# ASSESSMENT OF THE

# CONTRIBUTION OF FORESTRY TO POVERTY ALLEVIATION

# IN ASIA AND THE PACIFIC

## REGIONAL WORKSHOP REPORT

**8-9 March 2011**

**Chiang Mai, Thailand**

**Food and Agriculture Organisation –**
**Regional Office for Asia and the Pacific**

**Asia Forest Network**

**Asia-Pacific Network**
**for Sustainable Forest Management and Rehabilitation**

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**ACRONYMS**

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|---|---|
| AFN | Asia Forest Network |
| APFNet | Asia Pacific Network for Sustainable Forest Management and Rehabilitation |
| CDM | Clean Development Mechanism |
| CSR | Corporate social responsibility |
| FAO | Food and Agriculture Organization – Regional Office for Asia and the Pacific |
| FLEGT | Forest Law Enforcement, Governance and Trade |
| FRA | Forestry Resource Assessment |
| GNP | Gross National Product |
| HDI | Human Development Index |
| MDG | Millennium Development Goal |
| NGO | Nongovernment organizations |
| NWFP | Non wood forest product |
| PES | Payment for Ecological Services |
| REDD | Reduced emission from deforestation and forest degradation |
| SLA | Sustainable Livelihoods Approach |

## EXECUTIVE SUMMARY

The Food and Agriculture Organization – Regional Office for Asia and the Pacific (FAO-RAP), in partnership with Asia Forest Network (AFN) and with the support of Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet), initiated in January 2011 a study, "*Assessment of the Contribution of Forestry to Poverty Alleviation in Asia-Pacific*", to review to how the forestry sector has been contributing to poverty alleviation over the years. Part of the effort is to engage with governments on strengthening the contribution of forests and the forestry sector to the attainment of the Millennium Development Goals by 2015, particularly MDG 1 or halving extreme poverty, and pushing for the incorporation of poverty alleviation as an explicit goal of forest management.

As part of the study, FAO and AFN co-organized a regional workshop on 8 – 9 March 2011 for representatives from 11 countries in the region covered by the study – namely Bhutan, Cambodia, China, India, Indonesia, Lao PDR, Nepal, Papua New Guinea, Philippines, Thailand and Viet Nam – to share and exchange information on regional and country developments and situations with regard to poverty, poverty alleviation and the forestry sector. The two-day workshop also served as a venue to discuss and level off on components of the country studies, including the methodology for the conduct of three case studies and national results dissemination workshop at the end of the project. The presentations and group discussions served as inputs to help guide the consultants in preparing the country studies and to be on the same page in the conduct of the country studies.

### The outlook for Asia-Pacific forestry to 2020

According to the FAO study, "The Outlook for Asia-Pacific Forestry to 2020", the key socio-economic drivers of change that are affecting forests and forestry are not from the forestry sector. The real drivers are coming from larger societal changes, primarily in the areas of population, economy, politics and policies, environmental issues, agriculture, infrastructure and science and technology. It is important to recognize these drivers of change and understand in what cases these can be influenced and in what cases these are to be accepted as givens.

The study offers at least three scenarios for future development in the region based on analysis of the economic prospects and ecological and social sustainability. The 'high economic growth and recovery' or "boom" scenario is characterized by high economic growth, without so much concern about ecological and social sustainability. Forest areas are expected to increase in emerging economies, but will decline in forest-rich developing countries. There will be more funding available for environmental protection. In contrast, the 'low economic growth and stagnation' or the "bust" scenario is one of continuing economic recession without much capital or opportunity for investment. There will be increased dependence on agriculture, with potentially more forest clearance; reduced capacity to invest in sustainable forest management; reduced demand for wood and wood products that will lessen the pressure of industrial forestry. On the other hand, 'social and ecological stability' or the "green economy" scenario offers a steady economic growth and more concern for

ecological and social sustainability. There will be expansion of forests and improvements in forest quality; increased focus on recycling and reuse of wood products; focus on ecosystem services; and expansion of certification and fair trade practices.

Priorities needed to steer progress in forestry toward a favorable green path scenario include rebuilding of the natural resource bases, including conservation of existing resources; enhancement of efficiency of raw material/energy use; improvements in governance; rural development, employment generation and poverty alleviation; focus on afforestation and reforestation for jobs creation; and, government or international climate change related support for rebuilding forest resources. In turn, the strategies for working on the above priorities include improving policy, legal and institutional frameworks in the areas of tenure, institutional reform, land-use planning, and enabling environments; building capacities for grassroots forestry; strengthening science and technology capacities; improving education and awareness; developing societal consensus; and, strengthening leadership and communication.

**Overview of the role of forests and forestry in poverty alleviation**

Some perspectives by which to understand how forests can contribute to poverty alleviation that may help the consultants in doing the country analysis were presented.

As an initial step, it is important to clarify the definitions of poverty being used and understanding of the poverty alleviation process. Forests as sources of subsistence or safety net can help in making poor people a little less poor, or they can help the poor to get permanently out of poverty through savings, investments or asset creation. Analysis of the contribution of forestry to a country's economy at the national level is usually in terms of the forestry sector's contribution to the Gross National Product (GNP). However, since the generated wealth has not always trickled down to affected communities and GNPs do not reflect local situations, there is a need for local level analysis. Also, relating HDI data (or other income or social indicators of poverty available in the different countries) and forest cover data at the local level can be useful in looking into the forests-poverty overlap and spatial poverty.

The Sustainable Livelihoods Approach (SLA) provides a useful framework in analyzing the impacts of forestry in the livelihoods of the rural poor in, focusing into various livelihood assets (e.g., tenure and access rights, capacity development, income and subsistence activities, market access and value adding, etc).

**Poverty alleviation, economic growth and equity**

A common view among most of the participants is that a country must achieve economic growth, measured as GNP, first to generate resources for distribution. (Bhutan takes exception in measuring development through Gross National Happiness.) Economic development is a top priority of most developing countries, because it allows governments to have the capital or resources to support social services and pro-poor projects. However, the trickle down effect has not always reached the bottom.

Whether or not economic growth is enough has been a debate for years. There are countries with high economic growth rates, but poverty remains widespread. A book by Marion Clawson (1975), *Forests: for whom and for what*, describes the same debate in the United States about why forests are being managed and for whom. The national forest system in the US was established in the early 1900s for two main purposes: concern about possible timber famine owing to overcutting by the timber industry and concern over water (watershed management). Shortly after, concerns about soil conservation came in and also concerns about fisheries and wildlife habitats. By the 1960s, when forests were being used for tourism and recreation, the concept of wilderness emerged as the people wanted old growth, undisturbed forests. Huge fights over protecting the remaining forests for the wilderness ensued, and the issue of livelihoods for the communities depending on the forests became part of the debate. More recently, concerns about carbon are entering the picture. This illustrates the evolving demands of society on forests and the trade-offs that often result. If forests are to be managed for multiple objectives, some tradeoffs are inevitable: e.g., if the priority is to manage forests entirely for carbon, attaining the other aims of forests, including poverty alleviation, may become difficult.

In relation to this, whereas the focus of most governments before has been more on economic growth that led to tradeoffs between economic development and the environment, there is at present emphasis on both development and environmental sustainability.

In some countries, forestry remains a significant contributor to the GNP, and the exploitation of forests is a strategy to achieve growth. However, the revenues have not always redounded to the affected communities. In others, the forestry sector's share in the GNP has declined. Nonetheless, forests continue to support the subsistence and livelihoods of millions of the poor living in and around forests.

Poverty is complex and multi-dimensional. It is not just about income deprivation, but also involves deficit in governance, institutions and other areas. Poverty can also be a structural problem, thus, economic growth alone is not sufficient to get people out of poverty. Neither will forestry alone be able solve rural poverty. Poverty alleviation must be tackled in various ways and through the different sectors. Recognizing the role of forestry to contribute to poverty alleviation is not to say that the sector or forestry departments have to solve the problem of poverty alone. The fact that the forestry sector is in the geographic location of where there is great poverty means that it is a fundamental and valuable extension of government that can play a more integrative role in poverty alleviation efforts.

**Traditional forestry, community forestry and poverty**

Forests provide resources (e.g., firewood, NWFP, etc.) for consumptive/subsistence use of indigenous peoples and local communities. Income from timber is generally limited because many countries have logging bans. The aspects covered under traditional or community forestry initiatives identified in the group discussions that help address rural poverty include tenure and access rights, capacity building and improving the people's social capital; local empowerment (through strengthened

indigenous institutions or organized associations) and also gender empowerment; improved access to markets and value adding; and forest conservation to sustain livelihoods and ecosystem services. These areas of forestry, however, were generally recognized as contributing only to poverty avoidance, not elimination.

Among the identified opportunities for incorporating the above aspects more widely in tackling rural poverty are in policy reforms and planning of forestry and economic development/ poverty alleviation programs, with meaningful implementation on the ground. Opportunities for investments and skills development, through partnerships of local communities with investors, government or other assisting institutions, can help the poor establish and sustain their livelihood at a commercial level. The development or improvement of local infrastructure and basic services can facilitate the poor people's access to market centers and information. Traditional forest management and community forestry are critical for sustainable forest management, reducing deforestation and forest degradation (REDD) and climate change goals: thus, donor support (that has mostly shifted to climate change) for community forestry should continue. Developing the capacity of forestry officers to take on more pro-active facilitative role from being 'controllers' can help bring about more effective implementation of community forestry programs.

**Commercial and industrial forestry and poverty**

In general, commercial forestry (e.g., non-wood forest product processing and sale, outgrower schemes, etc.) and industrial forestry (e.g., large-scale logging, plantations and timber processing) are not the areas that the poor have resources to directly engage in, but they may benefit from the employment and market opportunities generated, improvement in basic services or infrastructure and other ways.

As the participants in the subgroup discussions recognized the contribution of commercial and industrial forestry, they also raised the negative impacts or threats of their operations. At the national level, it is these areas of forestry that make up most of the contribution of the forestry sector to a country's GNP, but this may not benefit the affected poor communities in forested areas. Commercial and industrial forestry can create some jobs but, depending on the extent of technology use and skill requirements in the operations, the poor may have limited chances to be hired. Employment gives an opportunity for people to earn cash, but the companies may not provide fair rates, safe working conditions or other benefits that match the high levels of risks that the workers are exposed to. Overall, the share of the poor from the benefits tends to be very low, as these are captured mostly by the businessmen and local elites.

There can be critical tradeoffs for the communities if the operations are unsustainable and have no consideration of their livelihoods. Unsustainable corporate activities, especially if effective monitoring and accountability measures are lacking, can destroy the local resource base. The conversion of natural forests into plantations can adversely affect local people's subsistence and income generating activities. Those engage in NWFPs will lose their resource base or can be denied access to forests appropriated for concessions. Likewise, community members engaged in livestock

raising will lose their grazing areas. Some of the residents may be forced to sell their lands to the companies.

Commercial or industrial operations in a rural town can stimulate the local economy. Their presence can create a demand for timber and the local people can grow trees in their lands to sell to the company. It may not, however, be the poorest of the poor who participate as they may not have the lands to devote for tree farming. These operations tend to encourage in-migration: increased populations will strain health and education services, add pressure to the resources and lead to rapid social and cultural changes.

National policies that set environmental and social standards and corporate social responsibilities (CSR) for companies, along with strict implementation, can help ensure more benefits for the poor from forests. Improvements in governance – transparency, increased role of mass media and civil society organizations, inclusive regulatory mechanisms – are also necessary to ensure accountability of corporate operations and equity in the sharing of benefits. Capacity development (skills training, community organizing and marketing assistance), government support (vocational schools and skills training centers) and fair partnerships with assisting groups or investors can help local communities establish commercial level processing of NWFPs or find alternative livelihoods. Financial support, such as access to credit or subsidies for forest users, can also help the poor start to engage in productive activities.

**Payment for ecological services (PES) and poverty**

Payments for ecological services (PES) are potential sources of financing for forest management. Carbon payments, especially for REDD plus, are gaining much interest and are being regarded as the new frontier of big money for forestry. Some efforts for PES in relation to water are associated with hydroelectric dams or urban water catchments, as payment for the role of forests in helping to conserve and sustain water supply. The other areas for PES are biodiversity and ecotourism.

PES is at a nascent, exploratory stage in all the countries involved in the study. Much of the policy making is done at the international and national levels, but operationalization is at the local level. REDD plus payments offer income and employment opportunities, but the monetary benefits tend to be considerably skewed in favor of the 'middle men' and not the local communities who will implement forest protection measures. The costs for local communities may be far greater than the benefits if the transaction costs remain high, the poor and local communities are displaced from their forest resource base and livelihoods (without viable alternatives) and if REDD plus strategies lead to reduction in forest activities.

PES can also provide funds for the provision of basic services and infrastructure in forest communities and for sustainable forest management. To ensure that payments will redound to the poor communities in forest areas, PES policies must secure the funds separately, ensure that the payments will be used mainly for the concerned communities and set up mechanisms for the equitable allocation of benefits to the village members.

**Case study methodology and national dissemination workshop/meeting**

The leveling off on the methodology for the conduct of the case studies was useful in bringing a level of clarity on how the geographical sites are to be selected. The proposed methodology – criteria for site selection, list of questions, and identification of respondents – was presented to help the consultants think through their case study plans, taking into consideration the realities of their particular contexts, available budget and time. The consultants, in discussion with the Forestry Department representatives, came up with their initial case study plans, which rationalize their selection of sites (in terms of the geographical site, poverty context and area of forestry), identification of key resource persons, some data gathering plans and time plans. These, however, will be finalized when the consultants return to their countries and have access to useful information or consult with key partners.

The country studies will culminate in a national workshop or meeting that the consultants will organize in June 2011 after their completion of the country reports. This activity is part of the strategy to engage with the governments on the agenda on poverty alleviation and forests and to communicate this agenda more broadly. It is a venue for the consultants to present their findings and discuss with key partners in forestry and poverty alleviation or rural development how the results can feed into government policy making and national level planning, as well as in the partners' areas of engagement.

## OVERVIEW OF THE WORKSHOP AGENDA AND OBJECTIVES

### Background

Contributing to poverty alleviation has been a priority issue for the Asia-Pacific forestry sector over the last decade. Assessments in the region have shown, however, that results have been mixed at best. To meet the Millennium Development Goal (MDGs), particularly MDG 1 of halving the number people living in extreme poverty, by 2015 will require a redoubling of efforts in forestry and other sectors.

