

**The Emerging Role of Forestry as an Important Tool
in Poverty Alleviation:
A role for Norwegian development assistance?**

By

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Contents

Executive Summary	1
1. Introduction	2
2. Forests and Poverty Reduction	3
2.1. A series of workshops	3
2.2. Current Status of Forests and the Forest Sector in Poverty Reduction Strategies	5
2.3. Pitfalls with negative impact on the poor and possible mitigation measures	6
2.4. Key Conclusions from the Forestry and PRSP Workshop (Helsinki, October 2002)	7
3. The International Forest Policy Dialogue, and the policy of some bilateral and international institutions	8
3.1. Background on the international dialogue on forest policy	8
3.2. IPF/IFF and UNFF	8
3.3. The World Bank Forest Policy	9
3.3.1. <i>What is new in the World Bank forest policy?</i>	9
3.4. PROFOR –relocated from UNDP to the World Bank	11
3.5. Forestry projects for carbon sequestration	11
3.6. Bilateral Agencies, international NGOs and research institutions	12
4. Recent and current efforts by FAO: The FTP programme, the Sustainable Livelihoods (FSL) initiative and the National Forest Programme (NFP) Facility	14
4.1. The Forests, Trees and People Programme 1985-2002	14
4.2. Forestry for Sustainable Livelihoods (FSL) programme	15
4.3. The National Forest Programme Facility in FAO	16
4.3.1 <i>National forest programmes</i>	16
4.3.2 <i>FAO support to the national forest programme process (NFP Facility)</i>	17
5. Recommendations: A Role for and Norwegian development assistance	18
5.1. Integrate with PRSPs	18
5.2. Support national forest programmes	19
5.3. Strengthening of institutions and capacity at all levels	19
5.4. Integrate development policies with international processes	20
5.5. The NFP Facility and donor collaboration	21
References	22
Annex 1. Forests in Poverty Reduction Strategies, An Assessment of PRSP processes in Sub Saharan Africa	23
Annex 2. The global forest policy process	23
2.1 Some elements of the global forest policy process	23
2.2 The IPF/IFF Process (1995-2000)	24
2.3 United Nations Forum on Forests	25
2.4 The Collaborative Partnership on Forests	26
2.5. Forests and the World Summit 2002	26
Annex 3. Donor support to forestry related programmes from European bilaterals	28
Annex 4. The National Forest Programme Facility	30

Executive Summary

Forestry is increasingly standing out in the policies of international institutions and bilateral donors and an important instrument in poverty alleviation. The international forest policy dialogue has significantly changed the approaches related to forestry of many international organisations and donors. The World Bank has changed its forest policy, and the FAO has established a Facility to support the establishment of National Forest Programmes (NFPs) in member countries, and several bilateral donors are including forestry in their poverty alleviation efforts.

This report, commissioned by NORAD, recommends that forest programmes are integrated with PRSPs, and that bilateral support is given to the establishment and implementation of National Forest Programmes (NFPs). Forestry related activities should be seen as an element in a broader development effort. Support to institution building and capacity building would also enhance the effect of forestry in poverty alleviation. Support to the NFP facility hosted at FAO is also recommended.

Norwegian development policies are not effectively integrated with Norwegian participation in the international policy dialogue on forests. The report recommends that a more coherent policy should be sought. NORAD should take part in the ongoing international dialogue on forestry and poverty.

1. Introduction

Forests and trees have an important role to play in the struggle to reduce poverty. This was part of the message conveyed by FAO during the [World Food Summit + 5](#), building upon an initiative involving the participation of a variety of agencies¹. In Johannesburg 2002, at the World Summit for Sustainable Development forest was also made part of the action plan for poverty reduction (see annex 2.5). Sustainable, local forest management, as part of a rural development strategy, supports good governance and increases the benefits to the poor. The topic is an ongoing and evolving process developed and discussed in fora where academics, practitioners, advocates and policy-makers meet.

It is anticipated that roughly 1.6 billion people rely on forest resources² for at least part of their livelihood (FAO, 2001). This includes 60 million indigenous people living in the rainforests of Latin America, Southeast Asia and West Africa, all of who depend heavily on forests. Further, it is calculated that 350 million people live in the vicinity of dense forest and rely on them for subsistence or income and 1.2 billion people in developing countries use trees on farms to generate food and cash.

Food security, safety nets, indirect benefits (environmental and cultural) and sometimes enterprise opportunities are some of the benefits accrued from forests where little else exists. Good local governance has sometimes arisen as a result of managing forest resources.

But there are several challenges needing immediate action to make forestry *one way* out of poverty. Barriers that prevent forests and trees from contributing to the livelihoods of poor people are still dominant. Pro-poor policies are needed to enhance rights to access, control and use, more decision-power, reduced vulnerability and improved governance through effective local institutions. There are various initiatives now focusing on these themes. The latest in a series of international development meetings discussed the inclusion of forests in Poverty Reduction Strategy Papers (PRSP). The PRSP have become a major tool supported by the international agencies in order to reach a commitment to the Millennium Goals of halving the proportion of people living in absolute poverty by 2015.

This report is commissioned under the NORAD-Noragric agreement to present an up-date on the status on current trends in the ongoing international work on forestry and poverty reduction and the role of international institutions.

As well as giving an account of the current issues of the forestry-poverty debate, the current efforts of the FAO forestry department regarding the National Forest Programme (NFP) Facility will be accounted for. The FAO Community Forestry Programme (Forests, Trees and People Programme) was concluded recently. Norway has contributed US\$ 4.5 million over the last 5 years and the report also discusses how FAO are incorporating the lessons learned from this programme³.

¹ FAO, IFAD, WFP, IUCN, IIED, WWF, CIFOR, GTZ, NLH and other NGOs, researchers, country representatives, forest professionals and bilateral organisations.

² Examples of what poor people get from trees and forests: *Subsistence goods* (i.e. fuelwood, medicines, wood for building, rope, bushmeat, fodder, mushrooms, honey, edible leaves, roots, fruits), *goods for sale* (all of the above goods, arts and crafts, timber and other wood products) and *indirect benefits* (such as land for other uses, social and spiritual sites, environmental services, including watershed protection and biodiversity conservation).

³ Currently, the evaluation is ongoing. The donors will be invited for a debriefing in Rome in February/March 2003.

2. Forests and Poverty Reduction

2.1. A series of workshops

The most recent workshop “Forests in Poverty Reduction Strategies: capturing the potential” was the third in a series that commenced with the **FAO** and the **Department for International Development (DFID)**, UK sponsored meeting in Cortevicchia, Italy. The initial output was a policy brief “*How forests can reduce poverty*” (Mayers & Vermeulen, 2001). A clear message concluded this meeting - “*Forests and trees have an important role to play in the struggle to reduce poverty*”. In addition, four points were identified in the agenda for action. These were strengthening rights, capabilities and governance; reducing vulnerability; capturing emerging opportunities and working in partnerships.

Benefits to local livelihoods from pro-poor forestry

- Rights to access, control and use of forest and tree resources
- More say in decision over use and management of forest resources
- Reduced vulnerability, not only through secure forest resources but political empowerment
- Income from forest goods and services
- Improved governance through more effective local institutions
- Partnership to enhance capacities
- Direct benefits from environmental services
- Increased powers of negotiations (ibid.).

In a later article, based on the results of a meeting to prepare for the World Summit 2002 on Sustainable Development, it was emphasised that the challenge is to support specific changes that will lead to a greater role for forests and tree resources in the livelihood of poor people. Further, this challenge -*primarily a local forest governance challenge*- requires immediate action at two ‘higher’ levels of governance- national and international (Mayers & Vermeulen, IIED Opinion 2002).

The process continued and the action points from the workshop in Italy served as the starting point for discussions at a meeting hosted in **Edinburgh, Scotland** in June 2002 by the Edinburgh Centre for Tropical Forest (ECTF) and the International Institute for Environment and Development (IIED) with support from DFID. Participants were challenged to consider how external development, research and training agencies could help developing countries realise the potential of trees and forests in poverty reduction. An attempt was also made to define points of action for external support to poverty-reducing forestry.

One of the most important conclusions from the Edinburgh meeting was the potential of PRSP to support the development of poverty-reducing forestry in low-income countries - how can PRSP be best used to support poverty-reducing forestry? A number of multilateral and bilateral donors have indicated their intention to deliver a significant and increasing proportion of their official development assistance to low-income countries via budget support linked to the PRSP.

Interesting and detailed discussions held at the meeting showed however, concerns that PRSP and budget support are not necessarily the best way to deliver poverty-reducing forestry. The

increasing move towards budget support might not necessarily guarantee giving a voice to the poor.

