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Growing Forest Partnerships is an initiative that helps create and strengthen ways of working together for the benefit of forests and the people that depend on them.



Forest investment is going local

The idea of major investors talking directly to forest communities may once have seemed like a distant goal. But for Gary Dunning, executive director of The Forests Dialogue at Yale, it's an ever more frequent reality. We caught up with him to find out his take on this growing trend and on how GFP can make a positive contribution.

The Forests Dialogue sees this new approach to investment as an opportunity to further their goal of promoting sustainable forest management — an opportunity, though, that is not without its challenges. Getting people from both community and investor sides around a table and dealing with conflicts that inevitably arise is no small achievement. And tackling the problems that come with what is, on the face of it, a classically unequal partnership with vastly differing abilities to access power on either side, is no small task. Despite the obstacles, Dunning, believes that this emerging trend is a positive step forward. “These are sometimes lofty goals,” he admits, “but they are incredibly important. There’s huge potential here but even if we scratch the surface it will positively affect the lives of a lot of people.”

The problems faced are largely down to unfamiliarity with the needs and expected returns of either side. Large investors want to see stability and security. Few are willing to take risks where rights over land are not secure or the viability of a business is not yet proven. On the other side, communities may be unwilling or unable to engage with investors.

Added to this are the timescales involved. In New Zealand, it took Lake Taupo Forest Trust — an example of a hugely successful locally controlled forest venture — almost four decades to become a completely independent full-scale business. In some cases the most pressing need is to help develop business skills within communities; in others a protracted period of negotiation is required. Either way, the time involved to ensure the investment pays off for both sides may be more than the average investor is used to. The key to getting around these problems is to create a structure that allows



Image: Mike Goldwater

both sides to gain what they need.

Spotting the potential of an alliance, GFP and The Forests Dialogue began working closely. And GFP is beginning to fit neatly alongside the work of The Forests Dialogue, adding value by providing support to partnerships, finding tools to communicate in common terms and advising on process. “Communities are looking for neutral and non-biased actors to be a third party,” says Dunning, a role he feels GFP is ideally placed to take on.

Dunning puts all this in concrete terms for the future. These ventures are individual in nature, with their own achievements and problems. “There is no cookie-cutter approach,” he acknowledges, “it’s going to be context specific and it’s going to be based on a level of sophistication.” This means understanding the objectives of the different partners and how to bring them together for mutual benefit. Yet there are similarities. There are common obstacles to be overcome and lessons that can be drawn out.

As a result, The Forests Dialogue is starting to come up with clear ideas about what needs to be in place on both the community and business

levels. They are looking at innovative financing mechanisms to facilitate benefit-sharing and transparency and are developing guidelines and principles, which GFP will help to test. As Dunning says, “creating guidelines doesn’t do anything to create capacity,” and a neutral party is needed to facilitate these partnerships. But as large companies are less and less able to avoid dealing directly with communities, these guidelines will be there to help the process along. This is not simply a damage limitation exercise. These interactions can be constructive and when large companies engage you can see “really interesting, challenging, complex partnerships evolve and that’s a good thing.”

A level playing field is necessary to counter the unequal power structures that currently exist in so many of these blooming relationships. Secure rights and an ability to enter negotiations on an equal footing are at the heart of this. Dunning takes great encouragement from what he has seen. “Many communities in the tropics are just starting to get their rights recognised,” he says, with characteristic optimism, “and that’s the beginning of true partnership.”



Sharing GFP's progress and lessons



The United Nations Food and Agriculture Organization (FAO) held its twentieth session of the Committee on Forestry (COFO) from 4–8 October, 2010 in Rome, Italy. A GFP side event “Making Forest Partnerships Work: GFP in Action” took place to share some of the latest experiences and results of the initiative.

Alda Salomao, Director of Centro Terra Viva, and the GFP focal point for Mozambique, introduced the activities taking place within each of the GFP pilot countries — Ghana, Guatemala, Liberia, Mozambique and Nepal. She particularly focused on her home country of Mozambique, explaining how GFP has helped to improve conditions within rural communities by increasing community awareness of environmental rights and responsibilities. She also spoke of how GFP has led to more effective engagement by communities in Mozambique's policy dialogue.

Lennart Ackzell of the Federation of Swedish Family Forest Owners and the International Family Forest Alliance discussed GFP's role in helping to establish the G3 – a

global policy partnership of rights holder groups. The G3 is made up of three major international groups: the International Family Forest Alliance, the Global Alliance for Community Forests and the International Alliance for Indigenous and Tribal Peoples of Tropical Forests. This group has been instrumental in improving international efforts to strengthen the voices, messages and networks of communities.