In support of these efforts, the Food and Agriculture Organization (FAO), in collaboration with Asia Forest Network (AFN) and with the support of Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet), initiated as study to assess the contribution of forestry to poverty alleviation in Asia and the Pacific region. The study aims to identify opportunities and threats to future poverty alleviation efforts in view of past and current efforts, as well as future directions in regional forestry sector development, in 11 countries in the region, namely, Bhutan, Cambodia, China, India, Indonesia, Lao PDR, Nepal, Philippines, Papua New Guinea, Thailand and Viet Nam.

The regional workshop on 8–9 March 2011 and the country assessments form part of the APFNet funded project "Making forestry work for the poor: Adapting forest policies to poverty alleviation strategies in Asia and the Pacific" that aims to assist Forestry Departments in contributing to poverty alleviation goals. Toward this end, FAO is engaging with the Forestry Departments on the implementation of the study for the integration of the results of the studies in policy making and planning.

### Objectives

The objectives of the workshop were:

1. to provide participants with an overview of forestry sector developments in the Asia-Pacific region to 2020;
2. to provide the opportunity for national forestry agencies to exchange information in relation to past and current poverty alleviation initiatives;
3. to discuss and level off on case study methodology (including the site selection of focal areas for determining the contribution of forestry to poverty alleviation in each country) and national dissemination workshop.

### Workshop flow

The workshop brought together 29 participants, composed of a representative from the Forestry Department and the national consultant from the 11 countries covered by the study as well as participants from FAO, AFN and APFNet.

The first day of the workshop focused on the first two objectives above. The general pattern was input sharing on specific topics followed by subgroup discussions, in which the country representatives exchanged country situations on two or three guide questions. The countries were clustered into three groups based on geographical location:

- South Asia Group – Bhutan, India and Nepal
- Greater Mekong Group – Cambodia, China, Lao PDR, Thailand and Viet Nam
- Southeast Asia and the Pacific Group – Indonesia, Papua New Guinea and Philippines

The first topic, *The outlook for Asia-Pacific Forestry to 2020*, provided a long-term, regional context on the developments in the forestry sector in the next decade. The second topic, *Overview of the role of forests and forestry in poverty alleviation*, preceded the brief inputs and subgroup discussions on three focal areas of forestry that were looked into: traditional forestry &community forestry; commercial forestry and industrial forestry; payments for environmental services including carbon payments.

The second day was devoted to discussions on the methodology for the conduct of the case studies that are part of the country reports and the national dissemination workshop.

## OPENING REMARKS

Patrick Durst, Food and Agriculture Organization-Regional Office for Asia and Pacific (FAO-RAP)

The workshop on forestry and poverty is timely, with only a few years left before 2015 – the target for achieving the Millennium Development Goals (MDGs), including MDG 1 or reducing extreme poverty by half.

Although rapid economic growth in the Asia-Pacific region, particularly in East Asia and South Asia, made tremendous progress in reducing the number of poor people, there are still over 900 million poor people in the region (or about 2/3 of the world's poor). Most of them are in rural areas and the overlap with forest areas is considerable in many cases.

This situation raises some serious questions: Are there inherent characteristics of forests that enslave people in poverty? Are there really limited economic opportunities that keep those who live in or near forests in poverty and misery? Are there institutional, policy and regulatory issues that are preventing people from getting benefits from forests to get themselves out of poverty?

While forest policy makers have not totally ignored poverty alleviation in the past years, it has not been an explicit goal or top priority for forestry in most countries.

FAO has been working directly and indirectly to try to change this perspective on forests and poverty alleviation for years. Past efforts include clarifying land and resource tenure for communities in forested areas to benefit legally and effectively from forest resources; implementing projects in collaboration with member countries to enhance income and livelihoods for the rural poor in forest areas (e.g., leasehold and community forestry, value addition of local forest products, marketing, etc.); raising awareness of the potential of forestry to contribute to poverty reduction (e.g., an international conference in Viet Nam in 2006 on opportunities for labor-intensive forest harvesting and processing captured in the publication, "A Cut for the Poor"); and studies on forests and poverty reduction issues to support policy development.

In 2005, FAO worked in collaboration with CIFOR and ADB on a project that examined the contribution of forestry to poverty reduction in Cambodia, Lao PDR, and Viet Nam. The results suggest that although forestry can potentially reduce poverty, the contribution is often impaired due to the institutional constraints. As such, the contribution of forestry is often relegated as a "safety net", and even this contribution is often undermined by inequitable allocation of rights during timber harvesting operations, land grabbing and clearing of land for agriculture.

For the ongoing regional study, FAO is working in partnership with Asia Forest Network (AFN), which has been working in the areas of equity, human rights, and benefits from forests for many years, and with Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet), which is providing financial support for the study within FAO's larger project, "Making forestry work for the poor: adapting forest policies to poverty alleviation strategies in Asia and the Pacific."

The workshop and related studies are intended to review the contribution of forestry to poverty reduction toward improving the sector's performance in the run up to 2015.

During conferences or meetings, it is often lamented that forestry does not have much support. Perhaps it is because this agenda has not been pushed strongly enough. During elections with more democratic processes and systems emerging in many countries, environmental concerns generally take the backseat in people's priorities next to jobs, livelihoods and financial concerns ('People vote with their pocketbooks') – not because people do not care but because economic issues are usually a far more immediate concern.

The focus on forests and poverty may be shifting, however. In Viet Nam, poverty reduction is now an explicit objective of forest management, as elaborated in the country's forestry development strategy. In Nepal, community forestry has gained a powerful voice in politics, with strong advocacy for the country's poor. The global economic recession has led governments to take a harder look at what forestry and other sectors can contribute toward job creation and livelihoods, especially in rural areas (e.g., the Upland Development Program in the Philippines). The year 2011, the International Year of the Forest, is an opportunity to generate more interest to the questions, *what we can do for forests and what forests can do for us*?

To take the study forward, FAO is engaging with representatives from the Forestry Departments for the study to feed into policy making and planning of forestry programs. The national workshop at the end of the project will be a venue to help elevate the issues to national policy makers and to provide feedback that will assist Forest Departments find ways to improve the contribution of forestry to poverty alleviation.

## OPENING ADDRESS

Lu De, Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet)

Lu De expressed APFNet's pleasure in cooperating with FAO and AFN on the study and enjoined the participants to actively take part in the exchange and sharing of ideas and information on the workshop objectives.

## THE OUTLOOK FOR ASIA-PACIFIC FORESTRY TO 2020

Patrick Durst, FAO-RAP

*Patrick Durst presented the outlook for Asia-Pacific forestry to 2020 based on the results of the FAO study, "The Outlook for Asia-Pacific Forestry to 2020". He discussed some perspectives on forestry and poverty; key socio-economic drivers of change that are affecting forest and forestry; three scenarios for future development (taking into consideration economic prospects and social and ecological sustainability); and priorities and strategies to attain a 'green path' to development.*

### Forestry and poverty

Asia-Pacific has 912 million poor, with 600 million in South Asia alone. The incidence of poverty is high in forested areas: this overlap invites the question why this is the case. In part, it is because forest resources are seldom managed with the explicit objectives of helping to improve the wellbeing of local communities. The reasons for managing forests – e.g., timber production, revenue generation for national treasuries, political purposes – in many cases do not explicitly include the welfare of the poor. Further, resource exploitation being done in the name of development sometimes even increases poverty and conflict in forest areas.

The past focus of forestry initiatives to address poverty in forest areas has been on strengthening tenure and resource access as well as the institutions to increase the benefits from forests that accrue to poor. Tenure reforms are necessary, but have proven insufficient to raise people out of poverty. Investments, enhancing people's skills, helping people to access markets, and fostering a supportive regulatory framework are also of importance to enable the poor to take advantage of opportunities to move out of poverty, to gain income and secure their livelihoods.

### Drivers of change

Many of the changes that have occurred – and are occurring – in forestry are not happening as a result of reforms by forest policy makers. The real drivers that are pushing forestry are coming from larger societal changes outside the forestry sector. It is important to recognize these drivers of change and understand in what cases these can be influenced and in what cases these are to be accepted as givens.

*Population and demography*. Some demographic trends have significant implications for forestry and poverty. With major increases in population (though slowed down in some countries), the world population is expected to reach 4.2 billion by 2020 from 3.6 billion in 2005. The number of the poor will likely increase, since most of the population increases will be in countries already containing most of the world's poor.

Some countries (Japan and European countries) have aging populations. There are also populations looming in the future with higher longevity and fewer births. Fewer young people entering the work force may make it easier for young people to find

employment. They will, however, have greater responsibility to take care of the needs of an increasing older population. With rapid urbanization taking place throughout the region and the world (47 % urbanized population by 2020), there may be fewer people in rural areas in some places where poverty is occurring. This may or may not lead to opportunities to reduce the number of the poor.

*Economy*. There has been tremendous economic growth in Asia-Pacific region in the last 15 – 20 years, led by China and India. The high growth rates in these countries are increasing the demand for food, fiber and fuel and other commodities. It is also resulting in the huge explosion of the middle class whose purchasing power for products they need creates demands and markets that the poor can tap. The challenge is to help forest-dependent communities take advantage of these markets for them to benefit and pull themselves out of poverty.

*Politics and policies*. Broad diversification of institutional arrangements and upheavals pushing for greater democracy, participation in public policy decision-making and political accountability are occurring in a number of countries (e.g., in Northern Africa and Middle East). What is this going to mean for forests and poverty reduction? Forest governance will come under increased public scrutiny. At the minimum, public officials will be held more accountable for their actions and decisions on how they are managing state resources, which can have positive implications for the forest-dependent poor people.

*Environmental issues*. Forestry can no longer be ignored in climate change discussions: these have a major impact in defining where forest policies are now heading. The ongoing discussion and attention on PES, particularly REDD plus, may provide some opportunities for forestry to contribute to poverty reduction. However, it remains to be seen how much impact these will have on the ground and whether or not the potential will translate to real opportunities for the forest-dependent poor.

*Agriculture*. One of the biggest threats to forests overall is clearance for agriculture: rubber plantations are expanding in forest areas and oil palm plantations are set to spread significantly. Plantations can create local employment, but such large scale operations are usually capital intensive and do not hire many people per hectare. Whether or not this is good or bad for rural poor remains to be seen.

The intensification of land use to meet the demands of the increasing world population has some major implications for the poor and for forestry: Is the priority to intensify the agricultural land use to produce more food? What place will there be for forestry? What are the impacts for poor people and forest communities?

*Infrastructure*. Infrastructure development, such as roads, in forested areas can have mixed effects on forestry and poverty. Roads are a high priority for development and for getting people out of poverty. At the same time, roads are also a major threat to forest areas and biodiversity.

*Science and technology*. New developments create new opportunities. Remote sensing technology and GIS can be used to generate updated and comprehensive knowledge about forests and people living in forests, which can in turn inform planning. At the same time, technology and equipment intensive operations can also

push people out of jobs. Technology can increase efficiency and turn in more profits for the investors but can mean fewer jobs for the local people.

**Future scenarios**

The above external drivers will have critical roles to play in the future of forestry. Rather than being prescriptive about what is going to happen in the next 15 years in forestry, the approach taken by the study was scenario analysis. The study looked at the economic prospects and ecological and social sustainability in analyzing possible scenarios for the region, focusing on three scenarios:

- *High economic growth and recovery*: The "boom" scenario aims for high economic growth without so much concern about ecological and social sustainability.
- *Low economic growth and stagnation*: The "bust" scenario is one of continuing economic recession without much capital or opportunity for investment.
- *Social and ecological stability*: The "green economy" scenario involves steady economic growth and more concern for ecological and social sustainability

| **Scenarios** | **Economic prospects** | **Implications for forestry and poverty** |
|---|---|---|
| High economic growth and recovery<br><br>*the "boom" scenario* | - Recovery from the economic crisis within 2-3 years<br>- Growth of middle class, increased demand for goods and services<br>- More foreign direct investments, trade, travel and access to technology accelerated by globalization | - Increases in forest areas in emerging economies but declines in forest-rich developing countries<br>- Significant increases in demands for wood and wood products (though no general shortages)<br>- Greater funding availability for environmental protection |
| Low economic growth and stagnation<br><br>*the "bust" scenario* | - Prolonged sluggishness of national economies<br>- Protracted recession<br>- High dependence on land as a source of income persists<br>- Slow growth of manufacturing and services sectors | - Reduced capacity to invest in sustainable forest management<br>- Increased dependence on agriculture, with potentially more forest clearance<br>- Reduced demand for wood and wood products that lessens pressure of industrial forestry |
| Social and ecological stability<br><br>*the "Green economy" scenario* | - Balanced growth encompassing social and ecological sustainability<br>- Improved efficiency in the use of energy and raw materials<br>- Improved land and water management<br>- Higher productivity and focus on conserving biological diversity | - Increasing areas and improved quality of forests<br>- Increased focus on recycling and reuse of wood products<br>- Focus on ecosystem services<br>- Expansion of certification and fair trade practices |

**Asia-Pacific forestry in 2020**

*Forest area*: The forest area will stabilize regionally, but losses in other sub-regions, especially Southeast Asia, will continue. Mining, infrastructure and industrial crop expansion will be the major causes of deforestation.

*Forest degradation*. Forest degradation will remain a major problem in densely populated, low-income countries. Threats from invasive species will persist.

*Sustainable forest management*. Sustainable management of forests, particularly natural tropical forests, will remain as elusive and confused as it is now. Most wood will come from planted forests and farm-grown trees. Even though plantations are controversial, they are regarded as sustainable/sustainably managed as they produce more wood within relatively small areas. The potential of planted forests will remain grossly under-utilized though there are lots of opportunities to increase yields.

*Wood demand*. The demand for wood and wood products, particularly driven by China, India and Indonesia, will continue to surge. There are no major constraints in wood supplies at least till the end of 2020, although there may be pockets of short supply. Asia-Pacific's share in global consumption will increase substantially even in low-growth scenario.

*Rediscovering wood as an environment-friendly fuel.* There is currently a declining trend in the use of fuelwood. However, with bioenergy and climate change concerns, energy and environmental policies may boost the use of wood. This may create jobs for the poor, e.g., biomass collection and sale to local energy processing plants.

*Non-wood forest products (NWFPs)*. Subsistence production of NWFPs will decline as these will be increasingly commercialized. Most commercially important NWFPS, including those used for health and beauty products, will cease to be "forest-derived products" and will be grown on farms. This has some major implications for rural poor, NWFPs being one of their main sources of incomes. When NWFPs are commercialized, only a few people usually make a lot of money and production is concentrated with fewer jobs and fewer dispersed opportunities.

