

From Guardians to Growth: Transforming Community Capacity for Sustainable Forestry and Rural Enterprise in Bhutan

BACKGROUND

Community-Based Forest Resource Management (CBFRM) in Bhutan is a holistic governance framework that unites Community Forests (CFs) and Non-Wood Forest Product (NWFP) management groups to promote sustainable forest stewardship, climate resilience, and socio-economic empowerment. Initiated in the 1990s and anchored in legal milestones such as the *Forest and Nature Conservation Act (1995)* and the *National Forest Policy (2011)*, CBFRM recognizes local communities as the primary custodians of their natural assets. By establishing formal management groups governed by locally developed bylaws, participatory planning, and consensus-based decision-making, the framework strengthens local ownership and ensures equitable benefit-sharing. Despite the successful establishment of over 821 CFs and 134 NWFP groups, rural communities historically operated as passive resource guardians rather than active managers, facing the following significant barriers:

- **Governance Gaps:** Weak administrative capacity and informal record-keeping, limited group transparency and self-reliance.
- **Technical Deficits:** Lack of silvicultural skills and Annual Allowable Cut (AAC) calculation tools led to over-harvesting and degradation.
- **Commercial Isolation:** Limited to selling raw timber/NWFPs due to poor processing, packaging, and market reach.

To address these interconnected challenges, AFoCO project (AFoCO/2020/017) implemented by the Department of Forests and Park Services (DoFPS) of the Royal Government of Bhutan across 12 target districts (Bumthang, Chhukha, Gasa, Haa, Lhuntse, Paro, Pemagatshel, Punakha, Thimphu, Tsirang, Wangdue, and Trashigang) executed a multi-pronged strategy. By combining targeted institutional building, financial literacy, silvicultural upskilling, and enterprise development, the project transformed passive resource guardians into resilient, self-governing custodians capable of managing their natural assets sustainably.

Key Messages

- 1. Strengthening Governance:** Bhutan is empowering rural forest guardians by uniting government authorities with local CBFRM groups, positioning local stewardship as a core solution for climate resilience and decentralized resource management.
- 2. Sustainable Forest Management:** Silvicultural upskilling, sustainable inventory mapping, and scientific thinning practices have revitalized local stand health while securing critical headwater catchments.
- 3. Bhutan's National Priorities & Sustainable Future:** Aligned with the Royal Government of Bhutan's 12th Five-Year Plan and the Sustainable Development Goals (SDGs), the project actively supports national goals for administrative self-reliance and forest conservation.



Figure 1. Practical training involving the Community Forest Management Group members for Resource Assessment training in Bhutan. © AFoCO

IMPACTS

Building Skilled Community Institutions

One of the project's most significant achievements was strengthening the institutional capacity of Community Forest Management Groups (CFMGs) and NWFP management groups. Through a series of governance workshops, resource management trainings, and organizational development programmes, communities developed stronger decision-making processes, improved financial accountability, and greater confidence in managing community enterprises.

More than 1,000 community members participated in governance workshops covering topics such as leadership, participatory decision-making, transparency, conflict resolution, and institutional management. These interventions strengthened community ownership and created more accountable and resilient community institutions capable of managing increasingly complex forest-based enterprises.



Figure 2. Training for the Executive members of the CFMGs in Bhutan on Governance & Record Keeping. © AFoCO



Figure 3. Training on Wood Product Design and Development for the members of the Zordung Wood Based Enterprise established in Bhutan. © AFoCO

Developing Enterprise Management Skills

Recognizing that successful enterprises require more than production skills, the project introduced comprehensive training on bookkeeping, financial management, product development, packaging, processing, and business operations.

Twenty-three bookkeeping trainings benefited nearly 600 community members from sixteen districts, significantly improving financial record keeping and enterprise accountability. Additional trainings on product development, packaging, branding, and quality improvement enabled enterprise groups to produce market-oriented products with greater commercial value. These practical business skills have increased the confidence of community enterprises to manage finances independently, improve operational efficiency, and engage more effectively with buyers and markets.

Promoting Learning Beyond Communities

The project also invested in learning exchanges and professional networking by organizing both national and international exposure visits. Community enterprise members visited successful enterprises within Bhutan to exchange experiences and learn practical business approaches, while forestry officials participated in technical workshops and study visits to Thailand, the Philippines, Vietnam, and the Republic of Korea. These exchanges exposed participants to innovative enterprise models, ecotourism management, forest governance systems, and market development strategies.

The combination of local and international learning strengthened institutional capacity beyond the project sites and created valuable professional networks that will continue supporting future community enterprise development.

Enhancing Technical Knowledge for Sustainable Forest Management

The project substantially improved technical knowledge on sustainable forest management through specialized training programmes on silviculture, resource assessment, forest inventory, and scientific thinning practices.

