The Forests Dialogue

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Field Dialogue on
Investing in Locally Controlled Forestry
29 November - 2 December, 2010 | Mombasa, Kenya
Co-Chairs' Summary Report

By Edmund Barrow, Victor López and Dominic Walubengo

INTRODUCTION

The Forests Dialogue (TFD) held a four day multi-stakeholder Field Dialogue on Investing in Locally Controlled Forestry (ILCF) in Mombasa, Kenya from 29th November to 2nd December. This dialogue was the sixth in this Initiative, which began with a scoping dialogue in Brussels (2009), followed by three field dialogues (Panama, Nepal and Macedonia), and an investors dialogue (London). Each of the field dialogues explored, through targeted field visits and discussions, the opportunities and challenges facing local forestry users and enterprises, as well as those interested in investing in them.

This dialogue built on the outcomes of the London dialogue to further investigate 'value propositions' for locally controlled forestry. Investors and forest owners explored a draft set of principles originally developed in London through a series of four field trips in Kenya held over a two-day period; this was followed by two days of discussions. The dialogue brought together almost fifty stakeholders from key parts of the forest sector including: 19 international and 25 national participants representing forest owners, Indigenous Peoples and community forestry groups, forestry investors and companies, development assistance agencies as well as international and national non-governmental organizations (see participants list).

The objectives of this dialogue were to help:

➡ Bridge the gap between investors and rights holders;

➡ Build investment preparedness;

➡ Identify concrete actions for new partnerships and financing mechanisms.

Wildlife Works Carbon co-facilitated the field day in Rukinga on Nov 29th. On the second day the Kenya Forest Service (KFS)and community representatives of Arabuko Sokoke Forest, the community representatives of Kaya Kinondo, and Lafarge Eco Systems co-facilitated the field day and the group split to visit three different sites. The two days of round table style dialogue were co-facilitated by the co-chairs of the dialogue.

A background paper (co-authored by Dominic Walubengo and Mwangi Kinyanjui) laid the foundations for the discussions. The dialogue was hosted by the Eastern and

ILCF KENYA DIALOGUE PARTNERS AND DONORS:

Southern Africa Office of IUCN – the International Union for Conservation of Nature, with the help of the Forest Action Network (FAN) and with financial support provided by the Growing Forest Partnership Initiative, a collaboration between IUCN, the Food and Agriculture Organization of the United Nations (FAO), the International Institute for Environment and Development (IIED), and the World Bank.

BACKGROUND ON THE ILCF INITIATIVE

The ILCF dialogue initiative convened by TFD emerged from a collaboration with the Growing Forests Partnership (GFP) to explore the importance of locally controlled forestry (LCF) to both forest rights holders and the global economy. Rights holder groups have estimated that about one billion people around the world depend on the goods and services from LCF for a significant portion of their livelihoods, with some $70 – $100 billion worth of goods and services and a range of wider environmental, social, cultural, and spiritual values provided by forests under local control.

The premise of the London dialogue initiative was that these benefits could be increased with more investment in the sector. Diverse actors from pension funds to investment pundits have observed that returns from forestry investments, while typically not stunning, in the long-run often outperform other investment, as returns from forestry depend mostly on the relatively stable factors of biological growth and climate and as such are less tightly correlated with conditions in the rest of the economy than other investments. The Kenya Dialogue tested these assumptions in practical field examples, and interrogated them in the context of an investment process model that was drafted in London highlighting the steps in developing and implementing a good deal.

Several themes have emerged from previous dialogues on ILCF and from separate meetings of three 'rights holder groups', namely the International Family Forestry Alliance, the Global Alliance of Community Forestry, and the International Alliance for Indigenous and Tribal Peoples of the Tropical Forests. These alliances own, manage or have traditional use rights over a forest resource, and as they all face some common challenges; they have begun to find a collective voice. In a joint statement in March 2010 the 'G3', as they have begun to call themselves, put forward their emerging shared mission: (i) Promote the G3 alliance and its participation in policy making processes—at international and local levels; (ii) Recognize and respect the forest and land rights of indigenous, tribal peoples, communities and family forest owners; (iii) Support organizing and organizations of rights holders; (iv) Share knowledge and best practices; (v) Pursue access to markets and the right to economic utilization of the   forest resources; (vi) Promote sustainable forest management and locally controlled forestry; and (viii) Foster world-wide solidarity between indigenous and tribal peoples, communities and forest owner families.