The conclusions stated that an important role for development practitioners in the forestry sector to guarantee best support, is to ensure that the PRSP process includes links to the forests by empowering the rural poor, NGOs, Community Based organisations (CBOs) and appropriate Ministries so that all can contribute to the content of PRSP. It was pointed out that the National Strategies for Sustainable Development or National Forest Programmes are important, as they include such information and input.

The next step to advance the process from rhetoric to reality was a workshop organised in October 2002 by the **Department of International Development Co-operation (DIDC)** of the Ministry for Foreign Affairs of **Finland**, the **European Forest Institute (EFI)** and the **Viiki Tropical Resource Institute (VITRI)** - "*Forests in Poverty Reduction Strategies: capturing the potential*" with geographical focus on Sub-Saharan Africa. The general objective was to assess the current status, role and potential of the forest sector to contribute towards the goal of poverty reduction and to provide practical recommendations on how to improve this contribution. The specific objectives were to promote:

- ◆ better inclusion of the forest sector into poverty reduction strategy processes, and
- ◆ sharpened poverty focus in forest sector policies and programmes;

The workshop gathered representatives from the Ministries of Economic Affairs, Finance and Planning, Ministries responsible for the forest sector and local NGOs from selected Sub-Saharan African countries to bring together their different perspectives. In addition to the participants from the African countries and the NEPAD⁴ Secretariat, the World Bank, FAO, CIFOR, ODI, ECTF and a number of key donor organisations were also represented. During the workshop, it was expressed that multi-institutional dialogue is vital to advancing the better integration of the forestry sector into the global efforts for poverty reduction and to ensure the effective implementation of the Millennium Declaration⁵.

A background paper commissioned by the World Bank based programme on Forestry – PROFOR - (Oksanen & Mersmann 2002) provided an assessment of the current status and trends regarding the role of the forest sector in Poverty Reduction strategies in the countries of Sub-Saharan Africa. The assessment covered all publicly available Interim Poverty Reduction Strategy Papers (I-PRSP), full Poverty Reduction Strategy Papers (PRSP), Joint Staff Assessment (JSA) of I-PRSP and the PRSP Progress Reports made by the World Bank (WB) and the International Monetary Fund (IMF).

By mid 2002, 25 Sub-Saharan countries had established an I-PRSP with 11 PRSP. These were analysed (as well as 17 JSA and 4 PRSP progress reports). In addition, reviews of key documentation as well as interviews with key World Bank staff were included in the report (see Annex 1.).

The [next meeting](#)⁶ in this process will be organised in **Bonn** in 19-23 May 2003 at the initiative of CIFOR, GTZ and other German partners. The title of the workshop is

⁴ New Partnership for Africa's Development established by the African Union in 2001.

⁵ Developing countries, major bilateral donors and multilateral development organisations have adopted the Millennium Development Goals, including the goal to halve, between 1990 and 2015, the proportion of people suffering from extreme poverty. PRSP have been adopted as a key instrument in this international effort.

⁶ (<http://www.cifor.cgiar.org/scripts/default.asp?ref=events/bonn/index.htm>)

International Conference on Rural Livelihoods, Forests and Biodiversity. This will be the biggest event so far with an expected 100-150 participants. It will be split between a high-profile policy oriented one-day event and a workshop with 40-50 research papers, mainly case studies on forest-livelihood interactions.

2.2. Current status of forests and the forest sector in Poverty Reduction Strategies

The following is a summary of the current status of forests and the forest sector in the PRSP based on the systematic work of PROFOR. The section below is mainly based on Oksanen and Mersman (2002) (Annex 1).

- Forests and forestry related **issues** are touched upon in the poverty analysis in about half of the Interim PRSPs (I-PRSP) and in all PRSP in Sub-Saharan Africa. In general however, the assessment is superficial and unsystematic. Most often forest issues do not appear in the poverty analysis as such, but are introduced later in the descriptive parts of the programme and cross-sector areas, especially in the context of rural development and environment. In some cases there is an attempt to analyse the **cause-effect linkages** between forest issues and poverty, but for most countries this type of analysis is weak or non-existent. Livelihood type-assessments, which look into the natural resource dependencies of the poor, are generally not used to complement the poverty assessments.
- Considering the relatively modest level of analysis of the role of forests and the forestry sector in poverty reduction, forest-related **responses** are proposed in surprisingly many of the I-PRSP and PRSP. The responses are presented as a sub-set of activities under different PRS programme areas (e.g. agriculture, rural development, environment) and include such actions as reforestation, forest management, and development of forest-based micro enterprises, community forestry and the promotion of private investment in forestry. The approach would seem to indicate that the forest-related responses are commonly perceived as support activities to larger, more direct poverty relevant sectors, more than as an active sector in poverty reduction per se.
- **Linkages** between the PRS processes and the forest policy and planning processes are generally weak. In the few cases where this type of linkage is clearly visible in the PRS process, it appears to considerably improve the integration of forestry-related issues, analysis and responses in the PRSP.

In conclusion, there is a great variation in the way Poverty Reduction Strategies in Sub-Saharan Africa deal with forest related issues. Partly this is a reflection of the changing nature of the PRSP from their initial strong focus on the social sector, towards a more comprehensive planning instrument. It partly reflects the varying capacity of the forestry sector to engage in this type of integrated process.

The authors of this document stress that it is vital that environmental and natural resource issues are included in the PRSP and thus are linked to budget funding. Forestry has developed several methods for monitoring forest activities (e.g. forest certification) and these methods need to be brought into the PRS process.

Table.1 Score for incorporation of the forest sector in I-PRSP and PRSP

Country	I-PRSP total score	PRSP total score
Burkina Faso	-	0,25
Cameroon	0,75	-
Central African Republic	1,50	-
Chad	0,75	-
Cote d'Ivoire	1,00	-
Cape Verde	0,00	-
Djibouti	0,25	-
DRC	0,50	-
Ethiopia	0,25	-
The Gambia	0,50	1,00
Ghana	1,00	-
Guinea Bissau	0,00	-
Guinea	0,50	0,75
Kenya	1,75	-
Lesotho	0,50	-
Madagascar	1,50	-
Malawi	0,75	1,75
Mali	0,25	-
Mauritania	-	0,50
Mozambique	0,75	2,00
Niger	0,50	1,00
Rwanda	1,00	1,00
Sao Tome & Principe	0,25	-
Senegal	0,25	-
Sierra Leone	0,75	-
Tanzania	0,00	0,25
Uganda	-	0,50
Zambia	0,00	1,25
Average:	0,61	0,81

0= no mention

2= elaborated

1= mentioned but not elaborated on

3= good practise

Source: Forests in Poverty Reduction Strategies, An Assessment of PRSP Processes in Sub-Saharan Africa, Oksanen T, and Mersmann. Draft Sept. 2002.

2.3. Pitfalls with negative impact on the poor and possible mitigation measures

Potential pitfalls when developing forest policies are described below. At the conference in Helsinki, aspects of how to avoid negative impacts on the poor were discussed:

- In the short-term, sustainable forest management and utilisation tends to be less profitable and requires more technical expertise than unsustainable practices. An appropriate mix of **control and capacity building** are essential elements to ensure sustainability of resource use and a continuous stream of benefits;
- High-value forests often attract powerful outside interests. Therefore, **negotiation skills** backed by **transparent governance structures** are necessary. Mere “participation” is not sufficient to ensure a fair deal for the poor;

- Many of the activities the poor are engaged in yield low-returns, both inside and outside the forestry sector. Supporting such activities *might* function as a poverty trap, and development interventions need to carefully **identify the growth potential** of various activities.
- Tree growing is a relatively long-term activity, especially from the perspective of the rural poor. **Economic incentives** need to be developed to bridge this gap. Examples are compensation for environmental benefits or advance payments for future sale of products;
- Forests and forestry can compete with other methods of improving rural livelihoods, *e.g.* in terms of land use options, investment funding and labour inputs. A careful **assessment of the trade-offs** is needed;
- The approaches chosen in forest and biodiversity conservation can have considerable impacts on the livelihoods of the rural poor. Denying access and rights by “closing off” forests can be especially harmful for the poor by depriving them of subsistence and income. Different forms of **joint and collaborative conservation management** offer promise for generating benefits for the poor.

It is important to recognise the diverse nature of rural livelihoods and their development dynamics in different resource settings. Taking into account the variety of objectives in a society for forest resource use and conservation can be the basis for defining an appropriate role for forests and the forest sector in poverty reduction.