Dominic Elson, an independent consultant serving as an advisor to the Indonesian government, gave an insightful presentation on the use and design of forest financing schemes, which can support communities and small-scale forestry while also providing reasonable and profitable returns to investors.

He described some of the challenges for both small-scale forestry investment recipients and investors, such as the continued concern of investors that transaction costs could be higher when working with small operations at the local level.

A lively question and answer session followed the presentations. Topics discussed included certification and its impact on community forestry efforts, GFP's role in filling key partnership development needs and civil society policy engagement.

Overall, the GFP side event generated a great deal of interest, thoughtful discussion and enthusiasm about the progress and evolution of GFP within its pilot countries and internationally.

GFP side events at COFO: then and now



I had the opportunity to attend both GFP side events at COFO (in March 2009 and October 2010), offering a chance to reflect on where GFP has come from and where it is going. The first event gave a good overview of the initiative's broad objective of bridging local and international concerns, but participants (including myself) had many questions about how exactly GFP was going to do that. After the second meeting, I can say that I know a great deal more about the nature of GFP and what it might contribute to the increasingly crowded debate surrounding international forest policy.

Overall, it seems to be emerging that GFP's role is to support a 'bottom-up' approach to international forest policy. This buzzword is often thrown around very loosely, but several of the presenters at the second side event grounded this in terms of concrete examples. It was especially helpful to hear about the work of the GFP national focal points, as presented by Alda Salomao, who described her experience as focal point for Mozambique. It appears that such focal points are very much needed to help communities engage with policy initiatives (most notably REDD+, at present), and the large international institutions that are promoting them, on a more level playing field.

Lennart Ackzell was unequivocal in saying that GFP has helped advance the interests of locally controlled forest management, highlighting the work of the Rights Holders

Group and presenting the case for a rights-based approach to REDD+.

What also emerged from the second event was the potential for GFP to play a role in offering a counter-narrative to the dominant discourse surrounding issues such as REDD+, which is being driven by entities much more powerful than the forest communities that it will affect. For example, there was a useful discussion about the need to unpack terms such as 'forest investment' and 'sustainable forest management' to understand what subset of the broad spectrum of activities associated with these terms is supportive of locally controlled forest management.

Dominic Elson, independent financing consultant, brought a very realistic investor's perspective on the matter, noting the need to go beyond the 'warm and fuzzy' pitch for

investing in community forest management, to being able to present a proper business case, and also identified the need to differentiate this from industrial, concession-based forest management, both of which are often lumped together under sustainable forest management.

I believe that this critical perspective is very much needed, at a time when international forest and climate policies and associated initiatives are moving forward at great speed. I'm looking forward to seeing where GFP goes from here.

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Reference group meeting takes stock of GFP grassroots processes



IN THE FACE OF A LOOMING HURRICANE, A last-minute blanket of fog and a few diverted planes, this autumn the GFP Reference Group and several country partners gathered in Guatemala to catch up on the goings-on of the various country teams, international happenings and the Mid-Term Review. The group then took the opportunity to delve into the issues of forest financing in Guatemala, visiting a community forestry association to see how it works in practice, and meeting with various organisations to hear their take on the situation.

The GFP team from Ghana opened the discussion on its latest undertakings, which centre on plans to analyse gaps in forest policy. Next up was the Guatemala team, who is looking at strengthening its institutions and building up participation and capacity amongst communities. The Liberia team, meanwhile, has established

its top five priorities – including regulating chainsaw logging and looking at non-timber forest projects as part of community forest management. Mozambique has been working on community sustainable management of natural resources, piloting REDD mechanisms and catalysing the development of a national strategy. And finally, Nepal has been designing a programme to support the restructuring of the forest sector and working towards bringing local voices into a fast-moving policy process. There is rich and diverse experience across the board and in none of the countries is GFP starting from scratch but rather building on and strengthening existing networks.

Internationally, the emergence of the G3 alliance was widely acknowledged as a positive step. And the recognition that investors need to be brought closer into the fold culminated in GFP teaming up with The Forests Dialogue to talk about investing in locally controlled forestry. This process reinforces the global voice that GFP is working towards, giving an international platform to local issues. As the Mid-Term Review gets fully underway, these strategies for engagement will form an important part of the process of looking at impact and a vision for future phases of GFP.

Following discussions on forest financing, the group paid a visit to Tikonel, an association

bringing together community forest organisations for mutual benefit. With funding from international development organisations, the association has grown in strength to provide micro-credit, promote commercial relationships to aid market access, and build capacity not just in business acumen but in skills such as leadership and conflict resolution. Members believe that as they move from strength to strength, technically and in business capabilities, they will be financially sustainable in the future should their financial support evaporate.