For more information on previous dialogues, background papers, presentations, including the meaning and use of the terms such as 'investment' and 'locally controlled forestry' for the purpose of this initiative and the collective position statements from the G3 please visit t our webite at:http://environment.yale.edu/tfd/dialogue/locally-controlled-forestry/kenya-ilcf-dialogue/

Nursery at Rukinga field site

Co-chair Edmund Barrow

Clement Kariuki

Kanchan Lama

FOCUS OF THE KENYA DIALOGUE

The Kenya field dialogue focused on two outputs of the London Dialogue in draft form, namely the Principles (code of conduct) of ILCF, and the Steps in Exploring and implementing a Deal (investment process model). The dialogue tested both the principles and steps over two days of field visits. All participants went on the Rukinga field trip on 29th November, and the group was divided into the three for the field visits to Arabuko Sokoke forest, Kaya Kinondo and Lafarge Eco Systems.

There was broad agreement in the London Dialogue that while a strict set of rules governing ILCF would be excessively rigid and also unenforceable, a set of principles for ILCF projects would be useful to both investors and rights holders. Such a set of guidelines, perhaps eventually developed as a code of conduct would have two primary functions:

➡ To provide an operational basis for ILCF projects that would aid both investors and landowners in defending their rights throughout the process; and

➡ To enable project developers to gain the support of investors, local leaders and their communities by enabling both parties to present to their constituencies a set of mutually agreed principles.

This draft set of principles include as a starting point:

➡ An agreed long-term 'end game' (common vision of the investment);

➡ Identification of an organizational entity with whom a deal can be made based on appropriate local representation;

➡ Clear property and tenure rights, with the central or local government having a key role in defining and conferring rights;

➡ Definition of the roles of other development actors, e.g. 'soft investors';

➡ Requirements for governance and transparency;

➡ Investment in capacity building (including organization of rights holders, business planning, and management skills);

➡ Identification of entry and exit strategies;

➡ Appropriate and agreed arbitration and conflict resolution mechanisms;

➡ Commercialization of the resource respecting multiple benefits and cultural aspects;

➡ Benefit sharing;

➡ Effective safeguards;

These draft principles were used as a checklist for fieldwork. The London Dialogue identified as important that all parties to an ILCF project understand how the others prepare and execute a potential forestry project. Therefore, the "Steps in Exploring and Implementing a Deal" developed in London for the development and execution of a business deal were then used during dialogue sessions. Table 1 summarizes this process.

Table 1: Steps in Exploring and Implementing a Deal

Steps in Exploring a Deal	
Steps	Whose Role (Investors,Communities etc.)
Idea origination, concept, often from strategic needs assessment	
Pre-feasibility study	
Community preparedness	
Deal development: exchange of information, development of business plan or case	
Letter of intent: arranging terms, i.e. who will get what, arranging who will do what, arranging timeline, lay out due diligence; binding	
Approval	
Steps in Implementing a Deal	
Community management capacity building	
Establishment phase – project activities developed and further finance released on preconditions being met	
Sharing of revenues through project activities	
Monitoring and evaluation	
Exit, when applicable: dilute outside investors' holdings; determine when enterprise shuts down	

EXAMPLES OF ACTUAL AND POTENTIAL INVESTMENTS – SUMMARIES FROM THE KENYA FIELD DAYS

Introduction

Participants participated in field visits to Rukinga, Arabuko Sokoke, Kaya Kinondo, and Lafarge Eco Systems. All participants went on the Rukinga trip on the 29th November, and participants were divided into three groups on the 30th November to visit Arabuko Sokoke Forest, Kaya Kinondo and Lafarge Eco Systems. Details concerning the activities in the field trip sites are to be found on the TFD webpage. Here we summarize the key findings from each of the field sites:

