

Forests in Poverty Reduction Strategies: Capturing the Potential

Tuusula, Finland

1–4 October, 2002

Tapani Oksanen, Brita Pajari and Tomi Tuomasjukka (eds.)

EFI Proceedings No. 47, 2003

<http://global.finland.fi>
Ministry For Foreign Affairs ■ Development Cooperation



UNIVERSITY OF HELSINKI



E F I



EFI Proceedings No. 47, 2003
Forests in Poverty Reduction Strategies: Capturing the Potential
Tapani Oksanen, Brita Pajari and Tomi Tuomasjukka (eds.)

Publisher: European Forest Institute

Series Editors: Risto Päivinen, Editor-in-Chief
Minna Korhonen, Technical Editor
Brita Pajari, Conference Manager

Editorial Office: European Forest Institute Phone: +358 13 252 020
Torikatu 34 Fax. +358 13 124 393
FIN-80100 Joensuu, Finland Email: publications@efi.fi
WWW: <http://www.efi.fi/>

Cover photo: Thomas Selänniemi (left), Carlos Salinas (upper right), Lars Johansson (lower right)
Layout: Ilpo Tuononen, EFI
Printing: Gummerus Printing
Saarijärvi, Finland 2003

Disclaimer: The papers in this book comprise the proceedings of the event mentioned on the cover and title page. They reflect the authors' opinions and do not necessarily correspond to those of the European Forest Institute.

© European Forest Institute 2003

ISSN 1237-8801
ISBN 952-9844-96-4

Contents

	Foreword	5
	Executive Summary	7
<i>P. Majanen</i>	Opening Address	17
	1st Segment: The Role and Potential of the Forest Sector in Poverty Reduction	
<i>I. Tikkanen et al.</i>	Forest-Based Sustainable Development: Forest Resource Potentials, Emerging Socio-Economic Issues and Policy Development Challenges in CITs	23
<i>D. Kaimowitz</i>	Not by Bread Alone...Forests and Rural Livelihoods in Sub-Saharan Africa	45
<i>O. Dubois</i>	Forest-Based Poverty Reduction: A Brief Review of Facts, Figures, Challenges and Possible Ways Forward	65
<i>P. van Gardingen</i>	Forests and Poverty Reduction: Action Needed by Development, Research and Training Institutions	87
	2nd Segment: The Status of the Forest Sector in Poverty Reduction Strategies	
<i>C. Ngomba</i>	PRSP: A New Approach to Poverty Reduction	101
<i>L. Myataza</i>	Comments to “PRSP: A New Approach to Poverty Reduction” by Clotilde Ngomba	109
<i>F. Wencelius</i>	National Forest Programmes	117
<i>T. Oksanen & C. Mersmann</i>	Forests in Poverty Reduction Strategies — An Assessment of PRSP Processes in Sub-Saharan Africa	121
	3rd Segment: Enhancing the Contribution of the Forest Sector	
<i>A. Cuco et al.</i>	Building Linkages Between Poverty Reduction Strategy and National Forestry Programme: the Case of Mozambique	159
<i>F. Owino</i>	Comments to “Building Linkages Between Poverty Reduction Strategy and National Forest Programme: the Case of Mozambique”	173
	Themes and Results of the Working Groups	177

Open Session

<i>P. Davies</i>	Forests in Poverty Reduction Strategies: Capturing the Potential Sub-Saharan Africa	185
<i>B. Botolo</i>	The Value of Forestry and Forest Products in the National Income of the Developing Countries	187
<i>D. Kaimowitz</i>	Comments at the Open Session	189
<i>S. Masayanyika</i>	Comments at the Open Session	191
<i>T. Tuomasjukka</i>	Resume of the Issues Discussed at the Open Session	193
	Programme	195
	List of Participants	199
	Introduction to Organisations behind the Workshop	205

Foreword

The role of forests and the forest sector in poverty reduction is a pressing issue for all Institutions involved in the development of the forest sector in Less Developed Countries (LDC). Poverty Reduction Strategies (PRSs), with their roots in the HIPC-initiative (Heavily Indebted Poor Countries) and promoted especially by the World Bank, are becoming a principal instrument for targeting aid flows. The relevance of any specific sector in development co-operation, including forestry, is increasingly assessed by its current and potential contribution to meeting the international poverty reduction goal.

Several events on the forest – poverty theme have been arranged, e.g. workshop on the 'Role of Forestry in Poverty Alleviation' in September 2001 by FAO and UK's Department for International Development (DFID), and the workshop on 'Forestry and Poverty Reduction: How can development, research and training agencies help?' in June 2002, by the Edinburgh Centre for Tropical Forests (ECTF) and the International Institute for Environment and Development (IIED).

The discussion on forests and poverty is now moving from a general mapping towards more specific and operational issues on different fronts and at different levels. Therefore, this workshop on 'Forests in Poverty Reduction Strategies: Capturing the Potential', arranged by the Ministry for Foreign Affairs, Department for International Development Co-operation, Finland (DIDC), the European Forest Institute (EFI), and the University of Helsinki, Viikki Tropical Resources Institute (VITRI), and facilitated by INDUFOR, Finland, was a natural continuation to the row of events on forests and poverty.

This workshop was focused on **improving the contribution of forests and the forest sector to the Poverty Reduction Strategy processes**. The theme is highly relevant both to forest sector policy makers and practitioners in the developing countries and international agencies, as well as to policy makers and practitioners trying to develop effective strategies for poverty reduction. The Workshop gathered together total of 62 experts. A summary of the discussion in the open session is included in the end of these proceedings.

The editors of this volume would like to express their gratitude to the drafting group, Mr. Neil Bird of ODI, Mr. Fred Owino of AAS, Mr. Christian Mersmann of PROFOR, and Mr. Tapani Oksanen of INDUFOR, for its help in summarising the results and the conclusions of the workshop, to Mr. Jyrki Salmi of INDUFOR for taking the notes of the plenary discussions and to assist the drafting group in its work, to the authors who contributed with their papers and presentations, as well as to all participants and all others involved for making this workshop such a success.

January 2003

Tapani Oksanen
Brita Pajari
Tomi Tuomasjukka

Executive Summary

1. Context

Eradication of extreme poverty and hunger is the first of the eight Millennium Development Goals incorporated in the UN Millennium Declaration. The international community is now committed to halving by 2015 the proportion of people living in absolute poverty, as well as the proportion of people suffering from hunger.

Poverty Reduction Strategies (PRS), expressed in Poverty Reduction Strategy Papers (PRSPs), are emerging as a broad and valuable framework for development planning and implementation. They are becoming a new “business model” for the World Bank and the IMF, as well as guiding the operations of bilateral donors. More importantly, they offer the potential to sharpen the focus of all sectors in developing countries on poverty reduction, in line with the Millennium Development Goals.

Forest sector policies and planning need to conform to this overall framework for the dual purpose of being able to effectively contribute towards the Millennium Development Goals and to maintain and increase the political priority and financial allocations by governments and the international community to the sector.

2. The Workshop

The workshop on “Forests in Poverty Reduction Strategies: Capturing the Potential” was organised to assess the current status, role and potential of the forest sector to contribute towards the goal of poverty reduction, and to provide practical recommendations on how to improve this contribution. The specific objectives of the workshop were to promote:

- better inclusion of the forest sector into poverty reduction strategy processes, and
- sharpened poverty focus in forest sector policies and programmes.

The geographic focus of the workshop was on Sub-Saharan Africa. The workshop was organised by the Department of International Development Cooperation (DIDC) of the Ministry for Foreign Affairs of Finland, the European Forest Institute (EFI) and the Viikki Tropical Resources Institute, university of Helsinki (VITRI). The meeting was facilitated by INDUFOR Oy, Finland.

The workshop provided an opportunity for representatives from Ministries of Economic Affairs, Finance and Planning, line ministries responsible for the forest sector, and local NGOs from selected Sub-Saharan African countries to bring together their different perspectives. In addition to the participants from the African countries and the NEPAD Secretariat, the World Bank, FAO, CIFOR, ODI, ECTF, and a number of key donor organisations were also represented. In total there were 62 participants.

The workshop programme was divided into three segments: The **first segment** was concentrating on the role and potential of the forest sector in poverty reduction. This theme was enlightened by 1) case-studies from both Europe and the Sub-Saharan Africa to gain a better understanding of where and how forests and the forest sector can help, and what are the limitations, and 2) an overview on what is currently done by the international community to sharpen the poverty focus in the forest sector work internationally and at the country level.

The **second segment** on the status of the forest sector in poverty reduction strategies, with focus on the Sub-Saharan Africa was outlined with an overview of the Poverty Reduction Strategy Processes and the national forest programme processes, accompanied with some ideas on the potential linkages between these processes.

The **third and final segment** was focusing on enhancing the contribution of the forest sector to the Poverty Reduction Strategies. It consisted of a case study from Mozambique on the linkages between the Poverty Reduction Strategy and the national forest programme of that country, and of 4 group works on

1. What is the appropriate role of the forest sector (and the natural resources in general) in poverty reduction strategies, and how can that be established?
2. How can the synergies between the poverty reduction strategy processes and processes for forest sector policy making and strategic planning be improved?
3. How can the international community best provide assistance for the countries to capture the potential forest-poverty synergies?
4. How can the effects of non-forest policies and actions on forests and the forest sector in the context of PRSPs be tackled?

For the end of the workshop an Open Session was arranged by the University of Helsinki, Viikki Tropical Resources Institute (VITRI), with the aim to inform a broader group of interested persons and institutions in Finland and outside on the outcome of the workshop, and to provide a forum for a broader dialogue on the key issues. Nearly 90 participants attended the Open Session.

3. Key Findings

3.1 Role of Forests and Forestry in Poverty Reduction Strategies

3.1.1 Characteristics of poverty in Africa

The following characteristics of poverty in Sub-Saharan Africa highlight the importance of forests, and natural resources in general, as an important element in poverty reduction strategies:

- Poverty in Sub-Saharan Africa is especially acute in the rural areas. In most countries more than 90% of the poor are rural.
- It is estimated that almost 60% of the hundreds of millions of rural Africans live below the poverty line, and in many African countries the proportion of people in the rural areas who live in conditions of extreme poverty is over 20%.
- It is estimated that globally 1.6 billion people rely heavily on forest resources for their livelihoods. No similar estimate is available for Sub-Saharan Africa but the number is in the hundreds of millions.
- Poverty is a multi-dimensional problem requiring holistic solutions that are sustainable over time. Economic growth and increased income are important but not the only routes to

poverty reduction. These need to be complemented by more equitable distribution of income and assets, reduction of insecurity and vulnerability, better access to basic services, reduction of social exclusion, empowerment of the poor and good governance.

3.1.2 Forest sector contributions to poverty reduction

Forests and the forest sector can provide important contributions to address the various dimensions of poverty:

Income generation: Products derived from forests and trees are important sources of cash income and employment for the rural poor. A great number of wood and non-wood forest products, including sawn wood, building materials, wood-based fibres, furniture, foodstuffs, medicines, household utensils (e.g. baskets, mats, dyes) and agricultural implements are sold on the local, national and in some cases even international markets. An estimated 15 million people in Sub-Saharan Africa earn cash income from forest related activities. Several million people derive their main source of income from forest based micro-enterprises, such as fuelwood sales, charcoal making, small-scale sawmilling, carpentry, furniture making, handicrafts and commercial hunting. Many of these activities are important especially for the most vulnerable groups, including women and children. The last few decades have also witnessed a notable growth in tree planting on small farms for the commercial production of poles and construction timber. In a number of forest rich Sub-Saharan countries the commercial forest sector is an important contributor to export earnings and other macroeconomic benefits, including government revenue and employment. For example in South Africa the commercial forestry sector employs directly or indirectly some 135 000 people. Commercial logging and sawmilling companies in the rest of the Sub-Saharan Africa provide some 200 000–300 000 jobs, with a similar number provided by activities associated with the forest industry.

Subsistence and vulnerability: Hundreds of millions of rural people in Sub-Saharan Africa rely heavily on forests for their subsistence. The poorest households, women and children are generally most forest-dependent, obtaining a major share of their subsistence from a diverse set of forest products, including many of the same products that are also sold for cash income. In addition to providing for daily subsistence needs, forests and trees play an important role in reducing the vulnerability of the rural poor to external shocks. Forest products are especially important in times of distress when food is scarce and there is no cash to purchase essential products from commercial sources. Forests form a “safety net” allowing the rural poor to survive through hardships and recurrent “hungry seasons” after families have finished the previous years crops, and new crops are yet to come.

Energy: the provision of low-cost energy is an important function of forests in Sub-Saharan Africa. Wood remains the main source of energy for the vast majority of rural Africans, and for many of the urban poor as well. Commonly in Sub-Saharan Africa between 70 and 90% of the population relies on fuelwood and charcoal for energy. The production, transport and sale of fuelwood and charcoal to rural and urban centres of consumption is a major source of employment and cash income for the poor, although to a large extent undocumented in the official statistics.

Agriculture and rural development: forests and trees contribute to crop and livestock production by providing soil nutrients and animal fodder, protecting the soil against erosion, maintaining water supply, pollinating crops and regulating weeds and pests. Forest and tree-based fodder, fertilisers and pesticides are especially important for poor farmers working in marginal environments as most of them have no access to other types of farming inputs.

Governance: Devolving forest resource ownership and management to local communities and removing excessive regulations which discriminate against the poor is a concrete means for empowerment and increasing the political capital of the poor. Over-regulation of the use of forest resources and limited accountability of public officials encourage corruption which usually harms the poor. Failure to develop forested regions, to consolidate legitimate government structures, and to invest in social services in these areas has contributed to violent conflict, illegal activities and a general weakening of the rule of law in many parts of Sub-Saharan Africa.

3.1.3 Potential pitfalls

Although forests and the forest sector have considerable potential to contribute to poverty reduction, the following issues require special attention to avoid unintentional negative consequences of forest related actions to the poor:

- Sustainable forest management and utilisation tends to be less profitable and requires more technical expertise than unsustainable practices. An appropriate mix of control and capacity building are essential elements to ensure sustainability of resource use and a continuous stream of benefits.
- High-value forests attract powerful outside interests. To ensure that the poor will benefit from their management and use requires that they have sufficient negotiating power backed by transparent governance structures. Mere “participation” is not sufficient to ensure a fair deal for the poor.
- Tree planting is a relatively long-term activity, especially from the perspective of the rural poor. Economic incentives need to be developed to bridge this gap. These could be based on compensation for environmental benefits or advance payments for future sales of products.
- Forests and forestry can be in competition with other forms of improving rural livelihoods, e.g. in terms of land use options, investment and use of labour inputs. Forest based poverty reduction strategies need to be based on a careful assessment of these trade-offs.
- The approaches chosen in forest and biodiversity conservation can have considerable impacts on the livelihoods of the rural poor. Denying access and rights by “closing off” forests can be especially harmful for the poor by depriving them of subsistence and income. Different forms of joint and collaborative conservation management offer promise for generating benefits for the poor.

Recognising the diverse nature of rural livelihoods and their development dynamics in different resource-settings, and taking into account other societal objectives for forest resource use and conservation, is the basis for defining an appropriate role for forests and the forest sector in poverty reduction.

3.2 Current Status of Forests and The Forest Sector in Poverty Reduction Strategies

By mid-2002, 25 Sub-Saharan countries had established their Interim Poverty Reduction Strategy Papers (I-PRSP), and 11 countries had formulated full Poverty Reduction Strategy Papers (PRSP)¹. The following summarises the current status of forests and the forest sector in these strategies:

- Forest and forestry related **issues** are somehow touched upon in the poverty analysis in about half of the I-PRSPs, and in all PRSPs in Sub-Saharan Africa. However, in general the assessment is superficial and unsystematic. Most often forest issues do not appear in the poverty analysis as such, but are introduced later in the descriptive parts of the programmatic and cross-sectoral areas, especially in the context of rural development and environment. In some cases there is an attempt to analyse the **cause-effect linkages** between forest issues and poverty, but in general this type of analysis is weak or non-existent. Livelihoods type assessments, which would look into the natural resource dependencies of the poor, are not generally used to complement the poverty assessments.
- Considering the relatively modest level of analysis of the role of forests and the forest sector in poverty reduction, forest-related **responses** are proposed in surprisingly many I-PRSPs and PRSPs. The responses are presented as a sub-set of activities under different PRSP programme areas (e.g. agriculture, rural development, environment), and include such actions as reforestation, forest management, development of forest-based micro enterprises, community forestry, and promotion of private investment into forestry. The approach would seem to indicate that the forest-related responses are commonly perceived as supportive activities to larger more directly poverty relevant sectors, more than as a productive sector per se.
- **Linkages** between the PRSP processes and forest policy and planning processes are generally weak. In the few cases where this type of linkage is clearly visible in the PRSP process, it seems to have improved considerably the integration of forest related issues, analysis and responses in the PRSP. In the two cases where the forest related actions form a coherent set of activities covering policy, institutional and field implementation levels, these linkages are explicitly mentioned, and reference is made in the PRSP to the national forest programme process.

In conclusion, there is a great variation in the way Poverty Reduction Strategies in Sub-Saharan Africa deal with forest related issues. Partly this is a reflection of the changing nature of the PRSPs from their initial strong focus on the social sector towards a more comprehensive planning instrument. Partly it reflects the varying capacity of the forest sector to engage with this type of broader process. The main issues identified for further consideration are summarised in the Boxes 1 and 2.

¹ The **PRS concept** was formally endorsed at the 1999 World Bank Group and IMF Annual Meeting. I-PRSPs or PRSPs provide the basis for all concessional lending and for debt relief under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative. Building on the principles of the Comprehensive Development Framework (CDF), PRSPs provide a framework for (i) country-led and participatory poverty measurement and analysis, (ii) policy formulation, (iii) formulation of programmes for priority public sector action, (iv) systematic monitoring, and (v) coordination of national and international constituencies and institutions to address priority areas related to poverty reduction. PRSPs are generally strategies spanning a three-year period, positioned in the context of the long-term national development objectives and strategies. Especially in the African countries, PRSPs also focus on budget reform with the aim of mainstreaming poverty reduction objectives in the medium-term expenditure frameworks (MTEF) in order to improve the efficiency in resource allocation. All World Bank Country Assistance Strategies (CAS) and CAS updates prepared after July 2002 are expected to be consistent with priorities and targets identified in I-PRSPs or PRSPs. Bilateral donors have strongly endorsed the PRS process and agreed that these strategies should serve as a framework for their assistance. Many donors have also agreed in principle to align their programmes with PRSPs, recognising the need to harmonise and simplify procedures for aid delivery and to concentrate assistance only in priority areas identified in PRSPs.

Box 1. Issues regarding the PRS processes

- the need to analyse the implications of the evolution of the PRSP to a comprehensive country-led participatory development planning instrument, so as to ensure that the scope of the PRS process and the methods and tools used are compatible with such an expanded mandate;
- implications of the lack of analysis of the role of natural resources, including forests, as determinants of human well-being in the poverty assessment as currently carried out in the PRS processes;
- implications of the lack of analysis on the potential adverse effects of the (short-term focused) policies and programmes contained in PRSPs on the (long-term) sustainability of forests and natural resources; and
- the sustainability implications of the lack of forest and natural resource related indicators in the PRSP monitoring frameworks, and the consequential omission of these sectors from monitoring reports.

Box 2. Issues internal to the forest sector

- the need for the forest sector to use the PRS process as a means for a meaningful dialogue on the macro and cross-sectoral issues which have proved difficult to resolve through sectoral policies and programmes;
- the need for the forest sector to assume a more pro-active stance in relation to PRS processes to ensure that forest issues are taken on board in the broader PRSP programmatic and cross-cutting components;
- the need for the forest sector to maintain robust policy and planning processes based on a convincing analysis on the forest (natural resource) dependencies of the poor to be able to make its case in the PRS processes; and
- the need to follow up the priority given to the forest and natural resource sectors in the actual PRSP costing and expenditure.

3.3 Connecting National Forest Programmes and Poverty Reduction Strategies

National forest programmes are country specific processes for policy formulation and implementation towards sustainable forest management. They constitute both a framework for planning to give a strategic orientation to forest sector development, and a framework for action for the coordinated implementation of policies by all stakeholders. The concept of national forest programmes has been defined by governments participating in the Intergovernmental Panel on Forests (IPF) and the Intergovernmental Forum on Forests (IFF) established under the Commission on Sustainable Development following the UNCED².

² The IPF (Intergovernmental Panel on Forests) and the IFF (Intergovernmental Forum on Forests) have agreed on the concept of **national forest programmes (NFPs)** as a viable framework for addressing forest sector issues in a holistic, comprehensive and multisectoral manner in the context of wider strategies and programmes for sustainable development. NFPs are understood as a generic expression for a wide range of policy and planning approaches leading towards sustainable forest management and conservation, applicable at national and sub-national levels. The IPF/IFF defined *inter alia* the following principles for NFPs: (i) national sovereignty and country leadership, (ii) consistency with the constitutional and legal frameworks of each country as well as with international commitments, (iii) partnership and participation of all interested parties in the process (with special regard for indigenous people and local communities), (iv) promoting secure land tenure arrangements, and (v) being based on ecosystems approaches that integrate the conservation of biodiversity with its sustainable use. NFPs are seen as a continuous cycle of planning, implementation and monitoring. The UNFF (United Nations Forum on Forests) has a mandate to monitor the development and implementation of NFPs.

National forest programmes have notable similarities with the Poverty Reduction Strategy processes both in terms of their aims and underlying principles, as well as regarding their operational steps (Boxes 3 and 4).

Improved coordination of PRS and national forest programme processes can result in considerable benefits for both processes.

Box 3. PRS and national forest programme aims

<p>Poverty reduction strategies are:</p> <ul style="list-style-type: none"> • country driven, • results oriented, • comprehensive in scope, • partnership oriented, • long-term in perspective, and • participatory. 	<p>National forest programmes are:</p> <ul style="list-style-type: none"> • based on national sovereignty and country leadership, • consistent with national constitutional and legal frameworks and sustainable development policy and strategies • consistent with international agreements, • holistic and intersectoral in approach, and • based on partnership of government and other stakeholders and broad participation.
---	---

Box 4. PRS and national forest programme processes

<p>PRS processes are:</p> <ul style="list-style-type: none"> • participatory processes designed to improve understanding of poverty issues and build stakeholder support, • based on the poverty diagnostic which aims to understand the features of poverty and the factors that determine it • focusing on the definition of the priority public actions and their inclusion in the public expenditure programme, and • resulting in the identification of goals, indicators of progress, and a monitoring and evaluation system. 	<p>National forest programme processes:</p> <ul style="list-style-type: none"> • Are long-term and dynamic processes of consultation, policy formulation and implementation, responsive to changes in needs and priorities, • Emphasise capacity building for the formulation and implementation of effective policies and programmes, • focus on policy and institutional reform to develop the right conditions for sustainable forest management and increased investment in the sector, and • aim at the raising of awareness to gain political commitment and ensure that the sectoral programmes are holistic and integrated into the overall development plan.
--	--

Benefits to national forest programmes: Linking with PRS processes can benefit national forest programmes by providing a platform for dialogue at a sufficiently high level to address macro-level and cross sectoral issues critical to sustainable forest management. These include inter alia (i) the impacts of macroeconomic policies and structural adjustment, (ii) the impacts of the policies and instruments of such sectors as agriculture, mining and roads, (iii) forest resource governance and control of illegal activities, (iv) coordination of policies and policy implementation between the forest sector, environment, agriculture, rural development and other sectors relevant in a specific country, (v) land tenure and ownership, and (vi) public sector reform, decentralisation and privatisation of resource management. The experience so far with national forest programmes suggests that these issues cannot be solved within a sectoral policy planning process or using ad hoc consultations. The PRS process provides the forest sector with a unique opportunity to mainstream at national level dialogue on this type of issues.

Benefits to PRS processes: Effective coordination with national forest programmes can also benefit PRS processes by ensuring that the potential of the forest sector to contribute to poverty reduction is properly assessed and tapped. The establishment of effective linkages between the PRS and the national forest programme process is a way to guarantee that the forest sector related responses in the PRS are coherently formulated, include the necessary actions at the policy, institutional and implementation level, and are based on the concept of sustainable resource management. A close linkage between the PRS process and the national forest programme can also help to sharpen the poverty focus in the policies and actions of the forest sector, e.g. by more attention being paid to such issues as the distribution of forest related benefits between different groups, guaranteeing the access of the poor to the forest resource, and more attention being paid to issues related to economic growth.

Establishing the link: Developing national forest programmes in the context of broader programmes for rural development seems an effective way of ensuring coordination. Agricultural and rural development are inevitably among the core programme areas in PRS processes in Sub-Saharan Africa. Integrating in or closely coordinating with such programmes goes a long way to ensuring that the national forest programme is also incorporated in the PRS. Other effective entry points for the forest sector include environmental plans and programmes, and broader programmes for natural resource management (including forests, water, fisheries etc.). Regarding the PRS process, the most effective points of entry for forest related issues and actions include the local level consultations where local perspectives on poverty and its causes are identified. Also the various sectoral and intersectoral working groups and committees set up during the PRS processes can provide an effective platform. Securing a seat at the table for the forest sector in these events is the key in this regard.

4. Key outcomes

The workshop identified the following issues and actions as critical to enhancing the contribution of forests and the forest sector to poverty reduction strategy processes:

Improving the knowledge base on forest sector contribution to poverty reduction: The contribution of forests to national economic development and poverty reduction is significant but there is lack of clarity on the magnitude of this contribution. This is mainly due to poor forest valuation methods, especially regarding forest values that are related to subsistence use and environmental and other indirect benefits, but also regarding many of the commercial products relevant to the poor. To make its case, the forest sector needs to provide PRSs with a convincing analysis of these values and demonstrate the potential contribution of forests and trees on farms to poverty reduction. The role forests play as a “safety net” in safeguarding the poor against poverty needs also to be demonstrated through reliable data. This role is not recognised in PRSs so far, and forests are frequently seen as only perpetuating “poverty traps”. Major research efforts are needed to enable the forest sector to make its case in the PRS processes. Incorporating such approaches as sustainable livelihoods assessment, complementing the more traditional methods of poverty diagnostics, in the PRS processes could also help in this regard. Adding forest-related indicators to poverty surveys would also help to make these links and roles explicit.

Linking PRSPs and national forest programmes: There is an urgent need to make PRSPs and forest policy and planning processes (i.e. national forest programmes) mutually reinforcing. The forest sector should recognise the role of PRSs as the overall national

planning framework, to which forest policies and planning need to be made compatible. Coordination between the government entities responsible for these processes is also important. Dialogue is needed both during the local consultations and at the national level, e.g. in the macroeconomic, inter-ministerial and government-donor working groups. The forest sector needs strong advocacy to make its case in the PRSs. An effective strategy could be to ensure that a forest “champion” is included in the PRS steering committee. The planning capacity in ministries responsible for the forest sector needs to be enhanced to enable them to participate effectively in PRS processes. With regard to budget reform the forest sector should develop effective financing strategies in line with PRS priorities.

Identifying and mitigating potential negative impacts of PRSs on forests: A framework for policy coordination at the national level should be established to minimise potential adverse effects of non-forest policies, including those at the macro-level, on the sustainability of the forest resource. As a priority, it has to be ensured that the “safety net” function of forests is not endangered without providing a credible alternative. The monitoring of impacts on the forest resource should be made part of the PRSP monitoring framework. Specific indicators need to be developed for this. The international organisations, especially the World Bank, should also ensure that these potential impacts are assessed at an early stage of structural adjustment operations.

Targeting international assistance to removing key constraints: Two major areas were identified where assistance from the international community is urgently needed. Helping countries to make their forest sector policies and policy implementation more poverty focussed is a continuous challenge. Assistance to this should be channelled through the national forest programme processes, and should focus especially on: (i) improving the involvement of the private sector and increasing productive investments in forestry, (ii) empowering the rural poor, local communities and civil society in general, (iii) resolving trade related issues at the domestic, regional and international levels, (iv) developing more equitable forest policies, (v) improving use of forest related innovative financing mechanisms and targeting of these to benefit the poor, (vi) improving internal revenue generation of the sector, and (vii) promoting and managing pro poor institutional change. The forest sector also needs assistance to make its case to the ministries of finance more effectively. The tools for this include improved information and knowledge, advocacy, and improved cross-sectoral collaboration. To be able to effectively engage in PRSs, forest sector actors also need a better understanding of these processes and their underlying logic.

The workshop provided a first opportunity for decision-makers and experts representing diverse interests and sectors, including both national economy and finance and forest sector policies and planning, to discuss the issue of forests and forest sector in poverty reduction strategies. A better understanding of how forests should fit into Poverty Reduction Strategies came out of the workshop.

Many participants expressed that this type of dialogue is vital to advancing the better integration of the forest sector into the global efforts for poverty reduction, and to ensure the effective implementation of the Millennium Declaration. It was strongly recommended that the dialogue be continued at the national, regional and international levels.

Opening Address

Pertti Majanen

Under-Secretary of State, Ministry for Foreign Affairs, Finland
Global Commitment to Reduce Poverty

Ladies and Gentlemen,

I am delighted to see that so many of you have responded to our invitation to come to this workshop and I would like to warmly welcome you all. The theme of this workshop “*the relationship between forests and poverty*” is an important and timely one in our globalising world, in the framework defined by the Millennium Declaration, the Monterrey meeting, the Global Deal and commitments made in Johannesburg.

Sometimes I have compared globalisation with the industrial revolution and the process of industrialization. Their social and societal implications are similarly revolutionary and they have the potential to change the global way of life. Living conditions on the earth would not be so favourable today without the benefits of industrialization. The process of industrialization also had its disadvantages. It created, among other things, massive inequalities, terrible working conditions and human suffering that had to be handled and managed by governments. It needed pressure from trade unions, churches and civic organizations to force governments to deal with these problems. With the exception of environmental problems, the negative sides were mostly mastered and overcome in time. Globalisation may bring similar problems, and the nation state and the public sector have a major role to be played in the management of the problems.

The goals of the UN conferences of the 1990s, are incorporated in the goals of the UN Millennium Declaration. The Declaration covers the stated common values and objectives, the new dimensions of globalisation and guarantees the coherence of our activities. However, without the political will, its implementation cannot succeed. The signatories of the declaration bear the responsibility for its implementation. The UN is a major tool at the disposal of nation states for managing globalisation.

Eradication of extreme poverty and hunger is the first of the eight Millennium Development Goals. It is specified further with the objective of halving the proportion of people living in absolute poverty and halving the proportion of people suffering from hunger by 2015. All the other ‘problem-goals’ – universal primary education; gender equality and empowerment of women; improved maternal health; combat against HIV-AIDS, malaria and other diseases; and ensuring environmental sustainability – are connected by a cause-effect

relation to the goal to eradicate poverty. So again, poverty is at the very centre of everything. The eighth goal – development of a global partnership for development – offers the necessary strategy to start the struggle.

What is poverty? Who is a poor person? How do we distinguish her or him? In our debates we repeatedly hear mentioned the phrase “earning less than a dollar per day” referring to a poor person. As we know, this is an oversimplification, as it is now widely understood that poverty is a multi-faceted issue. *Economic welfare*, consisting of income, assets, production capacity and capacity to consume is only one part of the modern definition of poverty. The OECD-DAC Guidelines on Poverty Reduction describe poverty as a star with five points, consisting of: *human welfare; socio-cultural acceptance; political rights; security and risk management*; and, the already mentioned, *economic welfare*.

The Millennium Declaration is not meant to remain only a solemn declaration of our good intentions. Its only value lies in its implementation. The Doha Ministerial meeting on trade, the Monterrey conference on financing development, and the Johannesburg summit on sustainable development are important milestones on the way towards the implementation of the MDGs.

- In Doha the development issues entered the trade agenda for the first time. Now we have to work hard so that the Doha Development Agenda (DDA) will also be actively implemented, with better access to developing countries’ products, with phasing out the various subsidies and with strong technical assistance to developing countries on trade capacity building.
- In Monterrey we were able to reach a global deal. The developing countries committed themselves to creating a domestic enabling environment with democracy, human rights, anti-corruption and sound economic policies to guarantee domestic and private financing. For their part, industrial countries committed themselves to implementing the DDA and for increased official development assistance.
- In Johannesburg a political declaration and an action plan were made. There was a great focus on poverty eradication, and special attention was paid to the problems of globalisation. In relation to natural resources, actions for slowing down the loss of biodiversity, and slowing down the loss of fish resources were made. Forests are explicitly mentioned in relation to control of illegal logging, but are actually inherently connected to many parts of the action programme. Good examples of this are forests in watersheds and the role of trees as a source of renewable energy.

The international donor community has generally embraced the Global Agenda, with poverty reduction as the overriding goal. One way of implementing the Agenda is to channel assistance more selectively to countries which have the greatest needs and have committed themselves to common goals.

This is not a new step for Finland. In February 2001 Finland took another step in this direction. The Government then approved a white paper on “Operationalisation of the Goals of Development Policy in Finland’s International Development Cooperation.” According to the decision, we are now devoting a larger share of our bilateral assistance to a smaller number of long-term partner countries. All of these countries shall be least-developed or low-income countries with reasonably good policies and strong commitment to poverty reduction.

Apart from trying to be more selective in choosing our partners, we are reforming our approaches to working with these partners. Above all, we are gradually moving from individual projects run by outside consultants to sector-wide approaches or even more general support for the development efforts owned and managed by the governments and people of our partner countries.

In Finland poverty reduction has entered the mainstream of our foreign policy. At the same time development cooperation is serving as an instrument for other foreign policy goals. As

clarified in the Government's White Paper, the long-term partnerships are mainly based on poverty reduction. The shorter-term use of development cooperation is targeted thematically, for instance, towards conflict prevention, civil crisis management, to support transitions to democracy, environmental problems, human rights, international trade issues, etc. It is very clear, and I emphasize it, that the two approaches are non-exclusive and complementary. Poverty reduction works for crisis prevention, and crisis prevention works for poverty reduction.