*Environmental services*: The situations will be extremely mixed. Environmental services are having a major impact on policies and direction of forest management. Low income countries will face major challenges in watershed protection and land degradation. REDD or REDD + would unlikely make a serious dent in the next 10 years in the region in terms of actual forest management and benefits for local people. Many people took challenge to – and are still disputing – this conclusion of the study.

During a recent meeting among some of the most knowledgeable people about what is coming out of the Cancun negotiations and progress in developing REDD readiness in the region, the most optimistic countries in Asia – Pacific supporting REDD are at least five years away from real implementation phase. Efforts are still on the REDD readiness phase of better monitoring, institutions, free prior and informed consent (FPIC) processes and most countries are probably 10 years of seeing benefits on the ground.

**Priorities and strategies**

To steer progress in forestry toward a favorable green path scenario, the study identified the following priorities:

- Rebuilding of the natural resource bases, including conservation of existing resources;
- Enhancement of efficiency of raw material/energy use;
- Improvements in governance;
- Rural development, employment generation and poverty alleviation;
- Focus on afforestation and reforestation for jobs creation; and,
- Government or international climate change related support for rebuilding forest resources.

The strategies for accomplishing the above priorities are:

- Improvements in policy, legal and institutional frameworks in the areas of tenure, institutional reform, land-use planning, and enabling environments;
- Building capacities for grassroots forestry;
- Strengthening science and technology capacities;
- Improving education and awareness;
- Developing societal consensus; and
- Strengthening leadership and communication.

An important lesson in most countries is the need to have real national dialogue about how forests are to be managed and for what purposes. Making poverty reduction as an explicit objective in forest management requires some societal consensus about making this a priority.

Effective communication is also important because a lot of important decisions that affect forests are often made without much input from those who are most knowledgeable about the biological or social aspects of forestry or those most affected by forest management decisions. This poses a challenge for those involved in the sector to be more engaged in the communication process.

## OVERVIEW OF THE ROLE OF FORESTS AND FORESTRY IN POVERTY ALLEVIATION

Peter Walpole, Asia Forest Network (AFN)

*Peter Walpole discussed about some frameworks that try to relate forestry poverty alleviation, which the consultants may look into in more detail in their respective country situations.*

### Measuring and understanding poverty

Poverty has multiple dimensions. *Poverty in monetary income* is defined as living on less than US $1.25 per day. This income measure is necessary, but is inadequate. *Poverty in capacities* constrains people from doing the things they value, including participation in decision making. Lack of capacities is in part due to inadequate access to basic services. *Poverty in assets for livelihood,* such as natural, physical, financial, social, & human & spiritual assets, keep the poor from having secure and sustainable livelihoods to get out of poverty. *Poverty as social exclusion* happens when groups are systemically excluded from the labor market, education, or political processes. Below are other ways of looking at poverty.

| | | |
|---|---|---|
| Spatial poverty | Forest dependence argument | - Poorest of the poor living mostly in remote, rural areas<br>- Low external investments, poor infrastructure, lack of access to social services, low opportunities, geographic isolation, poor market connectivity |
| Temporal poverty | Safety net argument | - Temporary (seasonal, e.g., illness or loss of employment), within life cycle<br>- Chronic (no assets)<br>- Recent (result of disasters, violent conflicts, financial crisis) |
| Structural poverty | Transformative argument | - Social, economic & political exclusion<br>- Little or no voice (for all degrees of poverty – the extreme, coping, improving, and capable poor) |

*Source: (Hobley, 2008)*

While the focus of the study is on the poverty situation of people, poverty should not be taken as the definition of their existence or a label that gets stuck on them. Engaging with the poor toward poverty alleviation should start from their human dignity and aspirations.

### Forests, economic development and human development

Using the traditional development model, the contribution of forestry to a country's economic development is largely seen as circulating between government and trade to add to a country's gross national product (GNP). However, the trickle down effect has not always happened in many countries. Forests have historically brought in

revenue to national economies, but poverty persists in forest areas as benefits have not always significantly accrued to the affected communities.

The national consultants are encouraged to bring into their country reports analysis of the poverty situation not only at the national level, but to also bring it down to the local level where the reality of poverty is seen.

*Forests and national economy*. In developing countries, where there are large forest areas, forests are seen at the national level as natural resources that can be exploited to raise revenues. Within the countries that are considered middle and low income economies, it would be good to look at the local situations and understand the poverty situations in relation to forest resources.

*Forest Cover and National Economy*

| | **10 M ha forests** | | **< 10 M ha forests** | |
|---|---|---|---|---|
| | **> 40 % forest cover** | **< 40 % forest cover** | **> 40 % forest cover** | **< 40 % forest cover** |
| Middle income economies (US $5,000 – 15,000 per capita income at PPP) | Indonesia | China<br>India<br>Thailand<br>Viet Nam | | Philippines |
| Low income economies (< US$ 5,000 per capita income at PPP) | Cambodia<br>Lao PDR,<br>PNG | | Bhutan | Nepal |

*Source: FAO, 2010.*

*Forests and HDI*. Analyzing HDI or HPI or other poverty measures can be a starting point in the selection of case study sites, as the study is not about showcasing the best examples or banner programs, but is about getting an understanding of how to get poverty alleviation working in the generic and common-place situations of poverty.

*Forest cover and HDI*

| | **10 M ha forests** | | **< 10 M ha forests** | |
|---|---|---|---|---|
| | **> 40 % forest cover** | **< 40 % forest cover** | **> 40 % forest cover** | **< 40 % forest cover** |
| Medium HDI | Indonesia (108)<br>Cambodia (124)<br>Lao PDR (122) | China (89)<br>India (119)<br>Thailand (92)<br>Viet Nam (113) | Philippines (97) | |
| Low HDI | PNG (137) | | | Nepal (138) |

*Source: FAO, 2010. (There are no HDI data for Bhutan).*

## Forests and poverty alleviation agenda

Although about 2/3 of the poor in the Asia-Pacific region are living in or near forests, it is only in recent years that pro-poor objectives have been incorporated in forestry programs. Poverty alleviation is competing with other goals of forest management, such as conservation and forest productivity. Despite its recognized huge potential to help lift millions of rural poor from the bottom, there is a gap in the forestry sector's actual contribution to poverty alleviation in terms of livelihoods.

In assessing the contribution of forestry to poverty alleviation, it is important to first clarify one's model of the poverty alleviation process. Sunderlin (2004) distinguishes three levels of poverty alleviation through forests. Forests – as sources of subsistence, seasonal gap fillers, savings account or safety nets in times of unexpected hardships – can contribute at the level of poverty mitigation or poverty avoidance. The poor become slightly less poor. The subsistence activities of forest-dependent communities are seen, from one perspective, as trapping them in poverty and, from another, as a safety net. On the other end, forests can provide a permanent way out of poverty through savings, investments, accumulation and asset creation.

The Sustainable Livelihoods Approach (SLA) provides a useful framework that the consultants can adapt in their analysis of the impacts of forestry in improving the lives of the rural poor. It takes into consideration the various livelihood assets (human, natural, financial, physical and social) other factors that affect people's livelihoods (e.g., vulnerabilities, institutions and policies, etc.) and the inter-relationships and how these all relate to the adaptation and sustainability of the community.

Drawing from the SLA, the impacts of forests and forestry on alleviating poverty in forest-dependent communities can be seen in terms of:

- Access to basic services;
- Capacity development (e.g., opportunities by which the younger generation can develop skills to establish social networks);
- Tenure and access rights, labor rights and work conditions;
- Income generation and subsistence;
- Participation in governance;
- Market access and value adding; and,
- Sustainable management of forests and ecological services.

A critical element that needs to be looked at while assessing the contribution of forestry in poverty alleviation is equity: how are the benefits really shared?

## Is it happening for the poor?

Based on an initial review of the partial country reports, the following points were shared to help the national consultants see if development or poverty alleviation is happening for the poor:

1. The reports should include comparable definitions of poverty: the consultants can review poverty frameworks and relate these to their country situations.

The authors must review rather than simply assume that GDP/GNP increases have positive impacts on poverty.

Part of the poverty analysis is on the growing disparity between rural poor and urban society or on income inequality (which is reflected in the Gini Index). The reports should reflect the fundamentals of education and health, MDG, and of HDI and HPI.

2. The consultants should identify the poorer areas and conduct a comparative review of the poverty situation and forest status and livelihood/productive or conservation activities and see how the benefits from forests get distributed and how these affect different areas.

3. The reports must also review the goals for forestry in the different countries, such as those related to poverty alleviation, revenue generation and conservation, as well as how forests are being affected by developments in other natural resources and mineral exploitation.

4. There is a need for more understanding of traditional forest practices and cultural security. The reports should also look into the non-economic values and relationship that indigenous peoples or ethnic groups have with forests.

   Traditional forestry is often seen as NWFP and swidden cultivation. There is a need to look at particular local contexts to see how swidden cultivation is a form of management, not simply historically degrading of forest. Relatively long rotation swidden farming practices as practiced by many indigenous communities (although weakened or is now taking shorter fallow periods) is different from the slash-and-burn clearing of forest areas for cash crop cropping.

   Cultural integrity gives greater security of food resources in times of risk. The sense of sharing among the members of a community can help them deal with hunger in times of food shortages.

Overall, poverty is the focus, not forest management. Forestry is only a means to the end of poverty alleviation.

## PLENARY SHARING

The following questions evoked a range of views from the participants that they shared more from their personal – rather than institutional – point of view.

1. To what extent is poverty alleviation and equitable distribution of wealth the focus of government agendas as opposed to economic growth?
2. For the rural poor, how does the forestry sector respond to poverty alleviation?

### Insights and thoughts on economic growth and equity

*Economic growth first before distribution*

A view shared by many of the participants is that a country must achieve economic growth, measured as GNP, first to generate resources for distribution. (Bhutan takes exception in measuring development through the Gross National Happiness Index, not GNP.) Economic development is a top priority of most developing countries, because it allows governments to have the capital or resources to support social services and pro-poor projects. (In Thailand, for example, the government is providing free electricity and transportation.) Theoretically, if governments achieve high economic growth, the wealth can then be translated into basic services to meet the people's needs, infrastructure development and environmental programs. Without resources, policies and plans will simply be blue prints on paper.

Whether economic growth is enough to address poverty has been a debate for years. There are countries with high economic growth rates, but poverty remains widespread. PNG is at a middle income level in terms of economic growth, but its low social indicators reflect the lack of equitable distribution. Indonesia has been posting positive growth rates, but equitable distribution of wealth across the country remains a challenge.

The question – to what are extent government agendas concerned with poverty alleviation and equitable distribution of wealth – depends on a country's wealth and prioritization of programs to address existing needs. In several countries, poverty alleviation is viewed as a top priority of the government.

*Forestry's contribution to economic growth and poverty alleviation*

For some countries, exploitation of natural resources, including forests, is a necessary strategy to achieve economic growth. However, the revenues generated have not always redounded to the affected communities or to the forestry sector. The extent to which the forestry sector can contribute to poverty alleviation is determined in part by how much budget governments allocate for its pro-poor programs. In some countries, only a small part (1 – 2 %) of the total national budget, which is disproportionate to the contribution of the sector, is reinvested in forestry programs.

In PNG, the forestry sector is the third contributor to the national coffers. However, there is minimal funding from the national government to support forestry initiatives. There is no support from the other stakeholders, either. Relying solely on its annual budget, the Forestry Administration has not taken initiatives to support community forestry activities owing to the lack of funds.

Theoretically, however, forestry in PNG has a huge potential to contribute to rural poverty because 99 % of the forests are owned by the people. Timber royalties paid to the Forestry Administration can add up to a large sum of money that, if divided across the population of 6.3 million, will mean significant income per person. However, this potentially high income for the people is not reflected in their livelihood at the village level. There are landowners who gained huge monetary benefits from forestry developments, but they lack the capacity to manage the money. The Forestry Administration considers assisting the landowners in managing and investing their money wisely is outside of the scope of their job as the staff are not trained as development officers. This is where other government agencies, particularly the Business Development and Commerce, can help.

The contribution of the forestry sector to Cambodia's GNP declined since 2000, when the government cancelled many forest concessions. The country's economy depends mostly on tourism, infrastructure development and agriculture. However, although the contribution of the forestry sector to the GNP is minimal, almost 2/3 of the country's population depends on the forests as their main source of livelihood or as a supplementary income source. To promote development, thousands of hectares of forests were converted into crop plantations or farms.

In Nepal, 32 % of the GDP comes from agriculture, forestry and fishery. Agriculture is identified as a top development agenda, but the government's expenditure on agriculture over the last decade has remained a single figure. The gap between plans and actual actions results in weak implementation, which is one of the reasons why the country has not been addressing equity.

In line with Lao PDR's target of getting out of the least developing country status by 2020, the government is faced with the challenge of making the remaining forests benefit the people and of accessing benefits from the environmental services of the forests. As stated in the 7$^{th}$ National Socio-Economic Development Plan to 2015, forestry is one of the most important sectors as the country is now capitalizing on its natural resources. There is less investment in the forestry sector although there are efforts to improve the situation, such as the establishment of a forestry resource fund.

In Viet Nam, a critical challenge is in showing the close link between forests and poverty alleviation for the government to adopt an integrated approach in its forestry and poverty reduction programs, as these are currently separate.

*Poverty alleviation – complexity and multi-sectoral approach*

Poverty is complex and multi-dimensional. It is not just about income deprivation; it also involves deficit in governance, institutions and other areas. Poverty can also be a structural problem, thus, economic growth alone will not be sufficient to get people

out of poverty. Poverty exists in forests or degraded lands regardless of whether or not there is economic growth.

Poverty alleviation must be tackled in various ways and through the different sectors. It should not be limited to economics or raising incomes only, but should also include enhancing the capacities and self-reliance of poor people (i.e., through basic services). Forestry alone will not solve rural poverty. As part of the Indian government's fight against poverty, laws on the right to food and the right to employment have been recently enacted.

*External factors in poverty alleviation efforts*

Government efforts to reduce poverty or increase the income of the poor are affected by external events, e.g., the global economic crisis, rising fuel prices, etc. With rising prices of energy and food, the poverty line of US$ 1.25/person may no longer apply.

Governments, especially of poor countries, formulate their development agendas in a political context: they are influenced by multi-lateral institutions and other external factors that may or may not serve the countries' interests. Nepal is in a political transition, and is in the process of democratizing and making its political processes and institutions more inclusive.