So has GFP been a positive influence? The Reference Group recognised that the GFP network is helping to accelerate the pace of change. But a long-term vision is needed to ensure that these processes have a degree of continuity and more connections can still be made to bring together those at the local and national levels. Looking ahead to 2011, the work plan is focusing on making sure that communication strategies, monitoring processes, investment preparedness and partnership development are firmly in place. The Reference Group agreed that GFP's unique stance and added value is in giving a voice to people. Its ability to get grassroots groups around a table with those who are making decisions, nationally and internationally, is at the core of the vision of the Reference Group as they look to the future.

GFP Guatemala bridges communication gaps within cultural diversity

**GFP national workshop
4-6 October 2010**

GUATEMALA IS KNOWN FOR ITS cultural and biological richness, and this diversity was reflected during the national GFP workshop, which brought together forestry stakeholders from various sectors across Guatemala. Government officials, private sector workers, community representatives, the media and NGOs met in the colonial town of La Antigua to gain a common understanding of a monitoring and evaluation framework and reach an agreement on the outline of the GFP communication strategy.

For two and a half days participants engaged in lively debates aimed at teasing out the added value and impacts of the

activities implemented so far and identifying a common vision, message and audience to make their voices heard at the local and international level. Stakeholders found it difficult to agree on common messages and priorities but indigenous communities strongly voiced the need to highlight spiritual and cultural values traditionally embedded in sustainable forest management.

The GFP team in Guatemala has been very active so far. It has supported meetings and training exercises with the aim of building capacity, creating opportunities to access forestry investments and supporting the ongoing national economic incentives of the forestry sector. One of its biggest

achievements has been the support given to the National Alliance of Community Forest Organisations. This alliance represents more than 400 community groups, with a membership between them of around 77,000 people who depend on forests in Guatemala. Despite regular meetings between the members of the alliance and the GFP team, there are still gaps to be bridged before a common vision on GFP is achieved. Aware of these gaps and of the need to better communicate and raise awareness on the results of the activities so far, the GFP team and its 'aliados' have decided to increase efforts and work on a communication strategy to be released by the end of 2010.



Rights Holders Group grows stronger with GFP

Estimates indicate that 25 per cent of the world's forests are managed locally by families, communities and indigenous peoples – a total of one billion people. Organising small forest holdings is crucial in promoting sustainable forest management in this quarter of the world's forests. By supporting the formation of the Three Rights Holders Group, GFP has contributed to sustainability in locally controlled forestry.



GFP has supported the Forest Dialogue activities in investments in locally controlled forestry. At the concept dialogue in Brussels in June 2009 it became evident that family forest owners, community forestry and indigenous people share visions, values and goals that together could contribute to promoting sustainable forest management in these large areas of small-scale forestry. It is also clear that these areas of small-scale forestry represent substantial parts of forests that are important for the economic welfare of large groups, securing biodiversity, enabling sustainable use of renewable material and energy sources, and mitigation of climate change.

The outcome of this dialogue was the agreement by these groups to work together with the mission and vision of organising small-scale forestry to promote sustainable forest management. One clear goal was to increase the awareness of the importance of this quarter of the world's forest in global forest policy. Communication has therefore been singled out as one of the main focus areas for the network.

Three alliances – the International Alliance of Community Forestry (IACF), the International Alliance of Indigenous and Tribal Peoples of the Tropical Forest (IAITPTF) and the International Family Forestry Alliance (IFFA) – formed the Three

Rights Holders Group (G3). During 2010 the partnership between the three alliances and GFP has developed and matured. The G3 network has succeeded in raising the profile of small-scale forestry and increased awareness of the importance of sustainable use of forest resources for reducing poverty and contributing to local livelihoods.

During 2010 the concept of locally controlled forestry has grown further and shown that local control will be an important element in securing lasting effects of support for groups of smallholders and local communities.

2010 activities have been focusing on strengthening the Rights Holders coalition and establishing an effective and constant communication flow between the three organisations and internationally. For this purpose – and in order to raise awareness and disseminate knowledge on the concept of locally controlled forestry – a web portal, exchange visits, conferences, workshops and capacity building activities have been organised. In 2011 emphasis will be placed on gathering on-the-ground success stories and – in close consultation with GFP and potential investors – on steering the development of key tools, analyses and initiatives to support greater and improved investment in locally controlled forestry. The overall aim of the planned activities is to ensure that investment streams, especially those emerging from climate change initiatives, address the concerns of forest-dependent people and contribute to the positive role of indigenous people, local communities and forest smallholders in the control and management of forests.

