

Forestry and poverty reduction:
How can development, research and training agencies help?

Report of an international workshop organised by:
Edinburgh Centre for Tropical Forests (ECTF) &
International Institute for Environment and Development (IIED)

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Overview

This workshop was organised in order to review the practice and visions of primarily UK-based international development, research and training agencies in linking forestry to poverty reduction. It served as a follow-up to a September 2001 FAO event supported by the UK's Department for International Development (DFID) in Cortevicchia, Italy, and as a precursor to an event in Tuusula, Finland, to be sponsored by the Ministry for Foreign Affairs of Finland in October 2002.

The morning consisted of short presentations (Powerpoint overheads available here) on practice, policies, and visions by a mix of consultants, researchers, and development agency advisers.

The afternoon allowed space for small working group discussions on specific themes (on rights/governance, vulnerability, emerging opportunities, and partnerships) with a view to developing ongoing work on principles, codes of conduct, and sharing of good practice. A list of the participants at the workshop is available.

Steve Bass (IIED) was the chair for the day and invited participants to remain focused on the theme of forestry and poverty reduction, with emphasis on how development, research and training agencies could help.

Presentations

Paul van Gardingen (University of Edinburgh, ECTF) introduced the background to the meeting and challenged the participants to concentrate on how forests and trees could be harnessed to deliver against the Millennium Development Goal of poverty reduction. This requires practitioners to remain focused on people and the way that they interact with natural resources rather than considering forests as a community of trees. Participants were invited to contribute constructive ideas of how forests and forestry can contribute to poverty reduction. It was recognised that there are limitations to the ideal "win-win" scenario for forests and poverty and that extra-sectoral influences and trade issues must be recognised and may limit progress, but it was stated that solutions must be found that work within existing constraints as partner countries and the international community strive to reform systems of natural resource governance

Mike Arnold (independent consultant) gave the key introductory talk on *Links between forests and poverty*. He discussed the importance of identifying different categories of forest-dependence and of forest-dependent poor people. He outlined the distinction between strategies for 'poverty reduction' (enabling people to escape from poverty, which in many cases may be

best pursued through means other than forestry) and ‘poverty alleviation’ (literally making poverty tolerable, e.g. by strengthening the livelihoods and basic needs provision of forest-dependent poor). He linked this with the different strategies for using forest products for subsistence and for income generation. He also discussed complementarities and trade-offs between the objectives of welfare, conservation, and market liberalisation.

Neil Thin (University of Edinburgh) introduced the concept of *Socially responsible forestry* and its limited application so far in forestry and forest product certification. He emphasised the importance of rights-based approaches, and of incorporating ethics and social development into the work of forestry. He suggested that such approaches would offer a good basis for tri-sector partnerships, ensuring that the distinct social responsibilities of public sector, private sector, and civil society are identified and monitored.

James Mayers (IIED) addressed *Governance tools, tactics and partnerships for forests and people*. He stressed that good forest governance is a prerequisite for pro-poor forestry - and a worthy focus for development, research and training agencies. He described work using simple analytical tools (‘policy cycle’ and ‘governance pyramid’) which have helped de-mystify governance. He described various tactics for improving governance which focus on systems of information, skills development, engagement, finance and management. He argued that some forms of partnerships between companies and communities in forestry have good potential for improving governance and contributing to poverty reduction, and gave some examples from a global review.

John Cantrill (LTSI) presented work by himself and Mike Harrison (DFID-Uganda) on *Giving people a voice in forest sector reform – lessons from Uganda*. He emphasised the importance of institutional reforms in delivering poverty outcomes, and discussed the role of national consultations on anti-poverty strategies in building a vision and coalition of partners, and empowering civil society organisations. He also noted that forestry activities can be a convenient entry-point to open up debates in other sectors.

Paul van Gardingen (University of Edinburgh) spoke on *Integrative research supporting policy and management decisions*. He argued for more effort by researchers to plan and promote uptake of their findings by practitioners and policy-makers. An essential step to support this would be to fully involve end-users (clients) for research in all stages of research, from determining demand, through implementation to dissemination processes supporting uptake. In many cases rapid solutions will be found through adapting existing work, reorienting it towards Millennium Development Goals, and integrating existing knowledge from a wide range of stakeholders in different disciplines and sectors. It should also entail long-term strategies for linking research to education and training.

Neil Bird (Overseas Development Institute) spoke on *Poverty, forests, and governance*, giving examples from Central America (on illegal logging and the impacts of regulation on livelihoods of the poor), from Cameroon (on public accountability and legal changes) and on decentralisation and working with local government in Ghana and Indonesia. He also outlined the challenges of networking and knowledge management.