Rukinga Wildlife Sanctuary – Wildlife Works Carbon

Wildlife Works Carbon (WWC) manages the Rukinga Wildlife Sanctuary (30,000 ha), which they bought with the purpose of providing a small, private wildlife sanctuary in the late 1990s. The forests, and therefore the wildlife, in the area are under constant threat of subsistence farming, grazing, logging for firewood, charcoal and wildlife hunting. Until 2008, when REDD became eligible to create voluntary carbon units, maintaining the land to conserve the forest habitat was economically unsustainable. Once these funds became available, WWC began a REDD project on Rukinga and upon securing initial financing they launched the Kasigau Corridor REDD Project (KCRP). The KCRP involves around 250,000 ha under various types of ownership—from privately owned small and large ranches to community owned land holdings involving a total of 5-6,000 owners—and sits between two national parks, Tsavo East and Tsavo West, representing an incredibly important corridor for wildlife.

Part of the REDD requirements for WWC is that as it secures existing carbon stocks, and therefore impedes people from extracting wood, but it was designed to prevent reduced livelihood options of neighboring

Asafi Wechabe at Arabuko Sokoke community forestry plot

Alexander Dadzie

Co-chair Dominic Walubengo

Group Discussion

communities. Throughout its different phases WWC has invested in a variety of ways in communities and currently it invests a percentage of the income from the carbon project into alternative livelihoods creation for local people. It provides employment and capacity building through the training and hiring of park rangers, an onsite eco-factory producing organic clothing, the establishment of locally managed ecotourism enterprises in the ranch and restoration plantings.

In order to address the demand for agricultural production, WWC has a nursery and will be implementing community-based nurseries to provide agricultural and fuel-wood growing alternatives. It also works with national research institutions to improve agricultural practices and alternatives. To ensure the long-term community support and commitment in conserving the forest and wildlife WWC invests significant amount of time on community relationships and raising awareness of the benefits of conservation and the project. Currently the local communities and ranchers involved appear to be invested and committed to the success of the project. The agreed benefit sharing mechanism of carbon proceeds is to divide equally among the three main entities: owner, manager and communities living on the land-holding (regardless of legal ownership titles). WWC has been able to secure funds to scale up the project from its original Rukinga scale, however, finding financing for such a large venture in today's current REDD climate can be difficult.

Arabuko Sokoke Forest

Arabuko Sokoke was one of the first areas in Kenya where participatory forest management was practiced, yet it is interesting to note that not one Community Forest Association (CFA) Management Agreement has yet been signed with KFS in this area, despite there being three CFAs associated with the forest.

Each CFA covers a number of villages around the forest, and are organized into the Arabuko Sokoke Forest Association Development Organizations (ASFADA). In addition the forest has an Arabuko Sokoke Forest Management Team (ASFMT) that is a coordinating body for the overall management of the forest and its surroundings. This, it would appear is the only one of its kind in Kenya and a good structure for information sharing, planning, and resolving problems.

Over 130,000 people (approx 16,250 families) live within 5 km of the forest. Various donor-supported projects have contributed to both improving the farming systems, and creating opportunities based on the forest goods and services. Butterfly farming (where butterflies are raised and the pupae exported to Europe and the USA) has earned a total income of nearly $1 million over the 15 years. Currently about 500 families are involved. Other income generating activities that are being implemented include bee keeping, mushroom farming, and the promotion of growing Casuarina poles on family farms for sale. While this is very good and valuable, only a portion of all the people bordering the forest reserve benefit from these activities. During our visit it seemed apparent that the Butterfly project, successful though it is, was not designed as a business but evolved out of an idea based on the interests of motivated individuals and institutions.

