deforestation, mismanagement of the resource, judicial proceedings etc. Similarly there are conflicts over benefit sharing, usufruct rights, illegal felling by neighbouring villages, and demarcation of forest area between villages, and between forest protecting villages and without forest protecting village, urban centres etc. There are instance where the community groups have to go to the police to take action against the offenders because the accused do not agree with the punishment meted out to them.

It is to be noted that in Orissa the demarcation of forest area of various type, (such as village forest, reserved forest, un-demarcated forest etc.) has been very slow or unfinished. In such a situation conflict management can be very difficult.

*4.3.5 The recent move by the Forest Department to implement the FDA scheme has led to emergence of new type of problems in CFM areas.*

The Forest Department has initiated formation of new committees in the villages overlooking the already existing forest protection committees and the federation at the block level. Funds for the development of village infrastructure including forest related development. As a result rifts have started within and between forest protecting villages. This development may be a potential threat to the growth of CFM.

*4.3.6 If forest-based livelihoods are to improve, local institutions need real power in relation to NTFP marketing*

The powers of village protection committees (VFPCs) are still limited in relation to NTFP management. Similarly there is not a conducive atmosphere for their involvement in procurement, processing and marketing of these items. Even though procurement and marketing rights for 67 NTFPs have been given to Gram Panchayats, there is no enabling and conducive environment at the village level. As a result there is no real power vested in the community. Nor it is able to exercise the power vested in it. In such a situation the forest communities are unable to realize ample benefits from exchanging the NTFPs products.

*4.3.7 Equity: differential participation and access to benefits*

It has been found that poorer members in the group, whether JFM or CFM, are unable to realize the benefits accruing from the forest fully. The participation of women is also weak. Further many of the poor are unable to contribute to voluntary community patrolling to guard the forest of CFM/JFM. Such situations lead to exclusion of many poor from benefit sharing and forest management efforts. .

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