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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.

Local reforestation groups in Guatemala develop business models in partnership

● EBAL ABDIEL SALES, VICTOR HUGO GUTIERREZ AND JUAN JOSÉ ROMERO

THE GUATEMALAN MUNICIPALITY OF San Francisco currently has great potential for the development of forestry activities on cooperative-owned land without forest cover, where reforestation efforts, fostered by the Forestry Incentive Program (PINFOR) as part of the National Forest Institute (INAB), are underway. The National Forest Programme, aided by the FAO and GFP, has facilitated talks between the area's foresters and provided information about the possible opportunities and risks associated with creating a for-profit business, which brings together foresters to jointly market the products from their plantations either as raw materials or value-added products.

A pilot project has been developed, through which INAB is promoting the adoption of a production chain model as the guiding force behind PINFOR. The project capitalises on experience in the creation of forest plantations, forest management and trade in timber products based on technical fact sheets showing the timber supply possibilities for each type of product, with the medium-term goal of adding value and processing the raw material.

These activities have shown public, private and community stakeholders in San Francisco, La Libertad and San Benito the different business production models available under the Guatemalan Trade Code (Código Mercantil de Guatemala). The project has also demonstrated the organisation of the timber production and manufacturing chain, as well as the main challenges to be overcome when converting a tree trunk into a plank of wood, or similarly when turning a plank



Loading and transporting products harvested by the Foresters Network, San Francisco, Petén, Guatemala. © J.J. Romero.

of wood into a manufactured item. This helps to visualise the importance of each stakeholder's contribution at each stage of the process, in addition to the increased added value of their raw material.

The San Francisco Municipal and Community Network of foresters are currently creating a formal, professional organisation comprising of six local groups involving 189 producers in total.

The forest plantations cover an area of 1,085 hectares to be managed. Over the next few years, this area will yield 282,000 cubic metres (63.5 million board feet) of tradable timber. In terms of the commercial outlook, only teak is a definite option for the international market. Firewood, sawdust, sticks and logs are all products

that could be produced almost immediately and without the need for initial financial investment. This would generate profits that could then be reinvested in basic infrastructure and light machinery.

Any proposed solution for reforestation groups must involve strengthening partnerships, alongside capacity building for members with an emphasis on production, management, marketing and financing. If these groups currently lack the financial support or necessary income to harness resources for middling or large investments, they must be prepared to create funds using their own personal income, dependent on their financial situation and making use of their forest plantations' natural capital.



The Three Rights Holders' Group at Rio+20

THE THREE RIGHTS HOLDERS' GROUP (G3) played an active part in the discussions that took place in Brazil in June during the United Nations Conference on Sustainable Development — Rio+20. With support from GFP, members of the G3 travelled to Rio to present the case for investing in locally controlled forestry (ILCF) in a number of events including IIED's 'Fair Ideas' conference, which took place on 16-17 June, and the FAO's 'Forests: the heart of a green

economy' on 18 June. They also joined the Programme for the Endorsement of Forest Certification (PEFC) in a side event on 15 June to discuss locally controlled forestry and the Rio Forest Certification Declaration.

The G3 launched a new joint publication with IIED — a pocketbook on investing in locally controlled forestry, which is available to download or order in print on IIED's website. The pocketbook was launched at the Fair Ideas session on

ILCF where the G3 were joined by Jorge Vivan, a post-doctoral researcher at the Universidade Federal Rural do Rio de Janeiro, Brazil. Jorge spoke about the history of locally controlled forestry in Brazil and closing remarks were provided by Jan McAlpine, Director of the UN Division on Forests and Head of the UN Forum on Forests Secretariat. Below Peter Demarsh tells us what Rio+20 meant for ILCF and the G3.