There has been much discussion on the amount of funding to ODA as a means to fight poverty. In Finland a committee headed by our former Prime Minister, Mr. Harri Holkeri has just recently been established to assess the ways and timetable to reach the recommended 0.7% of GNP. The committee has just started its work last week and is due to submit its report early in 2003. The timing for this is now very opportune, as Finland is heading towards elections and the public opinion on increasing ODA-funding is rather positive. Three out of every four Finns considers it important to raise the funding.

Finland is a forest country. Two-thirds of our land area are covered with forests and a substantial part of our foreign exports are still based in forest products. Finland is also known as a forestry cooperation country. We have now had forestry cooperation in different forms for some 30 years.

Finland considers this workshop to be a part of a process on forests and poverty which was started about a year ago by FAO and which will continue further. For the Ministry for Foreign Affairs of Finland the workshop serves two purposes: (1) internationally we aim at a substantial contribution to the process by addressing the issue of untapped potentials of forests in the framework of national poverty reduction strategies; and (2) internally, the outcomes of the workshop will be used when drafting the new internal guidelines for future forestry development cooperation.

In addition to organising it, what can Finland offer in this workshop?

- Firstly we can share our own experience on the relation of forests and poverty. Forests have long been a source of livelihoods and employment for Finns. In the early decades after Finland gained independence (in 1917) we were a poor agrarian country. The rural population depended on farming to make a living, but had an intimate relationship with forests. Many farms had and still have forests which were used as a source for raw materials and income. Many farmers supplemented their livelihoods by producing timber from their own forests and working as paid loggers in other people's forests.
- Secondly we can share the lessons learnt from our successes and failures in our forests. The most important of these is that conservation and sustainable utilisation must proceed hand in hand. As long as the people do not understand the economic value of forests – the economic opportunities they offer for small and bigger farmers, and the economic benefits that improve their livelihood – there will be no means of protecting the natural forests and forests in vulnerable areas. Without the willingness and understanding of the people and communities themselves, there cannot be an effective logging ban, and therefore no way of enforcement that could save the forests. Community forestry and sustainable forest plantations with sound forest management promote conservation and protection. The government alone cannot be trusted with the huge task of protection, but it is the duty of the government to create such a forestry policy environment that enables the protection and sustainable utilisation to proceed together. This is an important lesson from the long history of forestry in Finland.

Ladies and Gentlemen, Dear participants, a colleague of mine describes the problems of poverty reduction as a multiple choice question, like those which we had in our school and university exams. The question goes: *What would you do to remove poverty from the earth?*

(a) eliminate conflicts and wars, (b) resolve the problem of HIV-AIDS or (c) make good national poverty reduction strategy and implement it? I think that the correct answer to this difficult question is a, b and c all together, with the addition that all this has to take place in an environment that guarantees human rights and empowers the people, particularly women, to contribute and participate fully and freely.

Here today, we have the possibility and duty to study and identify the results that can be achieved through forestry in the context of poverty reduction strategies. Please, let us make a good use of this opportunity. Kindly be practical, pragmatic, matter of fact and action oriented – not forgetting the art of the possible. I wish You all a very productive and fruitful workshop.

1st Segment
The Role and Potential of the Forest
Sector in Poverty Reduction

Forest-Based Sustainable Development: Forest Resource Potentials, Emerging Socio-Economic Issues and Policy Development Challenges in CITs

Ilpo Tikkanen, Anssi Niskanen, Laura Bouriaud, Olga Zyrina,

Bruce Michie and Ari Pussinen

European Forest Institute

Abstract

Rural populations are highly dependent on forest related activities in many Eastern European countries. During the last 10 years of transition, the processes such as restitution, privatization, reformulation of policy and legislation were common features of forest sector development in these countries. This paper discusses the forest-based development potentials in poverty alleviation in countries with economies in transition, as well as socio-economic development issues in rural areas, with the purpose of learning lessons that are valuable also to the Sub-Saharan Africa in their process of transformation towards a more market-based economies. The recent trends and scenarios on forest resources and their utilization produce an overall outlook, which suggests further possibilities related to forests, provided that sustainable forest management regimes will be implemented. Major difficulties in forest policy development lie in the implementation stage of policy processes.

The authors conclude that forest-related poverty alleviation, rural development strategies and practical measures should have a co-ordinated and well-targeted focus on the key factors underlying and causing policy implementation failures. As priority elements they especially recommend strengthening human capacities, institutions, networks and knowledge sharing by enhancing research, education, and continuous training and extension at all levels. In the CIT region, national, EU and international policies could focus on these informational tools in partnership with global and regional institutions and organizations through efficiently co-ordinated action programmes.

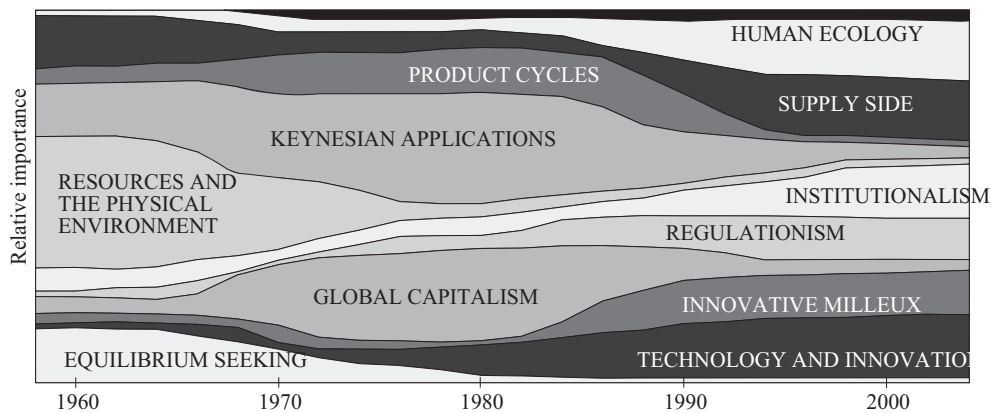


Figure 1. Importance of development theories in the late 20th century (Hytinen et al. 2002).

1. Evolving Development Theories – Any Answers?

Forest-based development potentials can be viewed from the position of evolving development theories that lead to different strategies, emphasising various key factors of welfare development. The variety of theories reflects the varying emphasis of interests in explaining development, a certain historical stage of development, the different intellectual environments and the evolution of theoretical ideas, as defined in more detail in Tykkyläinen et al. (1997) and Hytinen et al. (2002). The importance of the regional development theories in the late 20th century is illustrated in Figure 1.

The popular theoretical approach in the 1960s and 1970s was the so-called *Keynesian approach*, where issues such as growth centres, propulsive industries and multiplier effects were emphasized. The role of public policies was to support and promote the production of such industries that were considered to have a good chance of success. This approach was central to theoretical doctrine in forest economics for a long time, following policy analysis and introducing policy recommendations to less-developed areas, where the forest sector was considered as having development potential (Palo 1988).

Since the 1970s when development theories have evolved, the scope of the mainstream Keynesian approach has broadened and new theories have been developed. Among the new theories, it appears that particularly theories on *technology and innovations*, *institutionalism* as well as *human ecology and environmental management* have gained in popularity towards the end of the 20th century. Also, supply side theory, emphasizing welfare development through public interventions still has high relevancy. For example, making infrastructure development in order to attract private investments.

Innovations have basically been at the core of many evolved development theories. Given that innovations and progress in production technology are common measures of enterprise success, the role of the public sector – according to approaches emphasizing technology and innovations – is to promote innovations and advances in production technology through technology support, enterprise incubators, etc. Innovations increase the productivity of labour, and such increases in productivity can often explain why forest enterprises downsize labour. Thus, innovations may have a negative impact on the development of welfare in that sense, but they are necessary to keep enterprises competitive. On the other hand, innovations are prerequisites for new products,

and therefore innovations are – almost always – necessary conditions for development. In relation to innovations, it is possible that a locality or region is frequently capable of producing innovations and it becomes an environment, which is innovative. In this case it can be called an *innovative millieux* for developing new technologies and innovations for development.

In general, the cultural environment of the society as well as prevailing social values affects industries and their success. Unresponsive attitudes towards enterprises or a heavy bureaucratic legacy, for instance, may hinder the development of the industry in a region or country. Countries, where the forest sector has a significant role, have developed their legislation and organizations to favour a certain type of forest utilization. A great number of organizations, which operate in this field, have created an institutional capacity to make a competitive forest-based economy. Hence, development is dependent on institutional solutions, meaning a variety of actors, which foster formal and informal institutions for development. In *institutional approach*, it is foreseen that institutions provide the backbone for the welfare development. In a broad sense, institutions include the constitutions, rules, laws, property rights, organizations, informal or tacit institutions, individual habits, customs, codes of conduct, group routines, social norms, values, sanctions, taboos and traditions.

Environmental management has its roots in the growing interest in applying principles arising from human ecology and environmentalism. For example, public perceptions on resource management, environmental control and environmental impact assessment all influence the structure of production, availability of resources as well as the demand for products and services. Thus, the environmental factors and environmental preferences have – according to this *human ecology* and *environmental management* approach – increasing importance in the location of production.

All described theoretical approaches have relevance to the question of forest-based welfare development. They have had varying importance in the history, but also in different countries or group of countries. For example, it may be that the Keynesian approach has somewhat higher relevancy in European Countries with Economies in Transition (CITs) than in Western European countries where innovations and ecological factors as a stimulus for development have traditionally had high emphasis.

One relevant question to CITs is the possibility of adapting directly to modern theoretical approaches in public policies. Although attractive as an idea, this may be problematic in the short term because of the path dependency of development (Neil and Tykkyläinen 1998). The *path dependency* demonstrates the difficulty of adapting directly to a new strand of development without building up experience from the former stages. For example, it may be difficult to adapt new policies encouraging the development of innovative millieux in a country, if the existing institutions are not motivated with the challenges it brings.

In the forest sector in CITs, the path dependency would mean that the most modern development theories were more applicable in the future and that currently the forest resources and their utilization would be based on more traditional approaches (such as the Keynesian approach) in forest economics. If this was the case it would mean that, in the near future at least, an enterprise-level production would be limited by low technology and related low productivity, low profitability and customized production.

The role of these potentially relevant theories for welfare development is important. The theories can attempt to explain where the development emphasis should be as well as to indicate where the main bottlenecks for development are. However, one needs to be aware of the limitations of the different theories and acknowledge that in different countries and at various stages of development, different theories apply. The benefit from following the evolution of development theories is that the direction of change is foreseen, even though the theories would not directly influence the current practices.

2. Forest Resource Potentials in CITs and Their Utilization

2.1 Trends in inventory, increment and removals

Forest resource scenarios provide a basis for assessing production potentials as a starting point for development strategies. The following data is based on the European Forest Resource Database (EEFR), which includes data from national forest inventories. The projections have been done with the European Forest Information Scenario model (EFISCEN) (Pussinen et al. 2001). The following countries are included in the projections: Albania, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia, Macedonia, Yugoslavia, Belarus and Ukraine. The total forest area (Forest Available for Wood Supply, FAWS) included in this study is 47.63 million ha.

Two scenarios were investigated: (1) expected economic growth; and (2) high economic growth. Increasing demand for wood can be expected due to economic growth. The demand scenarios are based on preliminary results of the European Forest Sector Outlook Studies (EFSOS).

Currently, forests in Eastern Europe are characterized by a large amount of middle-aged forests. Therefore, felling potential will increase considerably in the future. The average growing stock in 2000 is about 200 m³/ha. In the high demand scenario it increases to 235 m³/ha by the year 2050 and then levels off (Figure 2). Under the expected demand scenario, growing stock increases up to 260 m³/ha before it levels off.

The increment did not vary much between two demand scenarios. At the beginning of the study period, the increment is 5.7 m³/ha/yr and it decreases to 5 m³/ha/yr by the year 2050. The decrease results from a change of age class distribution (Figure 3).

The predicted high economic growth also increases demand of wood and this can be seen in substantially increasing felling amounts (Figure 4). The felling is just over 3 m³/ha/yr in the beginning, which is about 55% of increment but it increases to nearly 5 m³/ha/yr after 30 years (Figure 4).

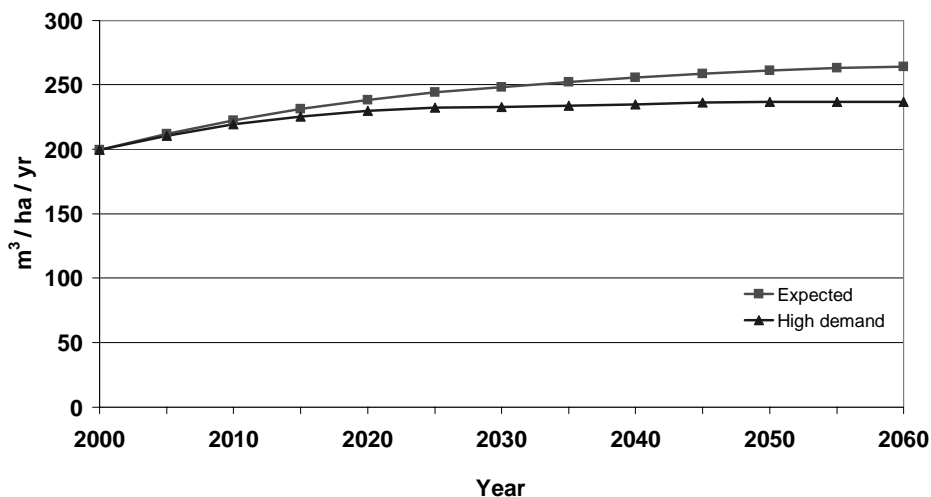


Figure 2. Projected growing stock in CIT countries included in this study under two different demand scenarios between 2000 and 2060.

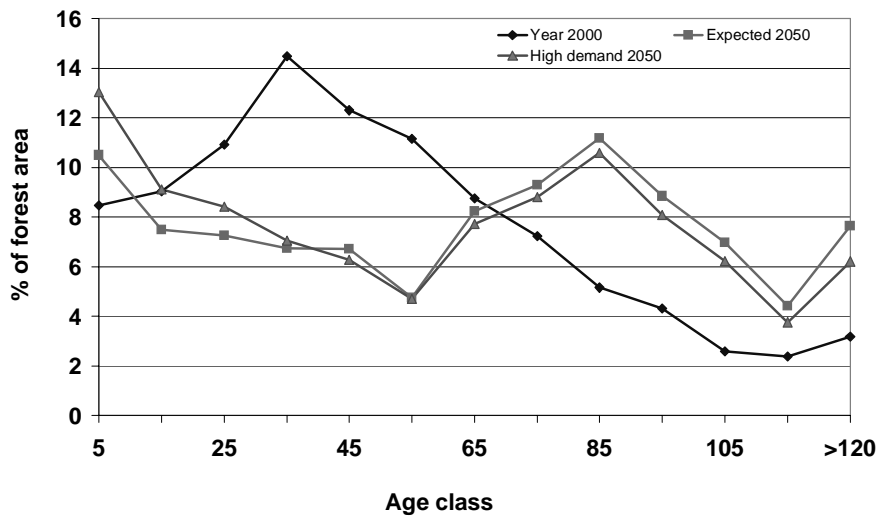


Figure 3. Age class distribution of forests in the CIT countries included in this study in 2000 and in 2050 under two different scenarios.

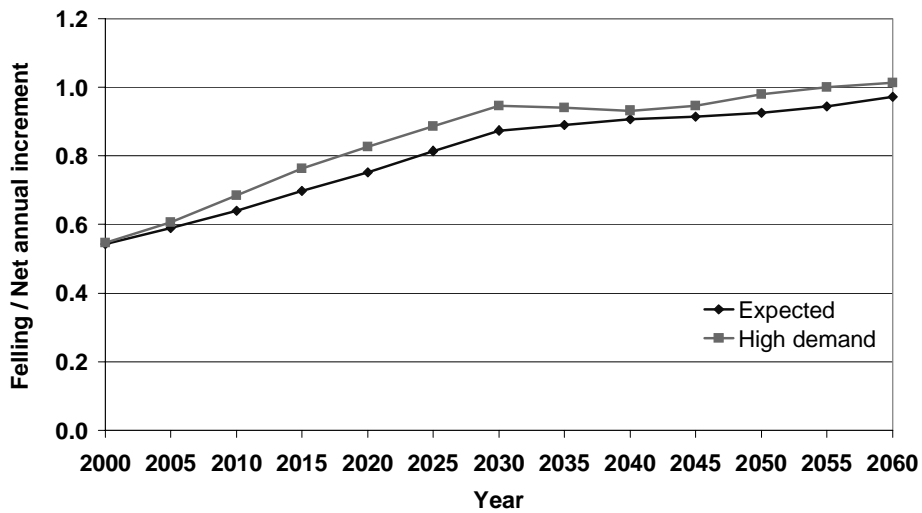


Figure 4. Felling to increment ratio in the CIT countries included in this study under two different demand scenarios between 2000 and 2060.

The felling is between 90 and 100% of increment after the year 2030, which is nearly twice as high as the current level. In the high demand scenario, it was not possible to conduct all required fellings in every country due to the absence of mature timber after 2030. However, in some countries it would be possible to increase fellings. The EFISCEN model does not take into account trade, which would level off the differences between supply and demand.

In broad terms, the scenarios propose that even under increasing demand conditions, there will be space for expanding the forest-based production, provided that preconditions for sustainable forest management are implemented in the long term.

2.2 Increase in utilization of forest resources

In Eastern European countries, the governments estimate an annual allowable cut, which is calculated according to the sustained yield principle. Nevertheless, no clear statistical data exist to forecast future evolution of removals. The data on the evolution of forest resource – area and growth – are not always reliable. For example, Romanian national statistics mentioned a loss of forest area in the last decade, while the Temperate and Boreal Forest Resource Assessment's (TBFRA) annual change of forest cover is positive.

The abandonment of agricultural marginal land could lead to an expansion of forest area, and in the long term, to higher volume removal. However, in the short term the removals will increase in some countries as a result of clarification of property rights. On the other hand, the restrictions in the final cuttings affected 30% of forest area in Estonia, 20% in Slovakia and Hungary, 7% in Lithuania, and 5% in Romania (Bouriaud 2002).

For the last ten years, significant changes in removals have been recorded in Estonia, Slovakia and the Czech Republic, and they are linked to the growing private forest ownership. In Estonia, the volume harvested has more than doubled. In 1998 it was 6.1 million m³, and in 1993 it was 2.4 million m³. While the volume harvested in the public forest has been maintained at 2.7 million ha, the increase of total removals has taken place in private forests. In other words, the intensity of harvesting in private forests has been three times greater than in public forests (Ahas 1999; Sollander 2000).

In the Czech Republic after slowing down in 1992–1993, the logging has been increasing and now it has reached the peak level of the 1980s. This increase is related to the advancement of the restitution process, but a major fact was the 'jump' of timber prices in 1997 (Czech Republic, Ministry of Agriculture 1998). The private owners reacted by increasing the area of final fellings. There is a similar situation in Slovakia, where since 1994 the annual removals were systematically above the annual allowable cut. In 1997, the removals exceeded the AAC by 18.7% (Slovakia, Ministry of Agriculture 1998). More than half of the total volume removed have represented sanitation fellings.

The volume harvested during sanitation fellings exceeded its forecasted value in Hungary (400% greater than forecast) (Sollander 2000) and in Romania (40% greater than forecast).

Accordingly, one of the possible scenarios for these countries (Estonia, Slovakia, Czech Republic, Hungary and Romania) is an increase of removals in the short term (10–25 years), followed by a decreasing trend for the next 10–15 years. This may come as a result of two factors: (i) the temporary depletion of resource; and (ii) the abandonment of management in small forest holdings. A slight increase can be predicted in the long term as a result of afforestation and of improvement of forest management for small holdings, which is comparable to predictions of the EFSOS study as shown above (Figure 4 high demand scenario). According to different national studies, an abandonment of some private forests has already been recorded in Poland, Romania, Hungary and Estonia. As shown in Figures 5 and 6, the total roundwood consumption has been increasing since the mid-1990s.

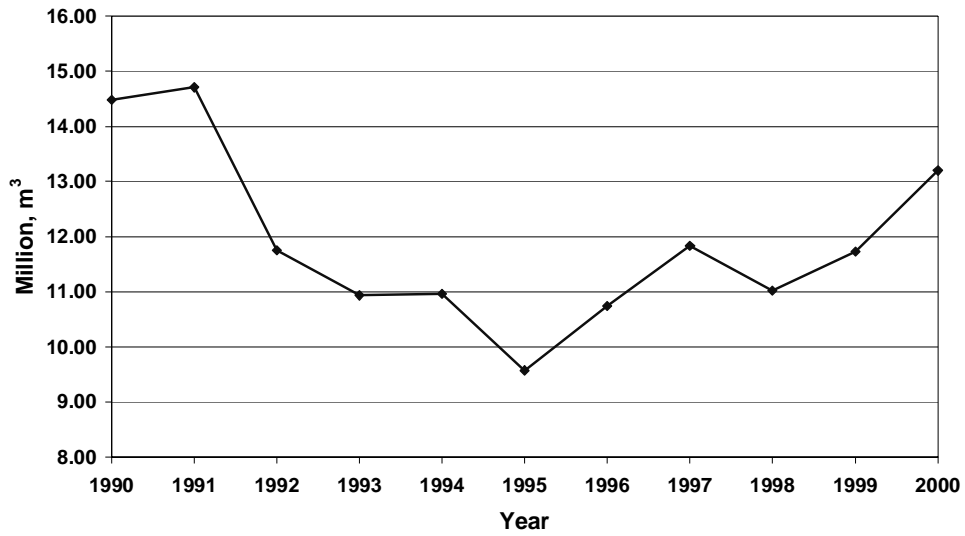


Figure 5. Total fuel wood consumption for Eastern Europe.

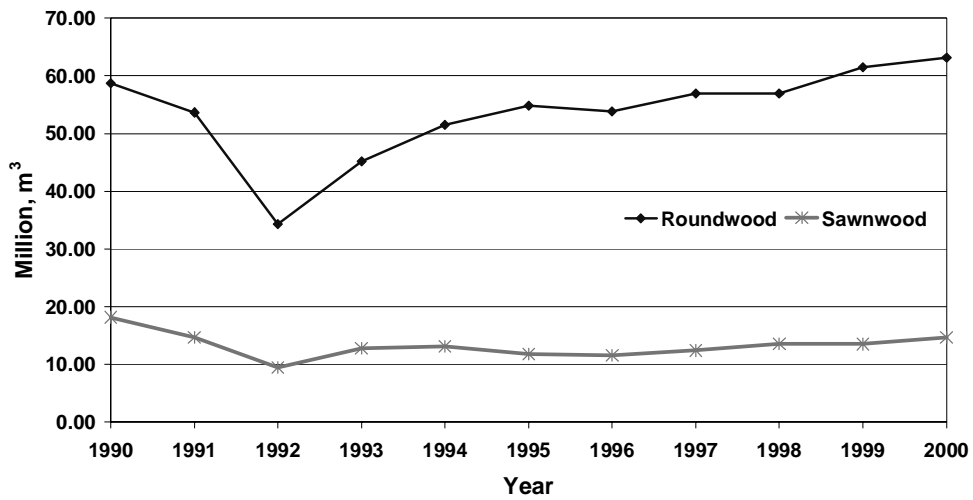


Figure 6. Production of sawnwood and industrial roundwood for Eastern Europe.

3. Trends in markets of forest products

Analysis of the trade flows of forest industry products between countries in transition and other regions of Europe gives an indication about the recovery as well as integration of the forest sector to evolving markets. In addition, it indicates the forest-based development potentials of the region.

Trends of trade of forest products within Europe (including Russia and all the former Soviet Union countries) are facilitated by looking at net trade of groups of countries that have been formed into regions. For the purposes of this discussion seven regions are considered based on the data from the EFI/WFSE Forest Products Trade Flow Database (Michie and Wardle 1998).

Figures 7–10 use the following abbreviations: EU 15 – European Union countries; N-A – North America; E-A – East Asia (Japan and China); NW E – northwestern European countries (UK, Ireland, Netherlands, Belgium, Luxembourg, and Denmark); SCA – Scandinavian countries (Finland, Sweden and Norway); C-E – Central Europe (Austria, Germany, Switzerland, and France); MED - Mediterranean countries; E-E – Eastern Europe; RF – Russian Federation; Othr E – other European countries not included into the rest of categories for a specific chart, Othr W – other world.

Net trade (net imports are exports minus imports; negative net imports are net exports) makes it easier to identify important trends of regions that are both large importers and exporters. EU-15 imports of industrial roundwood come mainly from other world, and other EU-15 countries. Exports of industrial roundwood from EU-15 countries go mainly to other EU-15 countries, but in recent years have been increasingly going to East Asian countries.

The Mediterranean and Scandinavian regions are large net importers of industrial roundwood from other regions. Russia and Eastern Europe, representing the region in transition, are large net exporters of industrial roundwood to other regions in Europe and Russia (Figure 7). Central Europe was a fairly large net exporter of industrial roundwood to other regions until 1995 but in recent years has become a slight net importer. North-West Europe is a minor net importer of industrial roundwood from other regions and other Europe is a minor net exporter of industrial roundwood.

North-West Europe and Mediterranean regions are large net importers of coniferous sawnwood from other regions, while Central Europe is a smaller net importer (Figure 8). Scandinavia is a large net exporter of coniferous sawnwood to other regions. Russia is also a significant net exporter. Eastern Europe is growing in importance as a net exporter of coniferous sawnwood.

North-West Europe is a large net importer of veneer and plywood from other regions (Figure 9). Central Europe, while a large importer, has recently been slightly declining in importance as a net importer of veneer and plywood while the Mediterranean region is a rapidly growing net importer of veneer and plywood after being a net exporter until 1993. Scandinavia is a large net exporter of veneer and plywood to other regions, while Russia and Eastern Europe are growing in importance as net exporters. Other Europe is a minor net exporter of veneer and plywood. North-West Europe is the largest net importer of paper and paper products from other regions (Figure 10). The Mediterranean and Eastern European regions are growing in importance as net importers of paper and paper products while Central Europe is declining in importance as a net importer. Scandinavia is the main net exporter of paper and paper products to other regions.

The benefits to countries resulting from increasing exports of forest products, however, should be interpreted with caution. After a deep recession due to fundamental structural changes in the economy of Eastern Europe, export growth rates have been fairly high but this does not necessarily imply that the distributional benefits of the growth are even or that poverty alleviation is affected equally in all social groups and regions.

The discussions in the following chapter address the socio-economic development issues including local level problems in the interface of poverty and forests.

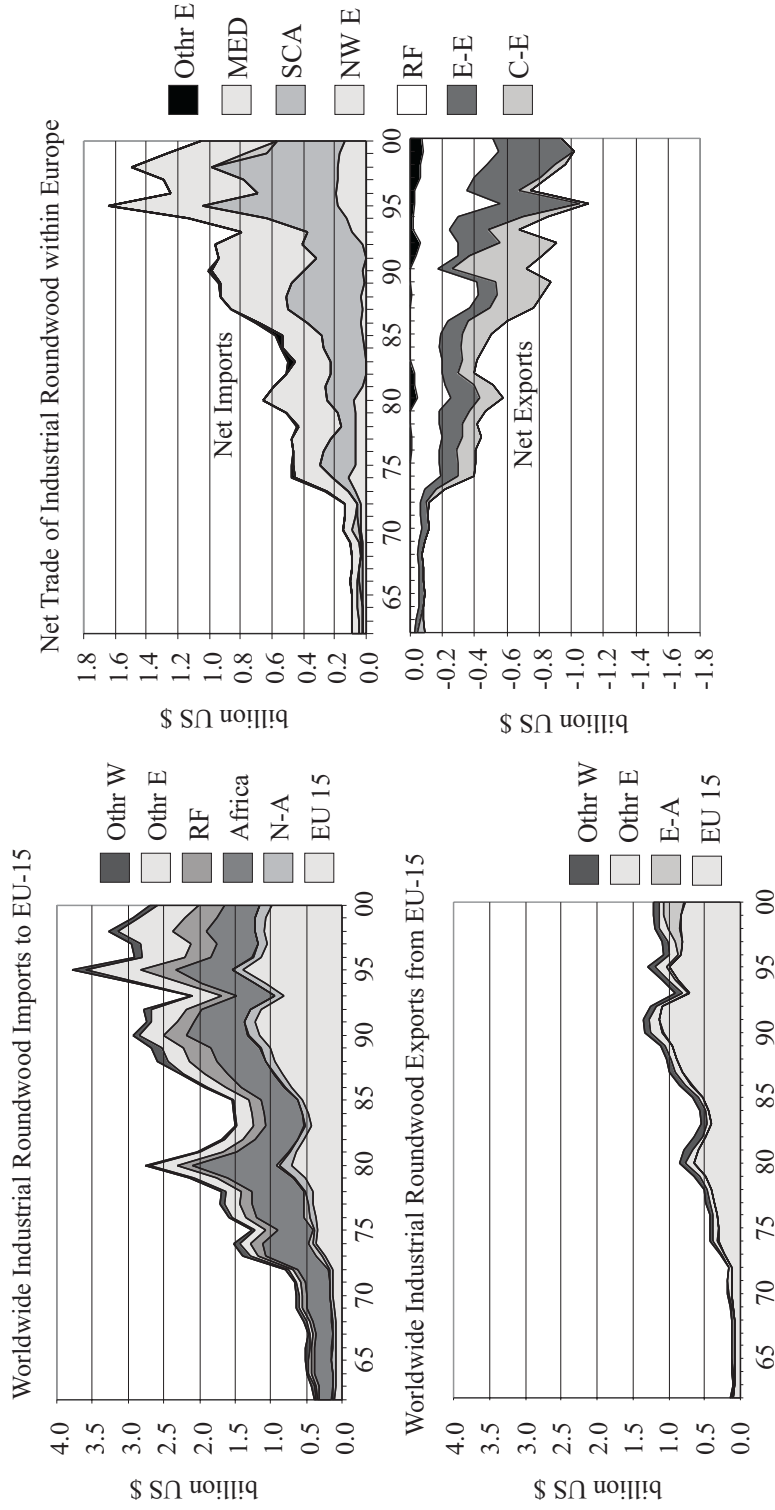


Figure 7. Industrial roundwood import and export.

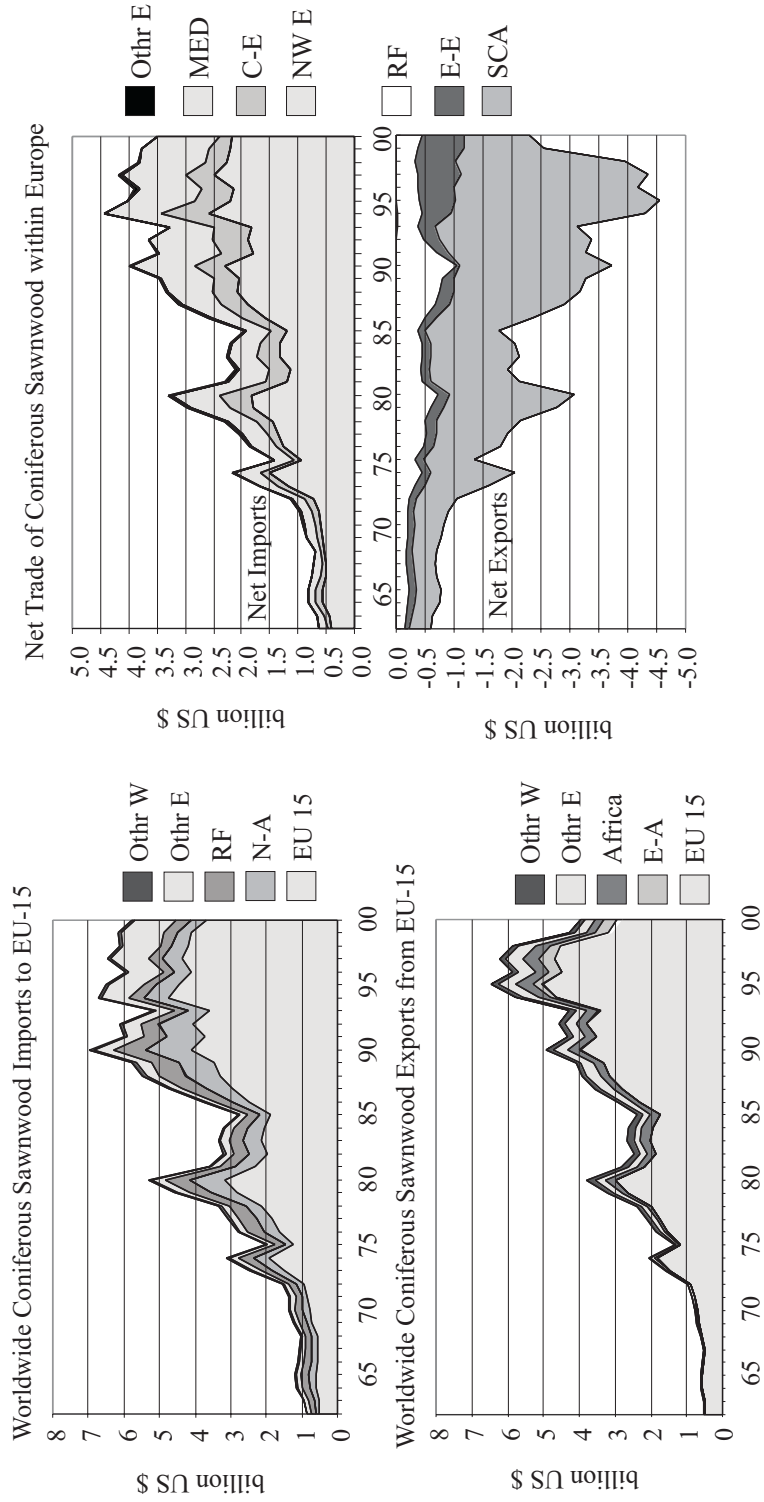


Figure 8. Coniferous sawnwood import and export.