2.4. Key conclusions from the Forestry and PRSP Workshop (Helsinki, October 2002)

The workshop identified the following issues and actions as critical to enhancing the contribution of forests and the forest sector to poverty reduction strategy processes:

◆ Improving the knowledge base on forest sector contribution to poverty reduction

There is a lack of good resource data due to poor, forest valuation methods in regards to forest values related to subsistence use, the environment and other indirect benefits. This also applies to valuation of commercial worth. Major research efforts are needed to enable the forest sector to present its case in the PRS process. Adding forest-related indicators to poverty surveys is one example.

◆ Linking PRSP and national forest programmes

There is an urgent need to ensure that PRSP and the forest policy and planning process (*i.e.* national forest programmes) is mutually reinforcing. The forest sector needs to recognise the role of the PRS process in the overall national planning framework. A stronger co-ordination between the responsible ministries is needed. The planning capacity in the ministries responsible for the forest sector needs to be enhanced in order to effectively participate in the PRS process. With regards to budget reform, the forest sector must also develop effective financing strategies corresponding to PRS priorities.

◆ Identifying and mitigating potential negative impacts of the PRS process on forests

A framework for policy co-ordination at the national level needs to be established to minimise the potential adverse effects of non-forest policies, including those at the macro-level (*i.e.* World Bank structural adjustment operations). The “safety net” function of the forests must not be endangered without credible alternatives. Also, the monitoring of impacts on the forest resources must be part of the PRSP monitoring framework.

◆ **Targeting international assistance in removing key constraints**

Two main areas were identified:

1. To help forest policies to become more poverty focused, assistance needs to be channelled through the national forest programme processes and to focus on:
 - a) increase involvement of the private sector and increased investments in forestry;
 - b) empower the rural poor, local communities and civil society in general;
 - c) resolve trade related issues at domestic, regional and international levels;
 - d) develop more equitable forest policies;
 - e) improved use of forest related innovative financing mechanisms and targeting of these to benefit the poor;
 - f) improved internal revenue generation in the sector;
 - g) promote and manage pro-poor institutional change;
2. The forestry sector requires assistance to make its case to the Ministries of Finance in a more efficient manner. Tools such as improved information and knowledge, advocacy and improved cross-sector collaboration need to be acquired. The forestry sector needs a better understanding of the procedures and their underlying logic to effectively engage in the PRS process.

3. The International Forest Policy Dialogue, and the policy of some bilateral and international institutions

3.1. Background on the international dialogue on forest policy

Since the World Summit in Rio in 1992, there has been an active international dialogue on forest policy. Prior to Rio, the TFAP (Tropical Forest Action Plan) process constituted a transitional phase, preparing the ground for an enhanced international interaction on forest issues. As of today, a number of recommendations pertaining to sustainable forest management have been agreed upon between the countries participating in the dialogue. Policies in numerous countries have been reviewed and updated, providing a visible influence from this dialogue. Major donors and multilateral agencies have revised their approach to forestry, and see forest interventions as an attractive vehicle for poverty alleviation, empowerment of poor communities and decentralisation processes. A more detailed overview of the international dialogue and some of its elements are presented in Annex 2. Some aspects are briefly outlined in the following paragraphs.

3.2. IPF/IFF and UNFF

The Intergovernmental Panel on Forests and the Intergovernmental Forum on Forests constituted a prolonged process of international dialogue to develop common views on and actions to promote sustainable forest management, and to prepare the grounds for international agreements on forests. The main result was a comprehensive set of agreed recommendations ([IPF/IFF Proposals for Action](#)) addressed to countries and international organisations regarding forest management. There was however no consensus on whether to embark upon a process of establishing legally binding instruments (e.g. a convention) on forests. Some countries oppose the idea of any binding instruments, and this has contributed to the process being very lengthy and with little practical results. One result of the IPF/IFF process was the establishment of a permanent UN body - the United Nations Forum on Forests ([UNFF](#), see annex 2.3) and a partnership among the most central international and

multilateral organisations working with forest issues – the Collaborative Partnership on Forests (CPF, see annex 2.4). The main objective of the UNFF is to promote “*the management, conservation and sustainable development of all types of forest and to strengthen long term political commitment to this end*” To this end the UNFF has developed a [Multiple Year Programme of Work](#) and a Plan of Action aimed at facilitating the implementation of the IPF/IFF proposals for action. So far, the UNFF has been seen by many (especially research organisations and the NGOs) as a major disappointment, since governments do not seem able to move out of the “proposal-making mode” and into the “action mode” (see e.g. Mayers and Vermuelen 2002). There is a risk that NGOs and some governments will lose interest in the UNFF as an arena for promoting change. An evaluation will take place in 2005.

3.3. The World Bank Forest Policy

On October 31st, 2002, the Board of Executive Directors of the World Bank endorsed [a new forest policy and strategy](#). The policy was developed through a broad consultation over a 3-4 year period. It aims at increasing the livelihoods of some 500 million forest-dependent people living in severe poverty and to improve the environmental protection of forests. The consultation process demonstrated a new approach by the Bank, with an open invitation to governments, NGOs, private sector and other relevant stakeholders to discuss the best way forward.

The new policy demonstrated that the World Bank increasingly sees forestry as an important instrument in poverty alleviation. Implementation of the new strategy will be closely monitored and will be reviewed by an independent panel in three years time. The consultation process coincided with the finalisation of the IFF and establishment of the UNFF and therefore recommendations and approaches were closely coordinated.

3.3.1. What is new in the World Bank forest policy?

Although sustainable forest management has been high on the international agenda for two decades, little has been achieved so far. The approved Forest Strategy recognises the fact that forests play an increasingly important role in poverty alleviation, economic development and in providing local as well as global environmental services. Success in establishing sustainable forest management practices depends not only on changing the behaviour of all critical stakeholders, but also on a wide range of partnerships to accomplish what no country, government agency, donor, or interest group can do alone.

The new strategy is built on three pillars:

- ◆ Harnessing the potential of forests to reduce poverty
- ◆ Integrating forests in sustainable economic development
- ◆ Protecting global forest values

Addressing these three aspects together makes a strategy complex and multifaceted - it is not just about growing or protecting trees, but is a complex interaction of policy, institutions and incentives. A narrow perspective on forestry is insufficient. To be effective the strategy demands a multi-sector approach that addresses cross-sector issues and takes into account impacts on forests and forest people by activities, policies and practices outside the forest sector.

The policy is well aligned with contemporary development policies and with principles and recommendations agreed upon through the IPF/IFF process. The main elements of the policy may seem general, but they still provide a clear change of direction compared to the previous policy. The strategy strongly recognises the potential of forests in poverty alleviation and economic growth. The previous policy failed to release the potentials of Bank interventions to support these goals. The controversy around logging had a “chilling effect” on Bank staff reducing overall efforts and performance in the forestry sector.

Through the new policy, the Bank has taken a lead position together with other international and multilateral institutions (e.g. FAO), and it has been innovative in its new partnership approach. This warrants support from Norwegian authorities in the implementation of the new policy. Several elements of the strategy are suitable for grant financing, to supplement and support the effects of lending operations. Weaknesses in the World Bank forest strategy, e.g. limited focus on research and capacity building, could be mitigated by parallel bilateral interventions.

The World Bank has almost a hundred active projects classified under forestry and many others with forestry components. The project portfolio is of course mixed with respect to poverty focus, since many have been established before the recent change in development policies worldwide. The Bank still has a tough job to do in making the new policy penetrate into the project preparation processes and the lending operations. Several processes are initiated and due to the participatory nature of the policy process itself, it is expected that the new policy will increase the focus on forestry and forest policy as an integrated element in a multi-sector approach. The policy will also cause Bank projects to focus more on institutional strengthening and governance.