Kaya Kinondo (Sacred Forest)

Kaya means "home" in the local Digo languange, and the Kaya Kinondo off the coast south of Mombasa (bordering large resorts on the water front) is a 30 ha remnant forest of what used to be an extensive coastal forest ecosystem reaching south to Mozambique. In the past these forests were used as refuges during times of wars, and as sanctuaries and sacred sites for religious and spiritual practices. The Kaya Kinondo, as a sacred forest, holds incredible value to the local communities of Kinondo and Kwango (about 3,000 people) in its history, its sanctity, as the center of their cultural and religious life, and as a source of medicinal plants.

In the face of threats from demands for charcoal, timber, poaching and real estate development the community decided to seek help from the government. Under the jurisdiction of the National Museums of Kenya (NMK), it was gazetted as a National Monument, thereby protecting it from development. Legally the land belongs to the NMK but it is managed according to the traditions of the community, as a protected area. The NMK conducted a feasibility study on different projects and enterprises that could support conservation; from this study the idea of an ecotourism project emerged. WWF became involved and began a project with the community to establish a welcome center, providing tours of the forest and community traditions, as well as a community bank. Currently Kaya Kinondo receives a low number of tourists, averaging four per day, who get a tour of the forest with an in-depth explanation of the local customs and beliefs in relation to the forest, as well as showcasing the biodiversity and plants used by the community for their medicinal values. The welcoming center is currently financially unsustainable—as a former tour guide told us, he had to leave his position for a better job offer away from the community though he would prefer to work there.

Kaya Kinondo is the first sacred forest that is open to tourists. This really points to the interaction between the different visions of the community exemplified by age groups: the elders who represent the traditional views and the younger generation that wants to incorporate alternative livelihoods (like the tourism project) on the basis of cultural respect for their history and customs. The highest authority within the communities and therefore in the management decisions of Kaya Kinondo continues to be the council of the elders, who seek to ensure that the practices adhere to established norms. Under the guidance of the elders who make the final and ultimate decisions there are "committees" composed of community members, such as the one that now manages the tourism project.

Lafarge Eco Systems

Lafarge Eco Systems (LES) is a subsidiary of Lafarge, an international cement manufacturer that owns the large cement company, Bamburi Cement, based in the Mombasa area. Since Bamburi has already bought the entire land base needed for its future cement extractions, it holds significant amounts of "reserve" land, as well as land requiring rehabilitation after mining has concluded. LES is in charge of managing the reserve land, rehabilitating the quarries, managing the rehabilitated quarries for recreation and tourism and carrying out stakeholder management.

Although this LES field site is not an example of locally controlled forestry by local peoples or communities, there was still value in seeing how a large local company is investing in the neighboring communities and its potential has future empowerment of local communities in the forestry sector. There are primarily three ways in which LES is trying to integrate local communities: managing reserve land as fuel wood plantations (to substitute fossil fuel in cement kilns); planting indigenous pioneer species in abandoned quarries; and thinning pioneer plantations while introducing other native species/plants in rehabilitation efforts.

Co-chair Victor López

LES has been encouraging and training community groups to be the ones to supply the tree seedlings for the restoration and afforestation projects. It provides training on managing finances and enters into formal contracts with community-based organizations (CBOs), encouraging the concept of a community business. LES and local CBOs are currently discussing ways for local members to be employed in weeding and maintaining the new plantations. It also has formal contracts under a "shamba system" with local farmers, in which the farmers can utilize the early plantations for intercropping in exchange for managing the plantations (through weeding and supervision). LES also provides training in agricultural and agro-forestry farming, as well as seeds and safety equipment. Employment at the Bamburi plant must be at least 80% locals and LES has been reaching out to local schools and womens' groups in an effort to strengthen stakeholder relationships.

The investment that LES is making in training and strengthening the local organizational capacity is promising, but the "control" given to communities over the use or management of land is only temporary. As the Bamburi land holdings extend over large areas, it would be hard to envision a way in which communities could rotate work and farming in conjunction with the rotation cycles of the plantations and quarry rehabilitation. However, it opens opportunities for communities to organize themselves, and address their needs and relationship with their large neighbor.