In 2011 the voices of the Rights Holders and their friends will surely be heard at the many events planned within the framework of the International Year of Forests.

Land and tree tenure reforms in Ghana

Land and tree tenure reforms are at the heart of national forestry debate in Ghana. Their development will affect initiatives such as REDD+ readiness and forest law enforcement, governance and trade voluntary partnership agreements (FLEGT-VPAs).

At present the land tenure system of Ghana is one of legal pluralism in which customary and statutory laws co-exist in a complex mix, with a range of institutions having authority over land rights and multiple bodies through which disputes are resolved. Tree rights are held by the state and the revenues from forest resources are distributed to sub-national actors according to a constitutional revenue distribution formula. It is widely acknowledged that this 'regime' fails to incentivise smallholder farmers to conserve trees. Tree tenure reform is therefore necessary and should be considered as part of the REDD+ strategy.

For the past 16 months the GFP Ghana team has been working towards tackling these issues. On the 20–21 November they organised a workshop where main forest stakeholders discussed how to best communicate and raise awareness about the results of the study *Land and Tenure in Ghana: making the case for incorporation of customary law in land administration and areas of intervention by the Growing Forest Partnerships*.

A lively discussion on the advantages and disadvantages of merging customary and statutory laws identified a main challenge: the fact that customary law is dynamic, not written, and sometimes lacks objectivity; on the other hand, customary law belongs to the community, is applied naturally and is widely accepted by tribes.

Participants agreed that 2011 will be a crucial year to show the added value of GFP in Ghana and that in order to achieve tangible results on the land and tree tenure reform the Ghana team needs to invest time and effort in communicating results locally, nationally and internationally – diversifying messages, channels and audiences – and using pilot sites to test the feasibility and benefits of incorporating customary and statutory law.



G3 moving ahead in Brazil meetings

The Three Rights Holders Group, G3, made a long leap forward in advancing locally controlled forestry during planning and dialogue meetings in Rio de Janeiro, Brazil, on 8–12 November.

At the planning meetings the G3 partners summed up 2010 activities, lessons learnt, and the goals, draft plans and budget for 2011. They finalised their joint communication strategy and prepared the launch of a G3 web portal that will report on locally controlled forest activities, plans and potential and represent a gateway to a network of international, national and regional web pages. Communication support from GFP will enable this network of web sites to become the main communication tool at local and global levels and a showcase for locally controlled forestry directed at global forest policy stakeholders.

The G3 partners agreed that organisation and communication are the key tools for advancing sustainable forest management and improving livelihoods through locally controlled forestry. The concept of locally controlled forestry has been proven to create lasting results. The prime prerequisite for development is the formation of an organisation under local control of the forest owners, communities and peoples. Building and strengthening the organisational network is the first step in

creating sustainable improvements. The G3 partners concluded that organising small forest holdings under their own local control has been vastly underestimated in many development schemes. International organisations and agencies cannot move in and 'solve' the local problems.

G3 has, however, greatly appreciated the support of GFP in terms of organisation, communication, capacity building and enabling of locally controlled forestry, and is planning to increase their participation in the GFP collaboration countries. G3 plan to identify possible sustainability projects in countries where they can build on existing local organisations in their global network. Twinning projects so that organisations from two countries can build capacity through experience exchange is one of the priorities.

During the Brazil meeting G3 participated in the PEFC stakeholder dialogue on advancing forest certification into areas where small forest holdings lack cost-effective and workable certification solutions. G3 will launch a project on advancing group certification under local control developed around locally controlled forestry



Image: Mike Goldwater

organisations. The project will extract lessons learnt from working group certification schemes and identify countries for advancing locally controlled certification. Building on existing organisations and securing clear and lasting land tenure will probably be the main strategies for creating a new forest certification development.

Supporting the implementation of the Guatemalan National Forest Finance Strategy

ONE OF THE PILLARS OF THE GUATEMALAN National Forest Finance Strategy (NFFS, or ENFF by its Spanish acronym) is to design and further provide financial incentives to start up new linked forestry initiatives and strengthen existing ones.