What Rio+20 meant for ILCF and the G3

● PETER DEMARSH, CHAIR OF THE INTERNATIONAL FAMILY FORESTRY ALLIANCE AND A FAMILY FOREST OWNER IN NEW BRUNSWICK, CANADA

Relationships

The G3 was represented at Rio +20 by Estabancio from IAITPTF, Ghan and Bharati from GACF, and Lennart and I from IFFA. Coming, literally, from the four corners of the Earth, our opportunities to work together are few. Each time strengthens our connection. Each time one of us speaks in a workshop, I get a better appreciation of the potential of the G3, with our combination of shared values and incredible diversity of experience.

We also have friends in FAO, IIED, IUCN, PEFC, UNFF and the World Bank. Some very supportive and encouraging things were said in various events by representatives from each of these organisations about the work we have set out to do.

The future of ILCF depends on both sets of relationships: they do not guarantee the kind of change we are hoping and working for, but they are an essential condition for progress.

Ideas

ILCF has the virtue of making good sense from the perspectives of both conventional economics, which encourages expanding activities into the larger market, and alternative visions, particularly those that promote the vital importance of strengthening local communities and economies through creating more secure supplies of local food, water, energy, and building materials, among other things.

This sort of thinking was tame by the



standards of IIED's Fair Ideas Conference. Speakers routinely discussed the need to end the human/nature, environmental/social dichotomies, or to design new economic paradigms and green and inclusive growth paths.

And there were the random encounters, such as the film-maker at FAO's "Forests: the heart of green economy" side event who is using film to educate city people about the importance of forests and the communities caring for them in providing their drinking water.

Inspiration

Based on no careful survey, it looked to me that the average age of those attending the plenary sessions of IIED's Fair Ideas conference was 30 or lower. Among the abundance of exceptional speakers, the person who touched me most deeply was the youth representative at the closing plenary. She spoke with exceptional clarity and passion, insisting that genuine progress is not too big an idea to imagine: it is possible. A close second would be

the representatives of homeless people's organizations from the Philippines and Uganda, who described how in both cases, some of the poorest people on the planet developed their own investment funds as a way to persuade (shame?) governments to support their house-building initiatives.

Affirmation

Each of us had hopes and fears for Rio+20. To the extent that it is possible to speak of a narrow G3/ILCF perspective, the final 'outcome' statement of the UN conference, *The future we want*, contains some clear acknowledgement of the message we have been trying to promote on behalf of community, family and indigenous people's forestry. It is especially good to see several references to the importance of secure land tenure as well as to market access and extension services (paragraphs 109, 114, and 193). We could argue about how full the glass is; the only way to really tell is to keep filling it, and there is nothing like a little recognition to encourage our efforts.

For more information:

Investing in locally controlled forestry pocket book: <http://pubs.iied.org/17130IIED>

Picture report on Rio+20 - Lennart Ackzell (IFFA): www.growingforestpartnerships.org/picture-report-of-g3-participation-rio20-iffa



The Forests Dialogue: lessons and insights

The Forests Dialogue (TFD) has held two dialogues since March: the ninth dialogue on investing in locally controlled forestry (ILCF) was held in Sweden on 16-19 April, and the second dialogue on free, prior and informed consent (FPIC) took place in Kinshasa, Democratic Republic of the Congo (DRC) on 21-25 May. In this newsletter, TFD Program Manager Xiaoting Hou summarises the outcomes of the Sweden dialogue on page 4, and below, Isilda Nhantumbo, Senior Researcher in IIED's Forest Team, provides an analysis of some of the issues that came up for her in the DRC dialogue.

Free, Prior and Informed Consent in REDD+: dealing with competing claims of representation in DRC

● ISILDA NHANTUMBO, SENIOR RESEARCHER, FOREST TEAM, IIED

Photos © The Forests Dialogue

Free, prior and informed consent (FPIC) is a concept that aims to give voice to indigenous peoples and forest dependent communities on whether they should allow REDD+ initiatives on their land and the condition within which they should take place.

The Forests Dialogue has a tradition of giving participants first-hand experience of the realities and challenges that forest communities face. Field visits stimulate reflection, debate and making informed recommendations on ways forward.