Some more information on the WB programmes on governance and partnerships can be found at the following sources:

(WB see forest governance programme)

<http://lnweb18.worldbank.org/ESSD/essdext.nsf/14ByDocName/ForestGovernanceProgram>

The bank also focuses more on partnerships, with NGOs, bilateral agencies and multilateral agencies. See more info on these from the following addresses:

The NGO partnership programme:

<http://lnweb18.worldbank.org/ESSD/essdext.nsf/14ByDocName/PartnershipsNon-GovernmentalPartnerships>

Bilateral partnership programme:

<http://lnweb18.worldbank.org/ESSD/essdext.nsf/14ByDocName/PartnershipsBilateralPartnerships>

Multilateral partnerships:

<http://lnweb18.worldbank.org/ESSD/essdext.nsf/14ByDocName/PartnershipsMultilateralPartnerships>

The focus on private sector initiatives is also new in the WB forest strategy, the most well known is the CEO initiative. See more on private sector partnerships on

<http://lnweb18.worldbank.org/ESSD/essdext.nsf/14ByDocName/PrivateSectorInitiatives>

3.4. PROFOR –relocated from UNDP to the World Bank

[PROFOR](#) is a multi-donor partnership that provides knowledge and capacity building to strengthen national forest programmes in the pursuit of sustainable forest management. PROFOR supports participatory country-driven NFPs and provides field-based knowledge to guide the ongoing international process on forests. Initially established in 1997 under the United Nations Development Programme (UNDP), PROFOR relocated to the World Bank in 2002. PROFOR has participated in and played a catalytic role in the international forest policy dialogue. Although it is hosted at the World Bank, PROFOR will be an independent programme, governed by a management board comprised of international donors, UN agencies, partner organisations and country representatives. PROFOR works in close collaboration with the [NFP Facility](#), hosted by the UN Food and Agriculture Organization. [PROFOR-UNDP \(1997-2002\)](#) provides more background on PROFOR.

PROFOR at the World Bank will be situated within the Forest Team of the Bank's Environmentally and Socially Sustainable Development Network (ESSD). However, PROFOR will be managed as an independent programme governed by a management board comprised of international donors, UN agencies, and other partner organisations. PROFOR will also situate itself within a partnership with international organisations, with the World Bank and the NFP Facility.

In its second phase, PROFOR will act as a strategically focused centre of excellence to strengthen national forest programme processes, and generate and disseminate cutting-edge knowledge on cross-sectional and sectoral issues critical to sustainable forestry development. PROFOR will focus on the following key thematic areas: finance, governance and livelihoods.

3.5. Forestry projects for carbon sequestration

CDM (Clean Development Mechanism) is a part of the Kyoto protocol under the climate convention. CDM projects are mainly funded from private sources, but development assistance could be used for capacity building etc. The World Bank has established several funds to facilitate the establishment of CDM projects. [The Community Development Carbon Fund](http://communitycarbonfund.org/) (<http://communitycarbonfund.org/>) and the Biocarbon funds, established in 2002, are of particular interest in relation to forestry projects. The CDM projects have a potential for a dual benefit; the climate effect and the poverty reducing effect. Small projects involving poor farmers normally have high transaction costs, and these projects need special attention to ensure their inclusion in the CDM projects.

CDM is a new way of financing reforestation and agroforestry projects in developing countries. The basic purpose of the CDM is to assist industrial countries in achieving compliance with their quantified emissions limitation and promoting sustainable development in developing countries. CDM projects can either be projects that reduce emission or projects that sequester (bind) carbon in forests. Any CDM project needs to document that the emission reductions are real (additional) and that emissions reductions are unlikely to occur without the project. The projects will be compensated in accordance with how many certified emission reduction credits the projects is generating as compared to a baseline. CDM projects will be financed from industries in the north that need to reduce their emissions.

The least developed countries have less emission reduction potential to offer because their industry and transport sector is less developed. These countries have on the other hand a

potential for taking part in CDM projects through forestry projects. The potential of carbon sequestration for livelihood improvement is discussed in [Smith and Scherr \(2002\)](#) (<http://www.cifor.cgiar.org/scripts/default.asp?ref=publications/index.htm>)

Dryland areas could be of particular interest in relation to reforestation projects even though they have a less potential for carbon sequestration than more humid areas. The reason is that dryland areas have that many degraded areas with a forest crown cover less than 10 % which makes them according to the preliminary rules eligible for CDM funding. People living in dryland areas are also highly dependent on the utilisation of the natural resources and improving the forest cover will increase their income and make the dryland people less vulnerable toward climate shock. Carbon sequestration projects can in addition increase food production, reduce soil erosion, secure water-flows and preserve biodiversity.

Current Norwegian policies encourage participation in CDM projects, but do not want Norwegian enterprises to participate in forest related projects under CDM.

3.6. Bilateral agencies, international NGOs and research institutions

International conferences and workshops are important for links and discussing future action. Forestry is increasingly seen as an effective tool in poverty alleviation. The Dutch are presently very interested in poverty aspects of natural resources, the Canadians (CIDA) have participated throughout the process and are preparing the way for the World Forest Congress to take place during 2003 in Canada. The poverty/forestry dialogue has significantly influenced the agenda at this significant meeting.

Bilateral agencies in Europe have to a varying degree focused on forestry and poverty. Most are in the process of integrating forestry activities in a broader development effort. UK and Germany (DFID and BMZ) may be the most consistent by actively integrating forest related aid with the international forest policy debate. Finland is also involved; in fact, the Ministry of Foreign Affairs has a special post for International Forestry issues. German based GTZ and other German Institutions together with CIFOR and are on the stage, now also engaged in the organisations of the next workshop: **Rural Livelihoods, Forest and Biodiversity**. More details on individual European donors are given in Annex 3.

The Norwegian participation in the international forest policy dialogue does not seem to have had much influence on the Norwegian development policies towards forestry related projects. Institutions and persons active in the dialogue may have had limited contact with those responsible for planning development programmes. Forest related interventions supported by NORAD are few, and not integrated with the outcomes of the international dialogue. NORAD has not up to now, unlike some other bilateral agencies, seen forestry as an emerging tool in poverty alleviation.

International NGOs and research institutions like IUCN with ECTF and IIED report plans to promote partnerships to make practical contributions to the PRSPs. British-based [ECTF](#) and [IIED](#) are active participants in the forest policy dialogue. It is foreseen that this work would be implemented to support local agencies (Environment and NR Ministries and Ministries of Finance and Planning) and this will attract support from a range of agencies including DFID, WB, FAO and PROFOR. Overseas Development Institute ([ODI](#)) is an independent institute with research focus on international development and humanitarian issues. The goal of ODI's

Forest Policy and Environment Group is to support the development of aid policies related to forestry and environment.

[CIFOR](#), The Centre of International Forest Research in Indonesia is one of the CGIAR centres. CIFOR has taken a lead role in research on forestry and poverty and is now a major supplier of knowledge and policy input to the international debate. A major conference on forests and livelihoods will be organised in Germany in May 2003. Livelihoods and forestry has become one of the three main focal areas of CIFOR after a major restructuring process. Several poverty oriented research programmes are ongoing. The main research focus now lies in three programmes: (1) environmental services (incl. carbon and forest fires) and sustainable use of forests, (2) forest governance, including decentralisation, FLEG, collaborative forest management, (3) forests and livelihoods.

The [WWF](#) has since its inception in 1961 worked to conserve nature and ecological processes. It has done this through a combination of action on the ground, national and international advocacy work to establish appropriate policies and international campaigns to highlight and demonstrate solutions to crucial environmental problems. In recent years it has also moved away from pure nature conservation to now also including local people in management of natural resources (this is a trend also in IUCN).

The WWF ['Forests for Life'](#) Programme has developed a strategic vision for forest conservation in the 21st century under the theme of 'Protect, Manage and Restore'. In its work it is providing solutions to combat threats such as illegal logging, conversion of forest, forests fires and climate change.

IUCN (the World Conservation Union, established in 1948) and WWF have identified the following objectives in order to halt and reverse the loss and degradation of forests and woodlands worldwide.

- Establish a network of ecologically representative, socially beneficial and effectively managed forest protected areas.
- Achieve environmentally appropriate, socially beneficial and economically viable management of forests outside protected areas.
- Develop and implement environmentally appropriate and socially beneficial programmes to restore deforested and degraded forest landscapes.
- Protect forests from pollution and global warming by reducing polluting emissions and managing forests for resilience to climate change.
- Ensure that political and commercial decisions taken in other sectors safeguard forest resources and result in a fair distribution of associated costs and benefits

WWF has also helped establish the Global Forest and Trade Network ([GFTN](#)) consisting of companies who are committed to producing, trading or purchasing certified timber products. Over 800 companies are members of GFTN's 19 Forest and Trade Networks working in partnership to save the world's forests

IUCN facilitates a Working Group on Community Involvement in Forest Management created in 1996 to draw and apply lessons from field experience and to persuade governments and donor agencies to become more responsive to community conservation efforts. The WWF is also present in this. The Working Group brings together a wide range of stakeholders, including government and non-government community forest practitioners, policy makers, donors, NGOs, activists and representatives from international organisations.

