Opportunities and challenges for community forestry: Lessons from tropical America

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The concept of community forestry

- Community forestry ≈ smallholder forestry ≈ participatory forest management ≈ community-based forest management ≈ community-based forestry ≈ adaptive collaborative management ≈ joint forest management
- Community forestry pursues multiple objectives, including rural welfare, addressing fuelwood demand and mitigating undesired impacts of forest conversion on the environment
- The livelihoods of an estimated 300 million people worldwide living close to tropical forests depend on tree or forest products for daily subsistence
Community forestry as a rural development strategy

- Traditional and indigenous forest management encompass a diverse set of locally generated forestry practices, representing any sort of tree- or forest-related activity
  - they may range from management of swidden fallows to management for non-timber forest products and high value timber plantations
- Forestry activities are essentially economic undertakings
- Most forest products are traded or tradable in markets while also used for subsistence
- Recreational and environmental services, such as ecotourism, water and soil protection and carbon sequestration, are also important, but related markets are still in their infancy
Income opportunities through community forestry?

- At present close to 200 million ha, a fourth of the Amazon forest are formally titled (or in process) to local populations
- It is assumed that local people will provide the growing world population with forests' goods and services
- This could provide forest-dependent and rural people attractive income opportunities when their local practices are incorporated into forest value chains
- However, it is somewhat unclear if the currently promoted community forestry models are compatible with the realities of forest communities
Diversity of actors

- In community forestry the diversity of actors and their forestry activities need adequate consideration
  - local actors are diverse (from indigenous to recent immigrants), with marked diversity in familiarity with the local environment
  - native populations of most of tropical America are not and never have been "communal collectivists", their resource management has mostly been individual and nucleo-familiar

- Forests and trees are an integral part of smallholder production systems

- Smallholder landscapes consists of forest remnants, secondary forests, forest gardens and trees in agricultural fields

- Spatial and temporal synergies between the different land use components; trees and forests are managed at different intensities and for different purposes
Forests contribute to rural livelihoods

- Forests and trees are important for household income and livelihood security but dependency on them varies substantially.
- The way communities and smallholders use their forests is strongly influenced by external dynamics.
- Productive activities are adapted to emerging commercial opportunities provided by improved linkages to markets.
  - Forest production has a relatively low profit margin and the importance of forests for the livelihoods generally decreases when markets provide opportunities for commercialisation of agricultural products.
  - But when no other more attractive income opportunities exist, variations in market access, forest composition and local customs and preferences may lead to an increased contribution of forests to local incomes.
Lessons from community forestry initiatives

- Few of the interventions continued after the project finished.
- Initiatives failed to:
  - pay sufficient attention to the importance of smallholder business organisation and related capacity-building, and to product value-chain development.
  - build trust relationships with non-local market participants and thus did not manage to receive more attractive prices.
  - adequately explore opportunities for promoting mechanisms to achieve improvements of local consumption or satisfying local needs.
- Establishing community enterprises takes a long time:
  - establishing viable business structures takes at least 10-20 years, followed by a consolidation phase of a similar duration.
- Major challenges include:
  - legal formalisation of forestry activities (rights, permits).
  - gaining effective control against unauthorised use of resources by non-participating community members or outsiders.
Challenges in generating incomes from community forestry

- Recent studies point to a rather limited financial potential of the externally promoted community forestry models
  - high input requirements, low prices obtained, cumbersome managerial and logistical challenges
- Timber production can provide complementary sources of income, but cannot provide the only source of income and allow the forgoing of other land uses
  - some exceptional cases in Peru
- Low financial profitability in small holder tree plantations
  - high initial investments, pest and fire damage, uncertain market conditions
  - in the Amazon region, only 1% of participants in plantation programs sell plantation products for markets
• Vast majority of forest-based communities and smallholders participate mainly in primary production
  – with little connection with downstream chain actors beyond local intermediaries
  – sporadic participation in supply- or value-chains as they often can not produce steady volumes or qualities
  – often operate mainly in informal economies, with local customs, practices and rules, and verbal agreements

• Formal agreements in value-chain participation may include more rigid rules, and call for ability to negotiate the terms of trade, complying with stipulations, quality standards, minimum volumes and steady capital
Community Forest Enterprises (CFEs) as business organisations

- Only few have professional managers, most governed by a group of persons elected among the CFE members
- Many face significant trade-offs between economic and social goals of the enterprise
- Many rely heavily on external support from NGOs for know-how and skills
- In many cases, local organizational traditions allow for social rather than strictly economic goals
- To be viable, organisational structures should allow for participatory decision-making promoting democracy, equity and social justice without compromising economic viability
Creating community forestry enterprises

- Social innovation is needed to create formal business organisations that are adapted to local customs and practises and modelled on existing labour and distributive solidarity groups
- Adopted decision-making mechanism should follow existing dialogue practices and spaces
- Leadership implies organisation and coordination responsibilities, but does not grant a position of authority
- Distribution of benefits should represent the individual contributions of each member
- Surplus should be invested in social projects (assets building) and in the enterprise (capitalisation)
Legal framework for commercial production vs. rights of local producers

- Cumbersome regulatory frameworks tend to operate as institutional barriers and impose excessive transaction costs to local producers
- Commercial forestry production tends to be more regulated than other economic sectors
- Forest land ownership rights have been increasingly granted to local producers, but the imposed management regulations have been more appropriate to corporate forestry
- Some governments have attempted to simplify regulations
- Yet, simplification of forestry regulations is not a response to the more fundamental problems of market imperfections
Lessons from Amazonian community forestry (1/2)

- Community forestry development model is not having the expected success in a number of cases, especially in the Amazon region
- Forest- and tree-based activities are relatively marginal compared to other economic activities that yield better returns on investment
  - difficulties of forestry activities to generate profitable income
- Community forestry models require organisational adaptation to local practices, customs and rules and to local moral-economic principles
- Persistently limiting institutional and political environment in all Amazonian countries
Lessons from Amazonian community forestry (2/2)

- Initiatives suffer from inadequate funding, poorly trained technical staff and unflexible regimes imposed by funding agencies

- Fundamental differences in value-laden visions, perceptions and socio-cultural realities between development experts and local forest managers
  - too often inadequate understanding of the mismatches between local rural realities and those of societies outside this rural reality

- Externally proposed forestry development models need to be rooted in the local social structures, economies and value systems