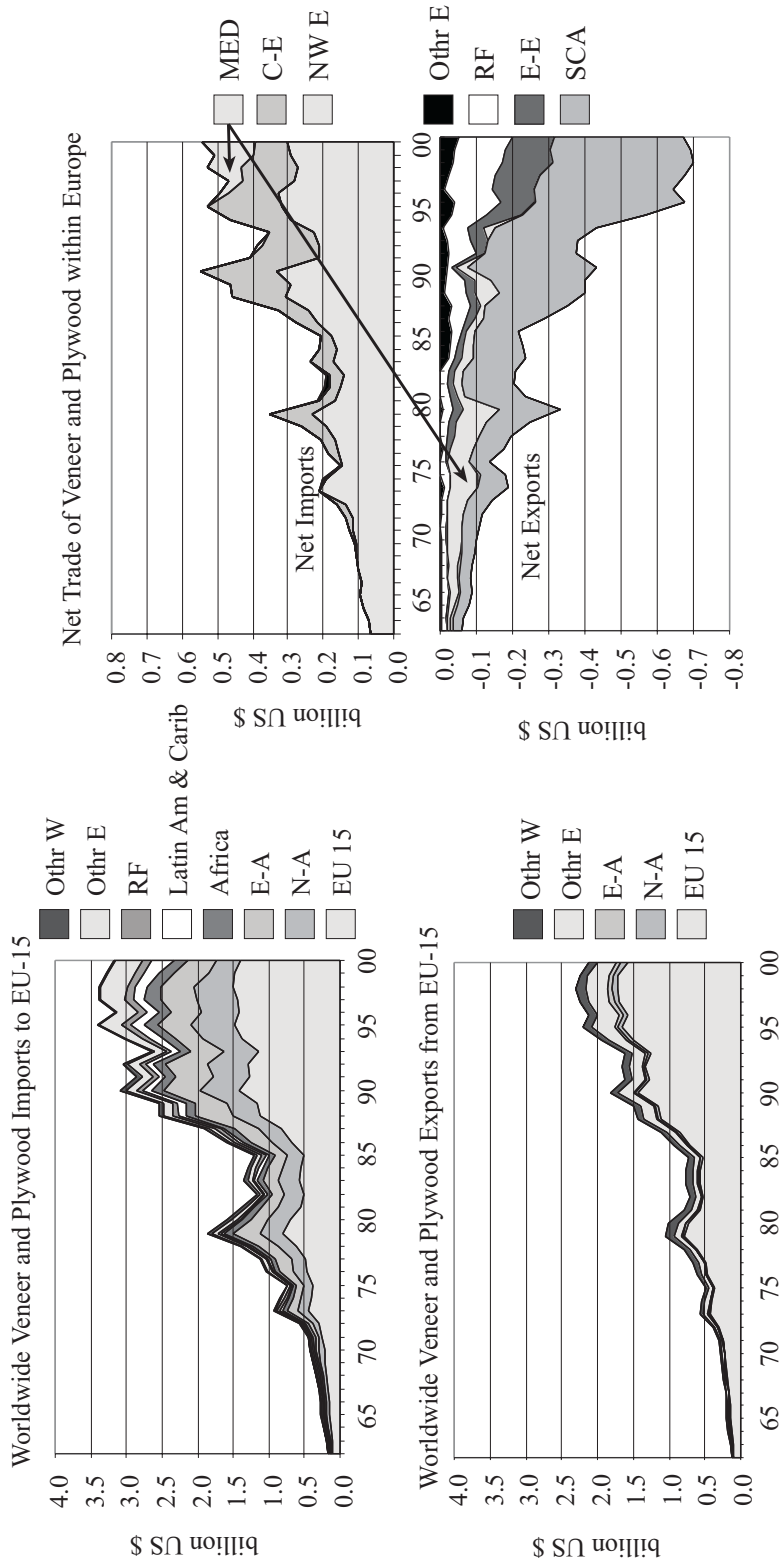


Figure 9. Veneer and plywood import and export.

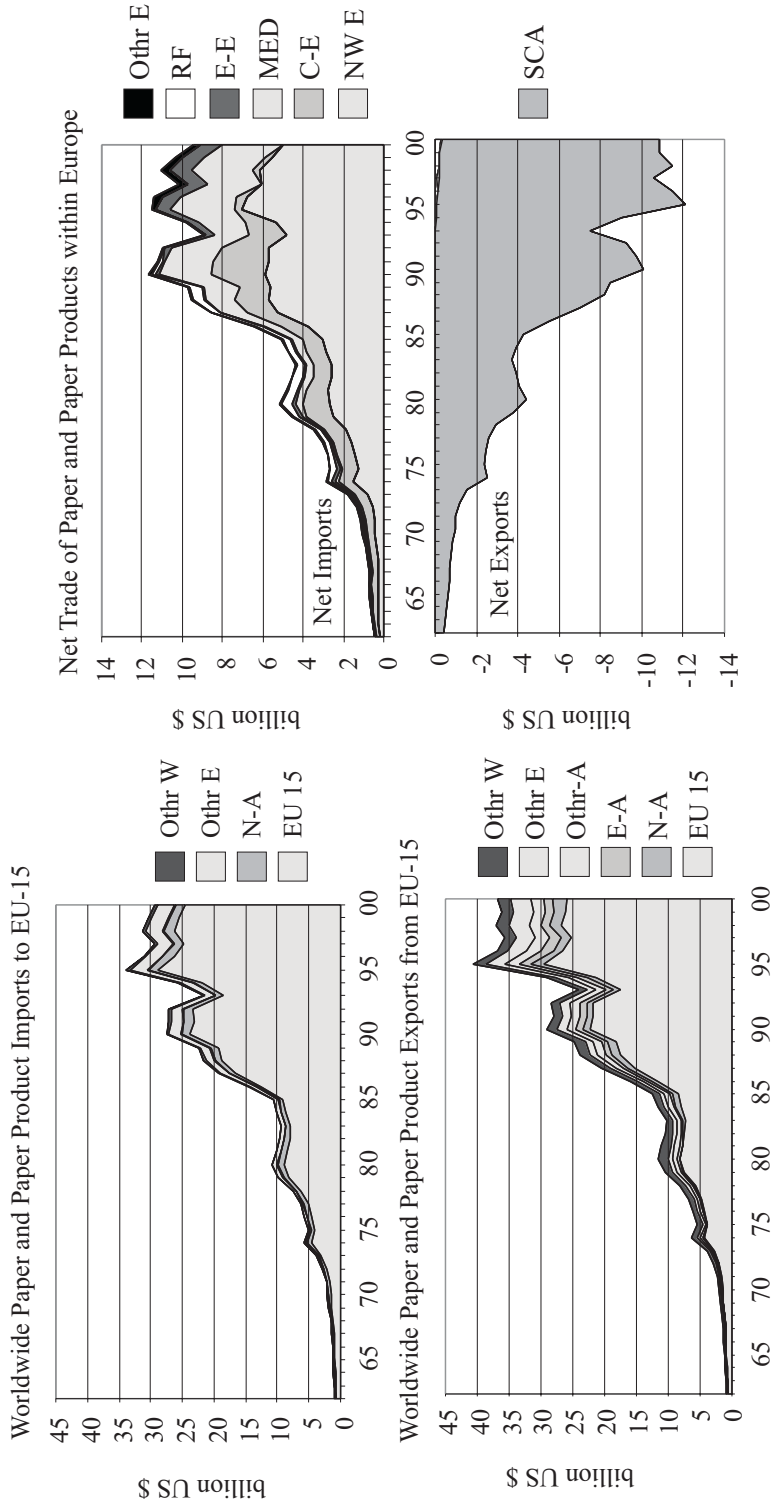


Figure 10. Paper and paper products import and export.

4. Socio-Economic Development Issues

After the collapse of the socialist system in 1991, the transition period processes such as privatization, decentralization of decision making, market directed reforms, elimination of price and wage control were commonly occurring throughout Eastern Europe. Many countries of the region underwent a deep economic recession with a national income decline of up to 20–30% in 1990–1994 and a rise in unemployment to 10–15% (Eronen 1996). The major development in forestry was related to restitution and privatization of collectivized property, which for a long time was primarily state owned.

The loss of jobs in the state-owned economy caused high rates of unemployment and resulted in long-term poverty, which is more obvious in rural areas where only a small number of employment alternatives exist.

4.1 Contribution of forest sector to the GDP

Except for the two countries with a large forest cover (up to 45% in Estonia and Latvia), the forestry (forest management and logging activities) contribution to the gross domestic product in Eastern European countries is less than 1%. Nevertheless, if we also take into consideration the manufacturing of forest products (wood processing industries, pulp and paper, furniture), the total contribution of forestry to the GDP may reach up to 9% in Estonia, 4% in Slovakia, 2.4% in Romania, 2.8% in Poland, and 2% in Lithuania (Table 1).

The total forestry and wood processing industry contribution in the GDP in EU accession countries is about US\$ 2.49 billion, i.e. 0.55% of the total GDP realized in these countries.

4.2 Employment in the forest sector

The percentage of people hired in forest management, logging and primary wood processing ranges from 0.7% of the national labour force in Slovakia to 4.3% of the national labour force in Latvia (Table 2). For all EU accession countries, the employment in forestry and wood processing industry accounts for 1.5% of the labour force. If we add the employees from the pulp and paper industry and from the furniture manufacturing industry, the contribution of the forest sector to employment is still higher, almost double in Poland, Romania and Hungary. To these figures one can add the number of seasonal workers, hired by the state forest service or by logging companies.

The reform policies in eastern and central European countries have contributed to major changes in the forest sector employment. For instance, the level of employment in forestry fell below the 1990 level in Lithuania (78%) and in Romania (90%). Potential increase remains possible, namely by providing services for private forest owners (forest management, extension activities, and technical assistance). The afforestation programmes in progress may also provide local employment.

After decreasing in the earlier transition period, employment in the wood processing industry shows a positive trend in Slovakia, Lithuania and Poland. The trend is uncertain in Romania and the Czech Republic (Table 3). In Poland (United Nations 2000), the certainty of raw material procurement (because the structure of property right has not changed) together with good and constant economic policies explain the increase in forest industry development (Figure 11).

Table 1. Forest contribution to GDP.

Country	Year	Forest in GDP	In national labour	Forest per capita ha/person	Harvest per capita m ³ /person	% rural population	Forest per rural capita ha/person	Harvest per rural capita m ³ /person
Albania	1995	2.5%	(1.2%)	0.3	0.222	61.3%	0.52	0.363
Byelorussia	1998	(2%)	(2%)	0.9	0.930	26.3%	3.48	3.534
Bulgaria	2000	0.7%	0.8%	0.43	0.469	30.3%	1.47	1.549
Czech Rep.	1999	0.6%	1.9%	0.26	1.280	33.9%	0.76	3.777
Estonia	2001	6.6–9%	4%	1.41	6.254	26.0%	5.61	24.052
Hungary	1998	1.0%	0.4%	0.18	0.533	33.5%	0.55	1.592
Latvia	2001	10–15%	4.3%	1.19	2.809	26.0%	4.71	10.803
Lithuania	2000	2%	2%	0.54	1.287	25.9%	2.09	4.970
Moldova	2000	0.3%	0.1%	0.1	0.081	45.5%	0.16	0.177
Poland	2000	2.8%	1%	0.23	0.677	34.8%	0.67	1.944
Romania	2000	2.4%	2.5%	0.28	0.607	42.3%	0.68	1.435
Slovakia	2000	4%	0.7%	0.37	1.041	47.7%	0.85	2.181
Slovenia	2000	1.1%	1.8%	0.57	1.156	28.0%	1.99	4.130
Ukraine	1998	2%	0.2%	0.2	0.286	22.7%	0.83	1.261
Total		0.6%						

(/) – data in parenthesis are estimates (for Byelorussia and Albania)

Source: National statistical accounts; TBFRA (2000); UNEP/ENRIN (Various years); Nilsson and Shvidenko (1999).

Table 2. Number of employees in forestry and wood processing industry.

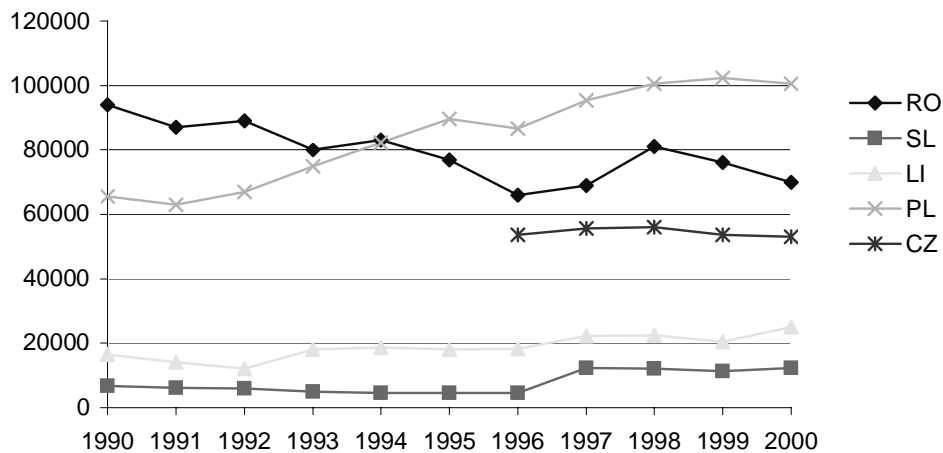
Country	Year	Forestry	Wood processing industry	Forestry and wood process. industry	% in total labour force
Czech Rep.	2000	32300	53000	85300	1.9
Estonia	2001	8400	14300	22700	4
Latvia	2000	16000	34000	50000	4.3
Lithuania	1999	11500	20500	32000	2
Poland	2000	57300	100520	157820	1
Romania	2000	47000	70000	117000	2.5
Slovakia	2000	22245	11588	33833	0.7
Slovenia	2001	1957	11560	13517	1.8
Total				537315	1.5

Source: National statistical accounts; TBFRA (2000)

Table 3. Development of employment in the wood processing industry (1000s of people).

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Romania	94.0	87.0	89.0	80.0	83.0	77.0	66.0	69.0	81.0	76.0	70.0
Slovakia	6.6	6.0	5.9	4.8	4.4	4.4	4.5	12.3	11.9	11.3	12.2
Lithuania	16.4	14.0	12.1	18.1	18.6	17.9	18.3	22.3	22.4	20.5	25.0
Poland	65.6	62.9	67.0	75.0	82.3	89.7	86.7	95.4	100.7	102.5	100.5
Czech Rep.	na	na	na	na	na	na	53.7	55.7	56.0	53.7	53.0

Source: National statistical accounts.

**Figure 11.** Change in employment in wood processing industries.

4.3 Country specific socio-economic issues and contribution of forestry to local livelihood

The contribution of forestry to improving social welfare is more obvious when looking at development at the local level. Depending on the importance of forest resource, one may have significant contribution of forest to local economy (forest sector-based development) or significant demand for forest products. The contribution of forests to local livelihood may be direct (direct income effect and employment effects) or indirect (substitution income effect). The direct income effect for collective and individual forest owners is limited by the economies of scale. For individual private owners the improvement of income occurs only in the case of larger estates (above 2–3 ha). That means a positive economic outcome for less than half of private forest owners in Slovenia, Estonia, Hungary and the Czech Republic.

The forestry contribution to the local employment may be underestimated for two reasons:

- seasonal employment (forestry is still a relatively labour-intensive sector, where mechanization rate will probably increase; seasonal workers are often the poorest rural inhabitants, unemployed people, farmers with small agricultural holdings, etc.; sometimes their work is not paid a salary, but are paid directly in timber);
- informal (grey) labour markets are common in transition periods, and therefore one can expect there to be more people employed in CITs than are shown in the national statistical records (especially in small sawmills).

Wood and non-wood forest products have a substitution income effect:

- the most important product here is fuelwood. The demand for fuelwood is inelastic to the changes in income and reacts negatively to income changes. Even in Lithuania (a country with a relatively high GDP compared with the other countries in this study) the fuelwood consumption reaches 7% of total energetic sources. The consumption of fuelwood in Romania, for example, reached a maximum in 1996, when the volume of fuelwood consumed was six times higher than in 1992. Since then, the fuelwood consumption has stabilized at a level three times higher than in 1992 (half of the population is rural). In Albania, half of all cuttings are made to satisfy the fuelwood demand, and in Moldova national resources can only supply 75% of the demand of the local population for fuelwood (UNEP/ENRIN, Various years);
- a wide range of non-wood forest products contribute to a certain extent to alleviate the household needs. From mushroom picking to hay making, harvesting these products in forests helps to save money (not bought on the market). Here we note the importance of harvesting non-wood forest products for some of the poorest sectors of the population (such as rural gypsy communities, but not exclusively). They sell harvested products directly in town markets or to private contractors having a right to trade non-wood forest products from public forests.

There are many country-specific examples showing the importance of forests for the rural population. For example, Motiekaitiene (1998) reported that the situation of unemployed families (within which two or more people are unemployed) in Lithuania is especially bad. Most of these families make their living by working on farms in summer, collecting berries and mushrooms and selling handicrafts made from various forest materials. However, the income from such jobs is extremely low.

The early years of independence have been rather difficult in countries such as Georgia (IMF 2000). The traditional economic relations among former Soviet Union republics were broken, which resulted in a decline of economic activity. The situation worsened during the civil war in 1992, hyper-inflation in 1993–1994, and the Abkhazian and South Osetian conflicts. Large migrations of refugees both inside and outside the country occurred. All of these events brought most of Georgia's population close to extreme poverty. The situation improved in 1994–1997 with new economic reforms. However, the poverty rate remains high in rural areas, where pressure on the living environment is rising. Natural resources are used in a very inefficient way. For example, timber may be used instead of commercial fuels and energy devices themselves are inefficient. Other reports (IFAD 2002) show that urban poverty in Armenia and Georgia is even more severe than rural poverty. In rural areas people can grow at least some of their own food.

Development of forestry is one of the main strategic directions of the poverty reduction and economic growth programme in Georgia. Considered measures include forest privatization, development of timber processing and furniture production sectors, activation of the Forestry Sector Development Project (under the direction of the World Bank), improvement of the forestry sector legislative base, and development of non-timber oriented forest plantations.

In countries like Russia, the development of forest sector is the only option for improvement of regional welfare and living standards in many remote regions (Nilsson and Shvidenko 1998). It was estimated that the decline in wood production and the resulting decline in social services had a large impact on 18% of people working in forest sector in remote settlements. There has been a substantial increase in rural poverty in Russia since 1991.

In Poland, the causes of rural poverty come from the changes in the economic and political system between 1991 and 1993 aimed at creating a market economy in agriculture. The effect has been greatest on rural populations in areas where abundant state-owned plants and farms have closed. Approximately one-third of the population in villages made a living by working on state-owned farms instead of on their own (UNDP 1999).

National Human Development Reports for CITs also discuss the question of survival or 'coping' strategies. They include: growing one's own food or rearing livestock on family plots; small-scale commercial activities such as selling cigarettes, loaves of bread or matches; operating kiosks, buying and selling foreign currency; family members working abroad and sending money home; etc. (UNDP 1999).

In Ukraine many state-owned enterprises have downsized or closed completely causing a sharp increase in unemployment, especially in rural areas. Some people rely on growing their own food and trading for survival. In relation to forest, some people survive by selling mushrooms, berries and flowers.

4.4 Forest ownership

During the last decade, many CITs established a large number of small forest holdings as a result of the restitution process. In Lithuania, since the beginning of land reform in 1991, the ownership rights have been restored to more than 187 500 forest owners. The process of restitution is still continuing with the goal to transfer about 40–50% of the total forest area to private owners.

In Estonia, the objective of land reform is to increase the area of privately owned forests to about 50% of the forest land area, with the state ownership being similar to that in 1940 (MCPFE 2002).

Depending on the country, from 5% to 70% of forests had been privatized by the end of 2000 in the EU applicant countries (Kallio 2002). Approximately 35–40% of all forests will be privatized when the on-going privatization process will be completed. The structure of forest ownership for the year 2000 is presented in Table 4 for selected CITs.

The size of new private forest holdings is rather small, being on average 2–3 ha. In many of these countries, up to 88% of private owners have forests less than 3 ha in size.

On the other hand, in many countries forest privatization is viewed with some fear that rapid privatization will lead to careless forest utilization by new owners, who may lack experience or act out because of short-term profit motives (Eronen 1996; Ilavský 2001; Stoyanov 2001; FAO 1997; PHARE 1999). The transition to market economy with simultaneous emergence of new private forest ownership will indeed radically change the foundations of forest policy formulation and implementation. In addition, the demands on more efficient implementation of existing policy tools are increasing world-wide. The classic forest policy issue is now especially topical in CITs: how to promote the favourable conditions for profitable private forest management in these new conditions, and how to manage the forests and key biotypes with high conservation value at the same time?

Table 4. Forest ownership in year 2000.

	Forests		Commercial forests	Growing stock	Forest ownership
	10 ⁶ ha	% surface area	% forest land	10 ⁹ m ³	% private
Estonia	2.162	48	96	0.307	56.6
Latvia	2.884	46	84	0.409	44
Lithuania	1.978	31	85	0.314	50
Poland	8.942	29	93	1.771	17.2
Hungary	1.811	19	94	0.295	45
Czech Rep.	2.63	33	97	0.668	23.8
Slovakia	2.016	41	85	0.446	48.4
Slovenia	1.099	58	94	0.292	70
Romania	6.301	28	89	1.36	5
Bulgaria	3.59	35	86	0.401	2.7

Sources: Eurostat 2000; National statistical accounts; TBFRA (2000)

Table 5. Distribution of private forest area by ownership size classes.

Country	Year	Size classes, ha						
		<3	3–5	5–10	11–20	21–50	51–100	>100
Czech Rep.	1996	125	36	36	17	23	13	168
Estonia	1996	8	12	30	56	54	14	n.a.
Latvia	1997	45	110	213	354	410	94	n.a.
Lithuania	1999	302.5	148.7	41	15.4	5.1		
Romania	2000	400						
Slovakia	1996	76	75	60	50	65	60	506

Sources: World Bank–WWF Global Alliance 2001.

5. Policy development challenges – where to focus?

Forest policies in countries with economies in transition have undergone significant reformulation during the 1990s – from the United Nations Conference on Environment and Development (UNCED) in 1993 and the subsequent Intergovernmental Panel on Forests (IPF)-Intergovernmental Forum on Forests (IFF)-processes to the establishment of United Nations Forum on Forests (UNFF) in 2000. These UN-processes together with the Ministerial Conference on the Protection of Forests in Europe form the major political framework towards sustainable forest management and sustainable development, and hence, the basis for poverty reduction strategies and rural development. Participation in global and pan-European forest policy processes has associated CITs with global forest policy deliberations, recommendations and legally binding conventions.

Impacts of international forest policy processes have been manifested in national policy-making especially in the following features:

- Policy reformulation processes have been initiated following the generally accepted principles and recommendations, such as participatory approaches;
- National legislation and related regulatory instruments have been renewed with the aim of promoting sustainable forest management to take into account ecological, economic, social and cultural aspects;
- Pan-European resolutions as non-legally binding soft laws have been signed;
- National forest programmes have been designed as endorsed by the Lisbon MCPFE in 1998; EU-accession countries have started the harmonization process with EU-regulations.

These policy formulation approaches adopted as an initial phase for comprehensive policy development processes as well as the renewed regulatory framework in terms of legislation for forest sector are largely adequate and in compliance with the evolving international forest regime.

The major problems from the perspective of rural development and poverty alleviation strategies are rising from two inter-linked, but controversial transition processes: (i) transition towards market-based economies; and (ii) reforms of the foundations of public policies. Therefore a key question for CITs is: how to induce and provide favorable conditions for markets, entrepreneurship and investments on a competitive and profitable basis in forestry and forest sector under simultaneously increasing environmental and societal demands and restrictions – and within inadequate institutions, capacities and infrastructure?

What could be the potential avenue for sustainable rural development and poverty alleviation strategies in light of previously mentioned development theories and empirical findings? Resource-based production potentials and evolving markets due to the envisaged economic integration as such still provide employment and income creation possibilities and resources for economic growth, although to a decreasing extent. Also, the recent new approaches to develop forest policy frameworks are necessary institutional conditions for sustainable forest management.

Several theoretical approaches can be found, and have been applied, in explaining and promoting rural development in Europe. Common for the development of the theoretical frameworks in EU, for example, has been shift from exogenous to endogenous development models, and from sectoral to territorial policies. These both facilitate bottom-up approaches, like the policies supporting the existing economic activities in rural areas, in the design of rural development policies (Terluin 2001). For countries with economies in transition, this is an important finding. These countries should find and facilitate the sectors that are strong and competitive, rather than copy modalities and production models from other countries.

However, in policy development processes the main failures and bottlenecks lie in the implementation stage. Among alternative options for development strategies this would call especially for institutional and human capacity-oriented policy reforms.

The main policy development issues at the interface between the market economy and policy reform are linked to the emergence of new private forest ownership, especially because:

- Small woodlot units do not benefit from economies of scale, productivity and profitability are low;
- Productivity and competitiveness are prerequisites to social sustainability in terms of employment creation;
- Policy shift towards environmental aspects sets increasing restrictions on economic utilization of forest resources;

- Extension services provided are mainly technical, and in general human capacities and resources for financial incentives are lacking;
- Compensation mechanisms for private forests to preserve high conservation value forests have been designed, but without financial resources;
- There are some forest owners associations, but their capacity to provide extension services or to promote co-operation is weak. Implementation failures in forest policy-making are country-specific.

However, the following issues are the most obvious and in need of capacity creation:

- Weak enforcement of the new legislation to ensure all the aspects of sustainable forest management are complied with;
- Inadequate capacities and appropriate institutional arrangements to provide extension services to private forest owners, including finance and information;
- Lack of evaluation and monitoring of implemented forest policy instruments and programmes in general; therefore, policy development is not based on policy-scientific knowledge about the effectiveness of implemented policies;
- The need for cross/inter-sectoral policy co-ordination is recognized at the policy formulation stage, but not implemented.

What would be the recommended strategy for rural development and forest-based poverty alleviation policies in CITs? Major strategic tools and frameworks, such as national forest programmes, have been created recently in this respect by global and regional policy processes, institutions and organizations, including donor agencies. Noteworthy among them are approaches elaborated in the context of World Bank's new Forest Strategy, FAO Forestry Department's strategic programmes to address forests and poverty linkage, and those related to numerous elements of UN and MCPFE-processes outcomes. Collaborative Partnership on Forests (CPF) with its network provides a forum for better co-ordination and focus on global issues. Forest-related poverty alleviation and rural development strategies and practical measures should have a co-ordinated and well targeted focus on the key factors underlying and causing forest policy implementation failures. A possible synthesis from the deliberations addressing these issues would propose the following priority elements to be focused on:

- Comprehensive national forest programmes enhanced to integrate better socio-economic and policy research in formulation, implementation and monitoring stage of the process;
- Strengthening of national forest programmes to integrate cross-sectoral policy linkages to overall poverty reduction and rural development strategies;
- Strengthening of human capacities, institutions, networks and knowledge sharing in terms of research, education, and continuous training and extension programmes at all levels to manage the transition issues in economy and policy reforms.

National, EU and international policies and policy-making for the CIT region could focus on the last mentioned policy area, i.e. informational policy instruments, in partnership with global and regional institutions and organizations, and through efficiently co-ordinated action programmes.

References

- Ahas, R. 1999. Underlying causes of deforestation and forest degradation. Estonia: a local level case study in Põlva county. World Rainforest Movement. 15 p. www.wrm.uy/deforestation/Europe/Estonia.html
- Bouriaud, L. 2002. The role of State forest service in improving the small scale forestry: Lessons from the ECE countries front. Paper presented to the International Symposium "Contributions of family-farm enterprises to sustainable rural development" IUFRO 3.08.00 and 6.11.02, 28th July – 1st August, 2002, Gengenbach, Germany. 13 p.
- Czech Republic, Ministry of Agriculture. 1998. Report on the state of forests and forestry in the Czech Republic. December, 31, 2000. Prague, 2001. 124 p. In Czech, translated summary, table and figures
- FAO. 1997. Issues and opportunities in the evolution of private forestry and forestry extension in several countries with economies in transition in Central and Eastern Europe. FAO publication W7170/E, Rome. 163 p.
- Eronen, J. 1996. UN-ECE/FAO Timber and forest discussion papers. Forest resources and consumption of forest products in countries in transition, 1990–2020. United Nations, New York, Geneva.
- Hyttinen, P., Niskanen, A., Ottitsch, A., Tykkyläinen, M. and Väyrynen, J. 2002. Forest related perspectives for regional development in Europe. EFI Research Report 13. Brill: Leiden, Boston, Köln. 129 p.
- IFAD. 2002. Assessment of rural poverty in Central and Eastern Europe and the newly independent states. International Fund for Agricultural Development, Rome, May 2002. www.ifad.org/poverty/region/pn/index.htm
- Ilavský, J. 2001. Preparedness of private owners for the management of forests in the Slovak Republic. In: Niskanen, A. and Väyrynen, J. (eds.). Economic sustainability of small-scale forestry, EFI Proceedings No. 36, pp. 53–60.
- IMF. 2000. Poverty reduction and economic growth program of Georgia: Interim document. Government of Georgia's statement, International Monetary Fund.
- Kallio, S. 2002. Opinion of the Section for Agriculture, Rural Development and the Environment on the eastward enlargement of the European Union and the forestry sector (Draft). Economic and Social Committee, Section for Agriculture, Rural Development and the Environment.
- Michie, B. and Wardle, P. 1998. UNSTAT Trade Data as Basis for Analysis and Protections of Forests Products Trade Flows. Working Paper No. 17, European Forest Institute, 44 p.
- MCPFE. 2002. Proceedings of the International Workshop "Forests and forestry in central and eastern European countries. Ministerial Conference on the Protection of Forests in Europe (MCPFE), Liaison Unit Vienna.
- Motiekaitiene, V. 1998. Poverty in Lithuania: poverty and employment. Labour Statistics Division, Lithuanian Department of Statistics. UNDP.
- National statistical accounts. Bulgaria: www.nsi.bg/; Czech Statistical Office: www.czso.cz/; Georgia: www.statistics.ge/; Latvia: www.csb.lv/; Lithuania: www.std.lt/; Poland: www.stat.gov.pl/; Slovakia: www.statistics.sk/; Slovenia: www.sigov.si/zrs/; Estonia: www.stat.ee/ and www.metsad.ee/
- Neil, C. and Tykkyläinen, M. 1998. Factors in local economic development. In: Neil, C. and Tykkyläinen, M. (eds.). Local economic development: a geographical comparison of rural community restructuring. United Nations University Press. Pp. 309–317.
- Nilsson, S. and Shvidenko, A. 1998. Is sustainable development of the Russian forest sector possible? IUFRO Occasional Paper No. 11 ISSN 1024-414X.
- Nilsson, S. and Shvidenko, A. 1999. The Ukrainian forest sector in a global perspective. IIASA Report IR-99-011, 40 p.
- Palo, M. 1988. Forest-based development theory revisited with a case study of Finland and prospects for developing countries. In: Palo, M. and Salmi, J. (eds.). Deforestation or development in the third world? Volume II. The Finnish Forest Research Institute, Division of Social Economics and Forestry. No. 309.
- PHARE. 1999. Conservation and sustainable management of forests in Central and Eastern European countries. Multi-country report prepared under the EU Phare Programme. frisweb.fris.sk/Phare/Projects/ManagementOfForestInEurope/index.html
- Pussinen, A., Schelhaas, M.J., Verkaik, E., Heikkinen, E., Päivinen, R. and Nabuurs, G.J. 2001. Manual of the EFISCEN model. Internal Report No. 5. European Forest Institute. 58 p.
- Slovakia, Ministry of Agriculture. 1998. Report on forestry in the Slovak Republic (Green Report). Ministry of Agriculture, Food, Forestry and Water Management of the Slovak Republic, Bratislava, 169 p.
- Sollander, E. 2000. European Forest Scorecards 2000. WWF Report, Updated January 2000. Stoyanov, N. 2001. Conception for consulting and education of private forest owners in Bulgaria. Paper presented to the EFI international symposium "Economic sustainability of small-scale forestry", Joensuu, 22–26 March, 10 p.
- TBFRA. 2000. Forest Resources of Europe, CIS, North America, Australia, Japan and New Zealand (industrialized temperate/boreal countries). TBFRA-2000. UN-ECE/FAO Contribution to the Global Forest Resources Assessment 2000. United Nations Publication, New York, Geneva. ISBN 92-1-116735-3.
- Terluin, I.J. 2001. Rural regions in the EU: Exploring differences in economic development. Rijksuniversiteit Groningen. 236 p.
- Tykkyläinen, M., Hyttinen, P. and Mononen A. 1997. Theories on regional development and their relevance to forest sector. *Silva Fennica* 31 (4): 447–459. United Nations. 2000. Timber bulletin: forest products annual market review 1999–2000. *Timber Bulletin* Vol. LIII, No. 3 (ECE/TIM/BULL/53/3), 228 p.
- UNEP/ENRIN. Various years. State of environment reports. www.grida.no/enrin/htmls/UNDP. 1999. Human development report for Central and Eastern Europe and CIS. United Nations Development Programme.
- World Bank – WWF Global Alliance. 2001. Implications of land restitution for achieving World Bank/WWF Alliance targets in Eastern Europe and the Central Asian Region. INDUFOR/ECO.

Not by Bread Alone...