Andy Roby (DFID) spoke on *DFID, forest, and poverty reduction*, giving an overview of DFID’s work and partnerships such as the recent collaboration with FAO and IIED to produce a policy brief on ‘How forests can reduce poverty’.

David Cassells (World Bank) gave a presentation on the *World Bank’s New Forest Strategy*, noting its explicit poverty reduction focus, and the attempts to make pro-poor forestry more integral and effective in operational work.

Olivier Dubois (FAO) presented on *How FAO has put “Forestry-Poverty” High on its Agenda*, outlining institutional and programmatic changes involved in efforts to mainstream poverty reduction in the work of FAO and its partners. These included the collaboration with DFID and others to develop the Policy Brief, a forthcoming poverty strategy within the Forestry Department, a new Programme Entity on Forests, Food Security and Poverty Alleviation, and a major emphasis on poverty reduction in the 2003 *State of the World’s Forests* report and the 2003 Committee on Forestry (COFO)..

Tomi Tuomasjukka (Finland Ministry of Foreign Affairs) outlined the processes leading up to the forthcoming (Tuusula October 2002) event on forestry and poverty reduction which will focus particularly on national poverty reduction strategies in Africa. He also gave an overview of Finland’s forestry-related international development cooperation in various countries, and its policies relating to forestry and poverty

Peter Poschen (ILO) spoke about *The Forests, the poor, and the foresters*, outlining ILO experiences in trying to promote stronger recognition of poverty and rights in the forestry sector. This has included an emphasis on the importance of labour-intensive public works progress in forestry, joint management of forests, industrial forestry, and monitoring the rights of forest workers. He argued that many international agencies are being over-optimistic about win-win synergies between forestry and poverty: trade-offs are inevitable.

Christian Mersmann (PROFOR) spoke on *PROFOR’s role in poverty reduction: PRSPs and World Bank Economic and Sector work*.

Summaries of working group discussions and responses

Working groups were divided according to four themes identified by the FAO/DFID publication prepared by James Mayers and Sonja Vermeulen of IIED from the Cortevicchia meeting:

1. Strengthening rights, capabilities and governance
2. Reducing vulnerability
3. Capturing emerging opportunities
4. Working in partnership.

Each group was asked to organise outputs from its discussions under separate headings relating to principles, codes of conduct, and more specific examples of practical actions for external supporters of poverty-reducing forestry. In practice the discussion groups also added in suggestions under other rubrics such as current problems, forest-poverty linkages, and constraints on achieving better forestry-poverty reduction synergies. All participants has been provided with a briefing document for the working group sessions [*link*] before the workshop.

Overview of working group discussions and responses

Group 1: Strengthening Rights, Capabilities and Governance.

Sonja Vermeulen (IIED) facilitated and presented the feedback. The group identified several constraints to external donor, research and training organisations on good practice: donors’ continued over-emphasis on project-based approaches and innovation rather than implementation, the high time and money challenges of governance problems, and the superior power of those (e.g. forest departments and large forest-based industries) with vested interests in resisting pro-poor forestry agendas.

Participants organised their discussion topics and recommendations under the headings of *entitlements, information, change, and inclusive/responsive policy*:

- **Entitlements:** the importance of encouraging recognition of de facto rights, as well as transferring rights to poor people and creating new rights; the need to understand power as well as formal structures; building poor people's organisational capacity by co-operatives and networks; donors can act as champions of the poor and help with the codification of rights (e.g. DFID land claims in South Africa). Very poor people need legal, and enforced, guarantees of basic rights to travel and gather subsistence products on public and private land
- **Information:** the importance of communication strategies to share information at all levels (for example in connection with the preparation, implementation, and monitoring of NSSDs, and PRSP); and in order to achieve this, the importance of strategies such as producing documents in local languages and using non-written media and publicity events (good practice examples: timber rights in Cross River State in Nigeria; dissemination of information on forest product prices in Cameroon, and the use of the PRSP for communication about forestry in Bolivia. National level policy learn more from project level experience. Research projects should be required to report to local levels. The group recognised that improved access to information does not always directly benefit the poor, (sometimes information needs to be withheld, for example in the protection of poor people's intellectual property), but that transparency helps. This required mechanisms to better share information and support the entry of the poor into participatory processes (e.g. PRSP).
- **Coping with change and unpredictability:** policy often changes via long build-ups followed by sudden lurches (e.g. decentralisation in Indonesia). These changes can to some extent be predicted and prepared for - resilience needs to be built into approaches and solutions and it is important to invest in the process as well as outcomes to achieve this.
- **Making policy processes inclusive and responsive:** aiming for representativeness, pluralism and flexibility, based on careful analysis of stakeholders and identifying legitimate representatives of the poor. Approaches and solutions need to be based on an analysis of the political economy of each country – there are no global blanket solutions (not even in theory). Progress often comes from the cumulative impact of a series of small steps rather than major shifts.