In the recent dialogue conducted in the Democratic Republic of Congo we had the opportunity to visit Kiobo and Kifulu communities in and around the Luki National Reserve. When asked whether people were consulted when the reserve was established, the answer 'no', as expected given the well-established history behind the 1940s establishment of protected areas the world over.

The most interesting question for me was whether there are mechanisms to bring communities and reserve managers together for constructive and continuous dialogue about the management of the reserve and benefits to communities. The underlying assumption was that there were pre-existing local institutions with structures that allow intracommunity consultation and consensus building processes. However, it became clear that there are multiple voices within a community, some of which are silenced by the community members themselves. This was the case for women who were forced to change their discourse during the dialogue when what they said did not



please the men present.

It was also apparent that there are multiple interests among the community members, including employees of the reserve speaking against grievances of the communities; and the self-selected perpetual leaders, based on their level of education, who were somehow detached from the communities. This showed a clearly fragmented community, fearful of the consequences of speaking out.

Back in Kinshasa some participants claimed to 'represent all indigenous people of the DRC', yet the many local people participating in the meeting did not acknowledge their legitimacy.

This raises fundamental questions that need to be addressed if FPIC for REDD+, and for investments in other land uses, is not only to be legislated but also applied in a meaningful way to protect the rights of indigenous and forest dependent communities. Questions such as: how are the 'self-acclaimed' representatives



of communities selected? What is their mandate? Who gives them the mandate? How are local institutions structured? What are decision-making norms? How is consensus built? Who are part of, or excluded from, these institutions and why?

Without clarifying these questions, FPIC will be an elusive concept for many years to come, and there is a risk of facilitating further marginalisation of already deprived communities.

For more information (including background papers and participants lists):

<http://environment.yale.edu/tfd/dialogue/free-prior-and-informed-consent/21-25-may-2012-second-dialogue-on-fpic-drc-field-dialogue/>

Sweden: investing in locally controlled forestry

● XIAOTING HOU, PROGRAM MANAGER, THE FORESTS DIALOGUE

Linking Sweden's forestry model and lessons learnt from other dialogues, the aims of the Sweden dialogue were to:

- Define key steps that are critical for successful deals for ILCF in Sweden;
- Identify concrete actions for developing new partnerships;
- Understand how to improve financing for LCF.

The dialogue brought together 20 international and 15 local stakeholders for a two day field trip and a two day meeting, around Växjö, Sweden.

The field trip started at the birth place of Carl von Linneaus where participants learnt about the history of land-use, forestry legislation and Södra — the biggest forest family association today. To gain a more comprehensive picture of the current forestry model, especially the family forestry association model in Sweden, participants also visited members of Södra, independent small forestland owners, a local sawmill, a Södra nursery, a logging operation site and Växjö biomass power plant.

The Sweden case clearly illustrated the following points for ILCF:

- Strong local control on forest land enhances better management practices;
- A supportive and regulation-light government facilitates local control;
- Strong partnerships with differentiated roles promote investment;
- For LCF to be successful sufficient time and organisation is required;
- LCF is part of a livelihood package and helps diversify risk;
- LCF provides a platform to respond to global challenges;
- Efficient forestry practices need sufficient investment.

Building on the observations from the field and their own experiences and expertise, participants discussed how to use lessons from Sweden to help advance LCF in other parts of the world.

Drivers for scaling up ILCF

Participants identified the following critical elements in history that set the scene for the rise of LCF in Sweden:

For more information: <http://environment.yale.edu/tfd/dialogue/locally-controlled-forestry/ninth-dialogue-on-ilcf-sweden-field-dialogue/>



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democratic government, little corporate control, good understanding of rights and social responsibilities among citizens and trust among different stakeholders.

The general lesson from Sweden is that scaling up ILCF can be a very long process of social mobilisation: the more organised stakeholders are, the better the chance of success. It is also crucial to promote the general belief that locally controlled forestry can develop business sophistication over time and contribute significantly to economic development, meeting global demand for forestry goods.