*Objectives of forest management/forestry*

How a country allocates forests for various uses also determines the sector's contribution to poverty alleviation. While the focus of the discussion is on forestry's contribution to alleviating poverty, forestry is not for poverty alleviation alone. Forest development is for different objectives, including ecological services. Forestry can actually contribute more through indirect services (although these are not measured) than direct employment.

Before, the focus of most governments has been more on economic development than on conservation and environmental sustainability. This approach involves tradeoffs between development and conservation. Now, the development discourse puts emphasis on both development and conservation, which requires finding a balance between these goals to have a win–win situation or a boom-and-green economy scenario.

**Some forest-based poverty alleviation strategies**

*Bhutan*

In Bhutan, 51 % of the forest area (comprising 72.5 % of its total land area) is under protected management system, while 40 % is considered production forests for local consumption. The government is paying a high subsidy for timber used for rural construction. People living in urban areas pay US$ 20 for one cubic meter of timber, while those in rural areas pay less than US$ 1.

*Cambodia*

There are innovations in government policies on the forestry sector that allow the local communities to participate in national forestry programs. The government allocates portions of the forests for community forestry or community production forestry and the local communities can plant trees, conserve or protect the forests and derive benefits for their efforts. However, local communities still lack the ability to derive benefits from the forests.

*China*

There are government efforts to pursue both poverty alleviation and economic growth. At the start of economic reform about 30 years ago, the country had lower economic growth and the gap between the rich and the poor people was not big. Allocating even a small fund for poverty alleviation could make a significant change. With economic growth, the gap between the rich and poor (as seen in the increase of the Gini coefficient), urban and rural communities widened. This puts a major challenge in reducing poverty.

In recent years, the Chinese government has been paying more attention to poverty alleviation, integrating related strategies in the agriculture and forestry sectors. The State Forest Administration (SFA) is promoting forestry development to support poverty alleviation. Key national forestry programs are being implemented to provide work for the farmers and increase their income. The collective forest tenure reform that allows the farmers to get more forest lands is a kind of redistribution of wealth to the farmers and the poor.

*Indonesia*

One-third of the people in the country are living inside or around forests, and 30 – 35 % of them are poor. Community forestry is seen as an opportunity to improve the peoples' welfare. In 2007, government passed Regulation No 6 that recognizes community processing, wherein the government gives permits and management rights (not land ownership) to local communities over areas allocated for community forestry. Some communities succeeded in developing their action plans with the assistance of some non government organizations (NGOs), in getting extraction permits or in working out benefit sharing between the community and the government. Others are still in the initial steps. The timber rights given by the government, along with capacity development, allows the communities to improve their lives. In some places, the actual financial benefits are not yet realized, but the people have at least gained land tenure.

There are, however, many remote communities not covered by the government's community forestry program. One community in Papua (where the consultant has been working) is covered by almost 80% primary forest, mostly protected areas. The people have beliefs that the forests are the homes of their ancestors, and such beliefs contribute to the conservation of the forests and water. The people cultivate tribal lands (they do not have individual lands) for their daily subsistence. They practice

shifting cultivation, which used to meet their needs but which is no longer enough with their exposure to new commodities by development and migrants. They do not have the culture of planting. Unlike before that they just took from the forest, now, they have to plant and sustainably manage their own lands. Developing agroforestry with the communities is a big challenge that has been on the agenda of the local authorities, but they are no longer giving much attention to this now.

*Lao PDR*

The Lao government is trying to reconcile poverty alleviation (through improving the security of the income generating activities of the poor) and economic development of the country, recognizing that about 80 % of the Lao people are living on swidden cultivation. Swidden cultivation tends to destroy the forest, and the government is working toward stopping swidden cultivation to preserve the remaining forests. Recognizing also that forests/forestry sector alone cannot eradicate poverty, the government is seeking other options, such as hydropower, ecotourism, REDD plus, and infrastructure development.

*Nepal*

The realities about the economic situation and poverty alleviation in Nepal that must be considered when bringing forestry in the picture are that the country is lagging on both economic growth and poverty alleviation; the gap between the rich and the poor is increasing; and the economic growth is almost stagnant.

Community forestry is a major component of the country's forestry sector. Almost 1.6–2 million hectares of forests have been allocated as community forests and almost each of the households is a member of a forest group. As part of the effort to target the poor, at least 35 % of the income from community forestry is being used for programs for the poorest of the poor. There is, however, no comprehensive study done so far on the impacts of community forestry on poverty alleviation.

*Papua New Guinea*

Forestry is bringing in large development activities, such as oil palm plantation. In PNG where 80 % of the population is rural-based and isolated, these activities are improving the people's livelihoods. On the other hand, the NGO sector is arguing that forestry has to be sustainable.

*Philippines*

For the Forest Management Bureau (FMB), forest management and poverty alleviation are complementary. In most cases, however, the goal is really forest management and poverty alleviation is a means to this end.

A government's economic policy or agenda to address upland poverty must also address poverty in the lowlands. If government efforts are focused on upland poverty alleviation alone and the people are able to improve and sustain their incomes, the improved economic situation can serve as magnets for the poor in the lowlands to move to the uplands. Eventually, this will practically lower the gains in upland poverty alleviation and the situation will revert to back to poverty with the increasing population. There is a need to devise a long-term solution to the increasing population problem in the uplands and to create the opportunities for upland population to have gainful employment in the lowlands.

*Thailand*

The Royal Forest Department is trying to promote reforestation through national and local programs, including trainings, education and pilot projects to help local communities establish their forest management systems as well as research that support projects on agroforestry. Through the small land owner utilization program, a family is allotted one hectare of land that they can use for their housing area, rice paddy field and agroforestry. The objectives of an existing forestry policy are to maintain the existing forest areas and to try to reduce deforestation, which is difficult because of conflicts in landuses.

*Viet Nam*

In Viet Nam, almost 58 % of the population lived in poverty in 1983. In 2010, this figure dropped to only 10.6 %. The government has done a lot in terms of economic growth and poverty alleviation. In 2011, Viet Nam adopted a new poverty line, which can mean that the poverty rate will go up. With its degraded natural resource base and forest resources, the country needs to work out strict measures and management plans to attain economic development, with poverty alleviation, and conservation.

While forestry programs are seen as a vehicle for poverty reduction, but this has not been strongly proven by experiences in community forestry in Viet Nam. A previous study of the Forestry Department found out that community forestry contributed significantly to sustainable forest management but not to poverty reduction. One reason is that, with the policy on logging ban in natural forests, the people protect the forests, but they can no longer harvest and sell timber. Further, the timber processing industry, though it can bring in significant revenues for the government, is not making any impact on local farmers' livelihoods: the industry does not make use of their labor, develop their capacity to operate advanced technology or provide them livelihood alternatives.

New international regulations on timber – such as Forest Law Enforcement, Governance and Trade (FLEGT) and the REDD – can work against the local people. The certification process is difficult for communities to comply with for their timber. Without the label, the industry will not buy the timber from the communities, thus, their product cannot enter US or EU markets.

**Further inputs**

Pedro Walpole shared three points to bring a degree of further focus to the discussion. One recent lesson learned is that the economics of a country is not simply about growth but also sustainability. Governments are trying to incorporate sustainability in their focus on economic growth, increasingly recognizing the complexity of that. A government cannot just rule by the average figures; there are specific needed cases that a government needs to look at.

Recognizing the role of forestry to contribute to poverty alleviation is not to say that forestry or forestry departments alone have to solve the problem of poverty. The fact that the forestry sector is in the geographic location of where there is great poverty means that it is a fundamental and valuable extension of government that can play a more integrative role. Although forestry is not dealing with education and health sectoral concerns, a great deal of what forestry is about is actually education on different fronts.

Part of the effort is to look at developing a more complex understanding of a green economics so that there is sustainability, food security at home and a more integrative economy that brings the concerns of the people into more sustainable relation with the land and for the people who are there.

Pat Durst acknowledged that the question of whether or not economic growth is enough is not a new debate, but has been plaguing policy makers for years.

A book, *Forests: for whom and for what*, by Marion Clawson (1975) describes the same debate in the United States about why forests are being managed and for whom. The national forest system in the US, occupying roughly 20 - 25 % of all forests in the country, was established in the early 1900s for main two purposes: one, concern about possible timber famine because the timber industry was overcutting at the time and, two, concern over water (watershed management).

Shortly after that, concerns about soil conservation came in and also concerns about fisheries and wildlife habitat. By the 1960s when the country became wealthier, the forests were started to be used for tourism and recreation. The concept of wilderness emerged as people wanted old growth, undisturbed forests. There were huge fights over protecting the remaining forests for the wilderness, and the issue of livelihoods for the communities depending on the forests became part of the debate. Having the wilderness (and the spotted owl) would take away the livelihoods of those dependent on timber. More recently, concerns about carbon have been entering the picture.

This illustrates the evolving demands of society on forests and the trade-offs involved. The speaker has often argued that foresters can manage forests very well for specific objectives, but what they have difficulty doing is to manage forests for multiple objectives at the same time. If the objective is to manage forests entirely for carbon, attaining the other aims may become difficult. If the plan is to manage forests for multiple objectives, some tradeoffs are inevitable.

Is poverty reduction an objective for managing forests? One argument is if poverty reduction is a high priority for a national government, should it not also be priority for

managing forests? How many countries are managing forests to explicitly alleviate poverty for nearby communities? Taking the discussion further, if in fact poverty alleviation is an objective, does it make sense from an economic efficiency standpoint to plan to log the forests, sell the timber and collect taxes, put it in national treasury and then turn around and provide services and support for the communities in order to alleviate poverty? The question, however, is how efficient governments are in this kind of transaction. Even in the best of circumstances, there are considerable transaction costs in inefficiencies and corruption. There are some things that governments can provide, and there are other things that if communities are allowed more access or use of the resources directly, they will have money in their pockets that they can use for their basic needs.

## TRADITIONAL FORESTRY, COMMUNITY FORESTRY & POVERTY ALLEVIATION

Peter Walpole, Asia Forest Network

*Peter Walpole gave an introductory presentation on different community-based forest management modalities, contexts and concerns of indigenous peoples and local communities and relations with forests, and the contribution of community forestry to poverty alleviation and MDGs.*

### Community forest management modalities

Community forest management is a generic term that encompasses different forest management modalities that are initiated by local people who depend on forests and forestlands for their livelihoods.

1. Traditional/indigenous forest management systems of indigenous peoples or ethnic groups in forests they have long been occupying or using;
2. Responsive community forest systems of local communities depending on the same forest resources/areas with establish regulations on resource use; and,
3. Organized community forest management systems (by formally organized people's organizations or forest users groups)

There is a whole range of forms of traditional and community forestry initiatives across Asia, which include agro-forestry, ancestral domain management, collaborative forest management, co-management, community based forest management, community forestry, community forest management, farm forestry, joint forest management, local forest management, participatory forestry, participatory forest management, public participation in forestry, social forestry, etc.

### Contexts and concerns of forest-dependent communities

The exact number of indigenous peoples and local communities depending on forests is not known. Cultural distribution in many countries overlaps with forests and poverty. There are about 210-260 million indigenous peoples in Asia-Pacific, and majority of them depend on forests.

The colonial history of many countries left an emphasis on rural resource extraction with no vision for the indigenous peoples and local communities. At this stage, governments have to take the responsibility de facto for where the people are and how national agenda is addressing existing poverty concerns.

Forests and forestlands are vital sources of subsistence and source of cash benefits, land for agriculture and other resources. For most indigenous peoples or ethnic groups, forests form part of their self-identity and cultural knowledge and practices are drawn from ecosystems. Their indigenous knowledge, however, is often not acknowledged.

In many cases, poverty in the forest areas is about remoteness: indigenous peoples and local forest communities are mostly located in the margins – geographically, politically and economically. Politically, they are not fully integrated into the national system. They lack access to basic services (many indigenous peoples or ethnic minorities do not even have social documentation or birth records) and governance. These people commonly have limited connection to the market and are subjected to and seasonal risks and hardships. There is also limited recognition of their rights and cultural practices.

**When is forestry not contributing to poverty alleviation?**

An analysis of how the forests at the regional are divided under different forms of tenure – where some tenure arrangements give greater recognition of communities' rights and others do not – can give an idea of how much forestry is contributing to poverty alleviation. The contribution of forest management categories to poverty alleviation is not always positive. Indigenous peoples and local communities who relate to various forestry initiatives have experienced these limitations.

Each country has its own pie chart that helps to analyze under what tenure arrangement the poor can have better security to their forest resources/ land.

**Forces affecting forest peoples' rights**

There are various forces affecting forest people's rights, including agricultural intensification, infrastructure development, resource depletion, etc. What is coming into the picture in the last decade or two is more of the management, recognition of the rights and self determination of indigenous peoples, global recognition of poverty, and legal frameworks on decentralization and forest management.

In the country analysis, the consultants can put their own analysis of factors. It becomes apparent that it is not simply a forestry program that is going to solve poverty. Within a very complex world of governance, forestry is only one of the sectors and it is important to locate where forestry is in the web of events.

**Broadening forestry's contribution to poverty alleviation**

As community forestry alone will not solve rural poverty, it is important to broaden the agenda for community forestry. This involves identifying where community forestry interfaces with other concerns of the poor in forest areas as basis for coming up with integrated poverty alleviation plans in forest areas. Community forestry must take into consideration social issues that are often not necessarily concerns of the forestry sector.

Situating community forestry as a focal point, it is related to human security, e.g., tenurial reforms that allow the people to have a sense of security that they can establish their livelihoods and invest in their lands; minimum basic needs

(reformulated as MDGs), e.g., education and health are fundamental to addressing poverty and opening other options for people; community relations, e.g., local community members' level of participation in governance; and, environmental sustainability.

**Community forest management's contribution to MDGs**

Community forest management is more associated with Goal 1 (Eradicating extreme poverty by half) and Goal 7 (Ensuring environmental sustainability). Nonetheless, community forestry activities along with other local initiatives can contribute to or be integrated in efforts to address the other MDGs, as illustrated in the experience of how a community and assisting partners relate forest issues and management and actions and plans to address aspects of poverty.

For instance, in relation to MDG 2, the culture-based multi-lingual education program of an assisting partner integrates forest and indigenous knowledge in the curriculum and relates learning to community life. The main connection between forests and child mortality is seen in safe water sources and food security, which are crucial to how their forest activities are under community impact. In relation to Goal 7 of ensuring environmental sustainability, the community raised the question if their forests are linked to the water supply of a dam down the river from the community that is generating power: how could they go about securing a form of benefit from their management of the headwaters?