Arabuko Sokoke resident describes productive ventures started by the community

Key conclusions from Field Trips

Basis of local control of forests – Governance: The recent regulatory frameworks for forestry in Kenya (forest law and policy) is not fully understood and implemented yet. This results in a loss of trust and confusion, but it does open opportunities to secure rights and improve sustainable forest management arrangements. The new constitution opens a huge range of opportunities. There is often great complexity of local organisations, and of partners, which can make investment much more difficult, as stability, efficiency and full representation can be fleeting or never fully achieved.

Marcus Colchester

The field visits, particularly Rukinga, provided interesting food for thought in questioning the concept of investing in locally controlled forests. In this case an outside agent with time was incorporated into the local reality and, intentionally or not, modified expectations and concepts, eventually becoming "adopted" as a local actor. We also saw that in many cases of ILCF the proposal or project seemed to result as a response to an external pressure, be that be the threat of losing access or ownership, or the imposition of international policy on national public policy regarding the various concepts of sustainable development. This was particularly seen in Kaya Kinondo. Various external actors got involved, each with very different perspectives and purposes, and although their visions did not necessarily conflict they did not converge smoothly either. This eventually is reflected in small ways in the structure and effectiveness of the project.

Kaya Kinondo resident gives a tour of the forest

Partnerships: It takes a long time to build trust. But, no matter how long it takes, it's a vital pre-condition for investments. Partner objectives often shape conservation and commercial activities of communities and therefore such partners have to be held responsible. There also needs to be a balance between conservation and livelihood priorities, which both help shape the partnership and can be an opportunity.

Usually having multiple investors, and therefore partners, is seen as advantageous, however, this can also mean multiple forms of organizational overlap making it difficult for the community enterprise to have a consolidated medium to long-term entrepreneurial vision.

Markets: Is it possible to develop pre-feasibility studies for small-scale production? Although the response tends to be "no" it is quite necessary before large soft or hard investments. Communities and public partners must be aware that once you try to reach markets, it becomes a business and local capacity needs to be developed to manage deals. Carbon markets and REDD+ are still very new, and are not fully understood by communities and public functionaries.

Role of Government and Legal Framework: The national political situation, the available legal and political instruments, and the balance of strength and influence of the different stakeholders on the national agenda are deciding factors on the configuration of ILCF projects. It is necessary to provide a level playing field to enable the private sector, communities and civil organisations to operate, and it is also necessary to harmonise the operations of key agencies involved in forestry issues, for example in Kenya between such institutions as KFS, Kenyan Wildlife Service (KWS), NMK, and KEFRI (Kenyan research institution) (who were present at the Dialogue) and others.

The creation of the CFA model is an interesting case in which the government designed an organizational scheme with the purpose of having communities co-manage forests with the state. It can be seen, however, as a double edge sword. On the one hand it provides a platform for communities to organize and be recognized by the state on a national level. On the other hand, as an imposed organization scheme it can come into conflict with communities' existing forms of organization and collective management, which in turn may cause weaknesses in the local democratic mechanisms and in the management of community enterprises.

A pertinent case from previous dialogues is that of FECOFUN in Nepal, a well established and recognized organization that covers more than 10,000 groups representing around 9 million forest users, and is directly involved in national political processes advocating for its members. The formation and consolidation of an entity like FECOFUN, however, took decades to form and mature through building its capacity of representation, leadership and political influence. Another example is the case of ANOFC of Guatemala, which is a young organization representing community forestry groups, which has yet to achieve the national and political recognition that FECOFUN has. Since its inception it has prioritized consolidation of its membership, intra-organizational relationship building, strategies for the aggregation and complementarities of the existing capacities within its membership, and building consensus regarding strategy and political positioning with respect to the government. In this way, growing slowly and progressively but firmly in order to achieve a national network.

Field Visits: Sites visited differed in the way they embraced local community involvement, the scales of sustainable forest management, the use of forests (spiritual, carbon, fuel wood, etc.), and the roles of local and national authorities at each site. But in all cases it is clear that livelihood alternatives, poverty and pressure on forests are still major challenges.

