



SECTION

Setting the scene



BIG TREES FOR LITTLE PEOPLE: MANAGING FORESTS FOR POVERTY REDUCTION

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Introduction

Poverty alleviation has been receiving increasing attention as an important objective in forest management. The primary driver for poverty alleviation to become an explicit objective of forest agencies has been the adoption of the Millennium Development Goals by most countries, with a special emphasis placed on the International Development Target of halving global poverty by the year 2015. Poverty alleviation as the primary objective of development has pulled people-centered concerns into the mainstream, even in natural resource management. The policy instrument of particular importance as a means of promoting policies, programs, and projects that help the poor are the national Poverty Reduction Strategy Papers (PRSPs). PRSPs have become the main mechanism for governments in developing countries to define their budget and policy priorities, and engage in dialogue with the international community.

It is therefore to be expected that national forestry agencies are now being asked to identify and expand their contribution to national poverty alleviation efforts and include poverty reduction as a primary



objective in forest sector strategies.¹ This requires a new perspective on forests and their use, in which success is measured not only by the amount of forest products harvested, export figures, or revenue generated, but also by the contribution of forests in alleviating poverty. It also requires more attention to identifying the overall contribution of forests to the livelihoods of the poor and of the goods and services they provide, and developing strategies for maintaining or enhancing this contribution. Unless forests and their potential contribution are incorporated into PRSPs or national forest strategies, forest management is unlikely to get the attention it deserves in national efforts to reduce poverty and vulnerability. The challenge is to have poverty alleviation addressed in forestry – and the contribution of forests to poverty alleviation to be recognized as an important component in national poverty alleviation strategies.

Little trees for little people

A.K. Bannerjee, one of the pioneers of social forestry in South Asia, made the observation that social forestry was primarily concerned with “little trees for little people” (Bannerjee 1996). By this, he meant that social forestry was about providing the poor and marginalized (the “little people”) access to degraded forests (the “little trees”) that, if well managed, could provide fodder, fuel, medicinal plants, and a small amount of income.

Let us remember that social and community forestry was not initiated in the 1970s and 1980s for poverty reduction, but for improving what was perceived as degraded forest areas. Placed under community-based management were those areas classified as “degraded” and not of commercial interest. These degraded areas were to be improved by the community, providing labor and protection that would result in forest regeneration.

These were forestry programs with the objective of “regreening” through afforestation. Social and community forestry programs were developed in which incentives were used to engage “little people” in investing, primarily through their labor and later a portion of the financial benefits they received, in improving degraded forest areas, the “little trees.” These incentives commonly included rights of access for collection of non-wood forest products (NWFPs), and less so for timber, the “big trees.” There were often responsibilities involved as well, such as the provision of forest guards. The result was that the state received a revitalized forest and a large share of the (potential) income from the timber and other resources. As for the communities and their members, they gained access to resources that had previously been (officially) denied for gathering non-wood forest products, and a portion of the potential income generated from the sale of timber.

It was not that there was a lack of concern for the well-being of rural communities, but that the primary focus was on the well-being of the forests. The willingness to experiment with community forestry was the result of a series of changes in forestry in the last 50 years. In forestry of the 1950s and 1960s (and admittedly in many countries even now), the focus was on the harvesting of primary wood or commercial timber, from the forest on a (not always) sustainable basis. Although timber production remained, and still remains, the primary forestry objective in many countries, there was a shift during this period in the policy and management debate from one that focused on products to one that was more concerned with managing the forest as a “complex, valuable natural resource system” (Gilmour 1995). By the end of the 1970s, there was also increasing concern about rural development and the dependency of rural people on forest resources.

¹ *The preparation of the Poverty Reduction Strategy Papers (PRSPs) requires national forestry agencies to identify the current and potential contribution of forest resources to poverty alleviation.*

The current global commitment to poverty reduction has further pushed forest management into having to meet multiple complex objectives, as well as focusing more attention on the dependency on forest resources of the poor - the “little people.”