The point is not that the Forestry Department has to answer all of the poverty targets. Nonetheless, it does call upon those engaged in forestry to see what are within the scope of forestry to understand the inter-relations and initiate or promote efforts to take more integrated action among the sectors involved.

**Aspects within current scope of traditional and community forestry programs**

- Tenure & access
- Conflict management
- Capacity building
- Gender & cultural integrity
- Planning & resource inventory
- Environmental services
- Protection & participation
- Knowledge management
- Livelihood & marketing
- Micro-finance/ management
- Governance & policy development
- Global-marginal interplay

**Subgroup discussion**

*Question 1: What aspects of traditional/village or community forestry contribute to poverty reduction?*

The groups answered the first question in terms of the direct and indirect contributions of traditional/village and community forestry to people's livelihood assets.

For local communities, forests provide resources for consumptive/subsistence use. These include fire wood for energy needs and for cash, wood for local construction, NWFP, medicines, green manure and fodder. Forest-based activities are also sources of income, savings and job opportunities. People earn and can create assets to an extent through different income generating activities, such as NWFP (flora and fauna) harvesting, products development and tourism opportunities. Income derived from timber, however, is in limited cases because many countries have logging bans.

There are also non-monetary/indirect contributions from traditional forests and community forestry.

- Local empowerment. Community forestry brings people together and can serve as a platform for people to express their interests and problems. As a formal association or informal indigenous structure, the members can consolidate their political voice and bargaining power to negotiate with local authorities.
- Capacity building. (Unlike the situation in most of the countries, the forests in Papua New Guinea are mostly owned by the people, but they lack the capacity to manage the forests and deal with external interests that are operating in their forests.
- Improved social capital and gender empowerment.)
- Tenure rights.
- Improved access to markets and value adding are necessary for local communities to increase their revenues from their income generation activities.
- Basic infrastructure.
- Forest conservation for livelihood support and ecotourism. Sustainable forest management helps ensure the quality and quantity of the forest resources on which people depend for subsistence and income. When people protect their forest ecosystems, they maintain their landscape that can in turn attract tourists.
- Ecosystem services (water for agriculture and energy generation, soil conservation, carbon capture etc.). In some places, communities with the assistance of partners are able to harness water channels for electricity for their own consumption.
- Cultural value. The indigenous communities associate some beliefs with forests, which help in conservation.

There are also other benefits from traditional or community forestry to the larger society. Community forestry can provide learning/training areas for students taking up forestry or other related courses in universities. Students can learn the theories in the classrooms and can have their practicum in communities applying sustainable forest management systems. Also, since traditional and community forests are located along political borders, communities contribute to national security (e.g., Viet Nam).

Overall, the Mekong countries concluded that traditional forestry and community forestry can contribute to poverty avoidance but not poverty elimination.

*Question 2: What are the opportunities for incorporating these and other aspects more widely in tackling rural poverty?*

The groups cited a range of existing or needed opportunities. Reforms in policies offer an opportunity to integrate enabling pro-poor reforms toward securing local rights and ensuring equitable benefit sharing. Also needed is meaningful implementation of policies and monitoring. Forestry policies can learn from good practices in traditional forest livelihoods and community forestry.

The design and planning of programs related to forestry, rural development and national development, backed by strong political will and support from government, can create opportunities to integrate increased support for the rights of indigenous peoples and local communities, as well as to incorporate pro-poor projects in broader development plans in forest areas. As traditional and community forestry alone will not be able to raise the poor from poverty, the efforts in some countries toward inter-departmental convergence and public-private partnerships are important for the integration of various pro-poor efforts for greater impact.

Promoting community-based forest enterprises and fair partnerships with investors, government agencies or other assisting groups can help expand the livelihood assets of the poor to be able to establish and sustain some livelihood activities at a commercial level.

Opportunities for making financial support (such as incentives, soft loan, credit, grants, tax exemptions for resources harvested from community forests) available for the poor, can allow them to have access to start up funds so they can engage in productive activities and meet their basic needs. Community forestry is a critical strategy toward sustainable forest management and reducing deforestation and forest degradation, hence, continued donor support, which has mostly shifted to climate change, for community forestry should continue.

Developing the capacity of forestry officers, to be facilitators rather than 'controllers', will have positive impacts on the implementation of community forestry programs. The development or improvement of local infrastructure, such as transportation, communication, energy, etc. can facilitate the poor communities' access to market centers, basic services and information.

## COMMERCIAL FORESTRY AND INDUSTRIAL FORESTRY AND POVERTY ALLEVIATION

Jeremy Broadhead, FAO-RAP

*Jeremy Broadhead provided a brief input on the activities under commercial and industrial forestry, as well as the opportunities and threats associated with these operations.*

### Commercial forestry and industrial forestry

Commercial forestry involves forest-related activities that can be done at the local level but are involved in the markets. The local activities or operations are at a level of commercialization, involving greater capital intensity and higher investments:

- non wood forest product collection, processing and sale for commercial purposes (as compared to the traditional or subsistence use of NWFP);
- use of small wood and production of handicrafts, e.g., people using off-cuts from logging activities to make furniture or handicraft to sell to the markets;
- outgrower schemes or contract farming; and,
- ecotourism. (Ecotourism is a commercial activity associated with forests, although it may be included under payment for ecological services.)

Industrial forestry, on the other hand, involves larger scale operations for logging and the primary production of timber, growing timber and processing (sawmill operation); and manufacture of wood products (sawnwood, panels, pulp and paper) and furniture. Industrial forestry is a source of employment to meet labor demands in establishing or harvesting plantations, in processing and manufacturing different products, etc.

Commercial or industrial forestry activities are generally not the operations that the poor can afford. In the case of outgrower schemes, the poorest people may not have the land themselves that they can devote for contract farming. Given this, the question remains in what ways do these areas of forestry contribute to the wellbeing of the poor?

### Threats

There are a number of threats associated with commercial and industrial forestry. The operations are capital intensive, and capital intensive industries tend to employ less people. It becomes more economically efficient to invest in a machine to do the work than to hire many people. Although a labor intensive production system is ideal for social purposes, an operation that gets increasingly more capital intensive requires less manpower. With the use of machines, skilled jobs can be all that is on offer. Companies tend to prefer skilled workers and those who obtained a level of education. While these areas of forestry can create job opportunities, these may bypass the poorest people.

Another, the workers' health and safety do not often get high priority corresponding to the high levels of risks that the workers are exposed to. The companies may not observe fair labor practices or follow minimum wage rates. In terms of the profits, local elite and middle men usually take the lion's share. They are also the ones with access to knowledge, networks and resources that enable them to find ways to increase their profit. Under these circumstances, the poor are often excluded from the benefits. Logging without distribution of benefits with the affected communities can leave a degraded resource base for the local communities. In places where NWFPs are commercialized and these come into high demand, sustainable management is difficult to achieve.

**Opportunities**

The demand for wood products (especially processed products) is increasing and forest products consumption is projected in FAO's Outlook Study to increase. With the regional population and incomes on the rise, the growing middle class and rising incomes can create an opportunity for the poor in forest areas to supply these markets. In Viet Nam and China, there has been a huge investment in the furniture industry and manufacture of forest products that are in part exported to high paying markets. The demand will mean job opportunities and contribution to economic growth.

Investments in afforestation/reforestation and forest rehabilitation related to climate change, particularly REDD plus, may lead to jobs in the short- and long-term, e.g., tree planting activities. Such opportunity can lift people put of poverty if it is the poor that benefit from the employment. For REDD plus to have positive impacts on rural employment, it should include sustainable management of forests for production, which increases forestry sector activities, and not solely focus on forest protection.

**Subgroup discussion**

1. What are the contributions of commercial and industrial forestry to poverty alleviation?
2. Under what conditions do they exacerbate poverty?
3. What are the opportunities for incorporating positive aspects more widely in tackling poverty?

*Question 1: What are the contributions of commercial and industrial forestry to poverty alleviation?*

The direct contributions of commercial and industrial forestry to poverty alleviation that were cited by the groups include:

- Employment opportunities for local people. Commercial and industrial forestry can create jobs in planting, harvesting, rubber tapping and processing activities. The questions are how many jobs are created for the poor and how much they are paid for their labor.

- Local infrastructure development and improved access to basic services. The investors or companies can re-invest part of their profit for the development of infrastructure (such as roads) and basic services.

- Contribution to local and national funds. Revenues from commercial and industrial forestry, through levies or taxes, are a source of income for the national treasury. The contribution of the forestry sector to national economic growth may or may not trickle down to the poor.

- Contribution to downstream economy. Having a processing company in or near a community creates the demand for timber and the local people can grow trees in their lands and sell their products to the company. (However, the companies may not give them a good price). The presence of a processing plant can increase the demand for goods and services provided by the poor.

- Capacity development and government support for community processing of NWFP. Livelihood enterprises to develop nonwood forest product (skills training, community organizing and marketing assistance) can help local communities engage in commercial activities to add value to their harvested forest resource and derive additional income.

*Question 2: Under what conditions, do commercial forestry and industrial forestry exacerbate poverty?*

There are a number of negative impacts of commercial and industrial forestry activities to local communities and to the forests:

- Corporate activities that exclude communities from accessing their forest resources can displace the poor and other community members from their livelihood activities and exacerbate their poverty. Investments usually bring in infrastructure developments in a community, but can also mean the denial of local people's access rights to forest areas that are appropriated for commercial or industrial operations.

- Natural forests are often converted into plantations at commercial or industrial scale. For the investors, newly cleared forests are an advantage because the fertile lands allow them to have higher yields and profits. The changes in access rights and landuse can force indigenous and local communities to abandon or change their livelihood activities. For example, community members engaged in livestock raising will lose their grazing areas to the plantations. Consequently, they either scale down or give up livestock raising altogether. Likewise, those engage in NWFPs also lose their resource base and resource rights.

  Unsustainable corporate activities can destroy the resource base. There are also companies that do not observe proper waste management, endangering the lives of local communities.

- Lack of government regulatory mechanisms to monitor commercial and industrial operations and enforce sanctions over violations of environmental and social

standards can allow commercial or industrial operations to get away with unsustainable practices, violation of environmental regulations and wage law, and unfair labor practices (e.g., lack of safety measures or insurance for workers).

- The share of the poor from the benefits may be very low, as the local elites and vested interests tend to capture most of the benefits. While commercial or industrial operations in a local community can promise some jobs, the poor may not be qualified for the needed jobs or the local residents may not be prioritized in the hiring process. Depending on the extent of technology use, community labor may not be needed.

  On the other hand, labor intensive operations may employ poor people. These, however, tend to have low efficiency and profitability.

- Processing centers can draw people from other places to the area of operations, where health and education services are inadequate or may not be available. In-migration can affect social stability and lead to disintegration of cultural or local values.

- Commercial or industrial operations can raise land prices. This can encourage some local people to sell their lands to the logging companies. When they become landless, their option is to occupy the forest edges or increasingly encroach into the forests. In other cases, local residents are pressured into selling their lands to the companies.

*Question 3: What are the opportunities for incorporating positive aspects more widely in tackling poverty?*

National policies that set environmental and social standards and corporate social responsibilities in term of prioritizing local labor, complying with wage laws, ensuring safe working conditions for their employees, fair benefit-sharing with the poor communities affected by their operations can help ensure more benefits for the poor from forests.

Improvements in governance – monitoring system, transparency, increased role of mass media and civil society organizations, inclusive regulatory mechanisms – are also necessary to ensure accountability of corporate operations and fight corruption. Strong political will is important in the implementation of policies, including the imposition of sanctions and penalties for violations committed by companies (regardless of their political connections).

Multi-stakeholders partnerships between the government, investors or other assisting groups and local communities can develop and sustain viable community based forest enterprises, which will allow local communities to engage in primary value addition and to operate at commercial scale themselves. In addition, government support for vocational schools and training centers for the skills development of the poor and local communities will allow them to gain new skills (e.g., making handicrafts, furniture making, processing of NWFPs) and improve their capacity to prepare for changes in their livelihoods.

Support for cooperatives and networks will also help local communities access the benefits from their forests, market their products and sustain their operations. Through financial support, such as access to credit or subsidies for forest users, the poor can have start up resources to engage in productive activities and meet their needs at the same time ensure the sustainability of their resource base. Developing local communities' internal strength, for example, through community organizing, will help empower them to protect their interests and rights vis-à-vis corporate plans taking interest in their lands and resources.

Policies on the banning of log exports can be an opportunity to develop or process wood products by local communities and add value before the products are exported. By adding value to the forest product, local communities can increase their prices. The law on bamboo development in the Philippines can encourage development of bamboo products and create local livelihood activities.

The multiplier effects of commercial or industrial operations to the local economy in rural areas include the creation of markets for local products and development of infrastructure that can help the poor bring their products to the markets. However, policies are needed to protect landowners from forcibly selling their lands to the companies.

Making information on prices and markets of forest products available for local people can help them secure better prices compared to the prices being offered by local processing companies.

To make forest certification and fair trade mechanisms expand the marketing opportunities for the products of local communities while helping to curb illegal logging, the process for these should be made more accessible to local communities.

## CONTRIBUTION OF PAYMENT FOR ENVIRONMENTAL SERVICES TO POVERTY ALLEVIATION

Patrick Durst, FAO-RAP

*Patrick Durst gave an overview on PES in the areas of carbon, water, biodiversity and eco-tourism, along with emerging threats and opportunities.*

### Carbon

Payments for carbon are being made for reforestation and afforestation both through voluntary and compliance markets (e.g., the Clean Development Mechanism or CDM). Opportunities for payments for reduced emissions from deforestation and forest degradation are also emerging primarily through voluntary markets at present. Some people are optimistic and are expecting the funds will expand greatly – and there have already been considerable money invested for REDD plus readiness. At the same time, there is skepticism and numerous questions are being raised.

### Water

Water is where the longest running area of PES in the Asia-Pacific region has been initiated, but this has been slow to take off. There are some pertinent experiments and efforts: for example, a directive coming from the ministry in Viet Nam that provides a legal framework for water-related PES and some initial steps undertaken in the Philippines. Some efforts for PES in relation to water are associated with hydroelectric dams or urban water catchments, in view of the recognition of the role of forested areas in helping to conserve and sustain water supply.

China's flood- inspired 'Grain for Green' program may also be considered a form of PES. Lots of money was invested for the massive, ambitious re-greening program that was implemented after the 1998 Yang Tse River flooding.