4. Recent and current efforts by FAO: The FTP programme, the Sustainable Livelihoods (FSL) initiative and the National Forest Programme (NFP) Facility

4.1. The Forests, Trees and People Programme 1985-2002

Norway supported the [Forests, Trees and People Programme](#) with funding over a period of 5 years (1996- 2001). Norwegian support primarily financed the global co-ordination unit in Rome, namely the Community Forestry Unit (CFU). The CFU worked with the regional (national) programmes in Latin America, East and West Africa and Asia through national facilitators. In these regions, the national facilitators worked through a diverse set of civil society actors in order to promote the Community Forestry Agenda (be it policy-makers, communication media, grassroot organisations, projects, etc.). The programme enjoyed a considerable number of Associate Professional Officers (FAO junior experts) from the different donor countries (Sweden, the Netherlands, Norway, Denmark, Switzerland and Japan⁷). A vital principle was "*working in partnership*". The programme was well known throughout the world, partially due to the SIDA-financed Newsletter based at the Swedish Agricultural University (SLU). The Newsletter opened an additional platform securing a continued discussion of community forestry issues in a broader perspective, with separate regional newsletters for Latin America and Franco-phone Africa.

The programme is now concluded and a final evaluation is in the final stages. Donors as well as previous facilitators will be invited to a briefing in Rome in early 2003. The FTTP was organised by the Community Forestry Unit (CFU) under the Forest Policy and Planning Division (FONP) of the Forestry Department in FAO.

Important issues discussed from the programme will be:

- ◆ How did the programme play a role in national and regional policies, as the result of the many meetings, lobbying and training workshops that were held over the years?
- ◆ How was the programme able to institutionalise itself? Are the institutions now (without direct FAO support) continuing their work? What were the conclusions of the Post-2001 committee?
- ◆ What will happen to the distribution of publications and database management now that the programme has ended? What actions is the FAO Forestry Department taking in order to continue the process? How much of the actual programme was institutionalised in FAO?

⁷ Japan was not a donor country specific to the programme.

4.2. Forestry for Sustainable Livelihoods (FSL) programme

A key question is how FAO will keep the focus in the forestry department on poverty issues, after having been part of starting the process? FAO has developed a new Concept Note on "*Forestry for Sustainable Livelihoods (FSL)- developing Policy processes and governance for livelihood-oriented forestry*", which proposes an initial 5-year programme. It builds upon the experience gained through the FTP programme, some examples given are:

- In order to scale up community forestry initiatives one needs to - strengthen not only their capacities but also those of local governments and private operators. How to get the right policy and legal framework in place, in particular through more participatory policy formulation processes? A first workshop on this matter took place in November 2002. A third lesson is that those working with participatory forestry in FAO must not operate in isolation but much more in collaboration with other Forestry units in the department. Also, it foresees a knowledge sharing and communication with the National Forest Programme (NFP) Facility.

In this proposal, multi-stakeholder, adaptive policy processes and supportive institutional capacities – based on negotiated roles - are deemed two key factors to achieve this. The Forestry for Livelihoods (FSL) programme would address this challenge through a learning process that would involve FAO and partners in four key areas:

- Development of locally-designed and operational good-governance mechanisms;
- Development of approaches for adaptive multi stakeholder policy making processes;
- Enhancement of knowledge generation and sharing related to livelihood-oriented forestry;
- Development of equitable, transparent and cost-effective communication mechanisms.

The emphasis on learning is based on lessons from past experience regarding national forest processes, i.e. that implementation involves processes of continuous improvement for understanding and coping with change. FSL would act in synergy with the ongoing support to national forest programmes, including the National Forest Programme Facility (NFPPF).

In recent communication with the FAO they informed that the FSL Programme is formulating a proposal (moving on from the concept stage). A draft proposal should be ready by mid February, and therefore maybe presented to donors that will be present for the wrap up presentation of the final evaluation of the FTPP (tentative date 20th February 2003). Another important forum will be during COFO (Committee for Forestry) from 10 to 14 of March 2003 at FAO.

The NFP Facility has been more visible to Norwegian donors to present, due to visits in Norway and exchange of reports. However, there is still some uncertainty as to how the programme is evolving and how it will link with the forestry poverty agenda in future.

Table 2: Major FAO actions to implement the forestry-poverty agenda for action since the Tuscany Forum (September 2001)

Aspects of FAO's progress	Specific Actions
Strategic	A Strategy for developing a poverty focus in the work of the Forestry Department developed and being implemented
Institutional	Inter-Divisional Task Force on Poverty set up in March 2002

	Several new programme entities (PEs) relevant to poverty to be created in the context of FAO's Medium-Term 2004-2009:
Information-Communication	<p>Policy Brief translated in 5 languages and widely disseminated (about 4,000 copies so far)</p> <p>Presentation and distribution of the Policy Brief at FAO Conference (November 2001) and the World Food Summit + 5 (June 2002)</p> <p>Forest, poverty alleviation and food security a main theme for State of Forests (SOFO) and Committee on Forests (COFO) 2003</p> <p>Participation to the International Workshop on "Forestry and Poverty Reduction – How can development, research and training agencies help?", Edinburgh, June 2002</p>
Programmatic	<p>Strengthening of FAO's support to national forest programmes through the national forest programme Facility</p> <p>More emphasis on negotiation and partnership approaches</p> <ul style="list-style-type: none"> ▪ Forest extension through multi-stakeholder partnerships ▪ A proposal for a post-2002 partnership programme on livelihood-oriented forestry

Source: FAO paper presented at the Workshop in Finland October 2002.

4.3. The National Forest Programme Facility in FAO

4.3.1 National forest programmes

Forest sector development programmes have been formulated and implemented in some forest rich industrialised countries since the 1960's with the aim of increasing the production of roundwood for the expansion of forest industries. Since the mid-1980s, various internationally promoted frameworks have been used to guide this type of programmes, especially in developing countries. The aim of these latter efforts has been to arrest deforestation, to increase the contribution of the forest sector to economic and social development and to protect and conserve biodiversity, soils, and water resources. The most important of the international frameworks has been the Tropical Forestry Action Programme (TFAP), co-ordinated by FAO and active at some point in time in over seventy countries. Other more general environmental planning approaches (*e.g.* the National Conservation Strategies and the National Environmental Action Plans) have also been used to guide forest sector development.

The UNFF has identified national forest programmes as an important tool to improve the overall management of forestland. The Collaborative Partnership on Forests (CPF) with FAO as the lead partner was established in April 2001 as an interagency partnership to:

- support the work of the UNFF and its member countries;
- foster increased co-operation and co-ordination on forests;

for the promotion of sustainable management of all types of forests. Thus all processes and fora seemed to converge around the support to NFPs as a prime tool for promoting sustainable forest management.

In 1998, a "Six-Country Initiative in Support of the IFF" was launched by Finland, Germany, Honduras, Indonesia, Uganda and the UK to test the implementation of the IPF proposals for action at the national (or in one case federal state) level. Based on this experience a "*Practitioners Guide for the Implementation of the IPF Proposals of Action*" was developed. The Guide identifies the following main elements, seemingly present in all national forest programmes:

- A national **forest policy statement** as a political expression of a country's commitment towards sustainable management of the forest resources
- A **sector review process** to establish an understanding of the forest sector and its relations and linkages to other sectors in the context of national development
- A **policy, legislative and institutional reform process** including both sector and cross-sector issues
- A **sector strategy and short-term action plans**, including investment programming, capacity building, monitoring and evaluation and co-ordination and participatory mechanisms

The elements of a national forest programme outlined in the Guide include also a **financing strategy** to clarify the roles and potentials of the public and private sector, as well as international donor agencies, when relevant in national forest programme implementation.

The variety of national situations will need to be taken into account in any attempt to introduce guidelines for national forest programmes, as well as in trying to define an overall model or concept for sector support to national forest programmes.

4.3.2 FAO support to the national forest programme process (NFP Facility)

As part of the follow up to the dialogue on NFPs and the forestry/poverty debate, FAO implemented several actions directed towards the forestry-poverty agenda. One of the programme activities to strengthen FAO support to national forest programmes was the establishment of the [NFP Facility](#). Specific funding was requested for an initial five-year period with an expected cost of US\$ 32 million. Norway, amongst other countries⁸, contributed funding for the first year of operation, but so far not for the other years. The latest developments from the Steering Committee Meeting in December 2002 confirms that EC will step in the donor's club with some funds. There are also some changes as regards the procedure to select countries to be supported with a more strategic approach and more transparency regarding the choice of partners. At present stage the Facility is focusing on Nigeria, Malawi, Tanzania, China, DRP Korea, Mongolia Thailand, Chile, and Central America- more countries are being contemplated for expansion.

The aim of the NFP Facility is to provide support to develop and implement national forest programmes in developing countries. Capacity building, information sharing and participatory forest processes are seen as the primary activities.