Contribution of trees and forests to the livelihoods of the poor

Forest-dependent communities represent a significant portion of the world’s poor. Although the nature of the dependence varies, a recent estimate suggests that there are 60 million highly forest-dependent indigenous forest people in Latin America, West Africa and Southeast Asia, with an additional 400-500 million people estimated to be directly dependent (White and Martin 2002).

Within a community, it is common to find that it is the poorest households with less agricultural land, livestock, labor, etc., that are the predominant collectors of forest products. For these poorest of the poor households, while the actual amount of income earned from forest products may be small, it may provide a large portion of household income.

Box 1: What do trees and forests contribute?

- Subsistence goods such as fuel wood, medicine, wood for building, rope, bush meat, fodder, mushrooms, honey, etc.
- Goods for sale such as all of the above goods, as well as arts and crafts, timber, and other forest products.
- Indirect benefits such as land for other uses, social and spiritual sites, environmental services such as watershed protection, and biodiversity conservation.

Forests and trees can also benefit the poor by reducing vulnerability and risk and protecting people from becoming poorer by serving as “safety nets” during lean seasons and years, as well as providing opportunities for making people better off (Kaimowitz 2003). It should also be noted that the forests, even degraded forests, are immediately available for use. But in order to be used, there must be recognized rights of access and use.

Access

It is not surprising that many of the early efforts in social and community forestry were focused on helping communities and their members to obtain recognized rights to forest resources. Globally, these rights have commonly evolved from specific use rights to co-management agreements, recognition of indigenous peoples’ rights, and, in some instances, ownership or tenure rights.

Of the total global forest estate comprising 3.9 billion ha, 77% is owned and administered by governments, with at least 4% reserved for communities, at least 7% owned and operated by local communities, and approximately 12% owned by individuals. However, in the 30 most forested developing countries, community reserves comprise at least 8% of forests, and community ownership makes up at least 14%, with individuals owning only 7% of forests (White and Martin 2002).

The efforts to obtain community rights to forest resources have had considerable success, for about 57% of the legal rights now owned or reserved for communities have been transferred since the mid-1980s (White and Martin 2002). This is a significant change in forest management over a relatively short period of time.

But if the goal now is not only to improve the well-being of the forests, but also the well-being of the people, has access resulted in poverty reduction? Access and recognized rights do not automatically translate into poverty reduction. Recognized rights are “necessary but not sufficient” if the goal is to reduce poverty.

Beyond little trees

Even with community rights and access to forest resources, the access has primarily been to NWFPs since there are continuing constraints in access to, or management of, trees for timber, especially if for commercial rather than for household or community use. NWFPs, as noted above, are now recognized as being of critical importance to the poor, especially to the most vulnerable households in communities (see, for example, Ingles *et al.* 2006).

But what about timber, the “big trees”? For it is timber, especially if income can be generated from value-added processing, that has the greatest potential for poverty alleviation and livelihood development. Timber is the most valuable product in most forests. The potential for forests contributing to poverty alleviation would be far greater if communities and their members received more productive mature high-value forest, rather than degraded forests, to manage. Why do communities continue to be given degraded areas in which there is relatively little to be gained (although admittedly, to the communities it might be far more than they could have gained before)?

Developing countries are exporting timber-based products and earning billions, as well as substantial sales in domestic markets. Yet, poor families receive relatively little from this activity. This is partly due to a lack of access to the “big trees.” But even when there is access, as will be discussed in many of the papers at this conference, timber-based products require skills, capital, technologies, and market access that are commonly unavailable to communities. Of similar importance is the fact that regulations may hinder small community-based enterprises from being able to obtain the capital and access to markets that are needed.

So, while access to forest resources is “necessary but not sufficient” - what is also necessary is access to skills, capital, technologies, and markets.

Challenges and opportunities

It borders on the trite to note that it is a fast-changing world. The rural poor are especially vulnerable to becoming marginalized by the changes that are occurring. However, while the challenges should not be underestimated, there are also new opportunities for improving livelihoods based on the sustainable use of natural resources. The demand for forest products is increasing and projected to continue to do so. Our challenge is to support specific changes that will lead to a greater role for forest and tree resources contributing to the livelihoods of the poor.