Forests and Rural Livelihoods in Sub-Saharan Africa

David Kaimowitz

Center for International Forestry Research

Introduction

Natural plants and animals in forests, woodlands and wooded savannas as well as planted trees on farms are fundamental to rural livelihoods in Sub-Saharan Africa. National poverty-reduction strategies and most government policies have failed to fully recognize that. This paper makes a case for raising the profile of these resources within poverty-reduction strategies by documenting their importance to rural livelihoods and proposing constructive actions for policymakers.

Tens of millions of rural households in Sub-Saharan Africa rely heavily on forest products for subsistence and to supplement their cash incomes. The poorest households, women and children generally rely on them most. They depend on forest products even more during crises and when food is scarce.

Forest products provide the main income for a much smaller, but still large, number of families. Most of this group engages in woodworking, pit-sawing, commercial hunting, tree planting and salaried work for large logging companies. For some of them forest-based activities offer a way out of poverty.

Forests and trees contribute to crop and livestock production by providing soil nutrients and animal fodder, protecting the soil and water supply, pollinating crops and regulating weeds and pests. This makes a critical difference for poor farmers working in marginal environments since most cannot afford to buy fertilizer and other inputs or to feed their cattle from other sources.

Forests are indirectly linked to rural livelihoods through their role in governance, the macroeconomy and climate change. Failure to develop legitimate government structures and invest in social services in forested regions has contributed to violent conflict, illegal activities and weakening of the rule of law. That discourages investment and lowers economic growth. In certain Central and West African nations, commercial forestry provides a large share of the foreign exchange.

From the environmental point of view, forests serve as carbon sinks, slowing down global warming and reducing its negative effects on small-scale agriculture.

This paper first discusses the contribution of forest resources to rural livelihoods and then examines some related threats and opportunities. Finally it makes policy recommendations.

Box 1. Definitions

As used in the paper the terms “forest resources” and “forest products” include woodlands, wooded savannas, trees on farms and wild plants and animals growing in partially wooded terrestrial ecosystems, as well as closed forests.

The direct contribution of forest resources and trees to rural livelihoods**Forest products for subsistence and supplemental incomes**

Hundreds of millions of people in Sub-Saharan Africa obtain a major share of their subsistence from a large and diverse set of forest products, even though the work to gather them is not their main economic activity. Of these people, an estimated 15 million (estimation by the author) earn some cash income from forest-related activities (Arnold and Towson 1998). Rural Africans use plants and animals from natural forests and woodlands as well as planted trees for food, energy, medicine, fodder, housing, furniture, baskets, mats, dyes, agricultural implements and utensils. They also use them for windbreaks and to reduce erosion, restore soil fertility, pollinate crops, control weeds, pests and diseases and maintain water quality.

One typically thinks of these people as farmers, not foresters. However, when one adds up the dozens or even hundreds of forest products they use and sell it becomes clear they depend heavily on them. These households harvest, process, transport and sell fuelwood and non-timber forest products because those activities are well suited to their capacities. They typically require a lot of labour and little capital or technical skills. People may get involved in them when they have spare time or cannot find work. Some of the natural resources they use are freely available and often occur in the fragile environments where many poor people live. Women can undertake some of the activities at home or other places where they can bring their children (Arnold 2001).

Cavendish's 1997 study of rural households in the Shindi District in Zimbabwe shows just how important forest products can be for small farmers. Based on a careful accounting of several hundred forest products used by the households he surveyed, Cavendish determined that on average products extracted from wild lands provided 35 percent of household income in the mid-1990s. Livestock fodder, wild foods and fertilizer contributed most. However, around three quarters of all “forest” income came from a wide range of other natural products (Cavendish 1997).

Few other researchers have collected such data as systematically as Cavendish. However, the levels of forest dependence Cavendish found in the Shindi district are apparently not unusual. Monela et al. (2000) found that wild honey, charcoal, fuelwood and wild fruits contributed 58 percent of farmers' total cash income in six Tanzanian villages. A previous report by Munishi et al. (1997) showed that two thirds of all Tanzanian households in seven administrative regions obtained at least 15 percent of their incomes from forest products. Shackleton and Shackleton (2000) obtained similar results for three rural settlements in South Africa.

Box 2. The African Context**A Small Regional Economy**

In 2000, the gross domestic product of all of Sub-Saharan Africa was only US \$340 billion, or 1.1 percent of the global economy for a region with 10 percent of the world's population (excluding South Africa, the regional GDP was \$200 billion)(FAO 2001a).

Slow Income Growth

Between 1990 and 1999, per capita income in Africa grew at less than 0.1 percent per year (FAO 2001a), although Botswana, Ethiopia, Ghana and Uganda performed better.

Extreme Poverty

Almost 60 percent of rural Africans live on less than \$1 per day.

Rapid Urbanization

Over the next twenty years, Africa's urban population will more than double, from 308 million to 646 million. By 2020, nearly half of all Africans will live in cities (FAO 2001a).

Violent Conflict

Many African countries suffer from violent conflict, although some have recently ended or seem about to do so (as in late 2002). In 2000, UN agencies assisted 7.3 million refugees in Africa (FAO 2001a).

Creative Solutions

Despite the difficulties most rural Africans face, many have found innovative ways to cope and even flourish. In many places they are taking advantage of market opportunities, restoring their landscapes and building new institutions.

Arnold et al. (1994) estimated that in the early 1990s, small-scale production or trading of forest products employed 763,000 people in Botswana, Kenya, Lesotho, Malawi, Swaziland and Zimbabwe. Of these, 42 percent were employed in grass, cane and bamboo-related activities, 27 percent in woodworking, 20 percent in forest product trade, and 11 percent in other activities. Most of those people also participate in various other activities, but rely on forest income to make ends meet. Similarly, although almost 40 percent of households surveyed in southern Ghana had a least one person who generated cash from forest products, for most of those households that was not their main source of income (Towson 1995).

Forest foods and medicinal plants

Wild fruits, berries, leafy vegetables, roots and tubers, bamboo shoots, palm fruit and wine, cola and shea nuts and mushrooms constitute a regular part of the diet in much of rural Africa. Studies in at least 13 different countries have documented that a great portion of the village population collects and consumes large quantities of dozens or even hundreds of species of different wild plants (Campbell and Luckert 2002; Campbell 1986; Cavendish 1997; Clarke et al. 1996; Falconer 1990; FAO 1991; Gakou et al. 1994; Juma 1989; Mialoundama 1993; Scoones 1992). Normally these are not the main source of protein or calories in the diet, but they provide essential minerals and vitamins and complement the diet in other important ways.

Wild meat provides a large proportion of the animal protein in many parts of the region, particularly in Central and West Africa (FAO 2001a). Each year Central Africans consume between 1 million and 3.4 million tonnes of it (Fa and Peres 2001; Wilkie and Carpenter 1999). The combined populations of the Central African Republic, Côte d'Ivoire, Gabon, Ghana and Liberia annually consume wild meat worth an estimated \$400 million (Anstey 1991; Caspary et al. 2001; Chardonnet 1995; Lamarque 1995; Ntiamoa-Baidu et al. 1998; Steel 1994). Three-quarters of the meat consumed in the Democratic Republic of Congo and Liberia comes from

wild animals (Anstey 1991; Sale 1981) and about 75 percent of the population of Ghana regularly eats wild animals (Asibey 1986 cited in Falconer 1990). Rural households in Benin and southern Nigeria also rely heavily on wild meat (Martin 1985; Scoones et al. 1992).

Consumption of small mammals, birds, insects and other animals is also important for local diets in drier areas (Campbell et al. 1995; FAO 1991). A survey of 13 rural areas in eastern and southern Africa found that 76 percent of the population consumed wild meat at least once every few days (Barnett 2001 cited in FAO 2002c). Termites are an important fat and protein supplement across southern Africa and in southern Sudan (Scoones et al. 1992).

Medicinal plants provide the main source of medicine for large segments of rural Africans (Falconer 1990). Barrow et al. (2002) says 70 percent of Kenyans and Tanzanians rely on naturally occurring medicinal plants to remedy all but the most serious ailments. FAO (2002b) reports that more than 80 percent of the population of Burkina Faso, Niger, Nigeria and Ghana uses medicinal plants. South Africans annually consume forest-based traditional medicines worth between \$77 and \$155 million (Mogaka et al. 2001).

Fuelwood and charcoal

Wood remains the main source of energy for the vast majority of rural Africans and for many urban Africans as well. Between 70 and 90 percent of the population of Malawi, Mozambique, Namibia, Tanzania and Zambia rely on fuelwood and charcoal (Mogaka et al. 2001). In Central Africa, wood contributes about 76 percent of household energy needs (FAO 2002a). No one knows how many rural Africans receive cash income from fuelwood and charcoal activities, but it is a lot. Some 40,000 part-time charcoal makers sold charcoal in Nairobi in the mid-1980s (Kinyanjui 1978). At the same time, 10,000 women and children who carried branches and leaves into Addis Ababa provided about one-third of that city's wood-based energy (Haile 1991). In Zambia, charcoal production provides around 41,000 jobs (Hibajene and Ellegard 1994).

The importance of forest products for poor people and women

The poorest households typically rely on forest products the most, even though wealthier households may use more of them in absolute terms (Baikuntha 2002; Cavendish 1997; Madge 1990; Nabangoa and Gombya-Sembajjwe 2001; Ogle 1996; Wilson 1990). In parts of Zambia forest resources contribute nearly three quarters of the total income of poorer households but only a third of the income of richer households (Mogaka et al. 2001). Similarly, forest products represented a higher proportion of income for the poorest third of households in western Niger than for the richest third (Hopkins et al. 1994). A 1992 study by Dei (1992) in eastern Ghana reports that whereas the poorest households relied on "wild sources" to meet 20 percent of their food requirements during the lean season, the wealthy and middle income households only relied on them for 2 percent and 8 percent of their food needs respectively. In Botswana, Ethiopia and Sierra Leone the people that collect fuelwood for sale generally come from the poorest households (Haile 1991; Inglis 1988; Kgathi 1984).

Women and children are typically the ones that collect and sell fuelwood, forest foods and medicinal plants and make handicrafts (Agyemang 1994; Bishop and Scoones 1994; Cavendish 1997; Clarke et al 1996; Falconer 1990; Haile 1991; Inglis 1988; Mead et al. 1990; Ndoye 1998; Scoones et al. 1992). These activities provide limited incomes and low status, but women often depend on them to survive. The previously mentioned survey of small forest product enterprises in Botswana, Kenya, Lesotho, Malawi, Swaziland and Zimbabwe found that 42 percent of the

proprietors and 41 percent of the total workforce were women and that women dominated in grass, cane and bamboo activities and forest products trade (Arnold et al. 1994).

Forest products are especially crucial to poor rural households in periods of hardship. Researchers have documented that in more than a dozen different countries (Biellik and Henderson 1981; Campbell 1986; Dei 1992; De Waal 1989; Falconer 1990; FAO 1991; Gandar 1994; Hopkins et al. 1994; Leach 1990; Rahmato 1988; Riss 1984; Rochelau 1991; Schreckenber 1996; Vaughan 1987). The periods of hardship may be recurrent situations, such as the “hungry” seasons after families have finished the previous year’s crops and the next crop has yet to come, or they may be crises such as droughts, economic downturns and violent conflicts. During these periods, foods from forests and other wild lands often become one of households’ main sources of sustenance (Wilson 1990).

For most of the millions of African households that rely on forest products for subsistence and to compliment their cash incomes, these products offer no real prospect of getting them out of poverty. Precisely because it is easy for anyone to engage in these activities without much capital, land or skills they tend to provide low returns for labour. Nonetheless, losing access to these products and markets can have very negative impacts on rural households and even threaten their survival.

Forest-based micro-enterprises as a main source of livelihood

Forest-based micro-enterprises are the main source of income for an unknown, but much smaller, number of households, probably several million. Most of these are devoted to carpentry, furniture production, pit-sawing, charcoal making and commercial hunting. Some of these activities can actually help get people out of poverty. Correspondingly, they tend to require greater skills and information and access to capital and timber resources than most of the non-timber forest product and fuelwood activities discussed above.

The previously mentioned study by Arnold et al. (1994) found that small-scale carpentry and furniture enterprises employed some 200,000 people in Botswana, Kenya, Lesotho, Malawi, Swaziland and Zimbabwe. Dewees (1993) estimated that in Malawi, small and medium-scale enterprises based on forests and woodlands employed about 15 percent of all people working in small- and medium-scale enterprises and Mhone (1991) gives a similar figure for Zimbabwe.

On average these activities generate higher returns and require more skills and capital than activities involving fuelwood and non-timber forest products made from plants and employ mostly men. This comes out clearly from several studies of small-scale carpenters and furniture producers in Ghana (Dawson 1988), Kenya (House 1981) and Zimbabwe (Sverrisson 1990) in addition to the studies mentioned above. Studies on incomes from hunting and selling of wild meat have also found that these compare favourably with rural households’ other alternatives (Anadu et al. 1988; Dei et al. 1989; Dethier 1995; Muchal and Ngandjui 1995; Ngnegueu and Fotso 1996; Van Dijk 1999).

Wage employment in the formal forestry sector

No comprehensive estimates exist for how many people Sub-Saharan Africa’s commercial forestry companies employ. The region produces about 65 million cubic meters of industrial roundwood annually, of which about 25 percent gets processed locally into sawnwood. Most of the rest gets exported as logs or pulpwood (FAO 2001a).

South Africa produces almost 30 percent of the region’s industrial roundwood, mostly from plantations. The commercial forestry sector there directly or indirectly employs about 135,000

people (FAO 2002c). Most wood (and employment) in the rest of Sub-Saharan Africa comes from natural forests. Based on a crude calculation using employment parameters from forestry companies in the Brazilian Amazon, commercial logging and sawmill companies in Sub-Saharan Africa outside South Africa probably provide two or three hundred thousand jobs. Associated activities probably provide an equal amount (World Bank 2002).

Planting and naturally regenerating trees for sale

The last few decades have witnessed notable growth in small farm commercial tree planting and management. Most of those involved have secure tenure and live close to urban markets where they sell poles, construction timber, fuelwood and fruits. Consequently, many moderately to densely populated peri-urban areas of Sub-Saharan Africa have many more trees today than before. This has been reported in Benin, Burkina Faso, Burundi, Ethiopia, Kenya, Rwanda, Togo and Uganda (Arnold et al. 2002; FAO 2001a; United States Agency.../ Comité Permanent Inter-Etats de Lutte Contre la Sécheresse Dans le Sahel (CILSS) 2002b).

Forest and trees as inputs to crop and livestock production

Even though experts widely acknowledge the substantial and widespread role of forests, woodlands and trees as inputs to crop and livestock production, few studies have quantified those contributions (FAO 1991). This section only refers to them briefly to highlight their importance.

A significant proportion of Africa's farmers use shifting cultivation production systems involving relatively long fallow periods. In such systems the natural regeneration of trees and other plants helps to restore soil fertility and reduce competition from weeds (FAO 1991). In many drier areas with poorer soils farmers actually transport leaf litter from woodlands to their fields to use as fertilizer (Clarke et al. 1996). Each year farmers convert several million hectares of forest to agricultural land uses and benefit from the nutrients, soil structure and weed, pest and disease control inherited from the previous forest and woodland ecosystems.

Trees and shrubs constitute a major source of forage for Africa's 20-25 million pastoralists, particularly for their camels and goats (FAO 1991). In some drier regions they are also important for cattle grazing in more sedentary systems (Clarke et al. 1996).

Forests also play major roles in avoiding soil erosion, regulating water flows, ensuring water quality and controlling pest, weeds and diseases (Mogaka et al. 2001).

Indirect links between forests and trees and rural livelihoods

Forests, woodlands and trees also relate to rural livelihoods in more complex and indirect ways. Forestry activities provide foreign exchange, liquidity and tax revenues that benefit national economies, which favours rural livelihoods. On the other hand, poor governance of forested regions and climate changes linked to carbon dioxide emissions resulting from deforestation negatively affect rural livelihoods.

Macro-economic benefits

In 1999, Sub-Saharan Africa exported nearly \$3 billion dollars' worth of forest products (about one third of which came from South Africa) (FAO 2001a). That represented about 5 percent of regional exports. For Cameroon, Congo, Côte d'Ivoire, Gabon, Ghana and Liberia, the percentage was higher. Those export earnings potentially benefit rural people, although no one has specifically documented that.

Since most other forestry statistics are extremely poor and unreliable one cannot use them to assess the sectors' contribution to the national economies. Nonetheless, based on available evidence one can say that the sector contributes significantly in some countries.

Wildlife-based tourism plays a key role in the economies of several eastern and southern Africa countries. Kenya and Tanzania received an estimated US\$ 502 million and US\$ 360 million from international tourism in 2002 and some 480,000 people worked in the Kenyan tourism industry (FAO 2002d). Nature tourism has also been important for Botswana, Namibia, Rwanda, South Africa, Tanzania and Zimbabwe. Much of this tourism focuses on wooded savannas.

Forests and violent conflict

In recent years, Angola, Burundi, Central African Republic, Chad, Côte d'Ivoire, Democratic Republic of Congo, Eritrea, Ethiopia, Liberia, Mozambique, Republic of Congo, Rwanda, Senegal, Sierra Leone, Somalia, Sudan and Uganda experienced violent conflict. Most conflicts have centered in remote rural areas where national governments have limited presence and insurgent groups can take refuge. These regions typically have poor roads and their populations rely on low-productivity agriculture, hunting, fishing and collecting other forest products. In the wetter areas forests and woodlands dominate the landscapes.

The desire to control valuable natural resources such as timber, diamonds, oil and minerals has motivated some conflicts (Collier and Hoeffler 2001). In several countries governments and insurgent forces have used revenue from timber to finance military activities (USAID 2002a). Disputes over natural resources underlie some ethnic tensions. Limited provision of social services, weak official justice systems and slow economic growth in these remote forested areas have given the rural population little reason to be loyal to national governments. Thus, weak governance and limited public investment in forested regions contributes to violent conflict. That, in turn, negatively affects rural people.

Climate change

According to the Inter-governmental Panel on Climate Change (IPCC) (2001a) deforestation and land use changes account for about one fifth of the carbon dioxide emissions that contribute to global warming. Africa accounts for a large share of that. The Food and Agriculture Organization's Forest Resources Assessment 2000 (2001b) in Africa listed a 56 percent net decline in global forest cover between 1990 and 2000. That may be an overestimate (Fairhead and Leach 1998). Still, Africa's forest loss is probably a small but significant factor in global climate change.

Any climate change resulting from forest loss in Sub-Saharan Africa will probably negatively affect its rural poor. The IPCC (2001b) has concluded that climate change will worsen food security in Sub-Saharan Africa. Most scenarios predict that climate change will lead to reduced grain yields there, expand the range of infectious diseases and increase the

frequency of extreme events such as droughts and floods. Due to its weak research and technology transfer systems, widespread poverty and heavy reliance on rain-fed agriculture, rural Africa has limited capacity to adapt to climate change.

Threats and opportunities

The contribution of forests, woodlands and trees to rural livelihoods changes over time. Some trends threaten those contributions. Others represent positive opportunities. Forest loss and degradation, declining access to forest resources and stagnant markets seem to be the main threats. The main opportunities come from policies favourable to local communities, growing urban markets and farmer innovation.

Forest loss and degradation

According to the FAO (2002b), each year Africa suffers a net loss of 5.3 million hectares of forest and woodlands. Although the true figure is probably lower, no one questions that millions of hectares of forests and woodlands are disappearing. That, along with over-harvesting of forest products and forest degradation resulting from fires, makes fewer forest products available to rural households.

The clearest case where over-extraction of forest resources threatens livelihoods is wild meat. On average, hunters extract 645 kg of wild meat each year per square kilometer of forest in Central Africa. The maximum sustainable production is less than one sixth of that. At that rate hunters will rapidly deplete the resource. That will increase malnutrition unless someone develops low cost alternative sources of protein and makes them available to the local population (Bennet 2002).

Deforestation has reduced the prevalence of wild plants used for food. Studies from Kenya and Tanzania show that as villagers' access to forests and woodlands declines they eat fewer wild plants (Brokensha and Riley 1986; Fleuret 1986; Wachiira 1987). Logging companies in Cameroon are harvesting the moabi trees that local people use for cooking oil and medicinal products (World Rainforest Movement 2001).

One third of small entrepreneurs and artisans interviewed in the previously cited survey of forest-based micro-enterprises in southern Africa said that they had major difficulties obtaining raw materials (Arnold et al. 1994). Undoubtedly forest loss and over-harvesting of forest products is one reason for that.

Fallow periods often fall in response to the decline in available forest resources (Adegbehin and Igboanugo 1990; Chidumayo 1987; Russel 1993). That can reduce labour productivity and raise production costs.

In many places fuelwood is becoming scarcer and families suffer as a result, although one should not exaggerate the scope or degree of the hardships involved (Arnold et al. 2002). In response to the declining availability of fuelwood, many rural African families now cook fewer meals, eat foods that require less fuel to cook and heat less water. In response to declines in preferred types of fuelwood, many have switched to less favoured woods, crop residues and other types of biomass (Vermeulen 2001). In many cases they now walk greater distances to collect fuelwood.

Many factors contribute to forest loss and degradation in Sub-Saharan Africa. Agricultural expansion and commercial logging and hunting are the main direct causes. While the region has some large-scale agriculture, small-scale agriculture dominates in most countries. Surface

mining and pollution linked to oil drilling and transport can also be problems. Charcoal production and fuelwood harvesting cause damage in some specific localities, mostly near to urban areas (Arnold et al. 2002).

Key factors encouraging deforestation and forest degradation in Africa include increases in crop, timber and fertilizer prices, road construction and improvement, government allocation of forest, land and minerals to large companies, population growth and in-migration, new markets for crops and livestock and certain improvements in agricultural productivity (Kaimowitz and Angelsen 1998; Ndoye and Kaimowitz 2002; Angelsen and Kaimowitz 2001). In the case of agricultural prices, changes in products' relative prices are key since some agricultural systems use land more intensely than others. Thus, for example, even though higher agricultural prices usually favour deforestation, sometimes higher tree crop prices reduce forest clearing by inducing farmers to grow those crops rather than practice shifting cultivation, which requires more land (Ndoye and Kaimowitz 2000). Since exchange rates and trade policies have great influence on agricultural and forest sector prices they often have large impacts on forest clearing (Kaimowitz and Angelsen 1998).

Loss of access to forests

Forest loss and degradation are not the only reason many poor households in Sub-Saharan Africa face declining access to forest resources. Many local communities, poor households and women have lost access to forest resources as a result of elite groups obtaining a greater share of existing resources (Arnold 1991; Scoones et al. 1992; Shepherd et al. 1991; Wachiira 1987). Commercial farmers, ranchers, hunters, logging and mining companies and charcoal makers and migrants from other regions often displace traditional forest users (Ribot 2000; World Rainforest Movement 2002a,c,d; World Rainforest Movement 2001). Government policies frequently favour these groups with concessions, licenses, permits and new roads, while denying similar rights to poorer local inhabitants (Ribot 2000; World Rainforest Movement 2002a,d; World Rainforest Movement 2001). Often the creation of government forest reserves and protected areas also reduces local people's access to forest resources (Archibald and Naughton-Treves 2001; Colchester 1997; Ghimire 1994; Terborgh and Peres 2002; World Rainforest Movement 2002a,b; World Rainforest Movement 1999). Privatization of land may limit the access of poor households to what had been common property resources (Manvell and Shepherd 2001; Vermeulen 2001). Within households, men sometimes monopolize forest resources and the money obtained from selling forest products at the women's expense (Leach 1990).

As a result of their loss of access some families suffer from declining health and nutrition (Pagezy 1988; World Rainforest Movement 2002a). Less access to certain forest resources can lead to over-exploitation of remaining resources. It can also discourage maintenance of long fallow periods, as any unused woodland might be lost to others (Shepherd et al. 1991).

Stagnant markets

The markets for some traditional non-timber forest products have become saturated or are shrinking. This applies particularly to markets for poor quality household items such as the baskets and mats used mostly by rural people. Similar products from other sources, which are often of higher quality, can easily replace these products and the generally slow growth of rural incomes limits consumers' purchasing power (Arnold and Townson 1998).

In addition, the slow growth in per capita incomes in Sub-Saharan Africa restricts the expansion of markets for high-quality forest products that require more skills and capital. These are generally the forest products that offer real prospects of helping people to get out of poverty.

Growing support for community control over natural resources

The trends are not all negative. In fact, there are good reasons for optimism regarding forest resources' contribution to rural livelihoods. One major one is the increasing willingness of African governments to support forest, land and wildlife policies that favour local communities.

Over the last few decades many countries have approved or are considering policies and laws that recognize community forest ownership and management. Lesotho, Malawi, Namibia, Tanzania and Uganda have advanced the most among eastern and southern African countries. Tanzania's 1999 land law gives village councils authority to allocate village lands and determine how people can use them. A draft forest law allows for the creation of village forest reserves controlled by local management committees. The country's villages have already declared over 500 areas as village forest reserves. Similarly, in 1998, Uganda gave District Land Boards and Parish Land Committees the right to administer land. Lesotho's 1999 Forestry Act provides for community forests and cooperative forests and sets out procedures for returning control over existing government forest reserves to the communities. Malawi's 1998 Forestry Law recognized Village Forest Areas owned by the communities. Draft forestry bills in Namibia and Uganda also recognize community forests (Wily and Mbaya 2001). One can find similar trends in many West African countries (United States Agency.../ Comité Permanent Inter-Etats de lutte Contre la Sécheresse Dans le Sahel (CILSS) 2002b).

Countries with wooded savanna ecosystems have created policies and projects that allow villagers and local authorities to receive benefits from tourism and hunting. This trend began in Zimbabwe with the now famous CAMPFIRE programme (Child 1996). It has since spread to Botswana, Namibia, Zambia, Uganda and other countries (Archibald and Naughton-Treves 2001; USAID 2002b; Wainwright and Wehrmeyer 1998).

Increased recognition of local rights over forests makes it less likely that outside groups will take away access to these resources. In some cases it has reduced or even halted the loss of natural resources (USAID 2002b; Wainwright and Wehrmeyer 1998; Gibson and Marks 1995). Thousands of people have obtained more secure access to forest resources and higher incomes (Child 1996; USAID 2002b; United States Agency.../ Comité Permanent Inter-Etats de Lutte Contre la Sécheresse Dans le Sahel (CILSS) 2002; Wily et al. 2001).

Still, much remains to be done. For the most part governments have still not been willing to recognize community rights over high-value timber resources and have favoured large-scale concessions instead. But it is precisely in those areas where communities might get the largest benefits from greater access to forest resources (Brown et al. 2002).

Evidence also exists that local elites have benefited the most from new decentralization, community forestry and benefit-sharing policies (Brown et al. 2002; Gibson and Marks 1995; McIvor 1997; Ribot 2000). Men have generally benefited more than women (Ribot 2000; Wainwright and Wehrmeyer 1998). Through greater accountability and transparency and the creation of more democratic institutions these programs and policies could do much more to support rural livelihoods than they have. Such reforms will inevitably have to come as a result of democratic movements within each country, but the international community can certainly encourage them.

Promising markets

Rapid growth in Africa's urban population combined with high transportation costs that limit foreign imports have led to rapid expansion in domestic demand for many forest products. That includes charcoal, construction timber and poles, fruits, palm wine, medicinal plants, wild meat and furniture, among others (Arnold et al. 2002; FAO 2001a; Scherr et al. 2002). That represents a major opportunity for rural livelihoods.

Unlike other tropical regions, aggregate demand for fuelwood and wood for charcoal in Sub-Saharan Africa continues to grow almost as fast as the population. Demand for charcoal has grown particularly rapidly and charcoal making and marketing tend to be more profitable than selling fuelwood. In some peri-urban areas of Ethiopia, Kenya, Tanzania and other countries the rapid expansion in the markets for charcoal and fuelwood have made it economically attractive for farmers to plant trees to produce fuelwood in places where only a few years ago that would have not been profitable (Arnold et al. 2002).

In response to the growing market opportunities farmers have begun to plant more trees and/or encourage natural regeneration to produce construction timber, poles, other wood products and fruits (Holden et al. 2002; United States Agency.../ Comité Permanent Inter-Etats de Lutte Contre la Sécheresse Dans le Sahel (CILSS) 2002). In many cases this has allowed them to substantially improve their incomes. Everything suggests this trend will continue.

Rapid growth of Central Africa's cities has largely driven the increase in demand for wild meat there. People of all income levels consume wild meat in that region and are often willing to pay more for it than for other protein sources (Bennet 2002).

Urban expansion has also encouraged production of furniture and housing materials, which can offer higher returns, although generally only to people with skills and resources. With adequate support for producing and marketing better quality products this sector could provide more employment and better remunerations, particularly if per capita incomes begin to grow.

For the most part poorer households will only be able to sell their products in domestic markets. Nevertheless, the production and sale of baskets, woodcarvings and other handicrafts to tourists and the export market has boosted rural incomes in some southern African countries and will probably continue to do so (Terry and Cunningham 1993). If local communities obtained greater access to high-value timbers they would probably also be able to export them.

Farmer innovation

As farmers have seen a decline in available forest resources, changes in market demands, improved access to urban markets and other economic, social, political and technological changes they have not simply sat idly by. They have adjusted their behaviour. They have domesticated plants and animals previously taken from the wild (Juma 1989; Wilson 1990). They have planted trees and protected new areas for natural regeneration. (Barrow et al. 2002: United States Agency.../ Comité Permanent Inter-Etats de Lutte Contre la Sécheresse Dans le Sahel (CILSS) 2002). They have restricted forest clearing and the harvesting of certain forest products and have responded to new market opportunities. This has allowed them to survive and sometimes even flourish. Such adaptation could take place even faster if national governments and civil society supported it more.

What should governments do

Even if one agrees that forest and tree-based resources are important for the livelihoods of rural households in Sub-Saharan Africa, it does not necessarily follow that poverty-reduction strategies or government policies should pay attention to them. One must also demonstrate that governments can do things to maintain or improve those contributions. This final section briefly describes what those policies, programmes and projects might be.

Give communities control over forest resources and encourage their equitable distribution

Governments should give rural communities and poor rural households clear and secure rights over forests and woodlands and allow them to transport and sell forest products. That can help ensure local people do not lose access to resources they depend on to wealthier or more powerful outside groups. In some – though not all - contexts it would lead local people to protect those resources from over-exploitation. Rural households can directly benefit from forest “rents” (e.g. stumpage value), particularly when high-value timber and wildlife are involved. Establishing local people’s rights over natural resources provides a basis for compensating them for the environmental services their resources provide. Secure tenure encourages tree planting and managing areas for natural regeneration.

Governments should make fewer and simpler regulations and require less paperwork and forestry officials should be accountable to the local population. Existing forestry regulations tend to discriminate against small-farmers and micro-enterprises. They often require expensive and time-consuming paperwork and management plans and the involvement of trained foresters, to whom most rural households have little access. Over-regulation of forestry and limited accountability of public officials encourages corruption, which usually harms the poor.

In designing and implementing forest tenure, benefit-sharing and regulatory policies, decision-makers should recognize that communities are not homogenous. Local elites do not always reflect the interests of the broader population and conflicts often arise between communities. The people within each household, village and district differ with regard to gender, ethnicity, wealth, status and source of livelihood and their interests reflect that. Thus, governments and non-governmental actors should establish mechanisms that provide as much transparency, accountability and representation of all relevant stakeholders as possible and create clear mechanisms for conflict resolution. Communities often need external backing to establish and implement local rules to regulate natural resource use. In some countries to address these problems may also require reform of national governance structures.

Avoid policies that encourage forest destruction

Many macro-economic, trade, agricultural, infrastructure, energy and mining policies negatively affect forests and the rural people that depend on them. Policymakers rarely consider these impacts, even though they should.

Examples of non-forestry policies and programmes that often stimulate forest loss and degradation include: currency devaluations, constructing roads near forests, government retrenchment that reduces urban incomes and stimulates reverse migration towards rural areas, trade policies that restrict agricultural imports or make them more expensive, elimination of fertilizer and energy subsidies, granting logging concessions, tse-tse fly and malaria control and relocation of displaced people, demobilized soldiers and refugees into

areas near forests (Angelsen and Kaimowitz 2001; Kaimowitz and Angelsen 1998; Ndoye and Kaimowitz 2001). In each case the specific policies that are relevant, and their impact will, vary. As this list implies, however, many policies that seem to have little relation to forests have a large impact on what happens to them.

Often the social and economic benefits of the policies involved justify the associated loss of forest resources by poor rural households. In other cases poor rural households may even benefit from policies that encourage over-exploitation of forest resources, at least in the short run. That may apply, for example to policies that increase the demand for fuelwood or wild meat from unsustainable sources. In each case, however, policymakers should explicitly consider the policies' effects on forests and the rural livelihoods that depend on them before adopting them.

Provide financial, marketing and technical services for villagers and small forest enterprises

Governments, NGOs, grassroots organizations and private companies should provide relevant and cost-effective financial, marketing and technical services to villagers and small forest enterprises. Sometimes this should take the form of forestry projects. Just as often the approach should be to incorporate forest-related skills and components into general rural development and micro-enterprise development efforts.

Traditionally, most forestry and community-based natural resource management projects focused on timber and wildlife. They need to concentrate more on the foods, medicines, fodder, fertilizer, watershed services and cultural and spiritual benefits forests provide, as well as paying more attention to women. This may involve pro-active efforts to promote those activities, but often it will require nothing more than ensuring that commercial forest management does not restrict the flow of subsistence products. In many contexts the projects should prioritize natural regeneration over plantations and support those efforts by providing tenure security, market information and assistance in community organization.

Given the low incomes of the households involved and the low unit value of fuelwood and non-timber products, it is hard to justify technical services that rely predominantly on people with technical degrees. In most cases villagers themselves should have primary responsibility for exchanging information through various channels. Professionals and technical staff can facilitate that process. As much as possible these approaches should build on the spontaneous farmer adaptations and innovations mentioned previously.