The group suggested that developing a “code of conduct” for external donor, research and training organisations may not be a useful activity, for two reasons: (1) useful codes need to be specific to specific organisations and their particular mandates and (2) there are already several poverty/environment codes which could be adapted, without developing new ones. The plenary session discussed means of monitoring and enforcing codes of conduct. Tomi Tuomasjukka (MFA, Finland) asked that the question of whether or not a code of practice was required be considered. He was not signalling an opinion for or against. Steve Bass (IIED) pointed out that while generic standards for addressing poverty in development interventions existed, there was nothing specific to forestry. (It had been noted earlier that while Codes of Practice for forestry development exist [such as those from the EC and ETFAG], these did not specifically address poverty reduction.) Whilst Tapani Oksanen (Indufor) voiced concern regarding the risks attached to imposing our standards into the NFPs of developing countries, there was some agreement that perhaps what was needed was for the inclusion of specific, poverty-addressing factors to be incorporated into the existing codes for forestry sector development.

Peter Poschen (ILO) suggested that, where legal provision of rights was not secure, there is scope for contractual provision to be useful. He suggested 3 mechanisms for enforcement:

1. Ratification (by Governments) of International Labour Standards
2. Independent forest certification – as “external pairs of eyes”
3. Local “Chambers for Sustainable Development”, as seen in Brazil

Group 2: Forests and Vulnerability

Julian Gayfer (LTS) presented the feedback. The **critical linkages between forests and vulnerability** were discussed first: the importance of forests as stores of assets for long-term investment, especially important for poor people, their provision of refuge in crisis, and the potential use of forest assets as collateral; the importance of forest product flows at difficult times, providing countercyclical income stability; the role of forests in providing physical protection from hazards, but also the need to balance this with the physical hazards from forests

(increased vulnerability such as wildlife menace to crops and lives, and the use of forests by rebel armies). It was suggested that forests have potential to be used as collateral

Key problems and challenges were identified as: the need for clarification of tenure/access; large protected areas can increase vulnerability; forests as sources of national security problems (e.g. insurgents); concerns about intellectual property conflict may be a disincentive to investment in Forest Policy development; physical vulnerability can be increased or reduced by deforestation/degradation

Codes of conduct and practice: strategies for external support should try to strengthen existing resilience strategies. They should match external support with local capacity-building, e.g. external researchers can improve local confidence in their own forest knowledge and capabilities. Biodiversity protection areas should be non-exclusive where viable (I.e. allowing compatible livelihood options). It was noted that external agencies can generate political space for dialogue, researchers can join advocacy networks and that such participatory processes require information to be readily available to all stakeholders.

In the plenary discussion Mike Arnold stressed the importance of recognising the role of forests in the diversification of household economies (in the spreading of agricultural risks in space and time) but also the potential for forests to become a poverty trap. Sonia Vermeulen (IIED) drew attention to the need for responding to the transfer of rights by “creeping privatisation”.

Group 3: Capturing emerging opportunities

Mandy Haggith (Worldforests) presented the feedback. Various kinds of relatively recent and **emerging opportunities** were identified: carbon trading, watershed management payments, certification and fair trade/organic labelling; and technology developments such genetic improvements in tree crops.

Critical constraints were identified as: lack of tenure or tenurial insecurity; markets loaded against poor; institutional barriers; gender inequality; and structural inequities in general.

Principles and actions need to recognise and respond to these inequities and insecurities, recognising that progress against poverty isn't possible without challenging powerful vested interests (e.g. monopolies by existing carbon traders) and transferring resources and opportunities from rich to poor. To achieve such transformations, strategies are needed to build human and social capital: e.g. development of labour organisations and networking of users. Governance strategies must make sure that existing subsidies and incentives are targeted at the poor, and should build on local initiatives where possible. Improvements in information-sharing was emphasised, with some practical suggestions on use of visual and audio media locally and nationally for awareness-raising and dissemination.