The key question that forestry agencies are explicitly and implicitly being asked by their governments and donors is, “*Why invest in forests and forest resources?*” What do forests contribute to alleviating poverty, improving health, and providing additional development options?

The forestry sector is increasingly being called upon to provide answers to these questions. In order to do so, the forest-poverty linkages have to be better understood, captured, documented, and strengthened, and to effectively link the emerging opportunities not only to the poverty-related Millennium Development Goal 1 (MDG 1), but to the other MDGs as well. How can forests and forestry assist in reaching the MDGs concerning not only poverty, but also education, health, and the environment?

Box 2: Linking to the Millennium Development Goals

Millennium Development Goals	Targets
1. Eradicate extreme poverty and hunger	<ul style="list-style-type: none"> • Halve, between 1990 and 2015, proportion of people who are earning less than US\$ 1 a day. • Halve, between 1990 and 2015, proportion of people who suffer from hunger.
2. Achieve universal primary education.	<ul style="list-style-type: none"> • Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary education.
3. Promote gender equality and empower women	<ul style="list-style-type: none"> • Eliminate gender disparity in primary and secondary education, preferably by 2005, and at all levels of education no later than 2015.
4. Reduced Child Mortality	<ul style="list-style-type: none"> • Reduce by two thirds, between 1990 and 2015, the under-five mortality rate.
5. Improve Maternal Health	<ul style="list-style-type: none"> • Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio.
6. Ensure Environmental Sustainability	<ul style="list-style-type: none"> • Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources. • Halve by 2015 the proportion of people without sustainable access to safe drinking water. • By 2020 to have achieved a significant improvement in the lives of at least 100 million slum dwellers.

We do have success stories in which the poor have captured the opportunities provided by forest products to make meaningful changes in their lives. But we need to document and effectively communicate success stories which explicitly link the contribution of forests to poverty reduction and the other MDGs.

Box 3: Opportunities: Trees gave birth to the cows

A woman who participated in the HASHI project in Shinyanga, Tanzania, when asked about her “ngitili” (restored woodlands), responded that the “trees gave birth to the cows.” The income from the trees, sold primarily from thinning for fuel and poles, enabled her to pay school fees as well as invest in other assets, such as cows. Other project participants cited the increase in crops due to on-farm trees and the significant cash value of the trees as timber which serve as a “bank for our family.”

The HASHI project² documented not only its impact on MDG 7, but also MDGs 1 and 2.

We have to identify not only the current and potential opportunities but also the constraints involved. There are constraints and disincentives in existing legal and regulatory frameworks that have to be rectified if poverty alleviation is to be effectively addressed. This gives rise to another critical question to be asked and answered: What local and national factors currently affect the implementation of pro-poor forest policies and practices?

Part of the answer was mentioned earlier - the use of forests is often restricted, with communities given degraded areas, required to invest in planting, with rights over timber and other products of commercial value excluded or narrowly prescribed.

Regulatory burden is also a major factor. Cumbersome administrative and legal processes, such as detailed forest management plans and permitting procedures, create barriers for communities and their members. These regulations often require communities to prepare far more elaborate plans than are required for either large commercial companies or government agencies.

Another major factor is that, after removing the constraints to access and rights to the big trees, there are significant constraints and barriers for small-scale enterprises to effectively link to markets and successfully compete. Low-income small-scale producers face many disadvantages due to poverty itself, as well as lack of education and infrastructure (Scherr *et al.* 2002 and 2004). So the questions now to be asked are: How can we make markets work for small producers? What is needed to capture the emerging opportunities for forest products by the poor?