Small-scale carpenters, furniture and basket makers, woodcarvers, charcoal-makers and traders need market information, financial services, management training and help to improve the quality and presentation of their products. Frequently, general micro-enterprise development projects are best suited to provide that, but they need to give more attention to associated natural resource issues and ensuring a sustainable supply of raw materials, as well as to "forestry" issues more generally. Governments and NGOs should generally avoid creating grassroots organizations artificially. Where they exist, however, they should facilitate their development.

Bring livelihood and landscape approaches into conservation efforts

National and international conservation efforts can restrict access to forests and wild animals by rural households. But they can also provide new sources of funding to compensate local people for efforts to conserve wildlife and habitats. Those that have the greatest capacity to bear the costs of conservation should do so. If access to resources must be restricted to allow

production to be sustained over time, the access of wealthy groups should be restricted before poorer groups.

Some species can only be conserved in areas that remain largely undisturbed by humans. They require completely protected areas to avoid becoming extinct. However, in a poor continent like Africa the dominant conservation approach should be to encourage land uses that are more compatible with the preservation of an abundance of wild plant and animal species, particularly those species valued by local villagers. That may involve everything from agro-forestry systems to community controlled private parks and limits on forest clearing in riparian zones to limiting the expansion of large-scale monoculture systems. The key is to make the entire landscape more biodiversity friendly, not just the core protected areas. This implies a major break with the earlier generations of integrated conservation and development projects, where the conservation efforts focused on the core areas and the projects carried out development activities in surrounding areas, which often had only a tenuous link to clear biodiversity objectives. When governments or non-governmental organizations (NGOs) do create core protected areas they must be certain to compensate local people for the livelihood options they lose as a result.

Address the root causes of conflict

Governments must invest heavily in social services and establishing the rule of law in forested areas. They must also become more accountable and democratic to reduce the incentives for the local population to engage in violence or other illegal activities. Recognizing local rights over natural resources can also help prevent conflicts.

The international community should restrict the trade in “conflict timber” to make it more difficult to fund military activities from forest resources. It should also take steps to avoid money laundering by those engaged in illegal activities in forested regions.

Improve the knowledge base and raise awareness

To design and justify specific policies that protect and enhance the contribution of forest resources to rural livelihoods in particular countries requires more information than currently exists in many places. That includes information on: the contribution of forest resources to livelihoods, the effects of environmental degradation, market trends, policy and project impacts, local institutions, the impact of management options on the resource base and farmer innovations. Much of the information now available is out-of-date and extremely incomplete, while the reality is highly dynamic and diverse. On many relevant topics there is less data

Box 3. What Should Governments Do?

- Give communities control over forest resources and encourage their equitable distribution
- Avoid policies that encourage forest destruction
- Provide financial, marketing and technical services for villagers and small forest enterprises
- Bring livelihood and landscape approaches into conservation efforts
- Address the root causes of conflict
- improve the knowledge base and raise awareness

collection and research today than a decade ago and in a number of countries HIV/AIDS is having devastating impacts among national researchers and policy analysts.

Most policymakers, development and conservation professionals and the general public do not realize how important forest and tree resources really are for the rural poor in Sub-Saharan Africa, much less what needs to be done to use those resources to assist the poor. That case must be made using solid data and giving people a real sense of what that data means. The truth is that these resources have an essential role to play in any serious strategy to reduce rural poverty in Sub-Saharan Africa.

Acknowledgements

The author acknowledges the useful comments from Arild Angelsen, Godwin Kowero and Sven Wunder

References

- Adegbehin, J.O. and A.B.I. Igboanugo. 1990. Agroforestry Practices in Nigeria, *Agroforestry Systems*. 10(1):1–22.
- Agyemang, M.M.O. 1994. The Lead Gatherers of Kwapanin, Ghana. *Forest Participation Series 1*. IIED: London.
- Anadu, P.A. P.O. Elamah and J.F. Oates. 1988. The Bushmeat Trade in South-western Nigeria: A Case Study. *Human Ecology* 16(2): 199–208.
- Angelsen, A. and D. Kaimowitz. 2001. *Agricultural Technologies and Tropical Deforestation*. London: CAB International Publishers.
- Anstey, S. 1991. *Wildlife Utilization in Liberia: Wildlife Survey Report*. Gland, Switzerland, World Wildlife Fund and Liberian Forestry Development Authority.
- Archibald, K. and L. Naughton-Treves. 2001. Tourism Revenue-sharing Around National Parks in Western Uganda: Early Efforts to Identify and Reward Local Communities, *Environmental Conservation*. 28 (2):135–49.
- Arnold, J.E.M. 1991. Production of Forest Products in Agricultural and Common Land Systems: Economic and Policy Issues. A Forest Policy issues paper prepared for the Agricultural and Rural Development Department, The World Bank, Washington D.C.
- Arnold, J.E.M. 2001. *Forests and People: 25 Years of Community Forestry*. Rome: Food and Agriculture Organization of the United Nations (FAO).
- Arnold, J.E.M., G. Kohlin, R. Persson, G. Shepherd. 2002. *Fuelwood Revisited: What Has Changed in the Last Decade?*. Draft. Bogor: Center for International Forestry Research.
- Arnold, J.E.M., C. Liedholm, D. Mead and I.M. Townson. 1994. Structure and Growth of Small Enterprises Using Forest Products in Southern and Eastern Africa. OFI Occasional Papers No. 47, Oxford Forestry Institute.
- Arnold, J.E.M. and I. Townson. 1998. Assessing the Potential of Forest Product Activities to Contribute to Rural Incomes in Africa. ODI Natural Resource Perspectives, No 37, November. (Note the estimate of hundreds of millions of Africans depending on forest products comes from the author and not Arnold and Townson.)
- Baikuntha, A. 2002. Are Trees for the Poor? A Study from Budongo Forest, Uganda. MSc thesis, Department of Economics and Social Sciences, Agricultural University of Norway, Ås.
- Barrow, E., D. Timmer, S. White and S. Maginnis. 2002. *Forest Landscape Restoration, Building Assets from People and Nature, Experience from East Africa*. IUCN, Gland, Switzerland.
- Bennett, E.I. 2002. Is There a Link Between Wild Meat and Food Security. *Conservation Biology*, Volume 16, No. 3, June: 590–2.
- Biellik, R.J. and P.L. Henderson. 1981. Mortality, Nutritional Status and Dietary Conditions in a Food Deficit Region: North Teso District, Uganda, December, 1980. *Ecology of Food and Nutrition*, 11, 163–70.
- Bishop, J. and I. Scoones. 1994. *Beer and baskets: The Economics of Women's Livelihoods in Ngamiland, Botswana*. Hidden Harvest Project 3. Sustainable Agriculture Program, IIED, London.
- Brokensha, D. and B. Riley. 1986. Changes in Uses of Plants in Mbeere, Kenya. *Journal of Arid Environment*, 11: 75–80.
- Brown, D., Y. Malla, K. Schreckenber and O. Springate-Baginski. 2002. 'From Supervising 'Subjects' to Supporting 'Citizens': Recent Developments in Community Forestry in Asia and Africa', ODI Natural Resource Perspectives No. 75, February.
- Campbell, B.M. 1986. The Importance of Wild Fruits for Peasant Households in Zimbabwe. *Food and Nutrition*, 12(1):38–44.

- Campbell, B.M., J. Clarke, M. Luckert, F. Matose, C. Musvoto and I. Scoones. 1995. *The Hidden Harvest: The Role of Wild Foods in Agricultural Systems*. IIED Research Series 3:2. IIED, London.
- Campbell, B.M. and M.K. Luckert (eds). 2002. *Towards Understanding the Role of Forests in Rural Livelihoods*. pp. 1-16, in *Uncovering the Hidden Harvest, Valuation Methods for Woodlands & Forest Resources*, B. Campbell and M. Luckert eds., London: Earthscan Publications Ltd.
- Caspary, H.U. I. Kone, C. Prouot and M. de Pauwe. 2001. *La chasse et la filiere viade de brousse dan l'espace Tai, Côte D'Ivoire*. Tropenbos, Wageningen, The Netherlands.
- Cavendish, W. 1997. *The Economics of Natural Resource Utilization by Communal Area Farmers of Zimbabwe*. PhD dissertation, Oxford University.
- Chardonnet, P. 1995. *La resource: oubliee: faune sauvage Africaine*. European Union: Luxemburg.
- Chidumayo, E.N. 1987. *A Shifting Cultivation Land Use System Under Population Pressure, Zambia*. *Agroforestry Systems*, 5(1):15-26.
- Child, B. 1996. *The Practice and Principles of Community-Based Wildlife Management in Zimbabwe: The CAMPFIRE Program*. *Biodiversity and Conservation*, 5: 369-98.
- Clarke, J. W. Cavendish and C. Coote. 1996. *Rural Household Management and Miombo Woodlands: Use, Value and Management*. pp. 101-36 in B. Campbell (ed) *The Miombo in Transition: Woodlands and Welfare in Africa*, Bogor, CIFOR.
- Colchester, M. 1997. *Salvaging Nature: Indigenous People and Protected Areas*. pp. 97-130, in K.B. Ghimire and M.P. Pimbert, *Social Change and Conservation, Environmental Politics and Impacts of National Parks and Protected Areas*, London, Earthscan Publications Ltd.
- Collier, P. and A. Hoeffler. 2001. *Greed and Grievance in Civil War*. http://www.worldbank.org/research/conflict/papers/greedgrievance_23oct.pdf.
- Dawson J., 1988. *Small-scale industry development in Ghana: a case study of Kumasi*. Paper prepared for the Economic and Social Committee for Overseas Research, U.K. Overseas Development Administration, London.
- De Waal, A. 1989. *Famine That Kills: Darfur Sudan, 1984-1985*. Clarendon Press: Oxford.
- Dei, G. 1992. *A Ghanaian Rural Community: Indigenous Responses to Seasonal Food Supply Cycles and the Socio-economic Stresses of the 1980s*. pp. 58-81, in D.F. Fraser Taylor and F. Mackenzie (eds), *Development from Within: Survival in Rural Africa*, London: Routledge.
- Dei, G.J.S., M. Sedgely and J.A. Gardner. 1989. *Hunting and Gathering in a Ghanaian Rainforest Community*. *Ecology of Food and Nutrition*, 22: 225-43.
- Dethier, M. 1995. *Etude Chasse*. Report. ECOFAC Programme, Ministry of Environment and Forests, Yaounde, Cameroon.
- Deweese, P.A. 1993. *Economic Dimensions to the Use and Management of Trees and Woodlands in Small-Holder Agriculture in Malawi*. background paper prepared for the Malawi National Forest Policy Review. World Bank, Washington D.C.
- Fa, J.E. and C. Peres. 2001. *Hunting in Tropical Forests*. pp. 203-41, in J.D. Reynolds, G.M. Mace, K.H. Redford and J.G. Robinson (eds), *Conservation of Exploited Species*, Cambridge University Press, Cambridge, UK.
- Fairhead, J. and M. Leach. 1998. *Reframing Deforestation: Global Analyses and Local Realities: Studies in West Africa*. London: Routledge.
- Falconer, J. 1990. *The Major Significance of "Minor" Forest Products, The Local Use and Value of Forests in the West African Humid Forest Zone*. *Community Forestry Note 6*, Rome, FAO.
- FAO. 1991. *Silvicultura y seguridad alimentaria*. Estudio FAO Montes 90, Rome: FAO.
- FAO. 2001a. *Forestry Outlook Study for Africa: A Regional Overview of Opportunities and Challenges Towards 2020*. Draft. November, Rome: FAO.
- FAO. 2001b. *Global Forest Resources Assessment 2000, Main Report*. FAO Forestry Paper 140. FAO, Rome.
- FAO. 2002a. *Forestry Outlook Study for Africa: A Regional Overview of Opportunities and Challenges Towards 2020, Sub-Regional Report for Central Africa*. Draft. February, Rome: FAO.
- FAO. 2002b. *Forestry Outlook Study for Africa: A Regional Overview of Opportunities and Challenges Towards 2020, West Africa Sub-Regional Report*. Draft. Rome: FAO.
- FAO. 2002c. *Forestry Outlook Study for Africa: A Regional Overview of Opportunities and Challenges Towards 2020, Southern Africa Sub-Regional Report*. Draft. Rome: FAO.
- FAO. 2002d. *Forestry Outlook Study for Africa: A Regional Overview of Opportunities and Challenges Towards 2020, East Africa Sub-Regional Report*. Draft. Rome: FAO.
- Fleuret, A. 1986. *Dietary and Therapeutic Uses of Fruit in Three Taita Communities*. In N.L. Etkin (ed.), pp. 151-70, *Plants in Indigenous Medicine and Diet: Biobehavioral Approaches*, Redgrave, Bedford Hills, New York.
- Gakou, M., J.E. Force and W.J. McLaughlin. 1994. *Non-timber Forest Products in Rural Mali: A Study of Villager Use*. *Agroforestry Systems* 28:213-16.
- Gandar, M.V. 1994. *An investigation of prices, pricing criteria and distribution networks for fuelwood in selected areas of South Africa*. A report for the Biomass Initiative, Department of Mineral and Energy Affairs, Pretoria, South Africa.
- Ghimire, K.B. 1994. *Parks and People: Livelihood Issues in National Parks Management in Thailand and Madagascar*. *Development and Change*, Vol. 25: 195-229.
- Gibson, C.K. and S.A. Marks. 1995. *Transforming Rural Hunters into Conservationists: An Assessment of Community-Based Wildlife Management Programs in Africa*. *World Development*, Vol. 23 No. 6: 941-57.
- Haile, F. 1991. *Women Fuelwood Carriers in Addis Ababa and the Peri-Urban Forest*. Report to the Government of Norway, the International Development Research Centre and the National Urban Planning Institute, Geneva, International Labour Office.

- Hibajene, S.J. and A. Ellegard. 1994. Charcoal Transportation and Distribution: A Study of the Lusaka Market. Energy, Environment and Development Series 33, Stockholm Environment Institute, Stockholm.
- Holden, S., S. Benin, B. Shiferaw and J. Pender. 2002. Tree Planting for Poverty Reduction in Less Favoured Areas of the Ethiopian Highlands. manuscript
- Hopkins, J.C., S.J. Scherr and P. Gruhn. 1994. Food Security and the Commons: Evidence from Niger. draft Report to the United States Agency for International Development (USAID)-Niger, Washington D.C., IFPRI.
- House, W.J. 1981. Redistribution, Consumer Demand and Employment in Kenyan Furniture-making. *Journal of Development Studies*, 17 (4):336–56.
- Inglis, A.S. 1988. Rural women and urban men: Fuelwood conflicts and forest sustainability in Sussex village, Sierra Leone. ODI Social Forestry Network paper 6c, London, Overseas Development Institute.
- Inter-Governmental Panel on Climate Change. 2001a. A Report of Working Group I of the Inter-Governmental Panel on Climate Change, Summary for Policymakers. <http://www.ipcc.ch/pub/wg2SPMfinal.pdf>
- Inter-Governmental Panel on Climate Change. 2001b. Climate Change 2001, Impacts, Adaptation and Vulnerability, Summary for Policymakers. <http://www.ipcc.ch/pub/wg2SPMfinal.pdf>
- Juma, C. 1989. Biological Diversity and Innovation: Conserving and Utilizing Genetic Resources in Kenya. African Centre for Technology Studies, Nairobi.
- Kaimowitz, D. and A. Angelsen. 1998. Economic Models of Tropical Deforestation, A Review. CIFOR, Bogor.
- Kamara, J.N. 1986. Firewood energy in Sierra Leone – production, marketing and household use patterns. Studien zur Integrierten Landlichen Entwicklung, Verlag Weltwirtschaf series, No. 9, Hamburg.
- Kgathi, D.L. 1984. Aspects of Firewood Trade Between Rural Kweneng and Urban Gaborone (Botswana): A Socio-Economic Perspective. National Institute of Development Research and Documentation Working Paper, No. 46. National Institute of Development Research and Documentation, Gaborone, Botswana.
- Kinyanjui, M. 1987. Fueling Nairobi: the Importance of Small-Scale Charcoaling Enterprises. *Unasylya* 39 (3–4): 17–28.
- Lamarque, F.A. 1995. The French Cooperation's Strategy in the Field of African Wildlife. pp. 267–70, in J.A. Bissonette and P.R. Krausman (eds), *Integrating People and Wildlife for a Sustainable Future*, Bethesda, Maryland, Wildlife Society.
- Leach, M. 1990. The Reciprocal Constitution of Gender and Resource Use in the Life of a Sierra Leonean Village. PhD dissertation, University of London.
- Madge, C. 1990. Money, Medicine and Masquerades: Women, Collecting and Rural Development in the Gambia. PhD dissertation, University of Birmingham.
- Manvell, A. and G. Shepherd. 2001. Woodfuel in Niger: Crisis or adaptation in the last ten years?. Overseas Development Institute, London.
- Martin, G. 1985. Carcass Composition and Palatability of Some Wild Animals Commonly Used as Food. *World Animal Review*, 53:40–4.
- McIvor, C. 1997. Management of Wildlife, Tourism and Local Communities in Zimbabwe. pp. 239–69, in K.B. Ghimire and M.P. Pimbert, *Social Change and Conservation, Environmental Politics and Impacts of National Parks and Protected Areas*, London, Earthscan Publications Ltd.
- Mead, D.C., T. Dichter, Y. Fisseha and S. Haggblade. 1990. Prospects for Enhancing the Performance of Micro and Small-Scale Non-Farm Enterprises in Niger. GEMINI working paper No. 3. Growth and Equity through Microenterprise Investments and Institutions (GEMINI) project, Bethesda, Maryland.
- Mhone, G.C.Z. 1991. Forest Based Small Scale Activities Engaged in Marketing Products: A Review of Valuation Considerations. Background paper prepared for the Forestry Commission of Zimbabwe.
- Mialoundama, F. 1993. Nutritional and Socio-economic Value of Gnetum leaves in Central African Forest. In Hladik, C.M., A. Hladik, O.F. Linares, H. Pagezy., A Semple and M. Hadley, *Tropical Forests, People and Food: Biocultural Interactions and Applications to Development*. Man and Biosphere Series, Volume 15, UNESCO, Paris.
- Mogaka, H., Gacheke, S., Turpie, J., Emerton, L., & Karanja, F. 2001: Economic Aspects of Community Involvement in Sustainable Forest Management in Eastern and Southern Africa. IUCN - Eastern Africa Regional Office Forest and Social Perspectives in Conservation No. 8, Nairobi.
- Monela, G.C., G.C. Kajembe, A.R.S. Kaoneka and G. Kowero. 2000. Household Livelihood Strategies in the Miombo Woodlands of Tanzania. *Tanzania Journal of Forestry and Nature Conservancy*, 73: 17–33.
- Muchal, P.K. and G. Ngandjui. 1995. Wildlife Populations in the Dja Reserve (Cameroon): an Assessment of the Impact of Village Hunting and Alternatives for Sustainable Utilization, Report. Ministry of Environment and Forests, Yaounde, Cameroon.
- Munishi, P.K.T., A. O'Kting'ati and L.L. Lulandala. 1997. Smallholder Forestry for Rural Employment, Income Generation and Rural Development in Tanzania. manuscript.
- Nabangoa, G.N. and W.S. Gombya-Sembajjwe. 2001. The Effect of Household Endowments and Entitlements on Sustainability of Natural Forests. *International Forestry Review* 3(1):34–41.
- Ndoye, O. and D. Kaimowitz. 2000. Macro-economics, Markets and the Humid Forests of Cameroon, 1967–1997. *Journal of Modern African Studies*.
- Ndoye, O., M. Ruiz-Perez and A. Eyebe. 1998. op.cit.
- Ngnegueu, P.R. and R.C. Fotso. 1996. Chasse Villageoise et Consequences pour la Conservation de la Biodiversite dans la Reserve de Biosphere du Dja. Programme de Conservation et Utilisation Rationnelle des Forestiers d'Afrique Central. Ministry of Environment and Forests, Yaounde, Cameroon.

- Ntiama-Baidu, Y. et al. 1998. Wildlife Development Plan: 1998-2003. Wildlife Department, Accra, Ghana.
- Ogle, B. 1996. People's Dependency on Forests for Food Security. Some Lessons Learnt from a Programme of Case Studies. pp. in M. Ruiz Pérez and J.E.M. Arnold, eds. *Current Issues in Non-Timber Forest Products Research*, Bogor: CIFOR/ODA.
- Pagezy, H. 1988. Coping with Uncertainty in Food Supply Among the Oto and Twa Living in the Equatorial Flooded Forest Near Lake Tumba, Zaire. pp. 175-209, in I. De Glarine and G.A. Harrison (eds), *Coping with Uncertainty in Food Supply*, Clarendon Press, Oxford.
- Rahmato, D. 1988. Peasant Survival Strategies in Ethiopia. *Disasters*, 12: 326-44.
- Ribot, J.C. 2000. Rebellion, Representation and Enfranchisement in the Forest Villages of Makacoulbantang, Eastern Senegal. In: Zerner, C. (ed.), *People, Plants & Justice: The Politics of Nature Conservation*, New York, Columbia University Press.
- Riss, M.D. 1984. La place de la femme dans les mutations internes de l'économie rurale a partir d'un exemple Sénégalais (Kaolack region au sud Sénégal). Unpublished.
- Rocheleau, D. 1991. Gender, Ecology and the Science of Survival: Stories and Lessons from Kenya. *Agriculture and Human Values*, 8 (1):156-65.
- Russell, D. 1993. A Review of Research on Resource Management System's of Cameroon's Forest Zone: Foundations and New Horizons. Ibadan: IITA, Resource and Crop Management Research Monograph 14.
- Sale, J.B. 1981. The Importance and Values of Wild Plants and Animals in Africa. IUCN, Gland, Switzerland.
- Scherr, S., A. White and D. Kaimowitz. 2002. Making Markets Work for Forest Communities. *Forest Trends and CIFOR*, Washington D.C.
- Schreckenberg, K. 1996. Forests, fields and markets: A Study of Indigenous Tree Products in the Woody Savannas of the Bassila Region, Benin. PhD dissertation, University of London.
- Scoones, I., M. Melnyk and J.N. Pretty. 1992. The Hidden Harvest: Wild Foods and Agricultural Systems, A Literature Review and Annotated Bibliography. London: International Institute for Environment and Development.
- Shackleton, C.M. and S.E. Shackleton. 2000. Direct Use Values of Secondary Resources Harvested From Communal Savannas in the Wildbuckridge Lowveld, South Africa. *Journal of Tropical Forest Products* 6:21-40.
- Shepherd, G., J. Watts, A. Ifeke and D. Blais. 1991. Communal Management of Forests in the Semi-Arid and Sub-Humid Regions of Africa. Report prepared for the FAO Forestry Department, Social Forestry Network, Overseas Development Institute, London.
- Steel, E.A. 1994. Study of the Value and Volume of Wildmeat Commerce in Gabon. Unpublished paper, World Wide Fund for Nature.
- Sverrisson, A. 1990. Entrepreneurship and Industrialisation: A Case of Carpenters in Matare, Zimbabwe. Research Policy Discussion paper No. 186. Research Policy Institute, University of Lund, Sweden.
- Sverrisson, A. 1992. Innovation as a Collective Enterprise. A Case Study of Carpenters in Nakuru, Kenya. Research Policy Discussion paper No. 189. Research Policy Institute, University of Lund, Sweden.
- Terborgh, J. and C. Peres. 2002. The Problem of People in Parks", pp. 307-19, in J. Terborgh, C. van Schaik, L. Davenport and M. Rao (eds.), *Making Parks Work, Strategies for Preserving Tropical Nature*, Island Press, Washington D.C.
- Terry, M.E. and A.B. Cunningham. 1993. "Impact of Commercial Marketing on the Basketry of Southern Africa", *Journal of Museum Ethnography* 4: 25-48.
- Townson, I.M. 1995. Patterns of Non-Timber Forest Product Enterprise Activity in the Forest Zone of Southern Ghana. Report to the ODA Forestry Research Programme. Oxford: Oxford Forestry Institute.
- United States Agency for International Development (USAID) / Comité Permanent Inter-Etats de Lutte Contre la Sécheresse Dans le Sahel (CILSS), 2002. Investing in Tomorrow's Forests: Towards an Action Agenda for Revitalizing Forestry in West Africa. August, Washington D.C., USAID.
- USAID. 2002a. Conflict Prevention and Foreign Assistance, A Joint Publication of the Agency Conflict Task Force and the Office of Democracy and Governance. draft, Washington D.C., USAID.
- USAID. 2002b. Nature, Wealth and Power, Emerging Best Practice for Revitalizing Rural Africa. Washington D.C., USAID.
- Van Dijk, J.F.W. 1999. An assessment of non-wood forest product resources for the development of sustainable commercial extraction", in *Current research issues and prospects for conservation and development*, T.C.H Sunderland, L.E. Clark and P. Vantomme (eds), FAO, Rome.
- Vaughan, M. 1987. *The Story of African Famine: Gender and Famine in 20th Century Malawi*. Cambridge University Press, Cambridge.
- Vermeulen, S. 2001. Woodfuel in Africa: Crisis of adaptation? Literature review. ODI, London.
- Wachiira, K.K. (ed). 1987. *Women's Use of Off-Farm and Boundary Lands: Agroforestry Potentials*, Final Report. ICRAF, Nairobi.
- Wainright, C. and W. Wehrmeyer. 1998. Success in Integrating Conservation and Development? A Study from Zambia. *World Development*. Vol. 26, No. 6: 933-44.
- Wilkie, D.S. and J. Carpenter. 1999. Wild-meat Hunting in the Congo Basin: An Assessment of Impacts and Options for Mitigation. *Biodiversity and Conservation* 8: 927-55.
- Wilson, K.B. 1990. Ecology Dynamics and Human Welfare: A Case Study of Population, Health and Nutrition in Southern Zimbabwe. PhD Thesis, Department of Anthropology, University College, London.
- Wily, L. and S. Mbaya. 2001. *Land, People and Forests in Eastern and Southern Africa at the Beginning of the 21st Century*, Nairobi, International Union for the Conservation of Nature, January.

- World Bank. 2002. Briefing Note, Forest Conservation and Sustainable Development Project. World Bank, Washington D.C.
- World Rainforest Movement (WRM). 1999. Tanzania: Preservation Results in Human Rights Abuses. WRM Bulletin, No. 24, June.
- World Rainforest Movement (WRM). 2001. Cameroon: Social and Environmental Impacts of Industrial Forestry Exploitation. WRM Bulletin, No. 53, December.
- World Rainforest Movement (WRM). 2002a. Central African Republic, Logging Companies Destroy 'Pygmies' Livelihoods. WRM Bulletin, No. 59, June.
- World Rainforest Movement (WRM). 2002b. Ghana: Protected Areas at the Expense of People do not Guarantee Conservation. WRM Bulletin, No. 57, April.
- World Rainforest Movement (WRM). 2002c. Biodiversity Loss in Tanzania Linked to IMF-Promoted Commercial Agriculture and Mining. WRM Bulletin, No. 56, March.
- World Rainforest Movement (WRM). 2002d. Kenya: Forest Destruction for the Benefit of Government Cronies. WRM Bulletin, No. 55, February.

Forest-Based Poverty Reduction: A Brief Review of Facts, Figures, Challenges and Possible Ways Forward.¹

Olivier Dubois

Forestry Policy and Institutions Branch, FAO

1. Agreeing on the Concept of Poverty and Forestry in the Context of the Forestry-Poverty Nexus, and How to Address It

There is nowadays a broad consensus about the multi-dimensional and dynamic character of poverty. Growth is, therefore, not the only route to poverty reduction, and aspects related to distribution of assets (e.g. land), vulnerability and human development are proving equally important. This is reflected in the generally accepted definition of poverty given by the World Bank (2001a):

"Poverty is a pronounced deprivation of well-being related to lack of material income or consumption, low levels of education and health, vulnerability and exposure to risk, and voicelessness and powerlessness."

Forests being one amongst several possible sources of livelihood means for the poor, there is a need to envisage a broad definition of forestry in the context of its linkages with poverty, i.e. one that encompasses sources of forest products outside as well as inside forests. In doing so, the term 'forests' should be interpreted as referring to all forms of tree cover which poor people draw upon for forest outputs (Arnold 2001). Therefore, in this paper the terms 'forests' and 'forest resources' include trees outside forests, and in particular those included in agroforestry systems.

The definition of poverty given above underlines the fact that poverty is not only income and/or food based. This 'welfare' aspect of poverty has to be complemented by 'asset' poverty, which emphasises the importance of access to assets. Following this line of thinking, a current approach that attempts to go beyond income and food and to include multi-dimensional characteristics and causes is that of sustainable livelihoods (SL).² A livelihood comprises the capabilities, assets and activities required for a means of living. A livelihood is

¹ Paper prepared for the International Workshop on "Forests in poverty reduction strategies: Capturing the potential.", 01–02 October, 2002, Tuusula, Finland.

² While the DFID definition is being used in this paper, it should be noted that similar approaches are being used by a number of agencies including CARE, UNDP, Oxfam and FAO.

Box 1. Sustainability

Sustainability is important if progress in poverty reduction is to be lasting not fleeting. Sustainability of livelihoods rests on several dimensions, including environmental, economic, social and institutional. Livelihoods are sustainable when they:

- are resilient in the face of external shocks and stresses;
- are not dependent upon external support (or if they are, this support should itself be economically and institutionally sustainable);
- maintain the long-term productivity of natural resources;
- do not undermine the livelihoods of, or compromise the livelihood options open to

Source: Ashby and Carney (1999).

sustainable when it can cope with and recover from stresses and shocks, and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base (Carney 1998). See Box 1.

But what are the assets that are the building blocks of livelihoods? The assets that are analysed are not only natural, physical and financial capital, but also social (kinship and networks) and what is termed 'human' (nutritional levels and health) – See Box 2.

Box 2. The five forms of capital required for sustainable livelihoods

<i>Natural capital:</i>	natural resources such as land, forests, water, wildlife and pastures.
<i>Physical capital:</i>	(a) privately owned assets that can be used to increase labour and land productivity such as farm animals, tools, machinery; (b) the publicly owned economic infrastructure (e.g. roads, electricity supply) and social infrastructure (e.g. schools, hospitals).
<i>Financial capital:</i>	cash (income and savings) and readily convertible liquid capital.
<i>Human capital:</i>	health, nutritional levels, educational standards and skills.
<i>Social capital:</i>	the set of social relationships upon which people can draw to expand livelihood options. These include kinship, friendship, patron-client relations, reciprocal arrangements, membership of formal groups, and membership of organisations which provide loans, grants and other forms of insurance.

Source: Carney (1998).

Sustainable livelihood approaches (SLAs) like the one presented above reflect the three currently accepted dimensions of poverty: (i) subsistence needs (food, shelter, etc.); (ii) income; and (iii) vulnerability/poverty. The latter dimension of poverty is strongly linked to the limited access of the poor to one or a combination of the livelihood capital assets defined in Box 2. This, in turn relates heavily on disparity in bargaining power amongst local stakeholders, with the poor often at a loss in that respect. Therefore, we tend to agree with Baumann (2001) that it would be useful to add a sixth capital asset to those mentioned in Box 2, i.e. *political capital*, in order to capture the key role played by power aspects in enhancing or reducing opportunities to improving security in relation to subsistence needs,

increase income and lessen vulnerability. This in turn points to the importance of governance in addressing poverty issues, a subject that is discussed further in this paper (See Section 3).

The need to account for power differences and the political character of land and natural resource management explains the growing consensus amongst environment and development practitioners that one needs to move from participatory to negotiations approaches (Dubois and Lowore 2000; Leeuwis 2000; Edmunds and Wollenberg 2001 and 2002; FAO 2002). However, the implications of such negotiation processes on disadvantaged groups are seldom critically examined, and several practitioners thus also suggest a strategic approach to negotiation, with an emphasis on power brokering, joint social learning and empowerment of weaker parties (Castellonet 1999; Dubois and Lowore 2000; Wollenberg et al. 2001; Jiggins and Röling 2002; Edmunds and Wollenberg 2002).

In their present use, SLAs approach also often fail to take into consideration the importance of informal processes and structures. Yet, these are known to be crucial in the coping strategies of the poor (Silverman 2000; New Scientist 2002). One example of this relates to employment; with the proportion of informal to formal jobs in the wood industry sector being estimated to be at least 5–10:1 (equivalent to 30–50 million jobs) (ILO 2002). As regards forest-based poverty reduction, it is important to make a distinction between the ‘subsistence’ informal sector and the large-scale (often corporate) informal sector, as the former is usually a key component of coping livelihood strategies of forest dependent rural poor; while the latter has often overlooked and sometimes hampered them.

2. What Do We Know About the Contribution of Forest Resources to Livelihoods and Poverty Reduction? Some Facts and Figures

2.1 The types of livelihoods inputs from forestry

Forests are important natural capital. Past development efforts have primarily focused on building natural capital, however. Equal attention has not been paid to how assets such as forests are used in combination with other natural assets and other livelihood assets to sustain livelihoods. This has resulted in gaps in our understanding of the contribution of forest products to sustainable livelihoods and thus poverty reduction (DFID 1999). The three dimensions of poverty mentioned in section 1 and captured in the sustainable livelihood approach provide a useful way to assess the role of forestry in poverty alleviation, to which we now turn.

2.1.1 Securing subsistence needs

Forest and tree stocks provide a reserve upon which people can fall back for subsistence and income, especially in times of crop failure, unemployment and other kinds of hardship, or to meet exceptional needs. Forest and tree foods are most extensively used to help meet dietary shortfalls during particular seasons in the year. Energy rich tree foods such as roots, tubers, leaves, rhizomes and nuts are especially important during emergency periods such as floods, famines, droughts and wars.