The concept of developing a national forest programme to assist the forest manager in the decision-making process for an integrated approach to collaborative forestry is widely accepted. The UNFF through the CPF and with the establishment of the NFP Facility have defined national forest programmes as a priority area. The ongoing activities in the various organisations comprising the CPF contribute to improving on current management practices and find the bottlenecks for sustainable forest management.

One interesting example is the recent support from the FAO-NFP Facility to facilitate the farmers' indigenous forest network in Central America (CICAFOC), as a way of involving civil society in the NFP process. It is worth noting that CICAFOC is a result of many years of support from the FAO-F TPP partner in the region.

The Facility is one tool in NFP development. The ongoing activities in the numerous organisations involved with NFP will supplement initiatives by the Facility in the initial phase

⁸ Finland, France, Sweden and Netherlands (and now also EC).

of implementation, but may duplicate or even be in opposition to the aims of the Facility in some instances. The current policy differences within the various organisations hopefully have been assessed and defined as part of the basis for establishment of the Facility. Each partner has a different starting point and therefore the result in regards to responsible management will vary in accordance to the initial input.

Each country has a different needs and obstacles that must be met by a variety of solutions. A well-founded programme will require the collaborative efforts of the partnership organisations, but also a common understanding of the depth and width of the collaborative process. The mandate for the Facility as lead partner in support to NFP development is well defined and in that sense requires the support of the donor agencies to ensure that the objectives for responsible forest management are met. Provided the partnership collaboration is effective, the Facility can become a valuable tool for improvements in the forestry sector.

The Facility has faced some problems in soliciting long-term support. EU is lingering somewhat, and some criticisms are raised in the EU regarding e.g. the strong link between the facility and the FAO headquarters, the policy of NFP facility to support a (too) large number of countries and the strong similarity of the Facility and PROFOR. The new internal procedures for EU development funding also makes ensuring long term support of substantial nature a tedious process.

5. Recommendations: A role for Norwegian development assistance

New knowledge about and the widespread acceptance of forestry as a promising tool in poverty alleviation, its importance for the environment and its potential for contributing to improved local governance should lead to an increased focus on forestry in Norwegian development policies. This should not be as a single sector approach, but a deliberate inclusion of forestry components in development programmes and activities to follow up Poverty Reduction Strategies in the partner countries. In a potential new and increased focus on agriculture, forestry (including “trees outside forest”) may play an important role in many countries. In addition to this, an effort should be made to coordinate Norwegian participation in international forums with the development policies pursued by Norwegian development agencies.

As seen in this document many international institutes and other bilateral donors are involved in the forestry/poverty debate. This would also be very useful for NORAD. If needed Norwegian technical expertise could be drawn upon. Forestry issues today have a heavy ingredient of interdisciplinary issues, thus several types of expertise need to contribute for a successful use of forestry as a tool in poverty alleviation.

Some aspects of these main recommendations are elaborated below.

5.1. Integrate with PRSPs

Norwegian development programmes should work actively to include forestry as a part of the rural productive sectors into PRSPs, and to link national forest programmes with PRSPs. Very few PRSPs have analysed the potential of forestry to poverty alleviation, but several mention forestry as one response in its activity plans. NFPs generally mention poverty alleviation as an important objective of the plan. However, NFPs and PRSPs are generally developed in

isolation from each other, and integration is strongly needed. From table 1, we can specifically study recipients of Norwegian aid and their incorporation of the forest sector in I-PRSP and PRSP. Mozambique has the highest inclusion, thereafter, Malawi, and less so Zambia. The scores vary from “mentioned but not elaborated” to “elaborated”, but none get the score of “good practise”. After this follow Uganda, Tanzania and Ethiopia with even less incorporation of forest in PRSPs.

5.2. Support national forest programmes

Country programmes should support the implementation of the NFP in a few selected partner countries. Rather than producing new plans and new recommendations, efforts should be made to implement some of them. This could e.g. be done in some countries where forestry or environment has been on the bilateral agenda (Uganda, Tanzania, Malawi, Nepal) or e.g. in Sri Lanka where forests have a good potential for livelihood improvement, especially in the north and east, where most of the remaining forests are located. Working jointly with other bilateral and multilateral donors would be of interest in such interventions. One could foresee Norway benefit from a partnership with the NFP Facility when working with specific countries where Norway is an active partner.

In efforts to support the implementation of the NFP in a partner country, focus should be maintained on a few key issues. Enhancement of economic returns for the farmers is one of these. Forestry has a big untapped potential for income generation for farmers. Factors hampering the tapping of this potential are e.g. access rights and insecure tenure, lack of market access and high transaction costs.

Support to NFP processes should focus on some critical elements that have been seen as weaknesses of previous efforts and factors that have a bearing on the poverty alleviation effect of forestry:

- Participatory management of forests

Community forestry, joint forest management and social forestry are all concepts designed to involve local people. Results so far are mixed, and inhibiting factors like e.g. reluctance from forest departments to hand over management powers should be addressed⁹. Failure to address tenure issues also has limited the success, and lack of local representative institutions has caused inequitable sharing of proceeds, among other things. Formalisation of user rights may also limit the access of the very poor to the safety net function of the forest, and measures should be promoted to ensure multiple use strategies and access of informal users.

- Smallholder and communal tree growing

Growing of trees by private farmers is a strategy, which has been promoted with varied success. More attention should be given to market planning, market access, removal of high transaction costs, farmer organisation etc. Out-grower schemes may be effective tools, but will normally not target the very poor or landless segments of the population. If government of communal land is included in the programme, new segments of the population may get equal opportunities.

- Small scale enterprise development

Promoting small-scale value addition in forest products may have an important effect of rural poverty. The success has been hampered by multiple factors, including regulations limiting

⁹ The JFM project Misitu Yetu Tanzania (Care Norway) has interesting findings in its mid-term evaluation 2002.

the sale of forest products, transport regulations, certification related barriers, lack of skills in production processes and marketing, government controlled prices (e.g. of fuelwood), lack of credit etc. In addition, regulations in favour of larger scale producers in some cases limit the possibilities for small informal producers to enter the market.

5.3. Strengthening of institutions and capacity at all levels

National forestry institutions are of major importance for e.g. policy formulation, coordination of extension and support services, formalisation of access rights and enforcement of rules and regulations.

Institutions for research and education are of importance for capacity building at professional and vocational levels, and for establishment of an independent scientific body that can advocate forestry in national and local processes, as well as to ensure accountability in decision-making at various levels.

District and regional institutions are increasingly important for natural resource management, as decentralisation processes transfer more powers to the sub-national levels. Forest management can show some examples of how forest management has been a good case for developing democratic and transparent local institutions and management systems, and several examples of the opposite.

Community level institutions related to forest resource management are necessary to organise the local population and promote democratic and accountable resource management and management of proceeds from locally owned resources. Community organisation and increased knowledge at community level is also important to enhance the bargaining power of the poor.

5.4 Integrate development policies with international processes

NORAD/MFA should take an active role in the international processes on forest policy design and in the forestry-poverty discussions, with a view to co-ordinating Norwegian development support with the outcome of these processes. The dialogue on forestry and poverty (Corteveccia September 2001, Edinburgh March 2002, Helsinki October 2002, and Bonn June 2003) provides a good opportunity for interaction between professionals and representatives of development agencies.

The review of the FTTP, where Norway was a major donor, will be finalised in February 2003. The findings from the evaluation will provide a guideline for future support to FAO processes on forestry and poverty issues.

International processes should be supported by an increase in our knowledge base. Comparative international research is possibly the best way to identify promising approaches and pathways for how forests can contribute to sustained poverty reduction. Norway should consider supporting specific research and capacity-building programmes in this field. CIFOR as well as partner universities in the south could be appropriate channels for such support.

The UNFF is attended by the Norwegian Ministry of Agriculture, Ministry of Foreign Affairs and Ministry of Environment, but the process through the IPF/IFF and under the UNFF seems not to have influenced to any extent the priority setting within the Norwegian development assistance policy. Other countries (e.g. UK, Germany, and Finland) have chosen to have a closer interaction between participation in the international forest policy dialogue and

decision making related to development policies. This helps make development policy more consistent with ongoing international processes.

Integrating Norwegian support to WB carbon funds with bilateral efforts, e.g. capacity building to enable partner countries to make effective use of the funds, and to allow forestry related CDM projects, would also make development policies more coherent. However, current policies towards forest related CDM projects makes it difficult to develop projects within this sector. Trade issues and the development of certification systems and rules is another area where Norwegian engagement could benefit from coordination with development policies and programmes.