Capturing emerging opportunities

One of the primary concerns is that the poor will be pushed aside when commercial opportunities appear. In order to create space for the poor, pro-poor forest projects and programs need to proactively focus on identifying “the measures that will enable the poorer to continue to participate” (Arnold 2001). We can provide technical assistance in developing guidelines for forest management plans and certification processes for forests and other products (Scherr *et al.* 2002 and 2004). Beyond laying the technical groundwork, support programs can include measures to support the participation of the poor by providing or

² The HASHI project [Hifadhi Ardhi Shinyanga - the Shinyanga Soil Conservation Project] began in 1986. One of its objectives has been the restoration of the local woodland. There was massive deforestation in Shinyanga between 1920-40 to eradicate tsetse fly. Cash crop production caused further land conversion with increased livestock exacerbating the problem, as did the Villagisation Policy (1975) which resulted in the destruction of local land use and livelihood coping mechanisms, including ngitili. Since 1986, 70% of all farmers within the project area now have ngitili estimated to total at least 350,000 ha. (see Monela *et al.* 2005).

enabling financial incentives, training, micro-credit, and market access. Successful programs have, for example, commonly supported the development of local associations and access to financing for local forest-based businesses. Microfinance that supports small-scale producers is critical, but is often not available in rural areas, especially to small enterprises whose owners or members have few assets. This microfinance gap is now well recognized and creative mechanisms are being successfully piloted to address the gap.

However, one of the problems is that successful pilot programs or projects are not replicated or have only localized impacts. A project's success does not guarantee that it will be adopted on a wider scale or have an influence on policy. We have to become more strategic and work to have a "scaling sideways" of a project's positive impacts and a "scaling up-ways" to have an influence on policy (Ingles *et al.* 2006).

Box 4: Scaling sideways and up-ways

A recent IUCN study in the Lao P.D.R. had the objective of identifying factors that determine how lessons are learned from successful forest-based livelihood interventions and how they are adopted into national policy frameworks or locally replicated at non-project sites in the Lao P.D.R. It found various methods for local replication and improved forest sector policies and programs. For example, for local "side-ways" replication, visits to pilot villages, promotion by local government staff who are aware of the pilot project and training programs were used. Seeing first hand the opportunities created by the social arrangement and the socio-economic progress provided by the interventions stimulates local replication. For "up-ways" scaling, the study found that a project's perceived success at the local level and its visibility of "side-ways" spread is what leads to national recognition. Other examples included the involvement of division and departmental directors to facilitate the flow and exchange of project outcomes during and after the life of the project and the production of convincing scientific project documents such as technical reports, leaflets, seminar papers, workshop proceedings, and case study reports for wide dissemination to lend influence and credibility to the intervention (Ingles *et al.* 2006).

Creating partnerships with the private sector is a key area in which we often do too little, too late. Community forest-based enterprises are often buffered by projects. Products are "made to work" through project support of infrastructure, financing at favorable rates, and uncompetitive pricing. While this may be effective in the short term, it creates unsustainable enterprises. Project personnel often lack marketing experience and are more comfortable with project activities and objectives related to conservation or social concerns. Yet it is effective and informed response to the demands of the market that will ultimately determine the success of small enterprises and the viability of the forest products they produce as a means for poverty reduction. The private sector has to be engaged as a partner in poverty reduction.

How can we encourage the private sector to engage? If we take this conference as an example, there is scant representation of the private sector. All but a few of us here are working in the public sector (government agencies; multilaterals, bilaterals) or in non-government organizations (NGOs). Why is the private sector not here? Is it because we have nothing to offer? In part, it may be because of our lack of experience in working with the private sector. There is also a lingering mistrust of the private sector, a perception that the private sector will exploit the poor and have little interest in sustainable forest management.

The private sector includes a wide range of companies and individuals. Within the private sector are companies that indeed do not share our concerns of poverty and sustainability.

However, also within the private sector there are those that do. Our task is to identify those that share our concerns and objectives and form partnerships.

However, to maintain a successful partnership, we must improve our understanding of the private sector and what it values in business partners, especially in its demand for products to be delivered on time in the quantity and quality contracted, a major challenge to many small-scale enterprises (see also Forest Trends 2003). As reflected in the papers for this conference, we can play a catalytic role in raising awareness of business opportunities, facilitating business partnerships, and establishing business support services targeting small-scale producers.

Conclusions

Forests can and should make a meaningful contribution to poverty alleviation. However, we have to look beyond the forests and the trees to the markets. Timber - the “big trees” - has the potential to be a significant pathway out of poverty for many of the “little people.” To turn this potential into a reality, we have to promote and support technical assistance, microfinance, business development support, and market development that work for the poor and develop policies that are not barriers to local market participation. We have to promote, by scaling projects “sideways and up-ways,” and other measures, the policy and regulatory changes that will enable small producers to successfully participate in markets and move out of poverty.