ILCF Process Model: In order to make the ILCF principles and process model more applicable, they must include specific guidelines to embrace transition and processes improvement, because many initiatives and community forestry projects are already ongoing and cannot simply 'start again'.

l-r: Dil Khatri & Joachim Kagiri

John Curtis

Joshua Irungu

l-r: Arafa Salim & Chris Buss

Plenary discussion: The main goal of KFS is creating partnerships with stakeholders and communities for both community and forest management benefits. Yet the forest management planning process is both very detailed and expensive (in excess of about $12,000). However, there are examples of management plans that are relatively short (6 to 10 pages), and are based on principles of adaptive management. It is important to remember that the people own the resources and that institutions are mandated to manage the resource on their behalf.

It is clear that the Government can learn from the Rukinga example in terms of REDD, easements, and the integration of conservation with livelihood objectives. Better partnerships are needed between the state and non-governmental entities so as to learn from private sector initiatives.

It will be important to make sure that we look at the outcomes of this dialogue, in terms of the opportunities and challenges of the new constitution and of the forest act, so as to support stronger and more sustainable initiatives on the ground.

From the fieldwork, it became apparent that multiple forms of representations of communities exist, and the authority and control granted to each is neither transparent nor clearly defined. During the dialogue four different systems of representation were identified, namely (i) Traditional customary system; (ii) Formal administrative system that reaches to the village level, chiefs and councilors, district, and county level; (iv) Ranches and share-holders and their members; and (iv) CFA's conservation and management committees. This begs a series of questions: What authority and control is wielded by which form of representation? Who is associated with each form of representation in terms of local stakeholders? Which representative body is appropriate for ensuring local participation in natural resource management? How does the appropriate representative organization get identified? How do you avoid internal conflict amongst different representative organizations or an unjust allocation of power to a single representative body? Who are the important stakeholders and why?

There is clear value of incorporating private sector into such work, however many people still see the engagement of the private sector as a threat. Trust building between the partners is a very important part of the process, as neither communities nor the private sector are homogenous. This can make striking a deal more difficult and time consuming. Having communities being organized before an initiative or proposal is planned and discussed, is an important part of the process in terms of preparation.

COMMENT AND DISCUSSION BASED ON THE KENYA BACKGROUND PAPER

Following the presentation of the Kenya Background Paper there was a wide-ranging discussion that raised many issues. The following summarizes some of the key points.

For much of Kenya, agricultural landscapes are covered with trees, both planted and managed, and this represents huge areas of land. In the areas with high potential for

forestry projects, there is a lot of coffee and tea, but the remaining forests are intensively managed for charcoal, bark, timber etc. It is a challenge not just to have trees in the landscape, but to increase levels of formality and recognition, improve market access, increase efficiency of extraction and conversion of charcoal, and improve product quality through species substitution. In sum we need to find ways to make such trees valuable as a means of contributing to rural livelihoods. According to Kenyan agricultural law, 10% of agricultural land needs to have tree cover, but the extent to which this has been implemented on the ground is uncertain. Rules to create tree cover on agricultural lands exist but the incentives to make this happen are not in place.

Often the main pressures on forests come from outside forests, mostly from farmers often without claims or rights on those forests. We need to understand better what is happening outside forests; why people are encroaching on forests, and why there are so many landless people going into areas they weren't theirs traditionally. What is going on in the tenure structure? The goal is broader sustainable land use outside forests to reduce demand for forested lands. Land use management and population increase needs to be acknowledged and addressed more directly within the ILCF debate. A cultural perception exists that forest as land cover is a waste and should instead be used for more "productive" purposes, such as agriculture.

Forests such as Rukinga are considered by KFS as "forests", but they never show up on maps or in forest statistics for Kenya. It would seem that the dryland forests of Kenya are ignored, as there is a focus on "forestry" as plantation forests, or high value indigenous forests.

In terms of the 2005 forest act and partnerships, how does the law deal with increasing participation of marginalized people, and was there any displacement of peoples? This also relates to the Community Forest Associations (CFAs) and the formal approval of their management plans (none approved to date). The management plans that CFAs have to compile are very costly and this means that they depend on external support for their completion.