### Biodiversity

Although there has been lots of talk about PES for biodiversity, in reality, biodiversity is a difficult area to realize PES from. Biodiversity conservation benefits tend to largely accrue far into the future, and they seem to be quite vague. Maintaining biodiversity is an issue of intergenerational equity and preserving nature for future societies. It is also difficult to identify who should be paid for preserving biodiversity. These limit the scope for market-based approaches.

There has been lots of talk about bio-prospecting in the past and expectations that rich pharmaceutical companies would be paying developing countries with tropical forests to go searching for wonder drugs. This is not being talked about anymore and, so far, there seems to be no country, community or famer that is known to have made huge money from bio-prospecting.

**Ecotourism**

There is growing interest in ecotourism, and it certainly offers some opportunities for livelihoods and incomes.

**Threats and concerns**

*High or very high transaction costs.* Those who are trying to engage REDD + are now painfully discovering that this entails high or very high transaction costs. Estimates of the costs needed to take a project of carbon sequestration to the voluntary carbon market run between US$ 100,000 – 250,000. This amount has even nothing to do with the actual implementation of a project, but mostly to pay consultants to set up the standards to be used, to verify and certify emissions, to conduct the necessary repeated visits and to accomplish all other pertinent activities. FAO-RAP is learning from its project of linking small projects and communities to voluntary markets that a project is not feasible unless it covers a very large area or unless it is successful in bundling several small areas together.

*Clarifications on who should be paid, what they should be paid for, what the production baseline is and whether the services are actually being provided.* Emerging questions and scientific knowledge are challenging conventional knowledge and assumptions. Are environmental services really being provided? For instance, contrary to the widespread idea that forests can control floods, scientific evidence maintains that forests can contribute to flood prevention only in small watersheds but will not matter in large-scale flooding (i.e., floods in huge river basins). Given this, are downstream communities to pay upland forest communities for the 'assumed service' of regulating floods?

*Lack of clarity over tenure.* Differences in de facto and de jure rights erode PES because it is not clear who should be paid to provide the service.

*Risk of loss of rights (re-centralization?).* This is a big issue with carbon rights. Some central governments, with the expectation of accessing huge carbon funds, are getting back some of the rights related to REDD plus that were already given before to communities in the way of decentralization.

*Where many people benefit from the utilization of resources, it is not generally feasible to pay them all off.*

*Overall, the question remains if the benefits will help in reducing poverty.* Related to clarifying tenure over forests is the question of who owns the carbon. Only a few countries clearly established ownership of carbon, while many countries are still discussing about this question. If the ownership of communities to the forests is not recognized, how will they befit from the payments?

## Opportunities

The interest in PES in relation to water and carbon, which is expanding rapidly, may offer an opportunity to address poverty alleviation in the forest areas. The high transaction costs may eventually fall, as people get more experience with the processes and become more efficient (e.g., in bundling small areas together). Tourism, including domestic tourism, in the region is growing, with lots of people traveling.

Water is becoming in demand for all the different sectors. The demand and competition for water may or may not be good for forestry. Trees actually use water and, based on studies, a community can get more water if they get rid of their trees. They may, however, end up having flow issues. In Africa, a person has to pay a water tax if he/she wants to have trees. The government made efforts to remove the trees because trees absorb water when they are growing. There is no doubt that water quality is directly linked to forests, but the relationship with water quantity is debatable.

## Questions

Three questions were posed for the subgroups to discuss based on their country experiences:

- What is the potential of PES to contribute to poverty alleviation by 2015?
- Under what conditions will it exacerbate poverty?
- What are the opportunities for incorporating positive aspects more widely in tackling poverty?

## Subgroup discussion

*Question 1: What is the potential of PES to contribute to poverty alleviation by 2015?*

PES is at a nascent stage in all the countries, and thus the countries do not have extensive experiences on this yet. According to the South Asia group, it makes a good theory. PES is also a form of social justice for local communities directly involved in forest management that provide life-sustaining environmental services. However, PES does not really seem realistic in the short-term – and may not feed communities in the immediate future – and there is still lack of clarity in many areas.

Improved policies to help ensure that related PES schemes/projects will redound to the poor will help increase the potential of PES to benefit the poor. There are, however, no policies in most of the countries on PES or REDD plus as part of preparatory initiatives for these projects. (In the Philippines, the EPIRA law includes an environmental charge in the electricity users' monthly bills that is intended for watershed development.)

The potential for PES to benefit poor communities will depend on how much the upland poor are involved in the process and on how equitable the benefits are shared. PES policies are being decided at the international and national levels, but operationalization is at the local level.

PES can be a source of income and employment opportunities. However, comparing the payment that consultants and experts will get from a REDD plus project to the income that local communities will be paid, for example, for serving as guides and assistants to consultants and experts, the disparity puts under question the equity in benefit sharing. Possible jobs to be created for local communities in relation to REDD plus are patrolling and conduct of inventory. Ecotourism can add more income for local communities who directly involved in forest protection. PES can provide financing for the provision of basic services and infrastructure in forest communities. It can also help support sustainable forest management and protect biodiversity.

*Question 2: Under what conditions will it exacerbate poverty?*

PES will exacerbate poverty if:

- communities are excluded from REDD plus– and other PES– related policy making, planning and benefits-sharing (or only a few communities are able to benefit).
- decision making is centralized, and the poor and local communities are not able to participate.
- tenure and ownership of forests are not established and boundary issues are not settled.
- a standard program is made to apply to all situations. A 'one-size-fits-all' approach will discriminate against some communities.
- the transaction costs remain high, and the costs for local communities are greater than the benefits.
- the benefits do not accrue directly to the sellers (local communities) but are mostly captured by 'middle men' or are incorporated in the national treasury.
- the community is not adequately consulted and informed before they enter into PES agreements.
- regulations toward forest protection are imposed on poor people who are living in forests without alternative livelihoods.
- PES agreements displace the poor and local communities from their resource base and livelihoods.
- the skills of local communities to deal with the technical processes are not developed.
- there is lack of understanding in society of the PES scheme. The users of the services may also be not willing to pay for the additional charges on their electric or water bill.

The Mekong group concluded that PES can help more in poverty avoidance than in poverty elimination.

*Question 3: What are the opportunities for incorporating positive aspects more widely in tackling poverty?*

The formulation of PES-related policies for the countries that have yet to set their legal framework for PES or REDD plus offers an opportunity to include poverty alleviation as an explicit objective of programs or projects. To ensure that payments will redound to the poor and forest communities, PES policies must put in place a

mechanism (e.g., Trust Fund) whereby the payments are not included in the national treasury where it gets appropriated for various programs, but is kept as a separate fund mainly for the concerned communities and forests. The policy must also set up mechanisms to ensure equitable allocation of benefits to villagers – whether in the form of direct monetary transfers or improved social services – and to monitor implementation. The South Asia group proposed a PES nested approach to REDD plus. PES can also be made part of a company's CSR through partnerships among private companies, government agencies and local communities.

Creating opportunities for broad-based participation is critical for the poor to be included in PES-related processes. Their participation in decision-making will allow them to voice out and make sure that PES-related projects are not in conflict with their interests. Raising public awareness of environmental services and PES as a way to support the local efforts to sustain these services can build support and willingness to pay on the part of communities or sectors benefiting from the ecosystems services.

On-going local initiatives on PES that can improve the welfare of the poor in forest areas should be strengthened. Ecotourism creates markets for local forest-based products and services.

## CASE STUDY DESIGN GUIDE

The proposed case study design is intended as a general guide for the consultants, recognizing their experience in conducting researches, on how they will undertake field work and data analysis for the three case studies that form part of the country reports. The proposed methodology that covers criteria for site selection, list of questions and identification of respondents was presented to help the consultants think through their case study plans, taking into consideration the realities of their particular contexts, available budget and time.

### Case study objectives

The overall objective of the case studies is to gather stories of local communities in poor, forest areas as bases for understanding local poverty situations in forest areas and to determine the extent to which forestry has – or has not – contributed to alleviating their poverty. From these case studies will also be drawn recommendations on improvements to be made in policies to improve the potential of forestry to contribute to poverty alleviation.

The stories can be derived from the different areas of forestry, namely, traditional forest livelihoods, community/local forestry (including where lands have been allocated to individuals, families or villages), commercial or industrial forestry and payments for environmental services. The situations can be varied. It may be an area where a community forestry project was introduced or where a handicrafts manufacturing center or logging company is operating. Comparisons may also be made between areas with and areas without these initiatives. Other cases may be interested in knowing more about the implementation of a forestry policy in an area. REDD and PES are of topical interest, but these have not gotten into implementation stage in most countries.

### Approach

The study is not intended as a large-scale, quantitative or statistical survey. It adopts a qualitative – journalistic – approach of building and relating a story on where people or communities and forests are. It is about gathering stories that capture the experiences of people and the realities of the poverty and forest situations they are in; how forestry is making a difference in their lives, acknowledging also the impacts of other sectors; and where improvements can be made in forestry policies to better address poverty in forest areas.

Data gathering and analysis requires of the researcher attitudes of openness and creativity in gathering information that people may not be open to talk about (such as income) and in maximizing available resources; humility in knowing that one does not have all the answers; and responsiveness in dealing with the poor's human dignity and not poverty as a label. Following through a story will necessitate active listening, keen observation and investigative skills.

**Selection of informants**

Depending on the focal site, the consultant will select different actors, such as but not limited to: villagers, women in the families and those involved in commerce, youth, village teachers/health workers, market traders, local government officials, and other respondents as the consultants see necessary. There should be triangulation of the respondents to be selected in a site.

**Proposed questions**

A proposed list of generic questions sets the minimum data sets to be covered by the researchers. The consultants are encouraged to adapt and add to these basic questions or they may develop their own as they deem appropriate to the contexts of the focal sites or the respondents.

1. What is the nature of the forestry initiative in the area?
2. How has the initiative made a difference to you livelihood?
3. Has the change contributed to a better situation in the family/neighbourhood?
4. What are the other changes that have occurred?
5. What proportion of your livelihood is forest based and how has the initiative influenced this?
6. Since the initiative started, what has been impact on forest resources?
7. Given the initiative, what are the challenges you have faced?
8. Do you have fears about the future?
9. What local impacts has the initiative had on social structures, infrastructure, education and income?
10. What could be done to improve the contribution of the initiative?

The above questions are interested in knowing about the nature of an initiative; the context of poverty; proportion of livelihood improvements that have been derived from forestry; distribution of benefits across the population/community; change in the level of livelihood risks; impacts of the initiatives on forest resources; and, benefits in terms of the natural, financial, social, physical and political livelihood assets, etc.

Data gathering is not envisioned as a structured interview or survey with a checklist, but a conversation that follows the flow of the respondents. Although it is not largely a quantitative research, there can be indirect ways by which a researcher can obtain information on a household's economic status or wealth distribution in a community, such as by observing people's houses and properties. Information shared in the course of an interview or group discussion can also reveal the economic situation of respondents or the community. It is a challenge to the creativity of the consultants to find ways to gather quantitative information through direct or indirect means of data gathering

As a final question, the consultant – with the information already gathered – will assess for himself/herself: Do you have a sense of where the greatest aspect of poverty lies in terms of access to: food/land/water, education/health/capacity, income, markets and social contacts?

**Site selection criteria and case study plan**

In general, the sites to be selected - -

1. are areas where poverty is widespread.

The study is interested in going to the people closest to the poverty line and forested areas. It is suggested that the consultants refer back to their country data on poverty to identify the top 10 poorest provinces and relate this information to their forest data.

The aim is not to look at showcase sites or success stories of a community or village forest engagement simply at that level, but to understand where in the larger province or region in the country are people facing related struggles. The sites may not be representative of the situation across the country, but the selection process and analysis in relation to the larger local unit or area of forestry provides a level of representativeness of the sites. The stories are to be captured in specific sites, but these are then to be situated at the regional and national contexts in terms of poverty and impacts of forestry activities or policies.

2. can present a 'project' and a 'non-project' area.

3. should be of topical interest in relation to new policy directions or national developments.

4. should not be the sites that are already well-researched and have been presented in many conferences.

Selecting over-documented sites will not advance the aim of the study in the same way as when the consultants will go to communities that have not been studies and talk about their socio-economic situation and understand where the difficulties and opportunities are. With well-publicized sites, one already knows the answers and is left with the question why things are not happening in poor areas.

**Case study planning**

The following matrix was shared with the consultants as a guide in rationalizing their selection of sites.

| **Case sites** | **Traditional** ***(Non-project)*** | **Community/ village project** | | **Industrial Forestry** | **PES/ REDD** |
|---|---|---|---|---|---|
| | | **New policy measure** | **Old policy measure** | | |
| | | | | | |
| | | | | | |
| | | | | | |

In addition to site selection, the consultants considered the following questions in coming up with initial plans for carrying out the fieldwork:

1. Who: Identify the persons to talk to.

2. When/ How long: Indicate a time plan for the conduct of the case studies.

## COUNTRY CASE STUDY PLANS

In preparation for the fieldwork to be conducted after the regional workshop, the national consultants, along with the representatives from the Forestry Departments, discussed on how they would select their three case study sites, identify the informants and the schedule for the fieldwork based on how they wanted to work out or revise the proposed guidelines. Each consultant presented his/her indicative case study plan (See Appendix 1).

Based on the table below, most of the selected sides are going to focus on community forestry (12 sites) and traditional forest livelihoods (9). There will be at least four to six case studies on the other focal areas of forestry – commercial forestry (4), industrial forestry (5) and PES (4, with 2 optional sites).

*Summary of Selected Case Study Sites*

| | **Traditional Forestry** | **Community Forestry** | **Commercial Forestry** | **Industrial Forestry** | **PES** |
|---|---|---|---|---|---|
| | | | | | |
| Bhutan | 1 | 2 | | | |
| Cambodia | 1 | 1 | 1 | | |
| China | 1 | 1 | 1 | | 1 |
| India | 1 | 1 | 1 | | 1 |
| Indonesia | 1 | 1 | | 1 | (optional) |
| Lao PDR | 1 | 1 | | | 1 |
| Nepal | 1 | 1 | 1 | 1 | (optional) |
| Papua New Guinea | | 2 | | 1 | |
| Philippines | 1 | 1 | | 1 | |
| Thailand | | | | | |
| Viet Nam | 1 | 1 | | 1 | 1 |
| **Total** | **9** | **12** | **4** | **5** | **4 (2 optional)** |

## FEEDBACK ON DRAFT COUNTRY REPORTS

Rowena Soriaga, Asia Forest Network

*Rowena Soriaga shared some initial, general feedback on the draft partial country reports that were submitted.*

### General observations

1. The reports are rich in macro-economic data, e.g., GDP, revenue from forestry activities, export value and volume, employment data, etc. The authors are using these as proxy indicators of the contribution of forestry to poverty alleviation. These need to be related to the situation at the micro-level to see the impacts on poverty alleviation.

