



The Forests Dialogue

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The Forests Dialogue

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Field Dialogue on Investing in Locally Controlled Forestry

21–24 September 2009 | Kathmandu, Nepal Co-Chairs' Summary Report

by Minnie Degawan, Peter deMarsh, Bharati Pathak and Ghan Shyam Pandey

On September 21–24, 2009, The Forests Dialogue (TFD) convened the second Field Dialogue of its Investing in Locally Controlled Forestry (ILCF) initiative in Kathmandu, Nepal. The dialogue brought together forty five participants representing a wide range of stakeholders, both Nepali and international, including indigenous peoples, small and family landowners, community forestry groups, environmental organizations, forest companies, intergovernmental organizations (IGOs) and research institutions to discuss how to improve and increase investment into locally controlled forestry. The meeting was hosted by the Federation of Community Forestry Users, Nepal (FECO-FUN) and the Global Alliance of Community Forestry (GACF) together.

BACKGROUND

TFD's ILCF dialogue initiative was created with the Growing Forest Partnerships (GFP), which is a collaboration between the International Union for the Conservation of Nature (IUCN), the International Institute for Environment and Development (IIED), and the Food and Agriculture Organization of the United Nations (FAO), with the support of the World Bank. GFP's goal is to support local initiatives and mechanisms that will improve the quality and quantity of investment in the forest sector through the implementation of bottom-up, in-country actions. It aims to give a voice to marginalized, forest-dependent groups in national and international policy processes.

Locally controlled forestry (LCF), which includes the management of forests for timber, non-timber forest products (NTFPs) and other social or environmental service values, is carried out by forest-dependent families or smallholders, community groups and indigenous peoples—together called “rights-holders” who have substantial (and growing) decision-making power and control over forestland but not necessarily tenure or ownership rights.

Investment, as defined in the context of the ILCF initiative, is the active redirection of resources that enhance forestry assets away from the contemporary and towards



Local woman in Amritdharapani

future benefits. Therefore investments in locally controlled forestry can be made in a variety of ways and by a variety of actors. They can be made by securing forest rights, creating new forest resources, managing forests, building production and processing facilities and other infrastructure, developing human resources and capacity building, establishing credible forest certification for assurance of sustainability, improving governance or through financial investments. For that reason 'investors' could mean multilateral organizations, bilateral donors, financial investors, banks, forest companies, governmental organizations, environmental and civil society non-governmental organizations, research institutions, small and medium forest enterprises and the very own resource owners and rights-holders.



Co-Chair Ghan Shyam Pandey

Forest-dependent people in both the North and the South are concerned about emerging financial mechanisms related to forestry investments, potential negative impacts that outside investment may have on their livelihoods, and the few opportunities for local people to access investments that meet their priorities. There are many different perceptions (and perhaps even misconceptions) among ILCF stakeholder groups and often a mutual lack of understanding of small-scale or community forestry by the investment community and of investment by small-scale and community foresters. Nevertheless, there is shared recognition of the importance of investing in locally controlled forestry to create resilient economies that are able both to sustain and make returns from forest resources – and the interest in learning more about how to do this has been widely expressed.



The goal of the dialogue initiative is to build relationships between the stakeholders, identify the obstacles and opportunities for investment in LCF, and increase the visibility, role, and potential that locally controlled forestry can have. (See the ILCF Initiative Concept Paper on TFD's website at www.theforestsdialogue.org)

The ILCF Scoping Dialogue was held on June 9-10, 2009 in Brussels, Belgium and it brought together three groups of rights-holders—indigenous peoples, community forestry groups, and forestland smallholders—along with other stakeholders of locally controlled forestry. It was agreed that they would continue working together in a series of TFD field dialogues in order to explore the key themes in the context of a local reality. Key to this process have been the following international alliances: Global Alliance of Community Forestry (GACF), International Family Forests Alliance (IFFA) and International Alliance of Indigenous and Tribal Peoples of Tropical Forests (IAITPTF). The first in the series of Field Dialogues was held in Panama on August 22-25, 2009 and hosted by IAITPTF.



Co-Chair Peter deMarsh

The objective of the Nepal dialogue was to build the relationships established among the stakeholders in Brussels and Panama to further enhance trust within the group. The dialogue aimed to identify the factors that have contributed to successful experiences as seen on the ground as well as the obstacles that are impeding other successes. Specific

catalytic actions that can improve and ensure investment flows were identified and proposed. The Nepal dialogue had a strong focus on the role of community forestry.

LOCALLY CONTROLLED FORESTRY IN THE NEPALI CONTEXT

The growth of LCF in Nepal has been the product of both political instability and widespread recognition that careful forest management is needed to stem deforestation. Attention to the forest sector increased in the 1970s as the threat of deforestation was recognized. That period saw the formation of the first Community Forest User Groups (CFUGs), self-governing groups that developed rules to regulate the use and maintenance of forest resources and put into effect systems of distributing the benefits in accordance with the situation of each community. The current government recognizes the viability of such arrangements, and is open to the possibility of expanding the coverage of LCF.