Six rounds of silviculture training and five resource assessment programmes equipped community members and forestry officials with practical skills to sustainably manage timber and non-wood forest resources. Participants learned improved techniques for forest inventory, operational planning, regeneration management, and sustainable harvesting, strengthening their capacity to balance conservation objectives with economic development. The knowledge gained is expected to improve the long-term productivity of community forests while ensuring sustainable utilization of forest resources.

FUTURE OPPORTUNITIES

Institutionalizing Development

Community

Capacity

The success of this initiative proves that long-term investment in human capital is the foundation of sustainable community forestry. To ensure these gains are permanent, the training methodologies, governance frameworks, and educational materials developed during this project should be formally embedded within the institutional structure of the Department of Forests and Park Services (DoFPS). A central priority involves establishing a national standardized curriculum across all Community Forests and Non-Wood Forest Product (NWFP) groups in Bhutan. This standardized framework will cover essential pillars including transparent community governance, enterprise development, sustainable harvesting techniques, and climate-smart forestry practices. By integrating these modules into national extension policies and forestry standards, Bhutan can expand high-quality capacity building nationwide while guaranteeing consistent technical quality across every region.

Building Community-to-Community Learning Networks

Beyond institutional frameworks, the project has successfully cultivated a rich pool of local experts, experienced community leaders, enterprise managers, and field-level forestry personnel who are uniquely positioned to mentor emerging groups. Establishing formal peer-learning networks transforms one-off training events into a self-sustaining ecosystem of shared knowledge. Through structured mentorship programs, experienced and high-performing community groups can directly guide newer or struggling enterprises through hands-on exchanges. Relying on local leaders as primary trainers can significantly reduce the need for costly external consultants, lowering long-term training expenses while fostering grassroots innovation and peer-to-peer solidarity.



Figure 4. Community Training on Product Development and Designing Product Label. © AFoCO



Figure 5. Finished products from Singye Dzong Incense Enterprise. © AFoCO

Strengthening Digital Knowledge and Advisory Platforms

To maintain continuous capacity development beyond project completion, digital technology could provide a powerful, highly scalable pathway to reach Bhutan's most remote rural populations. Implementing mobile-friendly, online training modules and virtual mentoring channels can ensure that geography no longer poses a barrier to technical support. Furthermore, establishing mobile-based market information systems can give community enterprise managers, direct access to real-time pricing data, buyer trends, and supply chain logistics. Overall, enhancing the digital knowledge and advisory platforms will significantly improve access to technical support for remote communities while reducing training costs.



Figure 6. Training of Wood Based Enterprise Members on Operation and Maintenance of Equipment. © AFoCO

THE WAY FORWARD

Building sustainable community enterprises requires long-term investment in people as much as in infrastructure. While the project has significantly strengthened technical knowledge, institutional capacity, and enterprise management skills, sustained support will be essential to ensure that these achievements translate into lasting economic, social, and environmental benefits.



Figure 7. Community Consultation and Training in Laya Incense Enterprise. © AFoCO

Future investments should focus on institutionalizing capacity development within the Department of Forests and Park Services, local governments, and national forestry programmes so that training becomes an integral part of routine forestry extension services rather than remaining project-based. Strengthening local training centres, expanding peer-learning networks, and promoting community-led learning approaches will enable Community Forest Groups to continuously build their skills, adapt to changing market opportunities, and maintain effective governance.



Figure 8. Participants of the Good Governance Training conducted for forestry officials and Community Based Enterprises members. © AFoCO

Greater collaboration with technical institutes, private sector, conservation partners, financial institutions, and local governments can further enhance innovation, entrepreneurship, product development, market access, and value addition. Such partnerships will also help communities adopt new technologies, improve business competitiveness, and diversify income-generating opportunities while ensuring sustainable forest management.

By empowering communities with technical knowledge, strong leadership, and practical business and financial management skills, Bhutan can continue transforming Community Forests from resource management institutions into resilient, self-reliant community enterprises. These enterprises will play an increasingly important role in supporting sustainable forest management, improving rural livelihoods, creating local employment, strengthening climate resilience, and contributing to the country's broader green economic development.

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<https://afocosec.org/project/017>



Asian Forest Cooperation Organization (AFoCO)

AFoCO is a treaty-based intergovernmental organization that is committed to strengthening forest cooperation and taking concrete actions to promote sustainable forest management and address the impacts of climate change.

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This Project Impact Brief (PIB) is prepared by Tshering Zam, the Fellowship Official from Bhutan serving at the AFoCO Secretariat under the Fellowship Program. Designed as a sustainability-focused brief, it highlights selected projects with strong potential for scale-up, communicates the expected impacts and added value of expansion, and recaps key achievements. It also serves as a platform to encourage engagement and collaboration among relevant experts and partners.