At present there are 347 fully registered CFAs, with 12-13 having management plans. However there are no approved and signed agreements. One reason for this is that the benefit sharing mechanisms have not been clarified. How can communities be more empowered to speed up the process of KFS approving plans? But there is now increased openness and interest in ILCF, as communities are getting more recognition for their importance and role in forest management.

Finally, logging has been banned for a long time, but what does this actually mean since logging still occurs? Why are large mills still allowed to operate when smaller mills were forced to shut down? KFS is presently trying to address the issue of the logging ban, which is more of a "partial ban". To be a successful farmer someone has to buy your products. So it is not only about certification of forests but also getting sawmill owners on-board and having them uphold government regulations.

EXPLORING THE DRAFT ILCF PRINCIPLES AND GUIDELINES

The carousel method was used to explore the principles for ILCF (or the 'code of conduct'), as follows:

Carousel A:

➡ An agreed long-term 'end game' (common vision of the investment);

→ Identification of an organizational entity with whom a deal can be made based on appropriate local representation;

→ Clear property and tenure rights, with the central or local government having a key role in defining and conferring rights.

Carousel B:

→ Definition of the roles of other development actors, e.g. 'soft investors';

→ Requirements for governance and transparency;

→ Investment in capacity building (including organization of rights holders, business planning, and management skills.

Carousel C:

→ Identification of entry and exit strategies;

→ Appropriate and agreed arbitration and conflict resolution mechanisms;

→ Commercialization of the resource respecting multiple benefits and cultural aspects.

Carousel D:

→ Benefit sharing;

→ Effective safeguards;

→ Any new principles that should be considered.

Participants were divided into four groups and each group spent time deliberating on the different principles in the 4 different carousel corners. Some summary key points include:

→ Principles need to be reviewed on a regular basis – is this something that is done once or that needs to be regularly reviewed or done iteratively?

→ It was suggested that the word 'management' be introduced into Principle 8;

→ An additional principle was suggested: Respect for all parties in participating in outside networks (so as to encourage communities to participate in broader and external networks), so as to embrace the movement of knowledge, and freedom of expression.

A wealth of knowledge and experience was generated during the discussions under the broad umbrella of a SWOT (strengths, weaknesses, opportunities and threats) analysis on each of the principles. It would seem appropriate that this material could be used to compile guidance notes for each of the principles.

EXPLORING THE INVESTMENT PROCESS MODEL

Table 1 was used as the basis for three group discussions (for Rukinga, Kaya Kinondo and Arabuko Sokoke).

Mary Nderitu

Alda Salomao

Athumani Mamu

Plenary Discussion

Considering the concept of drafting an "investment process model" as suggested by the participants in London, the participants were asked to review the three field sites and try to tease out how the process came about and if a generic "model" could be drawn from it. Although the details from these discussions will be used in further iterations of the process model, some of the key lessons learned are highlighted here:

Arabuko Sokoke: There was some clear learning from this process. Going through such a step wise process (which by its nature tends to be linear) masks the fact that most such processes tend not to be linear. Different steps may be carried out at different times, and projects may not start at the beginning. In addition the reality is that many projects are already being implemented to varying degrees for varying periods of time. Some new steps were suggested: (i) Community preparedness is needed at all stages of the deal, and should be inserted as a third column to give it the importance deserved; and (ii) an additional row on institutional governance and partnership development was suggested which would give emphasis to the importance of institutions in project and deal development and implementation.

Rukinga: The case of Rukinga demonstrated that there is a clear beginning and trajectory to an investment. Even though it is not necessarily linear, it was evident that a series of steps and strategies could be teased out from their experience and in turn be plugged into a more elaborate draft of the originally proposed process model. It was felt that Rukinga was an ideal case for such an exercise, and that in hindsight it would have been helpful for WWC to have had such a tool available to them ten years prior.