In addition to food, forests and trees outside forests play often a significant role in meeting the needs of the rural poor, including those related to shelter (building material) and health (medicinal plants).

2.1.2 Increased income

Although income criteria of poverty when used alone may be criticised, it is recognised that people seek to increase the amount of money coming into the household. Increased income also relates to the idea of economic sustainability of the household. Forest role in increasing income opportunities can come in different guises (Warner 2000):

- Through employment in formal forest industries, and more importantly, in small informal forest-related businesses. For instance, the estimate from a national small enterprise survey of 237 000 persons employed in small woodworking, carving, wood fuel, and cane and grass product enterprises in Zimbabwe in 1991 compares with a reported 16 000 employed in forestry and forest industries in the country in that year (Arnold et al. 1994).
- As a complement to other sources of income (mainly farm income), and for several forest products, often on a part-time basis and along seasonal patterns. The other sources of income can sometimes form a significant part of farmers' income, especially for poorer households (e.g. sale of eucalyptus accounts for some 50% of the income of small farmers in Karnataka).
- Indirectly, as a source of inputs for non-forest income generating products (e.g. source of fertility for agricultural products or fodder for livestock).

Flexibility of income from forest/tree products is a positive feature for the rural poor. Income generation can be either 'lumpy' (e.g. through sales of mature trees planted at the period), as an opportunity for investment in building up assets), or staggered (e.g. fruit trees) which helps in making ends meet and/or fulfilling social obligations.

2.1.3 Better access to capital assets / more bargaining power

Although crucial to meeting subsistence needs and increasing income, the political dimension of poverty reduction has only recently been tentatively addressed in the livelihoods approach. Its importance for the poor can be illustrated by the fact that in many instances, rural people place more importance on controlling access to what they see as the forest resources key to their livelihoods than to increasing their income from these resources, e.g. in Tanzania (Wily 2000) or India (Sahrin 2001). Denying access to natural capital alone can significantly deteriorate the status of those who are already badly off and therefore rely more heavily on forest resources, as illustrated in an example in Thailand (see Box 3).

Box 3. Impact of Forest Closure on the Poor

In Thailand the government tried to conserve a forest by 'closing it off' in 1990. This caused major changes in the access to food for the villagers as they used the forest both directly for foods and indirectly as a source of income. The most vulnerable group to increased food insecurity due to the forest closing were the extremely poor households whose rice production was insufficient for up to 10–12 months per year. These households were landless, lacked animals, and were reliant on work as day labourers. Income generation projects focused on animals and so the food insecure households were not able to benefit.

Source: Kunarattanapruk et al. (1995).

2.2 Different patterns of the people/forest relationship

Tens of millions of people depend on forests, and the contribution of forest resources to their livelihoods can come in different guises, summarised in Box 4.

Box 4. What do poor people get from trees and forests?

Subsistence goods:	such as fuelwood, medicines, wood for building, rope, bush meat, fodder, mushrooms, honey, edible leaves, roots, fruits;
Goods for sale:	all of the above goods, arts and crafts, timber and other wood products;
Income from employment:	both in the formal and the informal sectors;
Indirect benefits:	such as land for other uses, social and spiritual sites, environmental services, including watershed protection and biodiversity conservation.

Source: FAO/DFID (2001).

However, it is difficult to be precise about the proportion of poor depending on forest resources because 'dependence' can vary according to circumstances and how livelihood patterns evolve over time. However, qualitatively speaking there is a general agreement about the categories of forest dependence proposed by Byron and Arnold (1999) and Sunderlin et al. (2002):

- Forest dwellers, including hunter-gatherers and swidden cultivators;
- Farmers living next to forests, who use forests as a complement to livelihood diversification (includes the landless);
- Commercial users, including small producers, traders and employees;
- Consumers of forest products among the urban poor.

The following comments can be made on these categories:

- They have been well developed and rationalised for forests, but if the intention is to include those who rely on trees as a whole, then these categories are too forest specific. The 1.2 billion people mentioned in the World Bank statistics (see Table 1) would not fit into any of these categories. Many of those practising agroforestry, or in extensive parkland systems have often little or no interaction with forests. In fact intensification of agroforestry systems in some areas is a direct result of lack of access (e.g. change in legislation, distance) to forests.
- These categories are not mutually exclusive. However, it is often convenient to make the distinction between two broad categories of poor – i.e. the 'very poor', who use forest resources mainly as a safety net and the 'less poor' who have the opportunity to use forest and tree resources beyond meeting their subsistence needs, i.e. as sources of income. It is important to note that these two categories of poor often compete for the local forest resources. For example, the wealthier may wish to convert forest used as source of food and medicine by the poorest of the poor into agricultural plots. On the other hand, though the wealthier in a community, with more resources to devote to forest product gathering and production, are often the heaviest users, the poor usually derive a greater share of their overall needs from forest products and activities. Therefore, any significant reduction in the local forest and tree capital affects primarily the poorest section of the population (DFID et al. 2002).

- Although the distinction between different categories of poor and their relationships to forests is useful it sometimes leads to an exclusive focus on these categories when it comes to tackling poverty through forestry. In doing so, it overlooks key players in the way forestry contributes or not to poverty reduction, such as forestry staff and middlemen. These stakeholders often put pressure on and/or provide valuable services to both categories of poor defined above to satisfy their own needs. Thus, ways and means to address these must be sought when working on forest based poverty reduction (FBPR). More broadly, this is just one illustration that FBPR will only work if the livelihoods and concerns of the ‘non-poor’ forest stakeholders, and their formal and informal interactions with the poor are also taken into consideration.

2.3 Some figures

Despite the difficulties in characterising ‘dependence’ mentioned in the previous section, an array of figures has been recently produced, aiming at illustrating the magnitude of the linkages between the poor and forestry, and especially the amount of poor dependent on forest resources for their livelihoods. Table 1 summarises some of the more prominent information in that respect.

These figures call for some comments:

- Those related to dependence on trees are much larger than those related to forest resources alone. This is just another indication of one point that this paper tries to clarify, i.e. the importance of ‘getting out of the forest box’ and having a landscape perspective on forests when it comes to their linkages with poverty reduction;

Table 1. Some figures illustrating people and poor’s dependency on forests and trees.

Figures	Sources
1. People’s dependency on forests and trees	
• 1.6. billion people in the world rely heavily on forest resources for their livelihoods, of which:	World Bank (2001b)
• 60 million indigenous people living in the rainforests of Latin America, Southeast Asia and West Africa depend heavily on forests.	UNDP et al. (2000)
• 350 million people living in, or next to, dense forests rely on them for subsistence or income.	Poschen (2002);
• 1.2 billion people in developing countries use trees on farms to generate food and cash.	ILO (2002)
• More than 2 billion people rely on biomass fuels (mainly fuelwood) for cooking and heating.	World Bank (2000)
• Forestry provides more than 10 million real jobs in developing countries; to which one should add between 30 and 50 million informal jobs in the wood industry	
• Natural products (many from forests) are the only source of medicine for 75–90% of people in developing countries	
2. Poor’s dependency on forests and trees	
• One out of four of the world’s poor depend directly or indirectly on forests for their livelihood	

- Most figures concern the relationship between forests and (usually rural) people, not that between forests and ‘the poor’. Thus, they include the less poor rural people who also use forest resources. This reflects a general trend in the documentation available on the subject.
- The above reflects the complexity of the forestry-poverty problem, not least the difficulty in grappling with the key aspect of informal processes and structures in a systematic fashion, and the figures on employment are but one illustration of how important informal processes are in the livelihoods of the poor.

3. Moving Beyond Facts and Figures and Making More Sense of the Forestry-Poverty Nexus – Some Major Challenges Ahead

The facts and figures presented in Section 2 show that there is a relationship between forestry and poverty, and they provide some indications on the magnitude and nature of the dependency of the poor on forest. However, they are desperately inadequate when it comes to making sense of the quality of this relationship, how it evolves over time, and how it relates to non-forest livelihood strategies. Indeed, despite ample evidence of the crucial role forest resources often play as safety nets and sources of income for the rural poor, the relationship between forest resources and poverty alleviation is far from straightforward. Promoting this link is challenging because of the very nature of some forest products and services, and the fact that these links often hinge on relationships between the poor and other actors in the forestry sector.

This is a complex matter, i.e.

Some cons:

- The long rotation of forest trees entails low short-term profitability of sustainable forest management (SFM) and tree planting, compared to goods that produce faster returns, typically agricultural products (including horticultural goods)³;
- Timber production attracts powerful ‘outside’ interests, and therefore requires sufficient bargaining power; which the poor often lack;
- Forests may provide more environmental services than agricultural land, but, to date, mechanisms to make these services competitive with other land uses for the poor are still lacking;
- The poor have often little comparative advantage when it comes to making sufficient income from forest resources. While there are less and less doubts about the value of indigenous knowledge as regards the ‘tending’ of natural resources, this knowledge seldom concerns the commercialisation of forest goods, and in particular timber. Moreover, the poorest of the poor are sometimes at a disadvantage due to a shortage of manpower to harvest forest products in such households relative to wealthier ones.

Some pros:

- The forest often provides a safety net to the poor because the harvesting or hunting of its products does not require strong rights to the land, as opposed to agriculture. The poorer households with sufficient manpower often sell forest products to wealthier families, e.g. in some villages of Mali (Kerkhof 2000);

³ This is particularly the case where the forest asset itself has little monetary value, as in Sahel. For instance, Kerkhof (2000) reports cases in the Kelka and Bankass forests of Mali, where revenues from fuelwood sales account for at least 4 times less income than those from the trade of agricultural products. Market-oriented agriculture (including livestock) provides more income even in the case of the relatively successful Energie II/Rural Fuelwood Market World Bank Project in Niger (Kerkhof 2000).

- Utilisation of some forest products (e.g. non-wood forest products) do not necessarily require heavy investments;
- Where sufficiently strong, traditional rules sometime contain poverty adjustments. For instance in the *Alamodiou* traditional ruling system that covers fifty villages in the Bankass district of Mali, villages known to be poor pay less taxes and fees in relation to access forest resources (Kerkhof 2000);
- The relationships between people and forests often expand beyond commercial exploitation in that forest has often a strong cultural value to forest dwellers. However, the extent to which these values provide enough incentives for conservation and/or sound use depends on several factors, including the strength of traditional leadership and the pressure on the forest itself. Furthermore, where lacking or lost, it is often a daunting task for change agents to create/recreate such spiritual incentives. In such cases, such incentives do not constitute a useful entry point for bringing about change;
- Forest and trees can often be combined with other resources in ways that achieve multiple uses for the poor with satisfactory production-environment trade-offs, e.g. the case of agroforests in Indonesia (Foresta and Michon 1990).

The above shows that there are no simple causal links between forest management and poverty. The four types of associations described by Mayers (1997) and presented in Figure 1 further illustrate this.

Figure 1. Four possible associations between poverty and forests.

	‘Poverty increase’	‘Poverty Reduction’
‘Forest Reduction’	<p style="text-align: center;">A</p> <p>Poor do not benefit from unsustainable use of forest resources (e.g. some high impact logging in Central Africa)</p>	<p style="text-align: center;">B</p> <p>Poverty is reduced by forest conversion conversion to e.g. extensive farming</p>
‘Forest increase’	<p style="text-align: center;">C</p> <p>Poor are affected by reduced access to land and forests (e.g. through protected forests)</p>	<p style="text-align: center;">D</p> <p>Less pressure on forest due to e.g. agriculture intensification or employment opportunities in environmentally friendly enterprises, or outside forests</p>

Adapted from Mayers (1997).

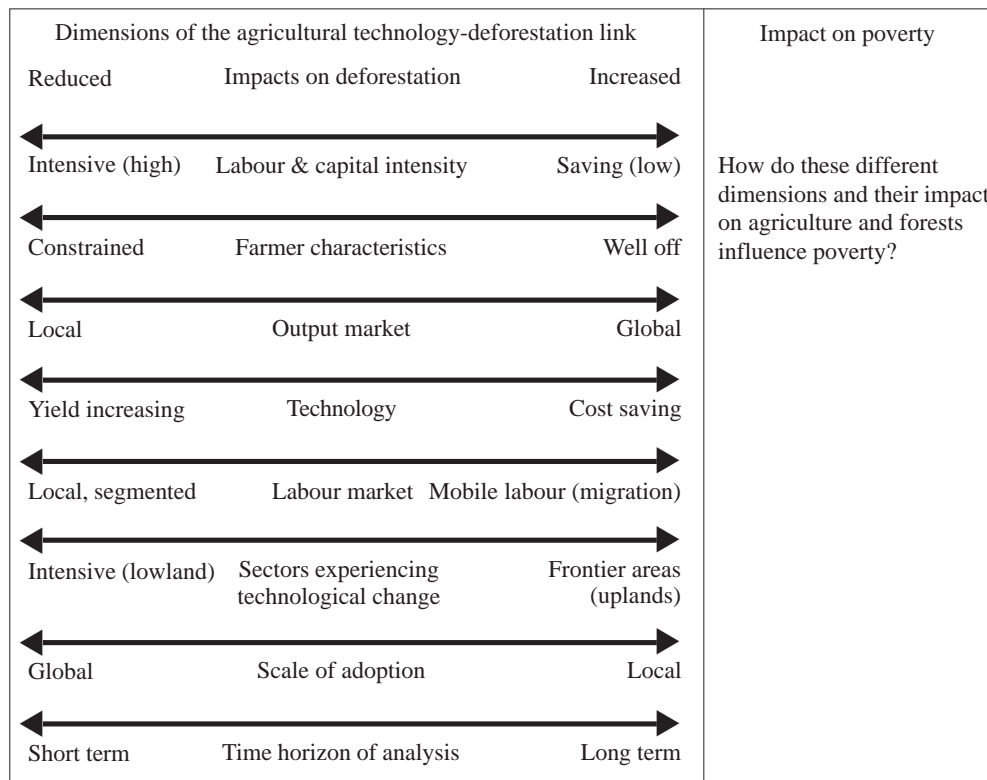
Figure 1 shows in particular that:

- Only the environmentally friendly enterprises can implement forest management likely to reduce poverty (i.e. situation D). The other situations are likely to actually enhance a separation between forests and people;
- However, context is all important, and shifts between the situations described above can occur over time. For instance, a logging company might have different influences on poverty and forests according to its logging practices or employment policies (e.g. proportion of local versus outside workers); the influence of agriculture as a source of income will affect the links differently depending on local farming practices, etc.

Linking active participation to poverty reduction might prove quite challenging when it comes to collaborative forest management (CFM). Not only are the poor often those finding most difficult to ‘self-mobilise’, but once self empowered through CFM, they might find it more rewarding to engage in non-forest activities. CFM actions aimed at bringing or keeping forest dwellers close to the forest might actually end up reducing the relationship. But is it such a bad thing, if one sees this dynamic from a livelihood perspective? Is the objective of CFM to maintain the forest, or to raise people livelihoods? Surely it is a success if through CFM, other options open up and people are released from their dependency on their forest. Likewise it is positive since the type of livelihood chosen by newly empowered people is their prerogative. In short, depending on the type of new livelihood chosen by these newly empowered rural people, pressure on the forest might be reduced (e.g. if they engage in off-farm work) or increased (e.g. if they increase their farming areas).

To complicate matters further, forestry is often in competition with other livelihood options when it comes to achieving better livelihoods for the poor. A particular point in case relates to the mutual interactions between agriculture, forestry and poverty. Some recent work by CIFOR (Angelsen and Kaimowitz 2001) has significantly helped us to understand some important dimensions in the agricultural technology change-deforestation link. But not much comprehensive work has been carried out regarding how these interactions in turn influence poverty beyond anecdotal examples. This is illustrated in Figure 2, and shows one example of the scope of our knowledge gap regarding these matters.

Figure 2. Important dimensions in the agricultural technology changes-deforestation links and deforestation.



Adapted from Angelsen and Kaimowitz (2001).

In short, while there certainly are important links between many rural poor and forest resources, the potential of forest-based poverty reduction should not be exaggerated. Some would argue that it is actually rather limited (Wunder 2001; Poschen 2002). Most potential seems to lie in the safety net function of forest resources in times of hardship for the poor. On the other hand, the advantages of forestry are likely to be much less obvious when it comes to income generation, especially in comparison to other livelihood options. In this case it is often, at best, a complement to other income generating activities. However, one should not underestimate the indirect importance of forest resources, i.e. as a means to access and/or secure other capital assets that directly affect the poor, such as water supply and quality, soil fertility, and bargaining power.

4. Linking Livelihood Approaches, Sustainable Forest Management/NFPs and Poverty Reduction/PRSPs

According to the Forest principles developed at the UNCTAD Conference in 1992, Sustainable Forest Management (SFM) is:

The management of forest resources and forest lands in a way which ensures that the goods and services derived from the forest meet the social, economic, ecological, cultural and spiritual needs of present and future generations.

National forest programmes are recognised through the IPF/IFF proposals for action as important means for addressing forest sector issues in a holistic, comprehensive and multi-sectoral manner, and thus promote SFM. In this context, national forest programmes (NFPs) are seen as the ongoing forest policy dialogue occurring in various forms in most countries.

On the other hand, in recent years, Poverty Reduction Strategy Papers (PRSPs) have increasingly become the national frameworks for tackling poverty at national level, and also the basis for country assistance programmes by many co-operation agencies.

Finally, despite their weaknesses, livelihood approaches seem to provide a good starting point to assess and appraise situations where pro-FBPR interventions are envisaged. Based on the above, the greatest need for capturing the potential of FBPR strategies may be for:

- A policy and legal framework that legitimises access to capital assets and increases bargaining power of the poor in that respect;
- National strategies and action plans that clearly and adequately link NFPs to PRSPs;
- Much more work on the interface between SFM and SLAs, and in particular on the operationalisation of inter-sectoral and multi-disciplinary approaches;
- One first step in that direction is to recognise the diverse nature of rural livelihoods. In particular, this would require forestry to be considered in a land use perspective – dynamic over time – with sustainable forest management (SFM) as one amongst several sustainable livelihoods options for the poor. One key consequence of this would be that forest changes such as deforestation should not necessarily be seen as negative per se. The right question in this case would be: who wins and who loses from deforestation, with a particular emphasis on the poor;
- Finally, development of local governance⁴ mechanisms (both formal and informal); which ensure use of this bargaining power by the poor, and the necessary capacities to sustain these. Given the importance of informality in the livelihood strategies of the poor, both formal and informal governance should be considered.

⁴ Governance can be defined as the structures and processes that determine the way policies are formulated and implemented and the power relationships between the stakeholders involved in these processes and structures.

Figure 3 attempts to illustrate the above points, and notably the fact that, without good governance capacities and enabling policies, bringing together the requirements of SFM and those of sustainable livelihoods as a key condition for forest-based poverty reduction is likely to come up short of expectations.

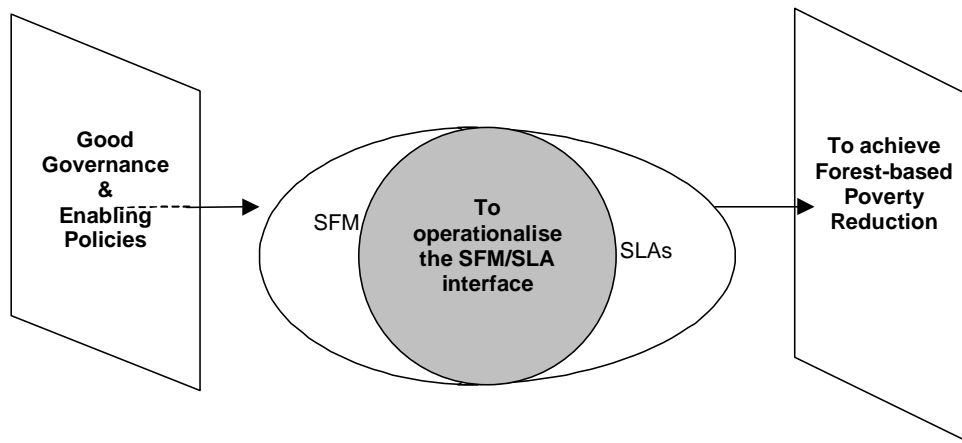


Figure 3. Linking sustainable forest management, sustainable livelihood approaches and forest-based poverty reduction.

5. Doing Something About Forest-Based Poverty Reduction: FAO's Recent Contribution

FAO's mandate has always been very close to that of poverty reduction since it concerns a key dimension of it, i.e. food security. As far as FAO's Forestry Department is concerned, work on poverty has recently received some extra boosts:

- A recent workshop on "The Role of Forestry in Poverty Alleviation";
- A Poverty Strategy;
- The creation of new programme entities relevant to poverty;
- Information communication on FBPR;
- Strengthened support to national forest programmes in the form of the National Forest Programme Facility (NFPPF);
- A proposal for a partnership programme on "forestry for sustainable livelihoods".

These different elements are briefly presented hereafter.

5.1 The outputs of the Tuscany Forum and other recent work

In September 2001 the Forestry Department of FAO held a Forum on "The role of Forestry in Poverty Alleviation", with DFID support. The discussions held during this Forum resulted in a Policy Brief (<http://www.fao.org/forestry/fon/fonp/cfu/brochure/brochure.stm>) containing an "Agenda for Action" which highlights four points of action for international agencies to take into account in terms of increasing forestry contribution to poverty alleviation. These points are presented in Table 2. They have been recently reiterated and complemented by

Table 2. Two examples of recent proposals of agendas for action to improve poverty-environment/forestry outcomes.

Agenda for Action from the FAO/DFID Tuscany Forum	Agenda for Action proposed in the joint DFID/EC/UNDP/WB document on poverty-environment linkages
<p>A. Strengthening Rights, Capabilities and Governance</p> <ul style="list-style-type: none"> • Support the poor's own decision-making power • Strengthen forest rights of the poor and the means to claim them • Recognise links between forestry and local governance 	<p>A. Improve Governance</p> <ul style="list-style-type: none"> • Integrate poverty-environment issues into national development frameworks • Strengthen decentralisation for environmental management • Empower civil society, in particular poor and marginalised groups • Address gender dimensions of poverty-environment issues • Strengthen anti-corruption efforts to protect the environment and the poor • Reduce environment-related conflict • Improve poverty-environment monitoring and assessment
<p>B. Reducing Vulnerability</p> <ul style="list-style-type: none"> • Make safety nets not poverty traps • Support tree planting outside forests • Cut the regulatory burden on the poor and make regulation affordable 	<p>B. Enhance the assets of the poor</p> <ul style="list-style-type: none"> • Strengthen resource rights of the poor • Enhance capacity of the poor to manage the environment • Expand access to environmentally sound and locally appropriate technology • Reduce the environmental vulnerability of the poor
<p>C. Capturing Emerging Opportunities</p> <ul style="list-style-type: none"> • Remove the barriers to market entry • Base land use decisions on true value of forests • Ensure that markets for environmental services benefit the poor • Support associations and financing for local forest businesses 	<p>C. Improve the quality of growth</p> <ul style="list-style-type: none"> • Integrate poverty-environment issues into economic policy reforms • Increase the use of environmental valuation • Encourage appropriate private sector involvement in pro-poor environmental management • Implement pro-poor environmental fiscal reform
<p>D. Working in Partnership</p> <ul style="list-style-type: none"> • Simplify policies and support participatory processes • Promote multisectoral learning and action • Enhance interagency collaboration • Make NGOs and the private sector partners in poverty reduction 	<p>D. Reform International and industrial country policies</p> <ul style="list-style-type: none"> • Reform international and industrial country trade policies • Make foreign direct investment more pro-poor and pro-environment • Enhance the contribution of multilateral environmental agreements to poverty reduction • Encourage sustainable consumption and production • Enhance the effectiveness of development co-operation and debt relief

Source: DFID et al. 2002

those proposed in a recent document on poverty-environment linkages jointly produced by DFID, EC, UNDP and the World Bank (DFID et al. 2002); these proposals are thus also presented in Table 2.

These points for action cut across all the facets of the forest sector and similarly across the FAO Forestry Department. They highlight issues that require inter-disciplinary planning and action, and functional partnerships amongst those providing support. A proposal in that sense is discussed in Section 5.2.

5.2 Recent progress at FAO to carry forward the FBPR agenda for action

Since September 2001, FAO has made some tangible progress in its thrust to contributing to the implementation of the agenda for action that resulted from the Tuscany Forum. This has occurred in different ways, including strategic, institutional, information-communication and programmatic aspects. These are summarised in Table 3.

Some of the actions mentioned in Table 3 are briefly presented below.

A) New programme entities relevant to poverty

FAO's medium-term plan for the period 2004–2009 envisages several new programme entities relevant to poverty within the Forestry Department: "Forest Policies and Governance"; "Forests, Poverty Alleviation and Food Security"; "Forests and Water"; and "Planted forest and Trees outside Forests". In addition the current entity on Forest

Table 3. Major FAO actions to implement the forestry-poverty agenda for action since the Tuscany Forum (September 2001).

Aspects of FAO's progress	Specific Actions
Strategic	A strategy for developing a poverty focus in the work of the Forestry Department has been developed and is being implemented
Institutional	Inter-Divisional Task Force on Poverty set up in March 2002 Several new programme entities (PEs) relevant to poverty to be created in the context of FAO's Medium-Term plan 2004–2009
Information-Communication	Policy Brief translated into five languages and widely disseminated (about 4000 copies so far) Presentation and distribution of the Policy Brief at FAO Conference (November 2001) and the World Food Summit + 5 (June 2002) Forest, poverty alleviation and food security a main theme for State of Forests (SOFO) and Committee on Forests (COFO) 2003 Participation to the International Workshop on "Forestry and Poverty Reduction – How can development, research and training agencies help?", Edinburgh, June 2002
Programmatic	Strengthening of FAO's support to national forest programmes through the national forest programme Facility More emphasis on negotiation and partnership approaches <ul style="list-style-type: none"> • Forest extension through multi-stakeholder partnerships • A proposal for a post-2002 partnership programme on livelihood-oriented forestry

Participation” will become “Forest Participation and Sustainable Livelihoods”. These changes are important from an institutionalisation point of view. Indeed, the existence of programme entities implies a commitment by FAO to allocate funds from Member States contribution to FAO’s Regular Programme as well as other resources to the activities included in these entities.

B) The Poverty Strategy of the Forestry Department

An Inter-Divisional Taskforce on Poverty (ITP) is operational within the Forestry Department since March 2002. Following the wide dissemination of the Policy Brief, it is envisaged that FAO member states will increasingly be looking for assistance from the Forestry Department in the development of forestry programmes with a poverty focus. In order to meet the expectations of member states and donor partners, it has become clear a stronger focus on poverty is needed in the Forestry Department. A strategy to that end has been drawn and is being implemented. There are four steps to be implemented between September 2002 and March 2003:

1. Internal stock-taking exercise;
2. Plan overall framework for FAO work in support of poverty alleviation;
3. Identify activities for a programme entity on Forests, Poverty Alleviation and Food Security;
4. Draft project concept notes for possible extra-budgetary funding.

C) The National Forest Programme Facility (NFPF)

The need to maintain a broad base of support across civil society is fundamental to the success of national forest programmes, and flexibility is required for these programmes to encompass and address new issues and opportunities.

In order to facilitate broad involvement by civil society and in order to bring the latest forest information to bear on the forest policy dialogue, the National Forest Programme Facility (in short the ‘Facility’) was created by a group of concerned countries alongside of FAO.

The Facility focuses especially on *knowledge sharing* and *capacity building* in the forestry sector and assists in upgrading the role of information and knowledge to ensure the informed participation of a broad range of stakeholders in the national forestry debate. The Facility also seeks to effectively link forest policy and planning with the broader national objectives, strategies and programmes particularly related to poverty alleviation.

The Facility concentrates on *improving enabling conditions* towards sustainable forest management through capacity building and knowledge sharing rather than through project funding. Critical to the success of the programme will be the development of partnerships among governments with civil society, institutions, private sectors, forest dependent people, and donors and NGOs.

The Facility operates a two-pronged strategy: *Direct country-level support* to assist countries in building up the capacity of governmental and civil society actors involved in an NFP process in order to enable them to successfully manage and develop such processes. The expected key outputs of the direct country-level support are improvements in:

- capacity of the national actors to manage the NFP process in a participatory manner;
- coherence and synergies between the NFP process and broader policy and planning processes;
- civil society participation in the NFP process, especially regarding the capacity of the forest-dependent people and other marginalised groups (such as the rural poor) to make themselves heard in the process;
- availability of information and knowledge relevant to the NFP;
- capacity for policy analysis, negotiation and formulation;

- systematic use of local knowledge, experiences and capabilities in the above processes;
- access to internationally available information and knowledge;
- sharing of knowledge between institutions and actors both nationally and internationally.

Information services: The Facility will develop and maintain a forest information platform to facilitate the exchange of information and knowledge relevant to NFP processes. These services are provided by the Facility to strengthen the overall momentum for effective implementation of NFPs by sharing experiences and knowledge world-wide. The platform will rely on knowledge networks and communities of practice to link and provide access to experiences in other countries and to the global body of forest related knowledge.

D) Forest extension through equitable partnerships and markets

The theme of FAO's work in forest extension is to promote problem solving, participatory and multi-stakeholder approaches to enhance the contribution of trees and forests to sustainable land use, and food security (FAO 2002). It uses approaches that tackle issues of social justice, using principles of dialogue, mutual respect and learning among stakeholders, balanced with parameters of ecological sustainability.

The extension programme is elaborating and implementing five main partnership models based on principles of social and economic equity (FAO 2002):

- links between farm foresters and the private sector;
- farmers associations in small-scale agroforestry and non-industrial private forestry, facilitating understanding of the structure and dynamics of the product marketing chain, negotiation among market actors, organisational learning and group promotion;
- participatory joint action learning among stakeholders in plantation forestry, including communities, farm foresters, the private sector, non-governmental organisations and government;
- clearinghouses for technical and marketing information related to tree and forest products;
- benefit sharing mechanisms.

The activities described above are developed in the context of and in close collaboration with national forest programmes

E) A proposal for a post-2002 Partnership Programme on "forestry for sustainable livelihoods" (FSL)

The basic concept of this partnership programme proposal is that enabling policies and equitable governance are important to operationalise the interface between SFM and sustainable livelihood approaches; this itself being a crucial factor to enhance the contribution of forestry to poverty reduction. In this proposal, multi-stakeholder, adaptive policy processes and supportive institutional capacities – based on negotiated roles – are deemed two key factors to achieve this. The Forestry for Sustainable Livelihoods (FSL) programme would address this challenge through a learning process that would involve FAO and partners in four key areas:

- Development of locally-designed and operational good governance mechanisms;
- Development of approaches for adaptive multi stakeholder policy making processes;
- Enhancement of knowledge generation and sharing related to livelihood-oriented forestry;
- Development of equitable, transparent and cost-effective communication mechanisms.

The emphasis on learning is based on lessons from past experience regarding national forest processes, i.e. that implementation involves processes of continuous improvement for understanding and coping with change. FSL would act in synergy with the ongoing support to national forest programmes, including the National Forest Programme Facility (NFPF).

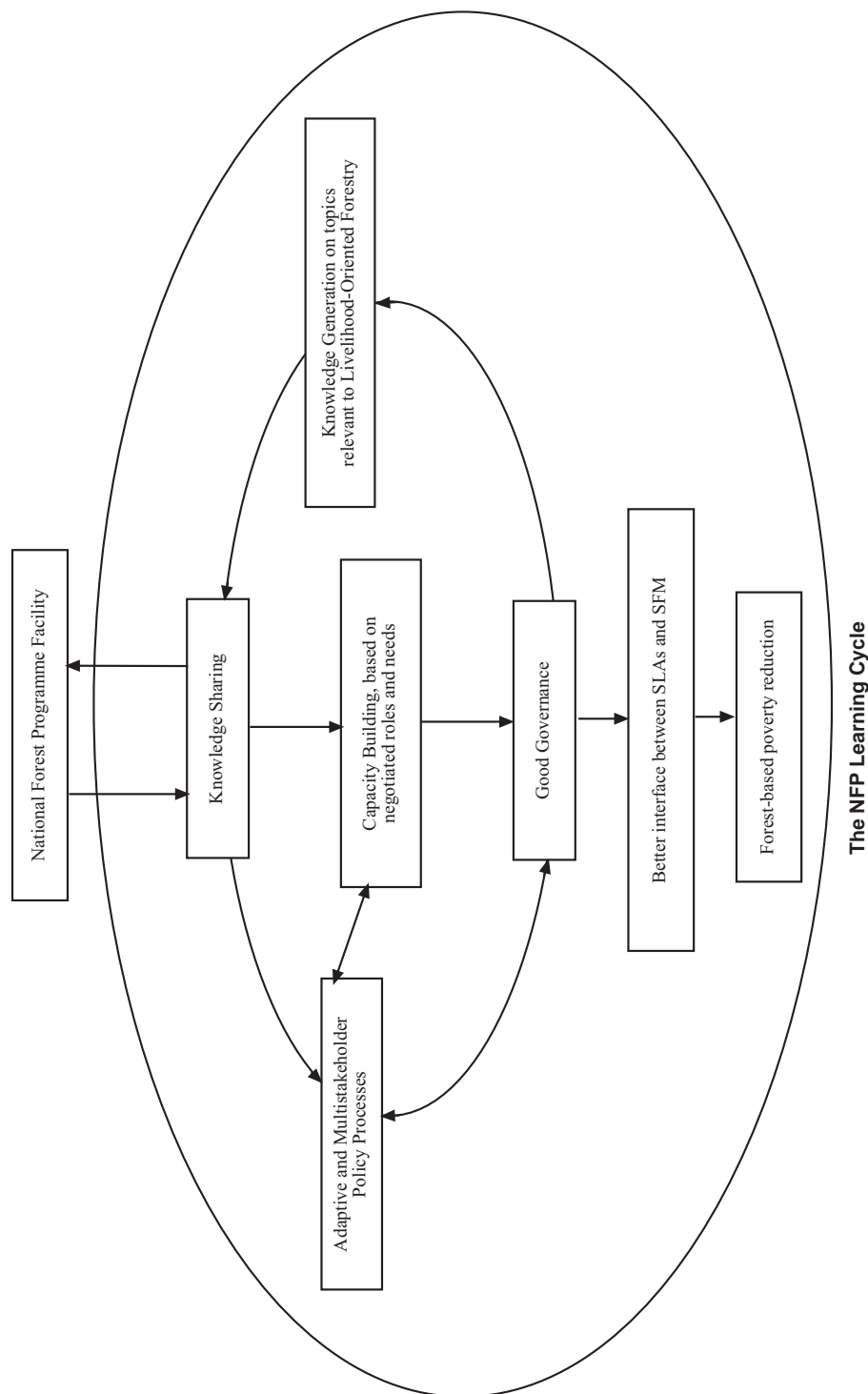


Figure 4. Linking SFM/NFPs and SLAs/FBPR through the FSL Partnership Programme. The Knowledge Sharing Box and the black arrows are the communication aspects of the good governance learning cycle.