2. The reports use income as a poverty indicator, either using a national poverty line or the US $1 or $1.25 cutoff. Most of the analysis is temporal, comparing previous to current poverty situations based on most current data.

3. The reports are rich in forestry data. Some are using 2010 references, probably through the global Forestry Resource Assessment (FRA), while others are not as updated. A reference recommended to the consultants is FRA 2010 – the global report with specific country inputs or the individual country reports – to update their information.

4. Authors who included recent national policies, citing even policies that were issued early this year, were commended. The inclusion of medium term national plans that reach 2015 and beyond is relevant as the study makes reference to the national commitment to the attainment of the MDGs in 2015.

5. Most of the papers have strong analysis of forestry and national economic policies.

### Areas of improvement

The discussions during the two-day workshop have touched on the following areas that may be useful to add in the country reports.

1. Analysis of interfaces and gaps between forestry and poverty reduction policies

The weak analysis of the interfaces and the gaps between forestry policies and poverty reduction policies in the draft reports maybe partly because the report outline separates these in two sections. The consultants can comment on where the interfaces and gaps are as they discuss the two sections or they may add a paragraph or two in appropriate sections.

2. More discussion on spatial and structural poverty

Some reports touched on spatial and structural poverty, but there was generally limited discussion of these. As seen in the subgroup discussions, however, the consultants know where the poorer regions in their countries are. The case study sites can be introduced within the discussions on these in the initial sections.

3. Use of UN Human Development Reports and MDG indicators

It would be good to see more reference and discussion about what is coming out of the Human Development Reports and reports on the status of each country's accomplishment on the MDGs. The consultants referred to these indicators in the workshop discussions but did not relate to these as strongly in the reports. There are available information online, although some are not updated as the timing of reports are different for each country.

4. Selecting a framework for analyzing poverty and unpacking Section 3 using the framework

There are some reports that discussed in the introduction their framework for analyzing poverty but how this gets referenced back when discussing Section 3 on the past and present contribution of forestry to poverty alleviation is not as clear. It would be good to establish the framework for understanding poverty and relate this in discussing the contribution of the different areas of forestry to poverty alleviation.

5. Focus on recent past (20-50 years)

By 'past' when considering historical information is meant more or less the past 30 – 50 years in relation to the evolution of forest policies and recent reforms. Although there is value in referring to the pre-colonial period, this time reference will not be of much relevance to the study's focus on policies, forests and poverty in recent times.

6. Direct and indirect impacts of forestry (positive and negative) to poverty alleviation and case examples from available studies (Section 3)

During the subgroup discussions, the participants tackled the questions in terms of the direct and indirect contribution of the areas of forestry to poverty alleviation as well as the negative impacts, both at present and possibly in the future. It is suggested that the consultants rewrite Section 3 following this manner. Specific examples from available case studies in each area of forestry should also be incorporated.

7. Front matter

As a standard for writing papers, the authors must include the following: title page, table of contents, list of figures and tables, and acknowledgement

## AIMS AND FORMAT OF THE RESULTS DISSEMINATION WORKSHOP

Dallay Annawi, Asia Forest Network

*Dallay Annawi discussed the aims and the proposed format and guidelines for the results dissemination workshop. The proposed guidelines invited clarifications and suggestions from the participants.*

Based on the workplan, most of the consultants will have completed their country reports by 30 May (08 June for India and Indonesia; 15 June for Thailand). As a culminating activity, they will prepare for and conduct a workshop or meeting within June for the presentation and discussion on the findings of the study within the budget allocated for the activity.

### Aims

The national dissemination workshop or meeting is a critical part of the engagement with governments, particularly the Forestry Departments, and communication to get the poverty alleviation agenda be more integrated in the objectives of forest management. More specifically, it is intended as a venue for the national consultants to present the major findings that are coming out of the study with key partners, including the issues and recommendations that should elevated to the level of policy making; for key partners to share their feedback and inputs on the results; and, for the participants to discuss and plan how to integrate the findings and recommendations on improving the contribution of the forestry sector in the government's policy directions and national development programs as well as in their respective areas of engagement.

### Suggested invitees and format

The activity is not necessarily a national-level consultation, but more of a gathering of a small group of people (at least 20 participants). Aside from representatives from the Forestry Department, an optional list of key partners to invite include government agencies and civil society groups working in forestry, poverty alleviation or rural development and national planning as well as those involved in the focal areas of forestry. The consultants will identify the participants to invite and design the format for the said activity, based on how best they deem they can get the message across.

The suggested essential parts of the program are the presentation of the aims of the study, key findings and recommendations coming out of the review of policies and programs on the contribution of forestry to poverty alleviation poverty and the case studies. An open forum will allow the participants to give their feedback on the study and possible next steps on how the results of the study can be integrated in the forestry-related policies, plans and programs and in their respective areas of engagement.

Depending on the dynamics in each country, the invitation letters to the invitees (to be drafted by the consultants) may be signed off by the Head of Forestry Department. It was suggested that FAO-RAP would write to the Forestry Departments to flag them in advance of the activity and enlist their assistance in inviting the participants.

FAO-RAP shared that, in their experiences in a number of forestry policy studies, there were times that they did not take the explicit approach of engaging the government. FAO-RAP realized that in some cases, this was not helpful in getting their support. On the other hand, engaging government can lead to some tradeoffs, as some are not as open to criticisms and objective analysis, which can jeopardize the objectivity of the studies. The current study has been coordinated with the Forestry Departments from the start and, as part of the engagement with government, representatives from the Forestry Departments were invited to the workshop. The Forestry Department representatives are expected to facilitate the process of coordinating the said activity.

The consultants will decide how they can maximize participation within what the budget can afford. Coordinating the activity with the Forestry Department may help the consultant avail themselves of the agency's facilities for the workshop or meeting, which will defray some of the costs.

**Output**

The consultants are expected to prepare a brief workshop report that will present a summary of key findings presented, summary of participants' comments and inputs and summary of suggestions for the integration of findings in policy directions and in the participants' areas of engagement. This report will be submitted to AFN along with report on the workshop expenses and the final country report by 30 June 2011.

## SUMMARY POINTS FOR POVERTY AWARENESS

Pedro Walpole, Asia Forest Network

The following points were reiterated as final reminders:

- Present poverty alleviation as an objective of forest management. The study results will serve as a basis by which to call more attention to poverty alleviation as an explicit objective of forest management and to integrate the poverty agenda in the discussions of approaches to sustainable forest management.
- Talk with/listen to three communities and find out what is happening. For example, for an area where logging has been operating, it would be challenge to look at the logging that is being reported and the logging that goes on and these interrelate with local livelihood activities.
- Engage the youth: they are an important social group to engage with.
- Discuss the reasons for the selection of the specific sites, including the limitations. That is, while acknowledging that the sites are not representative of the whole country and that the data gathering tool used is not survey of a representative sample, there are critical links that can be made to the larger situations. To contextualize the case study site selection, it would be good to note why the other areas of forestry were not selected.
- Include in the discussions examples where there are limitations on the impacts of the areas of forestry.
- Relate to the MDGs or Happiness Index of other measures of poverty.
- Draw from the national meeting further comments that can help in the synthesis.

## CLOSING REMARKS

Patrick Durst, FAO-RAP

Patrick Durst expressed his appreciation for the stimulating discussions and inputs from all the participants. It is hoped that the discussions reinvigorated the participants on the topic of forestry and poverty reduction, as sometimes it drops off the agenda and, even under the best of circumstances, it is difficult to give it a lot of prominence. As the speaker pointed out, this is a strategic failure on the part of practitioners and those involved in the sector in communicating this agenda.

With regard to the logging ban in natural forests that has been recently announced in the Philippines,

> ". . . from my perspective, we don't gain much constituency from arguing that large industrial logging operations should continue and that they are doing a great job in managing the forests [so the ban] should be overturned. In my view, we should be arguing that this means livelihoods for thousands of people in the uplands, that they should be able to harvest a few trees, sell and make some money. And these are the people – remind the politicians – who also vote and one vote from them is the same as one vote from the CEO of a logging concession, in theory at least. That is a part of how we communicate and move things forward."

The national dissemination workshop or meeting will be a challenge to the creativity of the consultants to make something meaningful with a small amount of resources. This activity is part of the engagement and communication to bring the agenda of forests and poverty alleviation forward and part of bringing the key players on the issue to bring this to their attention.

FAO will write an article on the workshop to be included in FAO's newsletter – *Tiger Paper featuring Forest News*.

## APPENDIX 1: COUNTRY CASE STUDY PLANS

### Bhutan

*Site selection*

The research tem will select one traditional forestry site and two community forestry sites. Commercial forestry operations in the country are at a small scale and PES is at piloting stage and managed by a community forest management group, thus, these are not being considered.

| **Program** | **Study sites** | | | **Remarks** |
|---|---|---|---|---|
| | **High hills** | **Central Bhutan** | **Eastern Bhutan** | |
| Traditional Forestry | Cordyceps (Medicinal plant) | | | Dependent on livestock |
| Community Forestry/ Leasehold forestry | | Bamboo | Lemon grass | Low agriculture productivity; Poorer regions |
| Commercial and Industrial forestry | Small scale technology involvement | | | |
| PES | | | Watershed management | Pilot study by CFMG |

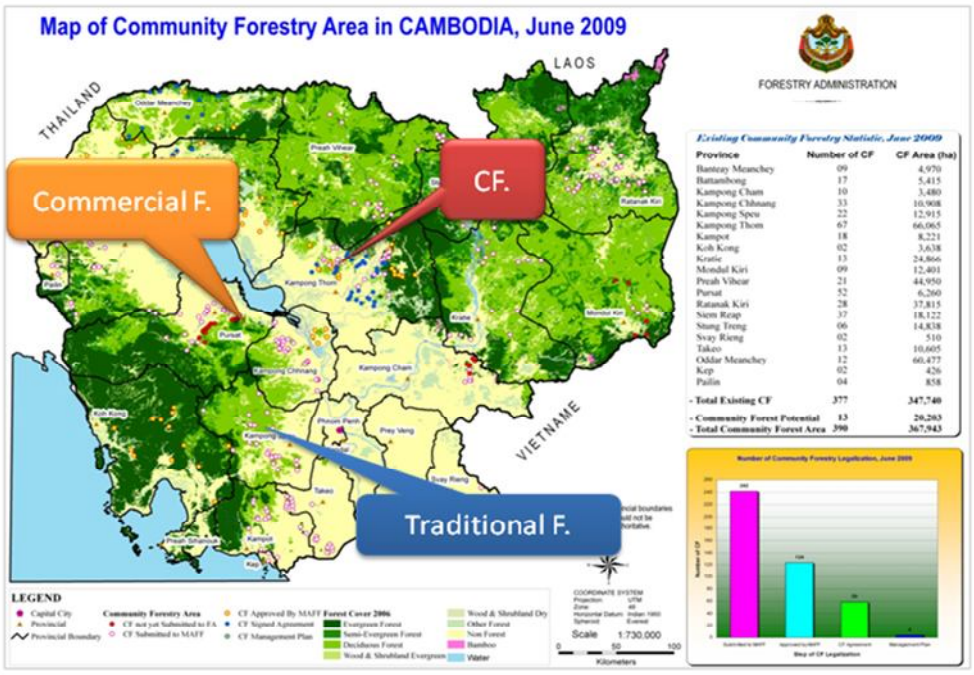
*Time plan*

March, 3rd week: Stakeholders' meeting
March, 4th week: Preliminary field visit
April: National meeting and interview and field survey
May: Analysis and report writing
June: Final report production

**Cambodia**

*Site selection*

The three study sites – one site each for traditional forestry, community forestry and commercial forestry – will be selected from three identified provinces. The specific sites will be chosen when the consultant meets with the local forestry authority and local officials in these provinces.




*Time plan*

| Activities | Who | March | | | | April | | | | May | | | | June | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
| Site selection & study site profile | Consultant | | | X | | | | | | | | | | | | | |
| Team establishment | Consultant & Team | | | X | | | | | | | | | | | | | |
| Data collection | Consultant & Team | | | | X | X | X | | | | | | | | | | |
| Drafting report- Outlook & Recommendation | Consultant & Team | | | | | | X | X | X | | | | | | | | |
| Submit complete first draft to AFN | Consultant | | | | | | | | X | | | | | | | | |
| Revise & submit final report | Consultant | | | | | | | | | | | X | X | | | | |
| Organize & conduct national workshop | Consultant & Team | | | | | | | | | | | | | X | X | X | |
| Produce summary report to national WS | Consultant, Team & stakeholders | | | | | | | | | | | | | | X | X | X |

**China**

*Site 1: Traditional Forestry, Shangri-La County, Yunnan Province*

Objectives: To study the utilization of forest resources and the extent of local people dependent on forest.

State-level poor county, minorities accounted for 58% of the total population of the county. Shangri-La county is the largest forest area in Yunnan Province. Forest resources are important for local farmers for subsistence, abundant source of fuelwoods, timber and medicines for indigenous peoples.

Interviewees: Farmer households, women involved in forestry activities, and local government officials, etc.

*Site 2: Commercial/Industrial Forestry, Anhua County, Hunan Province*

As a state-level poor county, Anhua is a national economic forests demonstration county. It has traditional tea oil producing areas, with a total of 24 thousand hectares of Camellia forests that account for 48% of the total economic forest areas of the county. The tea oil production in the country is very famous in Hunan province.

Objectives: To study the scale of farmer households engaged in Camellia forest cultivation and the proportion of tea oil revenues to the total family income.

Interviewees: Farmer households, concerned traders, local government officials, local forest technical extension persons, etc.

*Site 3: PES, Ledu County, Qinhai Province*

Since the implementation of the Conversion Cropland to Forest Program (CCFP) in Ledu county of Qinghai province in 2000, the area of forests converted from croplands is 41 thousand hectares. This constitutes about 75% of the total forest areas of the county. Subsidies/payments from CCFP account for nearly half of the total annual income of a farmer household.

Objectives: To study the area of forest converted from croplands, the amount of subsidies/payments for farmers form CCFP and the proportion of the subsidies/payments accounts for the total family income, and to compare the contributions to farmers with CCFP and those not covered under CCFP.

Interviewees: Farmer households, Women involved in CCFP project and Local government official, etc.