Building partnerships

The general principles for a successful partnership hold the same everywhere: common objectives, trust, mutual respect, mutual benefits, equality and understanding of each other's values.

But within different local realities, different types of partnerships are needed to enable ILCF. There is no blueprint that everyone can follow and more partnerships are not always better. The key is to make informed decisions based on the needs of local rights holders and the governance context (whether there is no government intervention, strong intervention or light intervention).

Building successful business models

Participants identified the following key elements for building successful

business models for ILCF:

- Investments need to understand and consider the whole value chain of LCF;
- Rights holders must perceive themselves as entrepreneurs/ investors and understand that they need to be professional and competitive;
- Trust in the business model is needed among business partners.

Demonstrating the business case for ILCF

There needs to be a business plan or feasibility study that clearly demonstrates financial returns of ILCF. Both investors and rights holders need to go through a due diligence process to demonstrate their capability to support such a business plan. Rights holders often have to provide collateral to raise capital for their business. In many cases, it is difficult for rights holders to provide traditional collateral, such as land titles. Successful models where non-traditional collateral has been used are needed to explore other means to raise capital for ILCF.

Next steps

The inputs from the Sweden dialogue will be reflected in two major publications of the ILCF initiative: *Guide to Investing in Locally Controlled Forests* and *The TFD Review on ILCF*. Both publications will be released and distributed widely in September 2012.



Final Review update

THE FINAL REVIEW OF GFP, WHICH BEGAN IN FEBRUARY 2012, IS NOW NEARING ITS conclusion. The independent reviewer, Tom Blomley, presented his draft report to the Catalytic Group in London on 3 July and the draft has been circulated to all the in-country teams and Reference Group members.

The reviewer visited Ghana, Liberia and Guatemala in-country teams and partners during June, speaking to a wide range of stakeholders including civil society, government, the media, private sector and local communities about their experience of GFP. Interviews were also carried out with all members of the implementing agencies of GFP (Catalytic Group) — IIED, IUCN, FAO and the World Bank — as well as with Reference Group members and conveners of The Forests Dialogue (TFD) and members of the G3. A number of 'peers or observers' of GFP were also consulted.

Comments are now being collated on this initial draft and the final report and management response will be available in September 2012. The report will be available in print and online on the GFP website as soon as it is published.

For more information please contact: growingforestpartnerships@iied.org



On a field visit in June 2012, the GFP final reviewer visited a community group in the Petén region of Guatemala. © Tom Blomley

Forest and Farm Facility update

SINCE MARCH 2012, MEMBERS OF the GFP Catalytic Group have been presenting the proposed Forest and Farm Facility — which has its foundations in GFP and the FAO's Nfp Facility — to potential donors.

To explain the thinking behind the proposal and some of the potential benefits of this facility, two new publications have been produced. The first, entitled *Business Unusual: Smallholders establish pioneering forest enterprise* highlights work already achieved by GFP and the Nfp Facility in Guatemala in supporting local communities and smallholders, which could be built on by the new facility. The second publication outlines the mission and focus of the facility.

You can find both these documents on the GFP website and the facility will be officially launched at the FAO's Forest Week (COFO 21) in Rome, Italy on 24-28 September.

For more information:

Business Unusual: Smallholders establish pioneering forest enterprise: www.growingforestpartnerships.org/business-unusual-smallholders-establish-pioneering-forest-enterprise

Forest & Farm Facility: Mission and Focus: www.growingforestpartnerships.org/forest-farm-facility-mission-and-focus

Upcoming events

6–15 September: IUCN World Conservation Congress

22–24 September: TFD scoping dialogue on the inclusion and exclusion of women in the forest sector. Kathmandu, Nepal

24–28 September: The Committee on Forestry (COFO) 21

11–14 November: TFD dialogue on food, fuel, fibre and forests

26 November–7 December: COP18 (Qatar)

Visit us at: www.growingforestpartnerships.org

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