Figure 4 attempts to illustrate how these different components of the FSL programme relate to each other, and Annex 1 presents its goal, purposes, outputs and preliminary ideas on sets of activities to be included in the programme.

The FSL partnership Programme is likely to make a difference for different reasons:

- It combines work on policy approaches and on local level governance mechanisms, thus linking macro and micro level processes. This combination is likely to reduce the barriers for scaling up participatory forestry initiatives and strengthen efforts to achieve SFM;
- The Programme will, therefore, increase and sustain the involvement of small-scale forest users in decisions pertaining to forestry matters;
- This work on policy and local level processes will build on FAO and other partners' recognised experience on participatory approaches and community forestry, and these are crucial to scale up SFM and the contribution of forestry to sustainable livelihoods;
- It will benefit FAO's comparative advantages, including:
 - Its UN status makes it a neutral forum for debates and exchange of experience, and this is essential in this type of Programme;
 - The UN status also allows for world-wide influence of given the existence of formal mechanisms to support the 180 or so Member States that compose FAO's governing body;
 - The wealth of multi-disciplinary experience that can be tapped into within FAO;
 - FAO is the Chair of the Collaborative Partnership on Forest (CPF), an international partnership which represents the willingness and commitment of its member organisations to support the work of UNFF and to enhance co-operation and collaboration amongst partners;
 - FAO's widely acknowledged key role in and significant capacity for supporting national forestry processes and community/participatory forestry as crucial means to achieve SFM and sustainable livelihoods;
 - Its considerable experience in gathering, digesting, producing and disseminating information and knowledge in a user-friendly and objective way.

For these reasons, it is proposed that FAO co-ordinates the programme.

- This will be a Programme 'without walls', which emphasises networking, capacity building, and strong partnerships.
- Its flexible modalities will further increase impact, by tailoring action to circumstances and partners and seeking strategic alliances. Examples of this flexibility include:
 - The modular character of the programme, i.e. different partners will be able to lead on different parts of the programme. For instance, through its poverty strategy, the Forestry Department of FAO has already started working on the poverty module of the FSL programme (i.e. activities 1.3. and 5.6. in Annex 1) and on ways to adapt management plans to livelihood-oriented forestry (see activity 1.2. in Annex 1);
 - One consequence of the above is that neither FAO nor any other partner will be in charge of the funds needed to implement the programme.

Acknowledgements

The author would like to acknowledge the useful contributions from colleagues of the Forestry Department of FAO, and more specifically the contributions of Christine Holding Anyonge, Dominique Reeb, Syaka Sadio, Froylan Castaneda and François Wencélius.

Disclaimer

The content of this paper expresses the authors' views and does not necessarily reflect FAO's position.

References

- Angelsen, A. and Kaimowitz, D. 2001. Agricultural technology and forests: A recap. In: Angelsen, A. and Kaimowitz, D. *Agricultural technologies and tropical deforestation*. CABI Publishing, Oxon, UK. Pp 383–402.
- Arnold, J.E.M. 2001. Role of Forestry in Poverty Alleviation. Introductory Note to the FAO/DFID International Forum on "The role of Forestry in Poverty Alleviation", September 2001, Cortevicchia, Italy.
- Arnold, J.E.M., Liedholm, C., Mead, D. and Townson, I.M. 1994. Structure and growth of small enterprises using forest products in southern and eastern Africa. OFI Occasional Paper No 47, Oxford, UK.
- Alden Wily, L. 2000. Community involvement in the management of forests in Eastern and Southern Africa at the beginning of the 21st century.
- Ashby, C. and Carney, D. 1999. Sustainable livelihoods: lessons from early experience. DFID, London, UK.
- Baumann, P. and Sinha, S. 2001. Linking Development with Democratic Processes in India: Political Capital and Sustainable Livelihoods Analysis. ODI Natural Resource Perspectives, Number 68, June 2001.
- Byron, R.N. and Arnold, J.E.M. 1999. What futures for the people of the tropical forests? *World Development* 27(5), pp. 789–805.
- Carney, D. 1998. Implementing the sustainable livelihood approach. In: D. Carney (ed.). *Sustainable rural livelihoods: what contribution can we make?* DFID, London, UK.
- Carter, J. 1999. Recent experience in collaborative forest management approaches: A review of key issues. The World Bank, Washington.
- Catellanet, C. 1999. Les "plate-formes de négociation" entre usagers des ressources naturelles: Expérimentation avec des municipalités du front pionnier amazonien. GRET, janvier 1999.
- DFID, EC, UNDP and World Bank. 2002. *Linking Poverty Reduction and Environmental Management—Policy Challenges and Opportunities*. July 2002.
- DFID. 1999. Sustainable livelihoods guidance sheets: framework. London, UK.
- Dubois, O. and Lowore, J. 2000. The 'journey towards' collaborative forest management in Africa: Lessons learned and some 'navigational aids' – An overview. IIED Forestry and Land Use Programme Series No. 15, July 2000.
- Edmunds, D. and Wollenberg, E. 2002. Disadvantaged groups in multistakeholder negotiations. CIFOR Programme Report, June 2002, CIFOR, Bogor, Indonesia.
- Edmunds, D. and Wollenberg, E. 2001. A Strategic Approach to Multistakeholder Negotiations. *Development and Change*, Vol. 32 (2001), pp 231–253.
- FAO. 2002. Equitable partnerships, markets and forest extension. *Forestry Information Notes-Updated* August 2002.
- FAO/DFID. 2001. *How Forests Can Reduce Poverty*. Policy Brief, November 2001.
- FAO. 1996. *Forestry and Food Security*. Brochure prepared for the World Food Summit, 1996.
- Foresta, H. de and Michon, G. 1990. Complex agroforestry systems and conservation of biological diversity. In: *Harmony with Nature – International Conference on the Conservation of Biodiversity*, Kuala Lumpur. Pp 488–500.
- ILO. 2002. <http://www.ilo.org>
- Jiggins, J. and Röling, N. 2002. Adaptive Management: Potential and Limitations for Ecological Governance of Forests in a Context of Normative Pluriformity. IUCN SUI Tech. Series, Vol. 3.
- Kerkhof, P. 2000. Local forest management in the Sahel: Towards a new social contract. Version 4, 15/02/2000 of a SOS-Sahel Report edited by Gerald Foley, 53 p.
- Kunarattanapruk, K., Chokkianapitak, J. and Saowakontha, S. 1995. Thailand dependency on forests tree products for food security. In: Bogle, H.C., Chu and N.T. Yen (eds.). *Dependency on forests and tree for food security*. Proceedings of an international seminar, Hanoi, Vietnam, 5–8 December 1994, Forest Research Centre, Ministry of Forestry, Vietnam.
- Leeuwis, C. 2000. Reconceptualizing participation for sustainable rural development: Towards a negotiation approach. *Development and Change* Vol. 31: 931–959. Institute of Social Studies, Blackwell Publishers, Oxford, UK
- Mayers, J. 1997. *Poverty and forests: A preliminary review of the issues, and how they can be tackled*. Unpublished, IIED, London.
- New Scientist. 2002. How the other half live. Interview of Theodor Sarin, Issue of 3rd of August, 2002. Pp 44–47.
- Poschen, P. 2002. The Forests, The Poor and The Foresters. Presentation for the International Workshop on "Forestry and Poverty Reduction – How can development, research and training agencies help". Edinburgh, UK, 13 June 2002.
- Sahrin, M. 2001. From right holders to 'beneficiaries'? Community forest management, van panchayats and village forest joint management in Uttarakhand. Paper for CIFOR (forthcoming).

- Silverman, J.M. 2000. Governance and Poverty – An Alternative Paradigm. A paper prepared for presentation at a Seminar at the Universidad Catolica Boliviana (La Paz), December 01, 2000.
- Sunderlin, W.D., Angelsen, A. and Wunder, S. 2002. Forests and Poverty Alleviation. Draft Paper for SOFO 2003 (forthcoming).
- UNDP, UNDESA and WEC. 2000. World Energy Assessment. United Nations Development Programme, United Nations Department for Economic and Social Affairs, World Energy Council. UNDP, New York. <http://www.undp.org/seed/eap/activities/wea/index.html>
- Warner, K. 2000. Forestry and sustainable livelihoods: What part can forests and forestry play in reducing poverty? *Unasyva*, No. 202, Vol. 51: 3–12.
- Wollenberg, E., Anderson, J. and Edmunds, D. 2001. Pluralism and the less powerful: Accommodating multiple interests in local forest management. *International Journal of Agricultural Resources, Governance and Ecology*, 1 (3/4): 2001
- World Bank. 2000. World Bank reviews global forest strategy. News Release No. 2000/193/S. <http://wbln0018.worldbank.org/news/pressrelease.nsf>.
- World Bank. 2001a. World Development Report 2000/2001: Attacking Poverty. Oxford: Oxford University Press.
- World Bank, 2001b. A Revised Forest Strategy for the World bank Group. Draft 30 July 2001. World Bank, Washington, DC.
- Wunder, S. 2001. Poverty alleviation and tropical forests—what scope for synergies? *World Development* 29 (11)

Annex 1. Draft summary matrix of proposed sets of activities under the five main outputs of the FSL Partnership Programme

Overall goal: Contribution of forestry to sustainable livelihoods and poverty alleviation is enhanced					
Immediate Objective/Purpose: To develop enabling conditions for the formulation and implementation of livelihood-oriented forest policies					
Output 1: <i>Generation of strategic information & knowledge relevant to livelihood-oriented forestry</i>	Output 2: <i>Support the development of multistakeholder approaches to the formulation of adaptive policies and regulations towards livelihood-oriented forestry</i>	Output 3: <i>Support the strengthening of institutional capacities to formulate and implement adaptive livelihood-oriented forest policies at local and national levels</i>	Output 4: <i>Support access to & dissemination of information and knowledge related to livelihood-oriented forestry at local, national and international levels</i>		
<p>Output 5: <i>Enhancement of ownership by users and coordination between partners in order to maximise impact of the other outputs</i></p>	<p>1.1. Establishment of strategic partnerships outside and within “focal” countries</p> <p>1.2. Contribute to the development of approaches/methods regarding:</p> <ul style="list-style-type: none"> • Valuation of forest services and the custodian role of small-scale forest users in that respect • Financing mechanism for livelihood-oriented forestry • Marketing strategies for small-scale forest producers, and how to link these to the financing of livelihood-oriented forestry • Inclusion of forest & tree tenure status in national forest inventories and surveys • Adaptation of management plans to the requirements of livelihood-oriented forestry. work 	<p>2.1. Contribute to the development of approaches regarding adaptive and multi-stakeholder policy processes, including:</p> <ul style="list-style-type: none"> • Participatory learning regarding the contribution of forestry to sustainable livelihoods and poverty alleviation • Linked to the above, locally designed good governance mechanism • Approaches aimed at linking the micro and macro decision-making levels regarding forestry matters <p>2.2. Testing of the above approaches in “focal” countries</p> <p>2.3. Development of recommendations and/or approaches regarding the inclusion of strategic information and knowledge in policy processes</p>	<p>3.1. Selection of “focal” countries and in-country partners</p> <p>3.2. Awareness raising on the advantages of livelihood-oriented forestry for forests, policy makers and people</p> <p>3.3. Needs assessment/constraints analysis in terms of technical and governance/institutional capacities to achieve livelihood-oriented forestry, including those mentioned under outputs 1 and 2</p> <p>3.4. Training of trainers as regards approaches and concepts related to livelihood-oriented forestry, including those mentioned under outputs 1 and 2</p>	<p>4.1. Review current needs, means, best practices and approaches in terms of communication networking and information flows at local, national and international levels, with a focus on the topics of outputs 1, 2 and 3</p> <p>4.2. Develop an overall, integrated communication plan in support of the FSL Programme</p> <p>4.3. Develop approaches towards cost-effective informationcommunications means to achieve livelihood-oriented forestry</p>	<p>5.1. Establishment of a programme steering committee at international level composed of representatives of main partners and “focal” countries</p> <p>5.2. Development of a comprehensive M&E system, concerning both operational and substantive aspects of the Programme</p> <p>5.3. Development of review procedures, at both country and international levels (e.g. review committees of approaches and/or guidelines)</p> <p>5.4. Tailoring of programme work to local circumstances through the inclusion of inception phases at the beginning of the Programme and the launching stage of work in “focal” countries</p>

Annex 1. continued.

Overall goal: Contribution of forestry to sustainable livelihoods and poverty alleviation is enhanced		
Immediate Objective/Purpose: To develop enabling conditions for the formulation and implementation of livelihood-oriented forest policies		
Output 1: <i>Generation of strategic information & knowledge</i> relevant to livelihood-oriented forestry	Output 2: Support the <i>development of multistakeholder approaches</i> to the formulation of adaptive policies and regulations towards livelihood-oriented forestry	Output 3: Support the <i>strengthening of institutional capacities</i> to formulate and implement adaptive livelihood-oriented forest policies at local and national levels
1.3. Development of Principles, Criteria & Indicators for assessing the role of forestry in poverty alleviation	2.4. Production of generic and specific analysis, guidelines and/or approaches on the above, as deemed necessary	3.5. Support the integration of approaches and concepts related to livelihood-oriented forestry in curriculum material and programmes
1.4. Testing of approaches/methods of the above topics in "focal" countries	2.5. Support the development of capacities for the development of cost-effective and equitable information & communication means at local, national and international levels	3.6. Support the development of capacities for the development of cost-effective and equitable information & communication means at local, national and international levels
1.5. Production of generic and specific analysis, guidelines, approaches on the above topics, as deemed necessary	4.4. Support the development and strengthening of information networks and other mechanisms at local, national and international levels, as part of a learning process on livelihood-oriented forestry	4.5. Develop the role of FAO's Forestry Department as an international centre for information exchange in support of the Programme
	4.5. Involvement of partners in the selection of the Programme Co-ordinating Team	5.5. Review of the work of the Forestry Department of FAO and other executing agencies as regards forestry-poverty links, in order to improve the support of FAO's Forestry Department in that respect
	5.5. Involvement of partners in the selection of the Programme Co-ordinating Team	5.6. Review of the work of the Forestry Department of FAO and other executing agencies as regards forestry-poverty links, in order to improve the support of FAO's Forestry Department in that respect

Forests and Poverty Reduction: Action Needed by Development, Research and Training Institutions

Paul van Gardingen

Edinburgh Centre for Tropical Forests (ECTF)
Edinburgh, United Kingdom

Abstract

It is now well accepted that trees and forests can contribute to reducing poverty in developing countries. The ways that this might be achieved have been discussed in workshops supported by FAO and the UK Department for International Development in Cortevicchia, Italy and Edinburgh, United Kingdom. The first workshop identified four themes: strengthening rights, capabilities and governance; reducing vulnerability; capturing emerging opportunities; and working in partnership. The Edinburgh meeting then considered how external supporters of poverty-reducing forestry could act to deliver against this agenda.

The Edinburgh meeting concluded with four basic (overarching) strategies: increasing resilience of the poor (reducing vulnerability); improving income earning from forest production; helping people to get out of the forest (if it is a poverty trap); and tackling fundamental inequities. Poverty Reduction Strategy Papers were seen as increasingly important policy instruments influencing pro-poor forestry, but it was recognised that many local and international stakeholders did not understand how best to make PRSPs work to benefit the rural poor.

The enabling conditions for pro-poor forestry were considered to require: development practitioners to focus on specific local conditions; engagement with the poor; robust, locally conducted analysis of poverty, local livelihoods and the political economy; and, that development assistance needs to be linked to the needs of the poor and society rather than being driven by external donor agendas. The emergence of PRSPs as key policy instruments in many low-income countries means that local stakeholders representing the rural poor and the forestry sector need to be empowered to contribute to the development of PRSPs that recognise the potential of forests to support poverty reduction.

Keywords: Poverty Reduction Strategy Papers, forests, forestry, budget support

Introduction

The potential contribution of trees and forests to poverty reduction in developing countries has been well documented through a series of recent publications and international meetings. The current workshop on “Forests in Poverty Reduction Strategies: capturing the potential” is the third in a series that commenced with the FAO and the United Kingdom Department For International Development (DFID) sponsored meeting in Cortevicchia, Italy. This meeting resulted in a policy brief “How forests can reduce poverty” (Mayers and Vermeulen 2001) and concluded with a clear message that: “forests and trees have an important role to play in the struggle to reduce poverty”. It identified four points in an agenda for action. These were: strengthening rights, capabilities and governance; reducing vulnerability; capturing emerging opportunities; and working in partnership.

The action points identified by the Cortevicchia meeting were adopted as the starting point for discussions at a meeting hosted in Edinburgh, Scotland in June 2002 by the Edinburgh Centre for Tropical Forests (ECTF) and the International Institute for Environment and Development (IIED) and supported by DFID. The Edinburgh meeting challenged participants to consider how external development, research and training agencies could help developing countries to realise the potential of trees and forests for poverty reduction. Participants were asked to help define a basic set of pointers for action for external supporters of poverty-reducing forestry.

Forests and Poverty Reduction

The important role that forests and trees have to play in poverty reduction was documented by the FAO/DFID Cortevicchia meeting (Mayers and Vermeulen 2001) and is reflected in the draft of the revised forest strategy for the World Bank Group (World Bank 2002a). The plan of implementation from the World Summit on Sustainable Development (United Nations 2002) concludes that (section 43):

Sustainable forest management of both natural and planted forests and for timber and non-timber products is essential to achieving sustainable development and is a critical means to eradicate poverty.

Since it is accepted that trees and forests can potentially make significant contributions to poverty reduction, the challenge becomes how to turn this rhetoric into reality? Arnold (2001) considered the links between forestry, poverty and aid and identified patterns that the poor relate to forests and forest products. Large numbers of the rural poor derive some part of their livelihoods from trees and forests and can be grouped according to the nature of their dependency on forest resources (Byron and Arnold 1997). Arnold (2001) observes that a significant component of the utilisation of forest resources by the rural poor is a function of poverty and as such forests may be a poverty trap rather than a route to improved livelihoods. It was stated that whilst forest product activities can contribute to better livelihoods, these generally required levels of skill and access to capital and markets that may not be readily available to the poor. In contrast, Arnold states that there is widespread evidence of instances where wealthier and more powerful stakeholders are able to benefit from increased market demand for forest products and may exclude the poor from access to local forest resources they require for survival. It is thus important to ensure that poverty-reducing forestry is equitable and produces direct benefits for the local rural poor.

Reviewing Opportunities for Pro-Poor Forestry, Edinburgh June 2002

The workshop was organised in order to review the practice and visions of international development agencies for addressing poverty and its interaction with forest systems, and to consider new approaches and alliances in development, research and educational activities. The introduction to the meeting (van Gardingen 2002) concentrated on how forests and trees could be harnessed to deliver against the Millennium Development Goals (World Bank 2002b) of poverty reduction. This will require practitioners to remain focused on people and the way they interact with natural resources rather than considering forests as a community of trees. It was recognised that there are limitations to the ideal “win-win” scenario for forests and poverty and that extra-sectoral influences and trade issues may limit progress, but it was stated that solutions must be found that work within these pre-existing constraints.

The *links between forests and poverty* were discussed by Arnold (2002). Three components related to the task of addressing poverty were related to recent World Bank work (World Bank 2002a). These were: Empowerment - strengthening rights, capabilities and governance; Security - reducing vulnerability to shock, and ability to cope with shock; and Opportunity - ability to capture emerging [income generating] opportunities. The paper discussed the importance of identifying different categories of forest-dependence and of forest-dependent poor people. Building on earlier definitions Four groups of poor people were identified (Byron and Arnold 1997):

- Forest dwellers – heavily dependent on forests, but more likely to choose agricultural pathways out of poverty (relatively small numbers);
- Drawing on nearby forests, woodland, etc., for some inputs to a variable extent (very large numbers);
- Drawing on trees on their own land for some inputs (large numbers); and
- Processing and trading forest products, which are accessible to the landless, and to urban as well as rural (substantial numbers).

This analysis stressed that as the majority of forest-dependent poor live outside forests, forestry’s role in poverty reduction is likely to be large only if ‘forestry’ is defined to encompass sources of forest products outside as well as inside forests. In a previous analysis Arnold (2001) considered potential improvements to the poverty focus of aid through the focus and effectiveness of poverty-related interventions. Three themes were suggested:

- Linking forestry more closely with rural development strategies;
- Adjusting priorities within forestry assistance; and
- Improving performance and governance.

A series of short presentations at the Edinburgh meeting discussed examples of how forestry can contribute to poverty reduction. Governance was a common theme as a prerequisite for pro-poor forestry. Mayers introduced the concept of a governance pyramid (Figure 1), which provided a contextual framework for subsequent discussions. The pyramid describes those good governance elements which are significantly under the control of forest stakeholders. Forest stakeholders less directly control the pyramid’s ‘foundations’ – but it is crucial that they understand the constraints and opportunities emanating from beyond the forest sector to enable them to argue their case and influence those with the power to improve the foundations (World Bank 2002a; Mayers et al. 2002). The necessity of considering the local dimension of poverty reduction and linkage with governance and institutional reform was reinforced with examples from Uganda (Harrison and Cantrill 2002), Central America, West Africa and Indonesia (Bird 2002).

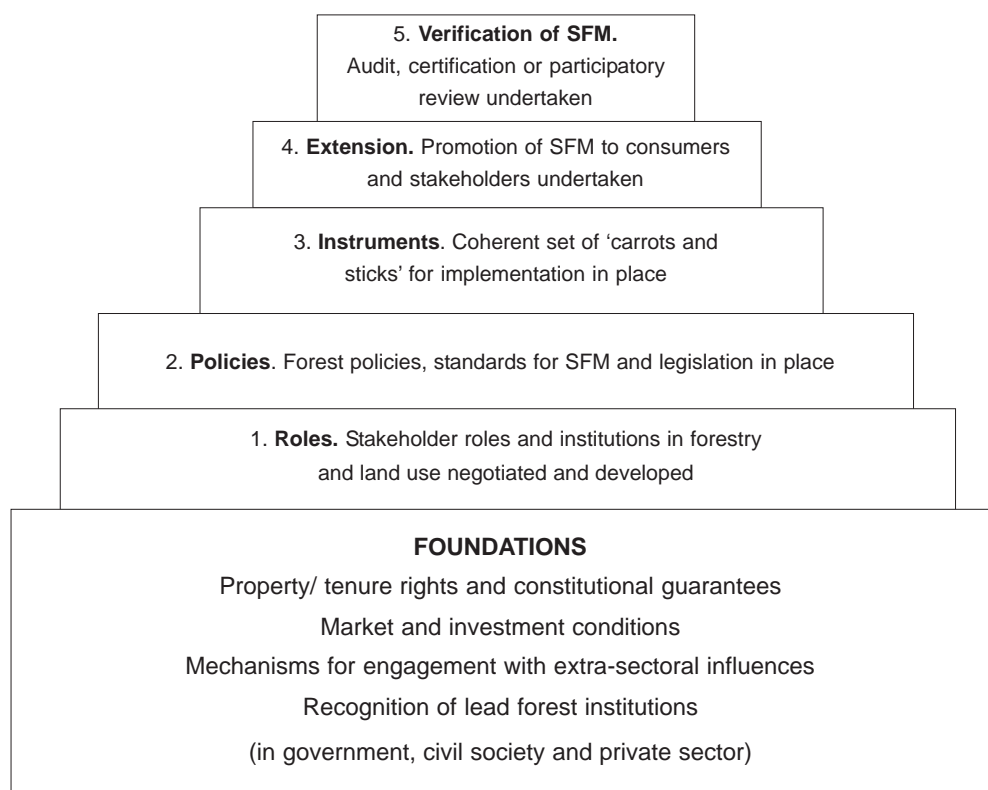


Figure 1. The 'pyramid' of good forest governance (World Bank 2002a; Mayers et al. 2002).

Rights-based and social development approaches and the incorporation of ethical concepts into forestry were identified as being fundamental to the development of poverty-reducing forestry in many countries (Thin 2002). The concept of socially responsible forestry was introduced as an extension of corporate responsibility for application in forestry and forest product certification. Such approaches were considered as an entry point for tri-sector partnerships that ensured that the distinct social responsibilities of the public sector, private sector and civil society are identified and monitored.

The need to consider social development objectives was emphasised in the presentation from the International Labour Organisation (ILO) (Poschen 2002). This paper reiterated that dependence of forestry can be the cause of poverty and that there may be limited scope for forestry as a solution to poverty. It was suggested that for most poor people the way out of poverty is the way out of forests. The paper concluded that a mix of approaches need to be adopted that ensure that forestry is integrated with other sectors leading to productive employment for the poor. It was suggested that effective development assistance needs to: take people seriously; give social objectives equal status to production and environmental considerations and realise the potential contribution of the private sector, especially small and medium enterprises. Enabling conditions required for pro-poor forestry at the local level included helping individuals to acquire the skills, rights, representation and access to capital required to move out of poverty.

Poverty Reduction: Moving from Rhetoric to Reality

Participants at the Edinburgh workshop were asked to consider the four themes that had been identified by the Cortevacqua meeting. Working groups were asked to consider and suggest principles, codes of conduct and specific examples of practical actions that could be used by external supporters of poverty reducing forestry. The results of these discussions are reported here, followed by a synthesis of the main points and a series of cross-cutting issues.

Theme 1: Strengthening rights, capabilities and governance

The group discussion considered the enabling conditions required to strengthen rights, capabilities and governance.

- Entitlements:
 - The importance of encouraging recognition of de facto rights, as well as transferring rights to poor people and creating new rights.
 - Very poor people need legal, and enforced, guarantees of basic rights to travel and gather subsistence products on public and private land.
 - The need to understand power as well as formal structures.
 - Building poor people's organisational capacity by co-operatives and networks.
 - Donors can act as champions of the poor and help with the codification of rights (e.g. DFID land claims in South Africa).
- Information:
 - The importance of communication strategies to share information at all levels (for example in connection with the preparation, implementation, and monitoring of National Strategies for Sustainable Development (NSSD), and Poverty Reduction Strategy Papers (PRSP).
 - In order to achieve this, the importance of strategies such as producing documents in local languages and using non-written media and publicity events.
 - Research projects should be required to report to local levels.
 - Mechanisms to better share information and support the entry of the poor into participatory processes (e.g. PRSP).
- Making policy processes inclusive and responsive:
 - Aiming for representativeness, pluralism and flexibility, based on careful analysis of stakeholders and identifying legitimate representatives of the poor.
 - Approaches and solutions need to be based on an analysis of the political economy of each country – there are no global blanket solutions (not even in theory).
 - Progress often comes from the cumulative impact of a series of small steps rather than major shifts.
- Coping with change and unpredictability:
 - Resilience needs to be built into approaches and solutions and it is important to invest in the process as well as outcomes to achieve this.

Theme 2: Forests and Vulnerability

The group first considered the linkages between forests and vulnerability, then identified the challenges and constraints for poverty reduction, and finally considered strategies to achieve progress.

- Linkages between forests and vulnerability:
 - Forest products can increase income stability at difficult times. Forests can help in the diversification of household economies by spreading agricultural risks in space and time.
 - Forests can act as stores of assets for long-term investment leading to the potential to use of forest assets as collateral.
 - Forests provide a refuge during times of crisis.
 - Forests can provide physical protection from environmental hazards such as soil erosion or floods, but this needs to be balanced against physical hazards from forests, including increased vulnerability from wildlife menace to crops and lives, and the use of forests by rebel armies.
- Challenges and constraints for poverty reduction:
 - The need for clarification of tenure and access of the poor to forest resources. For example, large protected areas can increase the vulnerability of the poor.
 - Forests as sources of national or local security problems (e.g. insurgents).
 - Physical vulnerability can be modified (increased or decreased) by the loss of forest cover or degradation of forest resources.
- Strategies for external supporters of poverty-reducing forestry:
 - External support should try to strengthen existing resilience strategies.
 - External support should address local capacity-building.
 - It was noted that external agencies can generate political space for dialogue, researchers can join advocacy networks and that such participatory processes require information to be readily available to all stakeholders.
 - Biodiversity protection areas should be non-exclusive where viable (i.e. allowing compatible livelihood options).

Theme 3: Capturing Emerging Opportunities

The group considered a range of relatively recent and emerging opportunities including: carbon trading; watershed management payments; certification and fair trade/organic labelling; and technology developments such as genetic improvements in tree crops.

- Challenges and constraints:
 - Lack of tenure or tenurial insecurity.
 - Markets loaded against poor.
 - Institutional barriers to the poor.
 - Gender inequality and structural inequities in general.
- Strategies for external supporters of poverty-reducing forestry:
 - Recognise and respond to inequities and insecurities that constrain the poor from capturing emerging opportunities.

- Recognising that progress against poverty is not possible without challenging powerful vested interests (e.g. monopolies by existing carbon traders) and transferring resources and opportunities from rich to poor.
- Action is required to build human and social capital of the poor. For example, development of labour organisations and networking of users.
- Governance strategies must make sure that existing subsidies and incentives are targeted at the poor, and should build on local initiatives where possible.
- Improvements in information-sharing to benefit the poor.

Theme 4: Partnerships

The group considering partnerships stressed the importance of using partnerships to address the needs of the poor rather than delivering against an external donor-driven agenda. The discussion considered opportunities for agencies to use multi-sectoral learning and new partnerships to reduce poverty.

- Challenges and constraints:
 - Partnerships are difficult to form, and therefore take time and are best seen as long-term investments.
 - Partnerships are often unduly influenced by donor agendas such as new and often impractical ideas, rather than being ‘demand-led’ and realistic about resource constraints.
 - Investment in the process of partnership building requires risk taking and an iterative process that does not give up after the first attempt. The process should be based on evidence and stakeholder groups will need more equitable access to knowledge. Agencies engaging in new and complex partnerships need capabilities in conflict-resolution and consensus-building approaches.
 - The enabling conditions may not be ready for effective pro-poor partnerships in many countries. There is a need to understand these through the analysis of lessons from previous experience (particularly with PRSPs).
 - Forestry may not appear in PRSPs even when forests may be a key to poverty reduction. PRSPs often prioritise social sectors and infrastructures, thus overlooking the productive sectors which are key to financially sustain social sectors.
- Strategies for external supporters of poverty-reducing forestry:
 - Agencies should clarify their understanding of the causes of poverty before deciding on partnerships.
 - Partnerships should be based on national ownership (not on donor agenda) and should be part of a national process that ensures that everyone has a voice.
 - The poor need to be helped to articulate their views. External agencies need to support the poor to participate, not represent them.
 - Local partners require education and training to enable full participation and need support to learn how to work with international players to avoid a tendency to look for the right words (or tick-boxes) to get funding.
 - The private sector has an essential role to play in developing pro-poor partnerships.

The group concluded that PRSPs will increasingly become an important instrument to support the development of poverty-reducing forestry, but there were some sceptical views on whether PRSPs are really the best way to improve poverty, and whether focusing on poverty is really going to change what forestry agencies do. One of the risks identified is that the linkage of PRSPs and budget support by some donors means that national governments may not support forestry as part of the PRSP. Thus there is a need for “quality control” mechanisms before embracing PRSPs as the basis for country assistance programmes.

Cross-cutting themes

Several cross-cutting themes emerged from the workshop as distinct sets of issues to be considered in order to improve external agencies’ contributions to improving forestry’s contributions to poverty reduction:

- *Strengthening the practical contributions of forestry to livelihoods.* This includes both the flow of goods for meeting basic needs and providing income opportunities, and the roles of forests as stores of value for long-term livelihood security, reducing vulnerability and improving resilience. A recurrent comment on this theme was the need to make sure that forestry interventions do not perpetuate poverty by locking people into continued dependency on low-output, low-return forest dependency. Another theme was the need to complement practical assistance with more strategic work tackling fundamental inequities.
- *Need to situate forestry work within broader sets of possible strategies for reducing poverty.* External agencies should not assume that forest-based interventions offer the best opportunities for poverty reduction, but should rather seek to strengthen local capabilities to compare forest-based opportunities with other strategies for reducing poverty. Since there are many examples of how forests have been undervalued and hence abused, forestry support agencies can help to develop the local capacity to recognise true forest values.
- *Need to account for the livelihoods and interests of those who influence the poor.* The current debate tends to focus on the poor, with a distinction between: (1) the very poor who primarily need ways and means to reduce their vulnerability; and (2) the less poor, who are more in need of mechanisms to make income from forest and tree resources. However, this narrow focus overlooks two key main stakeholders who often exert significant influence on the poor in implementing their own livelihood strategies, i.e. the forest rangers and the private operators, including the middlemen. These players also need sustainable livelihood options, and they will interfere with pro-poor interventions if these do not also bring them some benefits. Again a livelihood perspective, including those of less poor stakeholders, would help reduce this risk.
- *Importance of governance, social responsibility, and integration with non-‘forestry’ agencies and activities.* Governance and social responsibility are dimensions of the required changes in forestry. Many speakers and participants questioned whether forestry is better seen as a ‘sector’ with its own distinct governance institutions and strategies, or rather as a cross-cutting dimension for which many rural development agencies shared responsibilities. If forestry is not any more a sector but rather an issue, then one should talk simply of good governance rather than good forest governance.
- *The rapid rise in prominence of national Poverty Reduction Strategy processes and associated papers (PRSPs).* PRSPs have become prominent in many poor countries, and therefore forestry agencies need to ensure that forestry’s potential contributions to poverty

reduction are given due recognition in these strategies, and that PRSPs are linked with other planning and policy vehicles such as National Forestry Plans, National Strategies for Sustainable Development, and National Environmental Action Plans. Some argued that PRSPs should not be emphasised, but rather the more complex processes involved in strengthening inter-sectoral and inter-agency partnerships and complementarities, as envisaged for example in the World Bank's Comprehensive Development Framework.