5.5. The NFP Facility and donor collaboration

Continued Norwegian involvement in the NFP Facility is recommended. One advantage of being a lead donor in the NFP Facility is the opportunity to provide guidance through participation in the steering committee. For example, the strong Swedish support to the Facility and corresponding support to personnel in FAO provides Sweden the opportunity to increase the pressure on developing countries to initiate the NFP process and in this manner provide the poor with a tool for improved livelihoods. The numerous aspects of a NFP will require multiple donor support to achieve the goal of sustainable resource management.

Having the Facility situated in Rome at the FAO HQ has the advantage of being able to draw on the previous experience of the forestry division in community forestry. The administration of the Facility will be separate from the FAO divisions and if a small core staff can collect and distribute funds effectively, the NFP process will be enhanced. The steering committee will be responsible to ensure that the Facility has a clear mandate and does not grow into a large institute that will duplicate ongoing processes initiated by other institutes.

It has been mentioned before that NORAD should consider supporting the NFP Facility work in countries that already are recipients of Norwegian aid. This would be worthwhile doing in coordination with other like-minded countries.

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Annex 1. Forests in Poverty Reduction Strategies, An Assessment of PRSP processes in Sub Saharan Africa

For details reading of Tapani Oksanen & Christian Mersmann (2002): *Forests in Poverty Reduction Strategies, an Assessment of PRSP processes in Sub-Saharan Africa*, click the web below and find the presentation in the agenda. It served as the background paper for the International Workshop on “Forests in Poverty Reduction Strategies: Capturing the potential, Helsinki, and gives in depth details how specific countries have taken account of forest in their PRSP.

http://www.efi.fi/events/2002/forests_in_poverty/oksanen_sub-sahara.pdf

Annex 2. The global forest policy process

2.1 Some elements of the global forest policy process

The issue of forests has been a priority on the international policy and political agendas for the past 15 years. At the 1992 United Nations Conference on Environment and Development (UNCED) the forest issue was between the most controversial, polarising developing and developed countries. In Rio de Janeiro, Brazil, intense negotiations among governments at UNCED resulted in the Non-legally Binding Authoritative Statement of Principles for a Global Consensus on the Management, Conservation and Sustainable Development of all Types of Forests, also known as the “*Forest Principles*”, as well as *Chapter 11 of Agenda 21: Combating Deforestation*.

Significant progress has been made since UNCED. Throughout this last decade, the main focus within the United Nations has been to develop coherent policies to promote the management, conservation and sustainable development of all types of forests. The Intergovernmental Panel on Forests (IPF), from 1995 - 1997, and the Intergovernmental Forum on Forests (IFF) from 1997 - 2000, both under the auspices of the United Nations Commission on Sustainable Development, were the main intergovernmental fora for international forest policy development. An informal, high level Interagency Task Force on Forests (ITFF) was set up in July 1995 to coordinate the inputs of international organisations to the forest policy process.

IPF and IFF examined a wide range of forest-related topics over a five-year period. Key outcomes of the deliberations under these processes are presented in the final reports of these processes, IPF4 and IFF4, in the form of more than 270 proposals for action towards sustainable forest management and are considered collectively as the IPF/IFF Proposals for Action. Although the IPF/IFF proposals for action are not legally binding, participants of these processes are under a political obligation to implement the agreed proposals for action and each country is expected to conduct a systematic national assessment of the IPF/IFF proposals for action and to plan for their implementation.

The UNFF was established by ECOSOC Resolution/2000/35 as part of a new international arrangement on forests, to carry on the work building on the IPF and IFF processes. The UNFF1 Report outlines the UNFF Plan of Action and Multi-Year Programme of Work

(MYPOW). The UNFF further feeds into broader global environment and development processes with documents such as the UNFF2 Ministerial Declaration to the World Summit on Sustainable Development.

2.2. The IPF/IFF Process (1995-2000)

The Intergovernmental Panel on Forests (IPF) and the Intergovernmental Forum on Forests (IFF) represent five years of international forest policy dialogue. The **Intergovernmental Panel on Forests (IPF)**, established by the Commission on Sustainable Development (CSD) for two years (1995-97) to provide a forum for forest policy deliberations. Subsequently, in 1997, ECOSOC established the **Intergovernmental Forum on Forests (IFF)**, for three years (1997-2000).

Deliberations by the IPF were on the following issues:

- I. Implementing the forest-related decisions of the United Nations Conference on Environment and Development (UNCED) at the national and international levels
- II. International cooperation in financial assistance and technology transfer;
- III. Scientific research, forest assessment and the development of criteria and indicators for sustainable forest management;
- IV. Trade and environment in relation to forest products and services;
- V. International organizations and multilateral institutions and instruments, including appropriate legal mechanisms.

The IFF's deliberations were aimed at resolving several issues on which IPF had not reached consensus, such as financial resources, transfer of environmental sound technologies, and other issues left pending, including deliberations on international arrangements and mechanisms on forests.

IFF's programme included the following:

- I. facilitating the implementation of the proposals for action (see below) of the Intergovernmental Panel on Forests and reviewing, monitoring and reporting on progress in the management, conservation and sustainable development of all types of forest;
- II. Considering matters left pending and other issues arising from the programme elements of the IPF process;
- III. International arrangements and mechanisms to promote the management, conservation and sustainable development of all types of forests.

In 1995, to support the IPF/IFF and to assist governments implement the proposals for action, an informal, high-level **Interagency Task Force on Forests (ITFF)** was created, made up of eight international organizations.

Outcomes of the IPF/IFF Processes

One of the most important legacies of the IPF/IFF process is the wide-ranging set of approximately 270 proposals for action, known collectively as the IPF/IFF Proposals for Action. These proposals provide governments, international organizations, private sector

entities and all other major groups guidance on how to further develop, implement and coordinate national and international policies on sustainable forest management.

2.3. United Nations Forum on Forests

Mandate

In October 2000, the Economic and Social Committee of the United Nations (ECOSOC), in its Resolution 2000/35, established the United Nations Forum on Forests (UNFF), a subsidiary body with the main objective to promote "... the management, conservation and sustainable development of all types of forests and to strengthen long-term political commitment to this end..." based on the Rio Declaration, the Forest Principles, Chapter 11 of Agenda 21 and the outcome of the IPF/IFF Processes and other key milestones of international forest policy.

The UNFF succeeded a five-year period (1995-2000) of forest policy dialogue facilitated by the Intergovernmental Panel on Forests (IPF) and the Intergovernmental Forum on Forests (IFF), or the IPF and IFF processes. As an intergovernmental policy forum, the UNFF is composed of all States Members of the United Nations and specialized agencies and meets in annual sessions.

Principal Functions

In order to achieve its main objective, the following principal functions have been identified for the UNFF:

- To facilitate implementation of forest-related agreements and foster a common understanding on sustainable forest management;
- To provide for continued policy development and dialogue among Governments, international organizations, including major groups, as identified in Agenda 21 as well as to address forest issues and emerging areas of concern in a holistic, comprehensive and integrated manner,
- To enhance cooperation as well as policy and programme coordination on forest-related issues
- To foster international cooperation and
- To monitor, assess and report on progress of the above functions and objectives
- To strengthen political commitment to the management, conservation and sustainable development of all types of forests.

The IPF/IFF processes produced a body of more than 270 proposals for action towards sustainable forest management, known collectively as the IPF/IFF Proposals for action. These proposals are the basis for the UNFF Multi-Year Programme of Work and Plan of Action, various themes of which are discussed at annual UNFF Sessions. Country- and Organization-led initiatives also contribute to development of UNFF themes. Multi-stakeholder dialogues are an integral part of the agenda at UNFF sessions, allowing major stakeholders to contribute to the forest policy forum.

By 2005, the UNFF will consider recommending the parameters of a mandate for developing a legal framework on all types of forests. It will also take steps to devise approaches towards

appropriate financial and technology transfer support to enable implementation of sustainable forest management. The UNFF is guided by a Bureau and serviced by a compact secretariat that also serves as a secretariat for the Collaborative Partnership on Forests.

2.4 The Collaborative Partnership on Forests

As part of the new international arrangement on forests, ECOSOC invited the heads of relevant international organizations to form a Collaborative Partnership on Forests (CPF), to support the work of the UNFF and to foster increased cooperation and coordination on forests.

The Collaborative Partnership on Forests was established in April 2001, following the recommendation of the Economic and Social Council of the United Nations (ECOSOC). It is the successor of the high-level, informal Interagency Task Force on Forest, which worked from 1995-2001 in support of IPF and IFF.