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THE POTENTIAL OF COMMERCIAL FORESTRY TO REDUCE POVERTY

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Introduction

Global poverty is one of the most pernicious and complex challenges of our time. It is also a leading root cause of many other forms of human suffering and conflict. More than ever before, the global struggle to reduce poverty is bringing together leaders from all sectors, which in turn is generating many new ideas and major initiatives. Within this dialogue the forest sector may have much to offer in terms of offering solutions to the problems which need to be addressed.

Forests can, and do, provide vital “safety nets” for those living in and around them. But can forestry truly lift people out of poverty by providing a steady, stabilizing income stream? The answer, of course, is yes, but much needs to happen for this prospect to be fully realized by the poor on a wide scale. The Forests Dialogue’s (TFD) initiative on forests and poverty reduction seeks to maximize forestry’s potential to reduce poverty. Through convening international multi-stakeholder dialogues, TFD facilitates the sharing of strategies and experiences to catalyze the formation of partnerships and motivation to realize forestry’s full potential in reducing poverty.

This paper explores the early work on the potential of commercial forestry to aid in the reduction of poverty. Particular emphasis will be



placed on the enabling environment and drivers for pro-poor forestry, as well as the serious obstacles ahead.

Background

The mission of TFD is to create an ongoing international platform for leaders to discuss key issues related to achieving sustainable forestry. Several years ago, the role of forests in reducing poverty was added to TFD's list of key issues. Since then, TFD has developed an initiative on understanding how to maximize commercial forestry's potential to reduce poverty. While it is obvious that traditional commercial forestry can be very profitable, TFD's initiative explores effective pro-poor strategies and seeks to identify models that facilitate a higher percentage of profits reaching the hands of the poor within forest-dependent communities.

Early on in the development of TFD's forests and poverty reduction initiative, it became apparent that despite strong interest from key stakeholders, little information or case studies were available on this subject. To fill this gap, and assist in focusing subsequent discussions, TFD enlisted the help of a leading scholar on the issue, James Mayers of the International Institute of Environment and Development (IIED) in the United Kingdom. Mr. Mayers surveyed existing literature and IIED's vast experience, and wrote a paper aptly titled "Poverty Reduction through Commercial Forestry: What evidence? What prospects?"

The paper provided a firm foundation for our first dialogue convened in South Africa in June 2006, which brought together nearly 30 experts. It was a great start and yielded passionate discussion among the participants. This paper highlights what TFD has learned so far in this process and how we intend to incorporate this knowledge to catalyze pro-poor forestry in the future through this initiative.

Poverty

Poverty is a very complex and deeply entrenched reality in nearly every society throughout the world. It is clearly one of the primary root causes for much of the human suffering and conflict that we see today. So beyond the simple moral imperative to do something about this pervasive problem, we have many more self-enlightened reasons for working to reduce poverty. For the forest sector to tackle poverty, we must also work to understand it in all its complexity. Poverty is not simply a lack of employment or stable income. It can involve a lack of assets like land or education, or lack of access to infrastructure like roads and sanitation, or basic services like healthcare. Most importantly, poverty can involve a lack of rights or a voice to address these challenges. If we are to reduce poverty through action in the forest sector, we must factor in each of these complex variables and root causes as well.

The forest sector is perhaps better placed than any other sector to help lift people out of poverty. Forests are an amazing and resilient resource. If we look at some of the poorest nations on earth we find that many are forest rich. In these areas, forests have always played a vital role as a "safety net" for those living in and around them. It is therefore no wonder that so much attention and innovative research has gone into better understanding this relationship and how to further increase the benefit of forests as safety nets for poor people.

Income from timber, on the other hand, has been given little attention by the forces working to reduce poverty. This lack of attention needs to be addressed as we move forward to find solutions within the forest sector which lead to poverty reduction and improved livelihoods.