In the plenary discussion Peter Poschen (ILO) suggested that there is an emerging opportunity – and political support for – forest landscape restoration, which could be seen as “rebuilding natural capital”. Olivier Dubois (FAO) pointed out the need to distinguish between binding social capital – within a stakeholder group, e.g. mafia, and linking social capital – between stakeholder groups. The latter is an essential complement to the former to develop downward and upward accountability. He also commented on the focus on women should concern the need for equal opportunities, not on more work for women, who are already overburdened. Sonia Vermeulen (IIED) pointed out that Group 3 was the first to say overtly that for the poor to get richer, the rich had to get poorer.

Group 4: Partnerships

Kirsti Thornber (LTS) presented the feedback. This group explored ways for forestry-related agencies to use multi-sectoral learning and new partnerships to reduce poverty. There were

some sceptical views on whether PRSPs are really the best way to improve poverty, and whether poverty focus is really going to change what forestry agencies do.

The familiar challenges of partnerships were explored: they are difficult to form, and therefore take time and are best seen as long-term investments; they are often unduly influenced by donor agendas such as new and often impractical ideas, rather than being ‘demand-led’ and realistic about resource constraints. The group asked, “what are the best processes to form partnerships”? It was pointed out that not many agencies may want to establish partnerships with forestry agencies. Also, agencies should clarify their understanding of the causes of poverty before deciding on partnerships. Agencies engaging in new and complex partnerships need capabilities in conflict-resolution and consensus-building approaches. Investment in the process of partnership building requires risk taking and an iterative process that does not give up after the first attempt. The process should be based on evidence and stakeholder groups will need more equitable access to knowledge.

The group suggested the following principles for effective partnerships. They should be based on national ownership (not on donor agenda) and should be part of a national process that ensures that everyone has a voice. This raised the question of how to ensure that the poor can be helped to articulate their views. It was stated that we need to support the poor to participate, *not* represent them. There is a need to be realistic and accept that local partners often lack capacity to participate. Local partners require education and training to enable full participation and need support to learn how to work with international players to avoid a tendency to look for the right words (or tick-boxes) to get funding. It was recognised that the conditions may not be ready for effective partnerships in many countries which led to the identification of the need to understand the enabling conditions, through the analysis of lessons that from previous experience (particularly with PRSPs).

A number of important constraints were identified. These included that forestry may not appear in PRSPs even when forests may be a key to poverty reduction. One reason for this may be that the move to budget support has a risk that national governments may not support forestry as part of the PRSP. Indeed, PRSPs often prioritise social sectors and infrastructures, thus overlooking the productive sectors which are key to financially sustain social sectors. Thus there is a need for “quality control” mechanisms before embracing PRSPs as the basis for country assistance programmes. International donor agencies were identified as sometimes constraining progress when policy and practice are not consistent or when a lack of practical field experience means that the donor agenda is unrealistic. At national government level, it was noted that governments sometimes view the building of partnerships as a way that provides an opportunity to avoid action through talking or structural reorganisation, “*you keep talking, we keep logging*”.

Plenary discussion included reference to the need for further discussion about new roles for the private sector - in many countries they invest far more money than donor agencies do, and many are incorporating the ‘corporate social responsibility’ terminology into their policies but often without partnerships with donor agencies. Tunde Morakinyo (ERM) reflected that partnership is about people meeting and talking and that, quite often, it is those relationships which survive long after the more immediate tangible results of development interventions have faded. Philippa Haden (IOD) pointed out that, for effective accountability, we need new ways of monitoring partnerships and measuring their effects and impacts. Peter Poschen wanted to distinguish between participation – largely a governance issue – and partnership, which he saw as largely an implementation issue. Christian Mersmann (PROFOR) pointed out that the question “who are the poor in a country” might evoke different answers according to whether it was asked at a (national) PRSP level, at multi-sectoral rural development level, or at the

forestry level. “We must look at the whole spectrum.” Scott Geller (LTS) saw the importance of communication and marketing techniques in transformational change in the forest sector.

Plenary Discussion

In summing up, the Chair, Steve Bass (IIED), said he would go away with four main points from the day :

1. There are 4 basic strategies for agencies such as ours to adopt, and we need to be clear about them:
 - a) reducing vulnerability – increasing the resilience of the poor;
 - b) improving income earning from forest production;
 - c) helping people to “..get out of the forest ..” if the forest is seen to be a poverty trap; and
 - d) tackling fundamental inequities, for which controlling factors – and entry points – may be outside the sector.
2. We have to focus on specific, local cases – understand locally, report locally, use locally applicable codes, and use robust, locally conducted analysis of the political economy and local livelihoods.
3. The underlying governance has to be right, before attempts to address the more sector specific issues can be completed. This needs to consider the political economy, engagement with the poor, adopt multiple tactics and development assistance needs to be linked to the needs of society rather than a donor-driven agenda.
4. The primacy of PRSPs: do they offer sufficient scope for these various localised strategies needed? Most stakeholders don’t understand the significance of PRSPs. There are many questions being asked by local stakeholders; how did PRSPs become so important, do they offer the scope required to address local needs, how can we monitor the impact of PRSPs, what criteria and indicators are appropriate. Finally stakeholders are demanding more information and training regarding PRSPs. If PRSPs are central to poverty reduction and future development activities, this needs to be explained in more detail on why and how they can be used.