The CPF has two main **objectives**: 1) to support the work of the UNFF and its member countries and 2) to foster increased cooperation and coordination on forests

In 2002, forest related stakeholders established a **CPF Network**. The CPF Network provides a mechanism for facilitating dialogue and collaboration between CPF members and a wide range of other international and regional organizations, NGOs, private sector entities and other major groups.

The CPF is currently comprised of 13 international organisation members:

- Secretariat of the Convention on Biological Diversity (CBD);
- Secretariat of the Convention to Combat Desertification (UNCCD);
- Centre for International Forestry Research (CIFOR);
- Food and Agriculture Organization of the United Nations (FAO);
- Secretariat of the Global Environmental Facility (GEF);
- International Tropical Timber Organization (ITTO);
- Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC);
- United Nations Department for Economic and Social Affairs (DESA);
- United Nations Development Programme (UNDP);
- United Nations Environment Programme (UNEP);
- World Agroforestry Centre (ICRAF);
- World Bank (WB);
- World Conservation Union (IUCN)

2.5. Forests and the World Summit 2002

The World Summit on Sustainable Development (WSSD) was held in Johannesburg, South Africa, 26 August to 4 September 2002. About 21,340 participants gathered to mark the tenth anniversary of the Rio Earth Summit and to reaffirm global commitment to achieve sustainable development world-wide. The Summit completed negotiations on two main documents, the Plan of Implementation, a framework for action to implement Agenda 2, and the Johannesburg Declaration on Sustainable Development, which outlines the path taken from Rio to Johannesburg. The UNFF Secretariat is currently preparing an assessment of the possible implications of the WSSD for UNFF, which will be included in the documentation for the third session of the UNFF.

The Summit was also the occasion for several countries to launch official WSSD partnerships (type II outcomes). Three of the forest-related partnerships (summarized below) include the Asia Forest Partnership, the Congo Basin Forest Partnership and the Model Forest Network in Latin America and the Caribbean. The forest issue was further highlighted at the Summit in Paragraph 43 of the Plan of Implementation, which focused on forests and reflects the outcome of the UNFF2 Ministerial Declaration. The paragraph stresses, among other things, the key role of the UNFF and the CPF to facilitate and coordinate implementation of sustainable forest management at the national, regional and global levels. The climate change, desertification and biodiversity sections of the Plan of Implementation also make cross-reference to the role of forests.

Section 43 in the plan of implementation also states that: “Sustainable forest management of both natural and planted forests and for timber and non-timber products is essential to achieving sustainable development and is a critical means to eradicate poverty.”

Partnerships launched under the WSSD:

Asia Forest Partnership

A number of countries and intergovernmental organisations and NGOs are involved in the Asia Forest Partnership, aimed at promoting sustainable forest management in Asia by addressing the following urgent issues:

- Good governance and forest law enforcement
- Developing capacity for effective forest management
- Control of illegal logging
- Control of forest fire
- Rehabilitation and reforestation of degraded lands

Further information:

http://www.johannesburgsummit.org/html/sustainable_dev/p2_managing_resources/1508_asia_forest.pdf

Congo Basin Forest Partnership

Many countries and international organizations as well as NGOs have joined forces to improve the sustainable forest management practices in the Congo Basin. Priorities are:

- Monitoring and evaluation of forest ecosystems
- Reinforcement and creation of protected forest areas
- Reinforcement of capacities and training
- Participative management, including agro-forestry
- Establishment of markets for environmental services offered by forests
- Sustainable management of harvested forests

Further information:

http://www.johannesburgsummit.org/html/sustainable_dev/p2_managing_resources/1508_forest_management_congo.pdf

Model Forest Network in Latin America and the Caribbean

Canada, Chile and Argentina and UNDP launched its Regional Model Forest Center for Latin America and the Caribbean, to be based at UNDP's office in Santiago, Chile. The Center is envisaged to:

- Provide technical support to promote and strengthen sustainable forest management and sustainable development in the region

- Document and demonstrate best practices for sustainable forest management and sustainable economic development opportunities for local communities
- Substantially strengthen the transfer of technology from Canada to the region
- Secure new country and institutional partners and donors

Annex 3. Donor support to forestry related programmes from European bilaterals

Below are some summarised statements by representatives at the December 2002 Meeting of the European Tropical Forest Advisers Group (ETFAG 2002), with an update on forest policy development. ETFAG is an informal group of tropical forestry experts from the European Commission and the EU Member States. The purpose of the ETFAG meetings is to enhance information exchange, problem identification and liaison. This seems to be of great benefit for coordination of policies, and it is recommended that Norway join as an informal participant under the EEA agreement we have with the EU.

Finland

Finland is a small donor but the ODA in the sector will increase. There will be a reorganisation of government, which might result in the loss of the position of the development minister next year. Similar to UK, Finland intends to employ multi-sectoral teamwork in the future.

The Finnish forest policy from 1991/92 is going to be renewed starting in May 2003. Similar to Germany, there will be a participatory process. Poverty reduction will be a focus. (Interested in experience exchange with Germany and UK on the process of sector policy development.)

France

Although there has been a government change, that is not necessarily “green”, following WSSD-outcomes forests are an important issue next to biodiversity as well as water and energy.

A new national working group on tropical forests – related to FLEGT issues - was created to specify France’s national strategy on forestry. Its work is based on a multi-stakeholder dialogue. A sector evaluation covering forestry activities of the last 10 years is available, primarily based on projects in the Congo Basin and the Ivory Coast. France will head the next G8 summit and was requested (by Germany supported by others) to put forests onto the agenda.

The Netherlands

ODA spending of the present right-wing government lies at 0.8% of GNP and shall be maintained. For the forest sector, 70 million EUR have been earmarked. Focus is on Africa, the private sector and civil society, as well as governance issues including PRSPs. The Netherlands seeks to integrate ODA more and more into Sector Wide Approaches and Programmes.

The Netherlands faces the same problem as Sweden in that countries which ask for support, do not select forests as a priority issue.

Starting point for forest sector co-operation is the CBD and the implementation of the international forest regime. Guiding principles for implementation are the ecosystem

approach and poverty alleviation. Nfyps and governance, conflicts on forests are important issues as well as energy and sustainable agriculture. Forest co-operation is part of SWAPs in respective countries (e.g. Mozambique, Vietnam).

Sweden

Sweden tried to develop a sector policy but faced problems due to other national priorities (environment with a budget of 40 million US\$) and because of understaffing in relevant line agencies. As a result, the number of countries supported in forestry was considerably reduced (down to 20, in the end only about 5 countries may be left). However, there are new forestry projects in Ethiopia, Vietnam, Tanzania, Bolivia, and Eastern Europe in the pipeline, though. However, the demand for bilateral support in the sector is weak and Sweden fears that more and more developing countries will drop out of sustainable forest management projects. SIDA is largely decentralised; country desks are fully involved to support regional and global processes.

The new policy document is now public for debate. Forests are included as a global common; more work will be needed on international policy, trade issues and governance. To broaden the resource base on issues like global commons of forests Sweden is building up a national capacity building programme for Swedish forestry experts through Swedish universities. Sweden supports the NFP-Facility, PROFOR and the CIFOR programme in dry land forest, Forest Resource Assessment, FSC.

United Kingdom

UK's Minister responsible for development co-operation is pro-active and engaged in the sector, and this is reflected in increased money available for development co-operation and field projects for the next years. Budget allocation is done according to clear criteria, hence becomes more transparent. There is more direct support in terms of budget support- within the frame of PRSPs. Since PRSPs reflect the national priorities, no separate country strategies are elaborated. If forests are not included in the PRSPs then DFID encourages partner countries to include forests at national levels.

Within DFID, the former sectoral groups are replaced by multi-sectoral policy groups in charge of pro-poor policies for issues such as economic growth, social development and political rights.

Germany

The new sector policy of Germany (BMZ) is based on the International Forest Regime, including the Rio Principles and the results of the post-Rio forest policy dialogue, namely the IPF/IFF proposals for action with NFPs as an instrument for implementation. It is a binding guideline for the management of official development cooperation in the forest sector and serves as a reference document to NGOs and the private sector. Goals of the sector policy are to permanently secure global forest functions and to contribute to poverty reduction and sustainable development. There are 125 Million EUR /year German ODA as a standing commitment to forest sector cooperation. Considering the difficult budget situation Germany faces at the moment this amount will be the top level of ODA spending. However, in terms of forest sector co-operation Germany also faces the problem that countries do not select forest as a focal area.

Annex 4. The National Forest Programme Facility

Link to FAO for more detailed information:

<http://www.fao.org/forestry/foris/webview/forestry2/index.jsp?siteId=1440&langId=1>