Potential of commercial forestry

Is this lack of attention on the potential of timber to reduce poverty warranted? Can commercial forestry actually reduce poverty? Has it pulled people out of poverty so that they do not slide back in? It has in places where the conditions are right, but the existing evidence is not very strong. We need to do more to fully understand this relationship between timber production and poverty reduction.

Anecdotally, we know that commercial forestry can be pro-poor. It can take people beyond subsistence to sustained income, and it can serve as a vehicle for increasing access to infrastructure and facilitating access to rights. As such, it can provide a route out of poverty. On a macro-level we know that commercial forestry has a significant impact on national economies. The commercial forestry sector contributes between 5 and 10% of GDP in some countries (Steele and Kragt 2006) and comprises an average of 3% of exports (FAO 2005). The big question that needs to be addressed is how much of this income reaches the poor in such a way that it reduces poverty. World Bank figures suggest not much. Income from non-wood forest products (NWFPs) play a larger role for individuals living in or near forests at 22%, compared to just 2% of income derived from timber (Vedeld *et al.* 2004). There is clearly not enough data available on this subject, but it is clear that more income to the poor can and should come from timber.

Well-conceived, pro-poor commercial forestry projects would certainly improve not only family income, but could also address other root aspects of poverty, such as access to markets, land tenure security, workers rights, development of skills, development of infrastructure and good governance. A strong commitment to pro-poor commercial forestry would also lead governments to better address issues like the collection and equitable distribution of revenues and the curbing of illegal logging.

Pro-poor forms of commercial forestry

There are several forms of pro-poor commercial forestry. The first is focused solely on public forests and governments' ability to manage them effectively in order to effectively capture revenues. The emphasis intrinsic to this form of pro-poor forestry is the reinvestment of captured revenue into mechanisms that directly benefit local communities and the forests. Unfortunately, progress here appears to be relatively weak.

Another common form of pro-poor forestry is based on out-grower schemes. This is generally where companies develop contracts with local, small landholders to produce fiber or timber to be processed at the companies' mills. These schemes are important, widespread and appear to be contributing to reduce poverty. In South Africa these schemes provide US\$ 130 per ha per year, or roughly 20% of what is needed to be above the poverty line (Mayers 2006). There are several obstacles to entering such out-grower schemes, such as actually owning or possessing land upon which to grow and harvest forest products, and being able to negotiate fair contracts with large companies on your own. These schemes also have a tendency to favor plantation systems over natural forests.

Small and medium forestry enterprises (SMFEs) are yet another form of pro-poor forestry that has had considerable attention and study of late, including several important publications from IIED (Mendes and Macqueen 2006, for example). SMFEs can represent up to 80% of the forestry in a country (Mayers 2006). They offer great potential to bring people out of poverty. In rural areas they may be one of the few options available to people for meaningful income generation. They can help to disperse wealth and power, particularly in regions that support multiple SMFEs. However, it is a volatile and fragmented sector, where on average 75% of enterprises fail in the first three years (Mayers 2006).

Finally we have larger scale company-community partnerships that may have various elements from all of the above, but are typically driven and designed by the companies, often to meet their corporate social responsibility commitments, which may have as an objective to be pro-poor. There are few examples and even fewer studies of the impact of these projects to pull people out of poverty. Some ready examples include Mondi's and Sappi's initiatives in South Africa, Klabins work in Brazil, and Stora Enso's efforts in China. These projects present the greatest unknown potential and deserve further study. The key drivers in these projects are partners with clearly articulated ideals, direct involvement by the poor and negotiated benefit sharing. This is the form of pro-poor commercial forestry that The Forests Dialogue will invest considerable time and energy on in the future.

Enabling conditions

Policies that favor the poor should also favor pro-poor commercial forestry. With recent attention and action by governments this seems more feasible. Macro-level changes such as forest sector restructuring initiatives or land restitution efforts offer the opportunity to rethink the best means and mechanisms for commercial forestry to favor the poor.

The continued development of strong community structures, as well as the formation of small holder and labor organizations, will help to enable equitable corporate and community partnerships to develop. For instance, the International Labour Organization's core labor standards provide important tools for workers and communities to engage in self organization and promotion. Such initiatives will help to ensure a relative balance of power at the negotiating table.