In 1993 the Forest Act signaled an important regulatory step for community forestry by guaranteeing the rights of local peoples in forest management. Under this act local communities were given control over the management of government forestlands (National Forests) under a community forestry program. As of August 2009 about one-third of Nepal's population is organized into Community Forestry User Groups (CFUGs) managing over 25% of the forest area; 71% of these CFUGs receive no donor or government aid. CFUGs have shown to be very successful forest stewards and also to outperform state management in revenue generation.

THE PROGRAM

The first two days were devoted to a field visit to the Chitwan and the Mankwanpur Districts, where we met with several CFUGs, one of which recently acquired a small sawmill. The dialogue participants had the opportunity to listen to the perspectives of the villagers on ILCF and engage in a two-way discussion. The following two days were spent in meeting-style dialogue in Kathmandu where the agenda built directly on what was seen in the field.

PARALLELS WITH PANAMA

As with the Panama meeting, the Nepal site visits and dialogue allowed participants the chance to observe firsthand what the opportunities and challenges of investment in LCF are in a very local context. Several of the key themes that were identified in Panama resurfaced in Nepal as well. Among the most salient needs that were identified were secure and clear tenure and use rights; investment into community capacity building, not only technical but also managerial, administrative, business plan development, communications and marketing; respect and recognition of traditional knowledge; advocacy and horizontal organizing; and the guarantee of community involvement in any process, project and investment affecting their forests.



EMERGING THEMES

The following are the key themes that emerged in this dialogue:

Enabling Conditions for Strengthening Locally Controlled Forestry

- ➔ Supportive framework of laws, policies, institutions, and mechanisms to establish and maintain local control and improve investment streams (as the law currently recognizes only user rights, leaving open the possibility that the communities may lose control of their forests at any time)
- ➔ The recognition not simply of resource rights but also of land tenure and rights based in traditional knowledge
- ➔ The need to involve government agencies from the start and seek dialogues with those who craft policies
- ➔ Effective, systematic, and continuous communication systems between communities and national/international networks for knowledge sharing as well as supporting each others' campaigns
- ➔ Effective and affordable internet/mobile connections (particularly important for countries such as Nepal where infrastructure (roads etc.) is always limited by physical conditions and resource constraints)
- ➔ Improved coordination among different sectors, stakeholders, media, government, and civil society organizations for the national-level advocacy on forest policy
- ➔ Communities' involvement in defining priorities for investments (a local sense of ownership of the process and sharing of benefits increases security of "control")
- ➔ Assurance mechanisms for sustainable forestry such as practical and effective forest certification for LCF situations



Visiting the Bansa Gopal community sawmill



Community Capacity Development

- ➔ More effective management of forest resources calls for upgrading skills to plan, design, implement, and manage the forest resources and eventually new economic activities and in this way be less dependent on external technical assistance.
- ➔ Skills development in the field of leadership is lacking and involving both women and youth in community affairs would ensure long-term continuity.



Co-Chair Minnie Degawan addressing the Rani CFUG

Knowledge creation and sharing

- ➔ Sharing of examples of successful models of business plans, networks, research and resource centers, financing methods, investment funds, and other types of support services can be improved.
- ➔ Alternative organizational structures and a range of scales of operation (local, national, regional, international) must be considered.
- ➔ Rights-holder groups need easier access to information and educational materials (for example, there are specific concerns with respect to REDD and carbon trading, an area where it would be useful for the rights-holder groups to have a common position to present to the various agencies developing the rules for carbon trading.)

Targeted investments

Investment into the following products needs to be secured:

- ➔ Forest inventory (assessment and mapping of all forest values)
- ➔ Identification of marketable and sustainable services and products and potential markets
- ➔ Development of small and medium enterprises

These products relate directly with the above-mentioned community capacity needs. It will require specific capacity-developing activities at the community level such as training in improved business management practices, including accounting, financial planning, technical knowledge, information systems, communications and negotiation skills.

NEXT STEPS

A commitment is needed and was made by the three rights-holder groups to work together in the dialogue initiative and beyond with the Growing Forest Partnerships. It will require time to strengthen cooperation and successfully elaborate a common agenda. In addition, it will be crucial to respect the autonomy of the three groups within the dialogue process and GFP's action plan.

In the meantime, the participants continued to build an agenda for subsequent dialogues, the World Forestry Congress in October 2009, and COP 15 in December 2009. There will be two shared side events at the World Forestry Congress, while plans are underway for a third ILCF Field Dialogue in Macedonia in December 2009.

The three groups have committed themselves to continue the collaboration and discussion of GFP's trust fund and IIED's communications facilitation at the World Forestry Congress in Buenos Aires, Argentina and at the dialogue in Macedonia, but as issues separate from the dialogue stream.



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Shiva Pandey in a breakout session



Co-Chair Bharati Pathak

The work of The Forests Dialogue is implemented by a Secretariat hosted by the School of Forestry and Environmental Studies (F&ES) at Yale University in the United States. TFD is an autonomous program composed of individuals and governed by a Steering Committee with representatives from major forest stakeholder groups. The statements, reports, and findings of TFD do not necessarily represent the views of F&ES faculty.

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