*Work Plan*

| Activities | Who | March | | | | April | | | | May | | | | June | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
| Site selection & Team establishment | Consultant & Team | | | x | | | | | | | | | | | | | |
| Field work & Data collection | Consultant & Team | | | | x | x | x | | | | | | | | | | |
| Drafting report ( section 4-6) | Consultant & Team | | | | | | x | x | x | | | | | | | | |
| Submit complete first draft to AFN | Consultant | | | | | | | | x | | | | | | | | |
| Revise & submit final report | Consultant | | | | | | | | | | x | x | x | | | | |
| Organize & conduct national workshop | Consultant & Team | | | | | | | | | | | | | x | x | | |
| Produce summary report on national WS | Consultant, Team & stakeholders | | | | | | | | | | | | | | x | x | |

**India**

*Objective*

To conduct a qualitative study through journalistic approach to assess the pulse/perceptions of relevant stakeholders in different forest resource use situations to provide inputs for policy/programme fine tuning and new initiatives

*Site selection*

The selection of sites will be based on the above objective and operational convenience. Final selection will be done when the consultant will discuss with the Forestry Department.

The steps for the selection of specific sites are as follows:

1. Traditional/ community forestry:
   - Review the Joint Forest Management Committees (JFMCs) in poor regions in a state
   - Select a JFMC in a poor area with good forest resources
   - Select a tribal area, if possible
2. Commercial/industrial (2 options to select from)
   - Review the main agro-forestry zones/NWFP areas
   - Select a village in agro-forestry zone or NWFP area
3. PES
   - Identify eco-tourism areas in forest areas
   - Select a poor village in the region where there is potential/ongoing programmes

*Methodology*

- Collect available information on socio-economic status (including education), households, and other basic information
- Collect available information on forest resources, resource use, forest-based livelihoods, others
- Collect information on ongoing forestry programmes and initiatives
- Identify people in different strata to interview
- Interview people based on a structured format

*Who to interview*

- Depends on the local factors and resource use pattern
- May include: villager depending on forest resources, woman using forest resource for livelihood, panchayat (elected local government) member of the locality, teacher/local health worker/NGO/ community leader, trader of NWFP/other produce, local tour operator, government official, others

*Time plan*

| | |
|---|---|
| Identification & preparations | - 3 days |
| Visit to the location | - 2 days |
| Identifying the people | - 2 day |
| Interviews | - 3 days |
| Analysis and writing | - 5 days |
| For three villages | - 45 days |
| | - May 1 to June 15 |
| Final workshop and report | - June 30 |

**Indonesia**

*Site 1: Traditional forest, also representing non-project site*
*"Agroforestry initiatives in Pegunungan Bintang District, Papua Province"*

35% of the population in Papua province is categorized as poor; the province places second in the country in having the highest percentage of poor people. In Pegunungan Bintang district, Human Development Index is 47.38, the lowest HDI among the districts in Papua Province.

Targetted respondents:

- Elder people: to know the history and nature of the community's relationship with the forests, natural changes, cultural changes
- Community group involved in the initiative: to know the factors that led to the initiative, the people's expectations, the barriers/obstacles, their views of government responses to their initiatives
- Local authorities (related to the innitiative): to know how they see the initiative from personal, technical and policy points of view
- Women: to know about their role in the households, relationship with natural resources

*Site 2: Community Forestry, also represent project site*
*"HKm scheme in Nusa Tenggara Barat Province"*

21.55% of the province's population is categorized as poor. The province has the 6$^{th}$ highest percentage of poor people among all provinces in Indonesia. Most HKm area in Indonesia have been published already, but the team will choose the least published district.

Targetted respondents: Elder people, community group involved in the initiative, local authorities (related to the innitiatives), women

*Site 3: Industrial Forestry*
*"Wood industry in Wonosobo, Central Java Province"*

Wonosobo District is the province with the highest percentage of poor people among the districts in Central Java Province. HDI in Wonosobo is 69.22, lower than HDI in Central Java Province (70.3). The consultant will present stories on how the wood industry in Wonosobo (that is being supplied by private forests) benefit the local communityand contribute to poverty alleviation in Wonosobo.

Targetted respondents: Elder people, tree farmers, labourers, local elites, local government, local authorities (related to the innitiatives)

*Site 4: PES*
*"REDD Demonstration Site in Jayapura in Papua"*

There are 12 sites for REDD Demonstration in Indonesia. One is in Jayapura District, Papua Province. Due to the lack of information on them, however, the team has not decided yet wether to include a study in this location or not.

*Timeplan*

| | |
|---|---|
| March, 3rd week: | Interview in Location 2. Wonosobo(Industrial forestry ) |
| March, 4th week: | Interview in location 3. Nusa Tenggara Barat (HKM initiatives) |
| April, 1st week: | Iinterview in location 1. Papua (agroforestry innitiative (+REDD Demonstration Site) |

**Lao PDR**

*Case study plan*

Document review and preparation: until the end of March
Field work: April
Analysis and report writing:

*Case study 1: Traditional forestry* – Contribution from NWFP to poverty alleviation

Objectives:

1. To study the extent of contribution of NWFP to poverty alleviation, focusing on bitter bamboo shoot
2. To compare the contribution within villages with and without project interventions

Sites: 2 villages (Ban Nampheng (with project) and Ban XXXX (without project), Namo District, Oudomxay Province,
Approach: Non-quantitative
Interviewees: Households, village committee, concerned district authorities, traders
Time frame: April

*Case study 2: Village forestry* – Contribution from PSFM in PFSA to poverty alleviation (case of SUFORD)

Objectives:

1. To study the extent of contribution of participation in SFM to poverty alleviation, focusing on timber (production forest)
2. To compare the contribution within villages with and without project interventions

Sites: 2 villages in Savannakhet Province
Approach: Non-quantitative
Interviewees: Households, village committee, concerned district authorities, SUFORD involved personnel, DOF
Time frame: April

*Case study 3: PES and Ecotourism* – PES-related to hydropower development

Objectives:

1. To assess contribution from PES in hydropower development
2. To assess contribution from ecotourism to poverty alleviation in NBCAs

Sites: NT2 (Dam construction), Selected NBCAS (National Biodiversity Protected Area)
Approach: review and interview
Interviewees: Project, concerned village, district and provincial authorities, and other concerned authorities at national level
Time frame: April

**Nepal**

*Site selection*


| Program | Study Sites | | | Remarks |
|---|---|---|---|---|
| | High hills (Mustang district) | Middle hills (Rolpa/ Pyuthan district) | Plain- Terai (Dang District) | |
| Traditional Forestry | XX | -- | -- | |
| Community Forestry/Leasehold forestry | -- | XX | XX | |
| Commercial and Industrial forestry | -- | -- | XX | |
| PES | Optional | | | There is no appropriate site |

The three districts identified represent three ecological regions (from the plains to the high hills).

*Time plan*

| | |
|---|---|
| March, 4th week: | Analysis of site situation |
| April, 1st – 2nd week: | Field visit |
| April, 3rd – 4th week: | Compilation of field report |
| May: | Analysis and report writing |
| June: | Final report production |

**Papua New Guinea**

*Site selection*

According to the progress report on the MDGs, the northern part of the country has the lowest indices. This region is where poverty is widespread. From that region, the consultant, in coordination with the point person in the Forestry Department, will identify a province. In that province, the team will then identify two sites: one, where an industrial logging operation is taking place and, two, where community forestry program has been introduced. (Selecting two sites in one province will help the researcher save on costs.)

The third site is an area in the southern region where the government implemented a forestry project for the first time. This is located near the capital city. The site is connected to the capital city compared to the first two sites.

There are no specific sites yet, because the consultant must first obtain the informed consent of the communities.

*Who to talk to*

Government structure - Local level government - Ward council, district managers
Community leaders – village elder, women leader, youth leader

*When/How long*

| | |
|---|---|
| 25 – 27 March – 3rd site (3 days): | Site close to Port Moresby |
| 8 – 17 April (1 week): | Sites 1 and 2 |

**Philippines**

*Site selection*

- Region/Top 10 Provinces with high poverty incidence (Region 13)
- Communities with substantial forest area (Agusan Norte and Sur)
- Site with some forestry activities: Industrial forestry/IFMA, CBFM [PO and non PO member], Traditional forestry
- Area with project/forestry initiatives and adjacent areas without project

Potential sites: Agusan Norte and Sur

Methods: Key informant interview and Focused group discussion

Guide Questions:

- Nature of forestry activities and initiatives in the area
- Impacts of these initiatives to the livelihood in the area
- Other changes in the area that have impacts to forestry
- Any positive or negative changes in the community
- Proportion of people's livelihoods dependent on forestry
- Forestry initiatives that have been started, their impacts to the economy, education, infrastructure
- Challenges (issues, problems, constraints/barriers, etc)
- Perception of future fate of the people and forests under some likely scenarios
- Recommendations

*Time plan*

| Activity | Dates | Remarks |
|---|---|---|
| Finalization of sites | End March | |
| Coordination with DENR and LGUs | Last 2 week March | |
| Secondary data gathering | March – April | |
| Field Data Gathering (KII, FGD) | April | |
| Experts Interview | April – 2nd wk May | Experts in forestry and other sectors; to confirm and validate tentative recommendations |
| Analysis/Draft Report Preparation | 3rd week May | |
| National Workshop | Last week May | National experts, some stakeholders, possibly legislators |
| Report Review (Philippine Team) | 1st – 3rd week May | FMB, DENR, FDC- UPLB |
| Final Report | Last Week June | |

## Thailand

*Initial suggestions for site selection*

The government representative made the following suggestions that the consultant may consider:

Thailand has several forms of community forests from which to choose a site. A newly formed community forest that the new government is implementing (that also gives land ownership that totally belongs to the community so they can make their own judgment, set their own regulations and make own decisions what they can do). Problems occur because of land right conflicts which are a big problem in rural areas in the country.

Another suggestion is to consider a poor area that is tapping of minor products or NWPFs that is related to the industry.

**Viet Nam**

*Site selection*

1. A traditional or introduced community forestry site (Son La province)

2. PES (Son La) – 2 case studies in Son La province (PES in Son La has been documented already but will still go and find out what is really going on look at it from a different perspective

3. Industrial forestry – Central Highlands (Gia Lai) focusing either on poor laborers working in a processing factory or forest planting households (they have been allocated lands and they plane forest trees and sell the timber to factories). The main point find poor areas and find out what is going on

.

*Methodology*

- Combination of quantitative and qualitative data gathering and analysis – Data gathering to include figures or monetary values at the household level as part of the information to share with policy makers as they tend to be interested in figures and may not have the time for long stories
- Ethnographic approach
- Sample size

*Field work preparation*

2nd and 3rd week of March:

- Interviews with Bao Huy at Tay Nguyen University, Pham Xuan Phuong (on PES and CF), Nguyen Ba Ngai (Deputy Director of Directorate of Forestry and written a lot on CF)
- Collection of secondary data on the sites
- Designing questionnaire based on the leading questions
- Complete the list of interviewees if possible.

Field work

- Carry out field survey (4th week of March & 1st week of April)
- Interviews in the field (sample size – not yet decided):
- Local government officials/PES MB
- Villagers – head of households or spouse
- Women/men involved in pretty trade
- Village teachers/health workers
- Market traders

## APPENDIX II: WORKSHOP PROGRAM

### REGIONAL WORKSHOP ON ASSESSMENT OF THE CONTRIBUTION OF FORESTRY TO POVERTY ALLEVIATION IN ASIA AND THE PACIFIC

**8-9 March 2011, Chiang Mai, Thailand**

| **DAY 1**<br>**Assessment of the contribution of forestry to poverty alleviation** | | |
|---|---|---|
| 8:00-8:30 | Registration | |
| 8:30-8:40 | Welcome and opening remarks by FAO | Mr Patrick Durst, Senior Forestry Officer |
| 8:40-8:50 | Opening address by APFNet | Mr Lu De, DDG |
| 8:50-9:20 | Introduction of participants, the workshop agenda and objectives | Rowena Soriaga |
| 9:20-9:50 | The outlook for Asia-Pacific forestry to 2020 | Patrick Durst |
| 9:50 | Group photo | |
| **10:00-10:30** | **Coffee** | |
| 10:30-11:00 | Overview of the role of forests and forestry in poverty alleviation | Peter Walpole |
| 11:00-12:00 | The impacts of forestry development on poverty alleviation | Facilitator |
| **12:00-13:00** | **Lunch** | |
| 13:00-13:15 | Traditional forestry, community forestry and poverty | Peter Walpole |
| 13:15-14:15 | Group discussion in three groups (South Asia, Insular SE Asia and Pacific, Mekong Countries) | Facilitator |
| 14:15-14:30 | Commercial forestry, industrial forestry and poverty | Jeremy Broadhead |
| 14:30-15:30 | Group discussion in three groups | |
| **15:30-16:00** | **Coffee** | |
| 16:30-16:45 | Payments for ecosystem services, carbon payments and poverty | Patrick Durst |

| | | |
|---|---|---|
| 16:45-17:45 | Group discussion in three groups | |
| 19:00 | Welcome dinner | |

| **DAY 2**<br>**Case study development and country reporting** | | |
|---|---|---|
| 8:30-9:10 | Presentations of previous day's findings | Groups |
| 9:10-9:25 | Case study aims and objectives and case study site selection criteria | Jeremy Broadhead |
| 9:25-10:00 | Three groups discuss case study site selection | Groups |
| **10.00-10:30** | **Coffee** | |
| 10:30-10:45 | Case study interviews | Pedro Walpole |
| 10:45-12:00 | Group discussion on case study interviews | Plenary |
| **12:00-13:00** | **Lunch** | |
| 13:00-13:45 | Country groups draft case study plans | Country groups |
| 13:45-14:45 | Country groups present case study plans (5 mins each) | Country groups |
| 14:45-15:00 | Discussion of country reports | Rowena Soriaga |
| **15.00-15.30** | **Coffee** | |
| 15:30-16:00 | Discussion of aims and format of country dissemination workshops | Dallay Annawi |
| 16:00-16:20 | Workshop summary | Pedro Walpole |
| 16:20-16:30 | Closing Remarks | Patrick Durst |

## APPENDIX III: LIST OF PARTICIPANTS

| COUNTRY | NAME | INSTITUTION/ ADDRESS | EMAIL ADDRESS |
|---|---|---|---|
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| COUNTRY | NAME | INSTITUTION/ ADDRESS | EMAIL ADDRESS |
|---|---|---|---|
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