The formation of strategic partnerships among key stakeholders improves knowledge sharing and understanding, and it builds empowerment and trust. Strong and equitable social partnerships are important for promoting pro-poor policies and for maintaining a corporation's social license to operate in both developed and developing countries. It is certainly in a corporation's long-term interest to ensure win-win relationships which are productive and stable.

Also important is a broad awareness and understanding of the multiple issues which can impact on the success or failure of pro-poor commercial forestry, such as an understanding of the underlying causes of poverty, the potential of pro-poor forestry and models that offer tested solutions.



Key drivers

There are a number of key drivers or motivators that favor the development of pro-poor commercial forestry. Most importantly, it needs champions. Chief among these are leaders with broad networks that can articulate a clear vision and the means to achieve it. It also takes bright and innovative doers, those that will test models, monitor progress and adapt to their findings.

One of the most important motivators is strong market demand for a region's forest products and relatively easy and open access to markets. For non-traditional pro-poor partners such as corporations and private sector investors, there need to be strong motivations for them to enter into these sometimes risky partnerships with the poor. Rural development for community stability or a social license to operate can be powerful motivators, but there are many others that need to be explored and fully understood.

Measurable progress is perhaps the most important motivator. However, this requires clear goals from a forest sector point of view, a strong articulation of social standards as they relate to forestry, measurable indicators, baseline livelihood data and continuous monitoring. Unfortunately, none of this currently exists in any comprehensive form.

Finally, incorporating standards of pro-poor forestry into existing forest certification schemes may be an effective way to incorporate incentives for pro-poor commercial forestry. This will require careful design and study, but there is potential for this to drive pro-poor commercial forestry forward.

Barriers

Unfortunately, there appears to be more barriers than incentives, which currently limits the scale and spread of pro-poor forestry. These barriers need to be fully understood and actively addressed by all concerned stakeholders.

From the communities to companies to governments, there is a need for a better understanding of sustainable forest management and its potential to reduce poverty in rural areas. Misguided policies often act as a disincentive for the poor or companies to enter into pro-poor commercial forestry projects. Building capacity within government can help prioritize pro-poor forestry at the highest levels. Improving capacity in communities will help with organization, empowerment and business skills. And companies will need to build their capacity to work with the poor and improve their understanding of the issues surrounding this topic.

The sheer scale of forestry favors large operators. Costs of basic services, capital investment, access to land, environmental impact assessments, and technical forestry advice all conspire to keep pro-poor commercial forestry out of reach of the communities that are in need of it the most. In addition, limited access to financing is a difficult barrier for many rural poor to overcome. Direct government and donor agency support, enactment of pro-poor policies that remove market access barriers, and the development of creative financing mechanisms could help with these issues.

There are of course many other barriers that need to be further analyzed and explored. For example, the fact that timber-related income tends to be seasonal at best, and that there can long delays from planting to harvest make this an unsteady, erratic and potentially high-risk business for many rural poor. The high cost of market entry is another barrier that poor

individuals must take into account in their decision making. Other disincentives include the threat of illegal operators, unfair markets, irresponsible producers and lack of demand for socially and environmentally responsible products. These and other possible barriers need to be fully identified and understood.

Moving forward

Despite the formidable barriers and the time it will take to understand and overcome them, there are enough positive trends and real potential to convince many that pro-poor commercial forestry warrants a major push to scale up. We must start with comprehensive, collaborative and sustainable strategies to build more pro-poor commercial forestry programs. Among other things, this will take more research and baseline data so as to demonstrate progress over time. In addition, there is a need for good pro-poor business models that can be easily understood, adapted and replicated. And for all of these it will be necessary to build strong, equitable cross-sector partnerships.

There are a variety of means to address these needs. TFD intends to do this through multi-stakeholder dialogue, development of best practices and standards, monitored trials on the ground and the crafting of a charter demonstrating the commitment of individuals and organizations to support pro-poor commercial forestry. If you or your organization would like to join this initiative please contact The Forests Dialogue Secretariat, at info@theforestsdialogue.org.

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