Responding to an invitation to comment further on the workshop to be held in Finland in October (which he had outlined during his earlier presentation), Tomi Tuomasjukka said that the discussion from the day had been most useful in framing their thoughts for that workshop and for the upcoming Review of Finnish Aid Policy. He took away the importance of PRSPs for the October meeting, which would focus on the relationship between forests and poverty reduction in NFPs and PRSPs.

The meeting closed after some final contributions about PRSPs.

Philippa Haden (IOD) stressed the importance of bringing in to forestry, people who have experience in monitoring PRSPs, if that exists. David Cassells (WB) stressed the importance of having country specific data for these processes, as its absence often leads to forests being undervalued and thus misused. It was pointed out that, with increasing an switch to budget support, PRSPs could become less important. However, Christian Mersmann (PROFOR) reminded us that while PRSPs have limited depth across a broad range of issues, the forest sector might be important without appearing as a discrete sector in a PRSP. An all embracing approach is needed: the World Bank’s Comprehensive Development Framework may still have a place.

On future action, Tunde Morakinyo (ERM) suggested the need for a basic level on PRSPs – what they are and how to get involved in the process. Julian Gayfer (LTS) pointed out the need to take the lessons from the day and use it develop the capacity of people in the forest sector in developing countries to understand, get involved in and influence PRSPs. The groups felt that a “training module” which could be used in country had a role.

Cross cutting themes

Several cross-cutting themes emerged from the day's discussions as distinct sets of issues to be considered in order to improve external agencies' contributions to improving forestry's contributions to poverty reduction:

- **Strengthening the practical contributions of forestry to livelihoods.** This includes both the flow of goods for meeting basic needs and providing income opportunities, and the roles of forests as stores of value for long-term livelihood security, reducing vulnerability and improving resilience. A recurrent comment on this theme was the need to make sure that forestry interventions don't perpetuate poverty by locking people into continued dependency on low-output, low-return forest dependency. Another theme was the need to complement practical assistance with more strategic work tackling fundamental inequities.
- **The need to situate forestry work within broader sets of possible strategies for reducing poverty.** External support agencies should not assume that forest-based interventions offer the best opportunities for poverty reduction, but should rather seek to strengthen local capabilities to compare forest-based opportunities with other strategies for reducing poverty. Since there are many examples of how forests have been undervalued and hence abused, forestry support agencies can help to develop the local capacity to recognise true forest values.
- **Need to account for the livelihoods and interests of those who influence the poor.** The current debate tends to focus on the poor, with a distinction between:
 - (1) The very poor who need primarily ways and means to reduce their vulnerability, and
 - (2) The less poor, who are more in need for mechanisms to make income from forest and tree resources.However, this narrow focus overlooks two key main stakeholders who often exert significant influence on the poor in implementing their own livelihood strategies, i.e. the forest ranger and the private operators, including the middleman. These players also need sustainable livelihood options, and they will interfere in pro-poor interventions if these do not also bring them some benefits. Again a livelihood perspective, including those of less poor stakeholders, would help in reducing this risk.
- **The importance of governance, social responsibility, and integration with non-'forestry' agencies and activities,** as dimensions of the required changes in forestry. Many speakers and participants questioned whether forestry is better seen as a 'sector' with its own distinct governance institutions and strategies, or rather as a cross-cutting dimension for which many rural development agencies shared responsibilities. If Forestry is not any more a sector but rather an issue, then one should talk simply of good governance rather than good forest governance
- **The rapid rise in prominence of national Poverty Reduction Strategy processes and associated papers (PRSPs)** in many poor countries, and therefore the need for forestry agencies to ensure that forestry's potential contributions to poverty reduction are given due recognition in these strategies, and that PRSPs are linked with other planning and policy vehicles such as National Forestry Plans, National Strategies for Sustainable Development, and National Environmental Action Plans. Some argued that PRSPs should not be emphasised, but rather the more complex processes involved in strengthening inter-sectoral and inter-agency partnerships and complementarities, as envisaged for example in the World Bank's Comprehensive Development Framework.