Kaya Kinondo: It is fundamental that the community feels a sense of ownership in the investment process for a project. For example, since Kaya Kinondo has religious significance for the community, the tourism project needs to be carefully designed to harmoniously integrate itself to the socio-cultural context. For forests of such small scale, the process of scaling-up is almost a necessity but this brings new complications with regards to organization design. There should be a realistic consideration of the potential types of investors or business partners based on a study of the existing market. The project has already begun a relationship with local hotels and tourism operators with positive yet limited results; much work is still needed in the marketing aspect of the project.

The compatibility of the different forms of local organization is crucial for the consolidation of a community enterprise. This has been achieved in the initial phase of the project, however, much more work is needed in the organizational design especially concerning the generation of goods and services, the benefit sharing mechanism, transparency and clear accounting practices. From what we saw the financial gains of the project are unclear, for the operational costs and the contributions obtained from other local projects and initiatives, such as the bank, were not clearly defined.

Conclusions and Way forward

This field based forest dialogue, using practical experience from four field visits over two days, tested both the principles and steps in deal making in a practical manner, and formed the basis for much useful and interesting discussion between the different stakeholder groups. In this sense it has been a very useful dialogue. However it is clear now that some of the findings, ideas, and recommendations from the dialogue need to be put into practice.

There are a number of challenges and action points, which include:

➡ Sharing guidance notes from places visited with the corresponding groups should be done as part of the reporting process and as a simple means of providing feedback;

Kaya Kinondo project area

Hemed Mwafujo

Jhony Zapata

Nitu Kafle

→ It is clear that the steps (making and implementing a deal) need to be revised based on the discussions in this dialogue. In addition the steps should not be too prescriptive, but should allow for creativity. TFD will take this on and drafts will be shared;

→ The principles can now be developed into a draft set of guidance notes, based on the rich discussions from this dialogue;

→ In many cases participatory forest management in Kenya is still based on projectized approaches at the community level. The challenge is moving beyond projectized approaches and doing things based on the more systemic reforms (e.g. new constitution and revised laws and policies);

→ Marketing of produce from ILCF projects visited in Kenya is weak. Products need to be aggressively advertised to sustain the business. For example the butterfly-farming project can create links with the local hotels and develop "butterfly release points". This would be very attractive for tourists to participate. This may rejuvenate the business, which has been decreasing;

→ There is a need to enhance awareness about, and education on ILCF for communities involved so that there is a "level playing field". For example it would seem that the butterfly-farming project (especially the export part of it) is disconnected from the Community Forest Association. Likewise not many farmers or communities can take up carbon trading because no one knows the price of carbon. This relates to community "preparedness" at all stages of the process, and could include a "light" feasibility study;

→ Can ILCF findings and suggestions be used to help reduce the cost and complexity of management plans required? It would seem appropriate that contracted work be funded to review some of the existing community management plans from different countries (e.g. Tanzania, Sudan, Gambia) with an analysis to provide suggestions as to how this process could be improved, simplified, less costly and with enhanced local level ownership and government (KFS) approval;

→ Community impact analysis was suggested as being an important step to undertake at various stages of a project as this enable communities to more equitably to engage investors. There may be some simple participatory tools (for example Community Action Planning, and Action Learning) that can be used to help communities understand and accept the risks in such investments, and so achieve a better "marriage" between the interests of investors and communities;

→ National networks e.g. the National Alliance of Community Forest Associations (NACOFA) should be strengthened to enhance uniformity across communities who can also share and learn from one another;

→ The issue of land tenure was not discussed in detail, but this is a big issue and is a foundation for motivation, ownership and longer term sustainability;

➡ Based on the material from the Field Dialogue in Kenya on ILCF, it is suggested that a short (1-2 page) policy brief be compiled, which can then be used at various levels to inform and influence, and with particular reference to some of the identified and agreed to actions.

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FOR FURTHER INFORMATION AND CONTACTS

To comment on this dialogue summary or get in touch on related issues, please contact TFD staff at tfd@yale.edu. Also, follow us on Twitter – @forestsdialogue – so you can stay up-to-date on TFD's next steps.

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