GFP – in close collaboration with members of the Alianza de Organizaciones Forestales Comunitarias and other forest stakeholders related to the Programa de Incentivos Forestales – is contributing to the NFFS by helping local communities in different areas of Guatemala to craft ad hoc business plans that respond to people's specific needs and take in to account the need to diversify timber products. You can get a flavour of the variety of the initiatives below:

- GFP has been instrumental in putting together an encompassing business plan to link small-diameter timber producers from the Las Verapaces region (FEDECOVERA) with the furniture industry

(furniture manufacturers from San Juan Sacatepéquez) and the gauged timber manufacturing industry. The first step has been to follow up on work carried out by the PINFOR programme with the cooperatives from Las Verapaces and further identify pilot business activities for the use of small-diameter timber from thinning forests. To complete this phase, an outline identifying the necessary investment to provide this industry with the raw material required was developed. The business plan is currently being finalised and will be presented to investment stakeholders in the near future in order to obtain the funding required.

- GFP has helped producers from southern Peten (Asociación de Reforestadores de Petén) to develop a feasibility study and related marketing plan to assess and define timber supply potentialities from plantations that are suitable to enter into the production chain. This study



should lead to the design of a strategy for the management and exploitation of 1,200 broadleaf forest plantations in the Municipality of San Francisco, Peten. The idea is to adapt and organise the full supply chain in order to successfully booster the development of intermediate and final cut products.

- In Izabal region, GFP has been looking at a pilot business plan to enhance the production of raw material from plantations and add value. At present, the project has been presented to a national bank and negotiations are underway on terms and conditions to access financial support.



What's next?

The Rights Holders Group on the move

The G3, supported by GFP, are meeting in Cancun at the UNFCCC COP 16 (29 November–10 December) to make their voices heard and wave the flag of the locally controlled forestry movement. Visit their booth at Forest Day on Sunday 5 December. **For more information, see <http://www.familyforestry.net/>**

Making the case for investing in locally controlled forestry

The Forests Dialogue and friends will gather in Mombasa, Kenya, from 29 November to 2 December to discuss their initiative on investing in locally controlled forestry (ILCF), which GFP supports.

The Kenya field dialogue — hosted by IUCN in collaboration with Nedbank, Wildlife Works Carbon, Kenya's Forest Action Network and the National Alliance of Community Forest Associations — will build directly on the conclusions from the London dialogue and will focus on the recurring theme of the role that innovative partnerships can play in increasing investment streams into locally controlled forestry. The dialogue will also aim to strengthen the implementation of GFP's work plan agreed by the ILCF stakeholders, by contributing to the development of specific guidance tools, including a set of principles and guidelines for ILCF and an investment process model demonstrating the steps necessary for successful investment. There will be around 50 participants, half of which will be international stakeholders representing indigenous people, family forest owners, NGOs, research institutions, civil society and aid and intergovernmental organisations.

More at: <http://environment.yale.edu/tfd/dialogue/locally-controlled-forestry/kenya-ilcf-dialogue/>

GFP Mid-Term Review about to be completed

We are looking forward to reading the results of the Mid-Term Review, due at the end of November 2010. The evaluation process started in July and involved desk study, interviews and visits to in-country partners, members of the catalytic group and reference group.

More in the January newsletter.

Planning the future: January 2010

The Catalytic Group (FAO, IUCN, IIED and the WB) and some members of the Reference Group, will discuss and craft a strategic approach for GFP's future after 2011, when current funding ends. More in the January newsletter.

Planning workshop on financing mechanisms for smallholders and community forestry in West Africa

IN PARTNERSHIP WITH THE UNITED Nations Food and Agriculture Organization (FAO) and the National Forest Programme Facility, GFP have begun a collaborative initiative focused on developing financial strategies to support smallholder and community forestry activities in West Africa to reduce poverty and enhance the socio-economic welfare of the region's forest stakeholders.

Although there have been attempts to improve forest financing in recent years, information on forest financing is scattered and most members of the Economic Community of West African States lack comprehensive national forest financing strategies. The proposed initiative will research, document, analyse and share successful experiences with forest financing mechanisms in West Africa. Criteria for assessing success are to include practicality, applicability and sustainability.

A planning and knowledge exchange workshop will take place on 22–23 March, 2011 in Monrovia, Liberia to develop the design and implementation of the proposed initiative. This workshop will also serve as an opportunity for sharing experiences on the development and use of forest financing mechanisms in Africa and Latin America.

A small group of participants representing government, the private sector, civil society in West Africa and international cooperation will be invited to this planning workshop. Forest financing experts from Africa and Latin America will present examples of existing successful cases of forest financing so as to inspire workshop participants to implement similar work in their respective countries. We invite anyone with examples of activities related to improving forest financing mechanisms for small holders and community forestry in Africa to share their experiences by writing to Sophie. Grouwels@fao.org.

Visit us at: www.growingforestpartnerships.org

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