Synthesis

The Edinburgh meeting concluded (van Gardingen et al. 2002) that there are four basic strategies that will support poverty-reducing forestry:

- Reducing vulnerability – increasing the resilience of the poor;
- Improving income earning from forest production;
- Helping people to get out of the forest (if the forest is seen to be a poverty trap); and
- Tackling fundamental inequities.

The enabling conditions required to implement these strategies include:

- Focus on specific local conditions:
 - Engage with the poor.
 - Use robust, locally conducted analysis of poverty, local livelihoods and the political economy.
 - Use locally applicable codes.
 - Report locally.
- The underlying governance has to be right:
 - Consider the political economy (local, national and international).
 - Development assistance needs to be linked to the needs of society rather than a donor-driven agenda.
- The primacy of PRSPs:
 - Stakeholders require more information and training regarding PRSPs and how they can be used to develop poverty-reducing forestry.
 - If PRSPs are central to poverty reduction and future development activities, this needs to be explained in more detail on why and how they can be used.
 - PRSPs need to be linked with other planning and policy vehicles at local, national and international levels.

PRSPs were identified by the Edinburgh meeting as being central in determining how external agencies would support poverty-reducing forestry in developing countries. It was noted, however, that most stakeholders do not yet understand the significance of PRSPs and many local stakeholders question if they offer the scope required to address local needs. It was stressed that forestry needs to build and collate experience relating to the use of PRSPs. This experience needs to be based on country-specific data and, where possible, feedback through monitoring achievements. This information then needs to be presented to external and local stakeholders to develop the capacity of people in the forest “sector” to influence the production and interpretation of PRSPs. The following section reviews some of the experience describing experience of the PRSP process and its relevance to forestry and rural development.

Poverty Reduction Strategy Papers: Reviewing Progress

The World Bank and IMF introduced the Poverty Reduction Strategy Paper (PRSP) process in December 1999 as a new approach to address the challenges of reducing poverty in low-income countries. The underlying principles were that the process should be country-driven, results orientated, comprehensive in recognising the multi-dimensional nature of poverty, based on partnership and adopt a long-term perspective. PRSPs were developed in a way that is compatible with the World Bank's Comprehensive Development Framework (CDF). By early 2002, more than 60 low-income countries were engaged in the PRSP process.

A number of organisations have been reviewing experience of the PRSP process. The World Bank and IMF published their early experiences with interim and full PRSPs in March 2002 (IDA and IMF 2002b). This review identified good practice for PRSP design and implementation (IDA and IMF 2002a). The review identified aspects of good practice that stressed the need to: (i) develop a comprehensive understanding of poverty and its determinants; and (ii) ensure effective participation of all major stakeholders, including those traditionally marginalised from the policy process.

The World Bank and IMF reviews of existing PRSP processes produced a relatively positive analysis. Independent analysis has been less favourable, with a recurrent theme suggesting that the PRSP process in many countries has been strongly influenced by a donor driven agenda (Oxfam 2002) and produced results that do not differ significantly from previous types of assessments, in particular the structural adjustment process (Wilks and Lefrancois 2002). This same paper suggests that knowledge of local stakeholders relating to poverty may be excluded from PRSP by the sheer volume of information provided by multilateral and bilateral agencies 'supporting' the process. Under such circumstances it may be particularly difficult for the poor to have a voice in the process.

A review of the relationship between PRSPs and rural development for twelve countries in Africa and Latin America found that rural development was a priority sector (Proctor 2002). This review identifies a number of important concerns, which include the need to build country ownership through rural participation and the need to improve the analysis of the dimensions of rural poverty. It is stressed that country governments and donors often tend to treat the rural poor as a homogeneous group and ignore the heterogeneity of gender, ethnicity and land holdings. The participation of rural stakeholders and Ministries representing them has been limited in many PRSPs. This may be because weaker Ministries may have limited influence whilst the Ministries of Finance or Planning tend to dominate the development of PRSPs (Oxfam 2002).

Proctor (2002) suggests that development practitioners must seek to engage with and enrich the *country driven* PRSP processes to ensure that the *rural poor have voice and opportunity*. It is suggested that development practitioners need to support consensus building for rural poverty reduction and pro-poor economic growth. Specific actions suggested include:

- Build national and regional capacity for policy research, dialogue and debate to strengthen the underlying analytical framework for rural poverty reduction.
- Share good practice on approaches to rural poverty reduction at country and global levels.
- Deepen understanding of pro-poor growth in rural areas.
- Recognise the importance of natural resources to the national pro-poor growth agenda.
- Support the development of national rural and sustainable development strategies as necessary inputs into the PRSP process and its implementation.

The implementation of development assistance linked to priority areas identified in PRSPs will increasingly be delivered through budget support mechanisms. A number of multilateral and bilateral donors have indicated their intention to deliver a significant and increasing

proportion of their official development assistance to low-income countries via budget support linked to PRSPs. The adoption of PRSPs by development agencies as a tool to address poverty will therefore be expected to have major implications on how any resulting development assistance will be delivered.

Conclusions

The potential contributions that trees, forests and forestry can make to the reduction of poverty in developing countries is now widely accepted and documented. The process of developing strategies to realise this potential has included a series of international workshops. Participants at the second workshop held in Edinburgh in June 2002 were asked to consider the agenda for action developed by the Cortevicchia meeting in 2001.

One of the most important conclusions from the Edinburgh meeting was the primacy of PRSPs to support the development of poverty-reducing forestry in low-income countries. Participants questioned how PRSPs could best be used to support poverty-reducing forestry and expressed a need for more information and training regarding PRSPs.

The increasing importance of PRSPs and associated moves towards budget support has been indicated by a range of multilateral and bilateral donors. The outcomes of recent reviews have shown that whilst PRSPs offer many advantages to both national governments and the donor community, it will be necessary to act to promote national ownership and create more opportunities to give the poor a voice.

The enabling conditions for poverty-reducing forestry are closely related to those required for effective implementation of PRSPs and budget support. The processes need to focus on local conditions, promote engagement with the poor and utilise robust, locally conducted analysis of poverty, local livelihoods and the political economy. The underlying governance needs to be right, considering the political economy at local and international levels. Finally, any resulting development assistance needs to be linked to the needs of society and the poor, rather than reflecting an external donor-driven agenda.

It is clear from discussions during the Edinburgh meeting and in the literature that many development practitioners would like to argue that PRSPs and budget support are not the best way to deliver poverty-reducing forestry. The reality is that PRSPs will increase in importance, by at least determining co-ordination of donor activities to address national priorities and in many cases influencing aid delivery through future budget support. Development practitioners in the forest sector can best support this process by ensuring that the PRSP process includes links to forestry by empowering the rural poor, NGOs, CBOs and appropriate Ministries all contribute to the content of PRSPs. Much of the information required for the inclusion in PRSPs exists in other documents such as National Strategies for Sustainable Development or National Forest Plans.

References

- Arnold, J.E.M. 2001. *Forestry, Poverty and Aid*. CIFOR Occasional Paper No. 33, Center for International Forestry Research, Bogor, Indonesia. 17 p.
- Arnold, J.E.M. 2002. Identifying links between forests and poverty. Edinburgh Centre for Tropical Forests, <http://www.nmw.ac.uk/ectf/workshop/arnold.pdf>
- Bird, N. 2002. Poverty, forests, and governance – the view from ODI. Edinburgh Centre for Tropical Forests. <http://www.nmw.ac.uk/ectf/workshop/N%20Bird.htm>
- Byron, N. and Arnold, M. 1997. What futures for the people of the tropical forests? CIFOR Working Paper No. 19. Center for International Forestry Research, Bogor, Indonesia. 16 p.
- Harrison, M. and Cantrill, J. 2002. Giving the people a voice in forest sector reforms. Edinburgh Centre for Tropical Forests. <http://www.nmw.ac.uk/ectf/workshop/J%20Cantrill%20v2.htm>
- IDA and IMF. 2002a. Good practice for PRSP design and implementation. 7 p. <http://www.worldbank.org/poverty/strategies/review/goodprac.pdf>
- IDA and IMF. 2002b. Review of the poverty reduction strategy paper (PRSP) approach: Main Findings. International Development Association & International Monetary Fund, Washington, USA. 103 p. <http://www.worldbank.org/poverty/strategies/review/earlyexp.pdf>
- Mayers, J., Bass, S. and MacQueen, D.J. 2002. The pyramid. A diagnostic and planning tool for good forest governance. International Institute of Environment and Development, London, UK. 55 p.
- Mayers, J. and Vermeulen, S. 2001. *How forests can reduce poverty*. FAO, Rome, Italy. 25 p.
- Oxfam. 2002. *Influencing poverty reduction strategies: a guide*. Oxfam, London, UK. 31 p.
- Poschen, P. 2002. The forests, the poor and the foresters. Edinburgh Centre for Tropical Forests, <http://www.nmw.ac.uk/ectf/workshop/poschen.htm>
- Proctor, F. 2002. PRSP and rural development: reflections, experiences to date and implications. European Forum on Rural Development Cooperation, Montpellier, 19 p. <http://www.ruralforum.info/papers/ProctorEn.pdf>
- Thin, N. 2002. Socially responsible forestry. Edinburgh Centre for Tropical Forests, <http://www.nmw.ac.uk/ectf/workshop/N%20Thin.htm>
- United Nations. 2002. World summit on sustainable development, plan of implementation. United Nations, New York, USA. 54 p. http://www.johannesburgsummit.org/html/documents/summit_docs/2309_planfinal.doc
- van Gardingen, P.R. 2002. Forests and poverty reduction: how can development, research and training agencies help? <http://www.nmw.ac.uk/ectf/workshop/introduction%20web.htm>
- van Gardingen, P.R., Mayers, J., Bass, S. and Thin, N. 2002. Forestry and poverty reduction: how can development, research and training agencies help? Edinburgh Centre for Tropical Forests, Edinburgh, UK. 8 p. <http://www.nmw.ac.uk/ectf/workshop/Pov%20Workshop%20Output.pdf>
- Wilks, A. and Lefrancois, F. 2002. Blinding with science or encouraging debate? How World Bank analysis determines PRSP policies. Brettonwoods Project and World Vision International, London, UK. 45 p.
- World Bank. 2002a. A revised forest strategy for the World Bank Group. The World Bank Group, Washington, USA. 89 p.
- World Bank. 2002b. Millennium Development Goals. <http://www.developmentgoals.org/>

2nd Segment:
The Status of the Forest Sector in
Poverty Reduction Strategies

PRSP: A New Approach to Poverty Reduction

Clotilde Ngomba

Rural Development Department
World Bank, Cameroon Country Office

1. Introduction

The economic background of the PRSP approach is characterized by a sequence of decisions made by the International Financial Institutions (IFIs). First, during his speech at the 1998 annual meeting, the President of the World Bank suggested the need for a more integrated approach to development based on a framework articulated and owned by the country itself. Since then, that vision, known as Comprehensive Development Framework (CDF), has represented a new way of doing business for the World Bank and its members. The CDF is an approach to development whereby countries become the leaders and owners of the own development policies. It especially emphasizes the participation of the civil society in policy formulation and decision making.

In December 1999, the Boards of the World Bank and the International Monetary Fund (IMF) approved a new approach to the challenges of reducing poverty in low income countries based on country owned strategies. Later in September 2001, the World Bank joined the United Nations as a full partner in implementing the Millennium Development Goals (MDGs) which aim to improve the lives of the world's poor.

Following all these decisions, the PRSP was proposed as a new vehicle to support government efforts to formulate and implement a poverty reduction strategy.

The purpose of this paper is to present the PRSP approach, its concept and its preliminary results as expressed in the World Bank internal reviews. The paper is not intended to discuss the actual impact of PRSPs on poverty, as very few countries have reached the implementation stage. The paper is organized as follows: Section 2 recalls the background of PRSP, its origins and principles; Section 3 presents the PRSP formulation steps and the associated products; Sections 4 and 5 explain the linkages between the PRSP and the Bank/IMF lending instruments, including the HIPC initiative; Section 6 discusses the role of the different actors; Sections 7 and 8 report on early experiences in the formulation of PRSP; and the paper concludes with a note on the vision for the future in Section 9.

2. Background of Poverty Reduction Strategy Papers (PRSPs)

2.1 What is a PRSP?

The PRSP describes a country's macroeconomic, structural and social policies and programs to promote growth and reduce poverty, as well as associated external financing needs. The PRSP is prepared by governments through a participatory process involving civil society and development partners, including the World Bank and the International Monetary Fund (IMF). The PRSP is an instrument to increase the focus on poverty of public expenditures. The PRSP's aims are to:

- strengthen country ownership of poverty reduction strategies;
- broaden the representation of civil society, particularly the poor, in the design of such strategies;
- provide a framework for donors assistance and improve coordination among development partners; and
- focus the analytical, advisory, and financial resources of the international community on achieving results in reducing poverty.

In low-income countries, the PRSP provides the link between national public actions, donor support, and the development outcomes needed to meet the Millennium Development Goals (MDGs).

2.2 Origins of PRSPs

As mentioned earlier, the PRSP approach results from a sequence of decisions made by the International Financial Institutions. These decisions were preceded by acknowledgement that:

- IFIs conventional approaches have yielded limited progress in reducing poverty and inequality;
- Aid and debt relief have induced limited impact on poverty.

At the same time, a new paradigm was developed that stressed vulnerability, empowerment, and opportunity.

2.3 PRSP core principles

PRSP are expected to transform the principles the Comprehensive Development Framework into an action plan for poor countries. That means PRSPs should be

- Country driven
- Results oriented
- Comprehensive in scope
- Partnership oriented
- Long-term in perspective
- Participatory

These principles underlying the PRSP approach are not new, but they are built fundamentally on research, experience, and most importantly, innovative and successful programs pursued by countries themselves.

2.4 Scope of PRSPs

Given that poverty is multi-dimensional, PRSPs should be comprehensive and cover all the key sectors associated with the poverty dimensions (taking variations from country to country into account). Basically, the scope of PRSPs should be aligned on the Millennium Development Goals. To that end, PRSPs should build on sector specific strategies and disaggregate poverty for rural and urban areas.

Concerning the forestry sector, the level of poverty and dependence on forests, especially in Africa makes it imperative to incorporate forest sector development in PRSPs. The importance of forests is highlighted in the Millennium Development Goals through Target 9, which seeks to “integrate the principles of sustainable development into country policies and programs and reverse the losses of environmental resources”.

The objective is to ensure that forests impacts and issues are adequately considered in PRSP and the required actions are financed under the Poverty Reduction Support Credits (PRSCs) or any other related funding. PRSPs could build from sectoral and cross-sectoral planning instruments and initiatives that already exist in many countries (e.g. the NEAPs, NSSDs, agriculture/rural development strategies, national forest programs, etc.)

3. PRSP Process Steps and Associated Products

3.1 PRS process steps

There is no blueprint for building a country’s strategy, but there are key steps that characterize the process:

- The participatory process designed to improve understanding of poverty issues and built support among all the stakeholders;
- The poverty diagnostic which aims at understanding the features of poverty and the factors that determine it;
- The priority public actions consist in choosing public actions which have the greatest impact on poverty and include them in the public expenditure program;
- The identification of goals, indicators of progress, and a monitoring and evaluation system.

As we shall discuss later, Joint Staff Assessments (JSAs) contain a statement on each of these steps.

3.2 Products associated with the process steps

3.2.1 Interim PRSPs (I-PRSPs)

I-PRSPs used in case a full PRSP is not available must include a stock-take of a country’s current poverty reduction strategy and lay out a road-map of how the country is going to develop its full PRSP with indications about the timetable and the participatory process envisaged for its production. The stock-take includes:

- A statement of the government’s commitment to poverty reduction;
- A description of the existing extent and patterns of poverty;
- The main elements of its existing poverty reduction strategy.

The road-map presents:

- A macroeconomic framework and a policy matrix;
- A time-line and a description of the consultative process by which full PRSP will be developed;
- A program of work to fill in identified gaps in poverty data and analysis.

3.2.2 Joint Staff Assessments (JSAs)

The initial JSA must make an overall assessment for the Bank/IMF Executive boards as to whether or not the strategy presented in the I-PRSP constitutes a sound basis for concessional assistance from the Bank and Fund. The JSA should state whether or not the I-PRSP takes into account results of the first round of participatory consultation. It should also provide constructive feedback to the country about how it might improve its strategy.

3.2.3 Full PRSPs (See above)

3.2.4 Joint Staff Assessments (JSAs) of full PRSPs

Another JSA is produced on the draft full PRSP. The JSA is an assessment of:

- Issues raised in the I -PRSP including governance and public sector management;
- The priority public actions over a three years horizon to be aligned to the government Medium Term Expenditure Framework (MTEF);
- The participatory process and the coverage of issues resulting from poverty diagnostic.

The priority action plan includes:

- The overall public expenditure program and its alteration among key areas;
- A matrix of key structural and sector development plans, policy actions and institutional reforms;
- A description of targets, indicators, and the monitoring and evaluation system.

3.2.5 Annual review

Annual reviews assess progress toward PRSPs goals and intended policy/program reforms. An annual tripartite review of the poverty reduction strategy is organized by Governments within 12 months after preparation of the strategy. Reports of annual review allow governments to make adjustments to PRSP in response to changing macroeconomic conditions. Progress reports would be published as a short document to be circulated to the Executive Boards of the Bank and the Fund.

3.2.6 Updates/revisions of PRSPs

The strategy is a 'rolling program' covering a 2–5 year time horizon. Each country decides on how frequently to update the PRSP.

4. Link Between PRSP and Bank/Fund Policies and Lending Instruments

4.1 From the World Bank side

A PRSP should meet the World Bank's Comprehensive Development Framework (CDF) principles and translate them into the country's plans of actions.

Bank management has decided that, from July 2002 on, the Bank's Country Assistance Strategies (CAS) will be aligned to PRSPs for IDA countries. A CAS is a document produced by the Bank in collaboration with country government and other stakeholders and tailored to individual country needs. It is the main tool used by the World Bank board and management for reviewing and guiding the World Bank Group's country programs. The CAS would incorporate poverty-related targets, intermediate and outcome indicators of the Poverty Reduction Strategy as its objectives, to establish priorities for Bank-support lending operations.

4.2 From the IMF side

Over time the PRSP should replace of the Policy Framework Paper (PFP). Likewise, the Poverty Reduction Growth Facility (PRGF) is progressively replacing the Enhanced Structural Adjustment Facility (ESAF). The PRGF is based on the full PRSP.

4.3 For both the World Bank and the IMF

The PRSP, or I-PRSP conditions access to HIPC, PRGF, IDA concessional funds Poverty Reduction Support Credit (PRSC). The amounts of assistance and detailed design of the program in support of a country's poverty reduction strategy are determined through the World Bank's CAS and the IMF's PRGF arrangements.

The JSA contributes to these determinations through its assessment of the strengths and weaknesses of the strategy and its various elements

5. Link between PRS and HIPC initiative

In principle, countries seeking assistance under HIPC initiative should have a poverty reduction strategy in place prior to the decision point (the time when debt relief is committed by participant creditors). But some amendments have been introduced recently to allow countries with improving economic performance to benefit from partial debt relief while preparing their full PRSPs. For those countries, a satisfactory I-PRSP ensures access to the HIPC decision point.

A full PRS required prior to the HIPC completion point (the time at which full debt relief is provided irrevocably). In addition, countries should have made satisfactory and demonstrable progress in the implementation of PRS action plan (at least one year) by the completion point. Funds resulting from debt relief are integrated with other sources of external finance to fund the implementation of the overall PRSP.

6. Role of Different Actors (Government, Civil Society, World Bank, IMF, Donors) in the Process

The role of the government is to coordinate preparation and implementation of PRSPs. Country authorities have to encourage all development partners to contribute to the design of poverty strategy, identify their potential area of participation and make upfront commitments in support of the strategy implementation.

Development partners will have to align their support with priorities laid out in the country PRSP. Strong government ownership is required to facilitate donor coordination. The World Bank and IMF stand ready to provide support to governments in the development of their strategies without predetermining the outcome or undermining country ownership.

As mentioned earlier, the participation of civil society is also required to help the government better understand the obstacles to poverty reduction and economic growth. The civil society should also help implement, evaluate and review the PRSP. Broad participation provides avenues for people to express their needs or obtain redress.

7. How was the PRS received by developing countries and how is it being applied?

The PRSP approach was well received in countries where the process has been fully completed (eg. Tanzania). Governments were less reluctant to pursue the PRSP process than with the former adjustment program. The fact is that the PRSP approach returns the client to the driver's seat and improves aid effectiveness. The PRS formulation process provides the opportunity for the government to lead and fully own its development cooperation program in terms of planning, design, implementation, monitoring and evaluation. The PRSP will help coordinate donor intervention and thereby reduce the administrative burden associated with different donor requirements. In addition, the involvement of the civil society renders the process politically easy to handle.

About ten full PRSPs have been prepared so far. The first full PRSPs were prepared by Bolivia, Burkina Faso, Honduras, Mauritania, Mozambique, Nicaragua, Tanzania, Uganda, Niger, Albania. About thirty countries have produced their I-PRSP. These are:

- In Africa: Benin, Senegal, Cameroon, CAR, Chad, Ethiopia, Gambia, Ghana, Kenya, Guinea, Guinea Bissau, Lesotho, Macedonia, Madagascar, Malawi, Mali, Rwanda, São Tome and Príncipe, Zambia, Cape Verde.
- In Europe and Central Asia: Armenia, Georgia, Moldova, Tajikistan.
- In North Africa/Middle East: Yemen.
- In East Asia/Pacific: Cambodia, Vietnam, Laos.
- In Latin America/Caribbean: Guyana, Honduras.

Even some middle income countries (e.g. Guatemala), which are not seeking HIPC debt relief and are not seeking loans under the IMF's PRGF arrangements or from IDA, found it convenient to develop a comprehensive PRS.

8. Lessons from early experience

The process of poverty reduction requires time. Radical improvements in living conditions will involve a transformation of economic and social structures that may take decades. Therefore, it is too early to assess the poverty impact of the PRS. Review of the process has revealed mixed results including some encouraging developments, concerns, and difficult trade-offs.

8.1 Encouraging developments

The PRSP process is reported to have contributed to greater transparency and improved policy dialogue between governments and a broad range of stakeholders on poverty –related issues.

8.2 Emerging concerns

The Joint Staff Assessments stressed that there are still some concerns:

- Limited scope. Certain common themes have emerged as priorities for poverty reduction strategy papers. These priorities are closely related to the indicators on the poverty headcount, access to safe water, primary school enrolment, child and infant mortality, social infrastructure. But very few PRSPs include environmental indicators. This limitation in coverage is partially associated with the criteria initially used to determine a country's eligibility to HIPC funds.
- Data limitation. Little quantitative information is available. It is difficult to determine the relative importance of issues
- Insufficient capacity. Many government suffer from insufficient institutional capacity for PRSP formulation and implementation. In particular, costing, prioritizing, evaluating tradeoffs under limited resources and linking policies to diagnostics remain major challenges. Therefore, there is a potential risk that countries prepare a wish list of projects instead of a poverty-oriented action plan. Many public actions still do not flow from the poverty diagnostic made through the participatory process.
- Insufficient participation of rural stakeholders. While extensive participatory processes have been conducted in the preparation of full PRSPs, the participation of rural stakeholders is reported to have been limited, both in terms of the breadth of the stakeholders who participated and the mechanism applied.

8.3 Continuing tensions

In the absence of a blue-print for PRSP, it is not easy to decide at which stage a proposed PRSP is fully satisfactory. In the discussion with country, the World Bank and the IMF have to deal with trade-offs between:

- Comprehensiveness versus Prioritization of key sectors;
- Content versus Process. How to move quickly to relieve debt while allowing enough time to built country ownership?

Another concern is whether the PRSP is a framework for the IMF and World Bank, or for all donors. It is not always obvious to obtain other donors adherence to the PRS at the beginning of the process. Many of them tend to adopt a 'wait and see' attitude at the beginning of the process.

8.4 Coverage of forest issues in PRSP

The depth of the coverage of issues related to management of forests and other natural resources varies across PRSPs. Overall, few PRSPs mention forests. Coverage of the forest issues in the World Bank CASs is also limited. For instance, only 28 % of available CAS emphasize forest and link them to recommendations for World Bank action or consideration. Limited coverage of forest issues is partially due to the high transaction costs as well as the high political risk of failure associated with their resolution. To reverse this trend, a significant 'pipeline' is being built featuring forest and environmental issues as components of PRSPs.

9. Future vision

For the World Bank and IMF, PRSPs have become the Business Model in low-income countries. Consequently, Bank lending instruments are likely to change to ensure more coherence with the PRSP approach.

It is expected that the World Bank portfolio will shift towards more budget support lending with multi-sectoral programs funded and executed through national budget systems, instead of stand-alone projects. In the meantime, the Medium Term Expenditure Framework ensures that the governments have a suitable budgetary framework, characterized by: Transparency, Poverty focus, Results driven expenses.

Every PRSP would include a MTEF that gives a visibility of the programs and projects being financed. In countries where the public resources management is weak, the PRSP should also take into account the need to reform the budgeting process and the treasury to ensure that a satisfactory MTEF is built and adopted by the government.

This shift will require more support for rapid learning to strengthen the government's institutional capacity in planning, monitoring and evaluation. The iterative nature of PRSP makes it possible to extend its sector coverage during the review process.

References

- Cord, L., Verissimo, P., Owens, P. and Pedulla, S. 2002. The Coverage of Rural Issues in PRSPs: A Review of Preliminary Experience. A draft working paper PREM and WBI World Bank.
- Proctor, F. 2002. PRSP and Rural Development: Reflections, Experiences to Date and Implications. DFID-WB Collaborative Program for Rural Development.
- World Bank and IMF. 2002. Poverty Reduction Strategy Papers-Progress in Implementation. September. 45 p.
- World Bank. 2002. Framework for Forest Resource Management in Sub-Saharan Africa. Draft Paper 53 p.
- Further background information
<http://www.worldbank.org/poverty/strategies/define.htm>
<http://www.worldbank.org/poverty/strategies/backgr.htm>
<http://www.worldbank.org/poverty/strategies/qanda.htm>

Comments to “PRSP: A New Approach to Poverty Reduction” by Clotilde Ngomba

Lindelwa Myataza

NEPAD Secretariat, Midrand, South Africa

Introduction

The commentary on the paper entitled “PRSP: A New Approach to Poverty Reduction”, is provided within the context of the framework and principles of the New Partnership for Africa’s Development (NEPAD), with particular attention paid to the areas of convergence and the learning points for NEPAD. Sections of the Framework for the Environment Initiative of NEPAD are included for information.

Overview

The paper presented is a good background on PRSPs and sets out the steps and products that characterize the process. As indicated, the process is broadly consistent with the NEPAD framework, since NEPAD accepts the PRSP principles to poverty eradication and this approach is one of the inputs integrated in the NEPAD framework.

Moreover, in terms of developing a new partnership between Africa and the developed world, it is realized that NEPAD is not expected to exist in a vacuum. Therefore, the importance to link NEPAD appropriately to existing initiatives and programmes for Africa is central to the proposed policy, planning and implementation processes under the NEPAD framework.

NEPAD does not seek to replace or compete with existing initiatives, but rather to consciously establish linkages and synergies between NEPAD and these existing initiatives to ensure that all activities focused on Africa are pursued in an integrated and coordinated fashion within the framework of priorities and needs identified by Africans for themselves. NEPAD provides a focal point and the overall strategic framework for engagement as Africa’s chosen agenda for development.

The paper is however conceptual and theoretical in that it is devoid of practical orientation.

Although reference is made to the importance of incorporating the forest sector in the development of PRSPs, broadly reflected in Target 9 of the Millennium Development Goals

(MDGs), the paper does not relate to the forestry sector in any way in terms of policy instruments used and does not comment on performance of these instruments.

Although it is early to measure the impact of the PRSP approach, practical problems of coordination and implementation as well as some early stage best practices are important areas for further discussion, as these will also provide important learning points for NEPAD.

Specific Points

An area that needs further elaboration under the PRSP process is **the type and role of partnerships** and how the performance of these partnerships can be monitored to ensure that stated commitments are met. NEPAD reflects both continuity and change in Africa's approach to its own development. In the first place, NEPAD has built upon the many earlier initiatives, which have promoted development in Africa, either through national policies or through the collective efforts of African states or both. Thus many of the policy approaches put forward in NEPAD not only reflected these prior frameworks, but also ideas and proposals formulated by civil society organisations, research institutions and intellectuals across Africa on such issues as poverty reduction, human resource development, diversification of Africa's production and exports, the need to finance development through higher levels both of domestic resource mobilisation and external resource flows, especially through increases in levels of official development assistance (ODA), debt relief and private investment.

Under NEPAD, partnership is in the first instance domestic (i.e. between elected leaders and the electorate at the first level). African leaders have admitted that in the past, the people were left out of governance and, to show preparedness in providing the required good governance, practical measures in the form of the "Declaration on Democracy, Political, Economic and Corporate Governance" were unanimously adopted by all the Heads of State and Government (HoS) at the first AU Summit held in Durban, South Africa in July 2002. At the second level, the building of relationships is between and among African countries with the expected outcome of expediting regional integration and greater coordination of the Continent.

In the second instance, denoting the third and final level of partnership under NEPAD, the partnership is between Africa as a bloc and the external environment, based on mutual responsibility and benefit. Groups that have been engaged include the Nordic countries, the European Union (EU), the G-8 countries, ASEAN and NAFTA. It is accepted that for too long, African countries have operated individually, relating sometimes bilaterally, with these groups. As a result, Africa's voice has been weak in negotiations in international fora and in world affairs.

The stated commitments to make the process of globalization sustainable, equitable and development-oriented create possibilities for establishing mechanisms which can translate political will into mutual accountability as well as an effective monitoring of commitments, which is vital to translating commitments into effective strategy and policy. The African Peer Review Mechanism (APRM), to which all African countries are encouraged to accede, introduces the monitoring capability, which provides the instruments for governments and Heads of State to live up to commitments.

The primary challenge facing Africa's development partners is to supply the political will to meet their commitments. NEPAD offers not only an opportunity to improve the partners' support for development in Africa, but also a challenge to do so. The building of genuine partnerships under NEPAD and calls for innovative methods of financing Africa's development bring new challenges on the role expected of international financial and

development institutions, as this imposes reforms in their procedures and methods, thereby constituting an overhaul of the entire relationship that underpins the status quo.

Ownership is another principle embodied in the PRSP process and NEPAD. However, under NEPAD ownership does not mean that the process should merely engage all stakeholders but extends to ownership of resource mobilization and utilizing the resourcefulness of African people and organizations on the Continent. For example, a number of elements have informed the ongoing process of preparing the detailed Plan of Action where the NEPAD structures have:

- used leading African knowledge organizations as lead agencies (e.g. ADB, ECA);
- used the expertise and information of the OAU and its structures;
- worked closely with the regional economic communities (RECs), especially in terms of identifying priority projects arising out of their regional strategic development programmes;
- used the expertise of identified African experts;
- involved representatives of all the initial fifteen states (since the first AU Summit increased to twenty represented on the Heads of State and Government Implementation Committee);
- utilized the expertise and information of global knowledge institutions like the World Bank, the International Monetary Fund (IMF), the European Commission, and some United Nations (UN) Agencies such as the Food and Agriculture Organization (FAO), UNEP/GEF and UNCCD among others;
- taken full advantage of reports and recommendations generated by a number of consultative processes, such as the 2000 Dakar Education Conference and the 2001 Abuja Health Conference;
- taken full advantage of work already done, studies completed and projects and programmes already in the pipeline in the various priority areas that have been developed through extensive consultative processes amongst various stakeholders; and
- organized workshops and conferences, at national, regional and continental levels.

The **role of political leaders** in all phases of the PRSP process needs to be clearly defined. As the PRSP process is country driven, there are obvious risks should the political leadership disengage from the process. Therefore, African leaders should lead the NEPAD initiative themselves. Various worthy African initiatives have failed due to, amongst other factors, lack of political will.

Both the PRSP approach and the NEPAD framework emphasize **participation**. However, it is not clear how the balance between the top-down and bottom-up approach is achieved under the PRSP process, to effect the full participation of all stakeholders. A further discussion on this aspect will provide valuable inputs to implementation of NEPAD processes and action plans.

Both the PRSP process and NEPAD emphasize **country-specific driven programmes**, but NEPAD also recognized that many of the problems facing Africa require regional coordination, hence the RECs have been made focal points for implementation of programmes under NEPAD. What specific adaptations have been put in place within each country-specific context under the PRSP process? For example, it is recognized that one of the challenges in implementation of programmes under the NEPAD initiative will be to deal with demands of individual countries given that projects originating at country level will be subsumed under the NEPAD process.

The NEPAD View on the HIPC Initiative

The view espoused by NEPAD is that debt relief must be expanded to ensure that increased ODA does not simply support debt servicing. The HIPC initiative should be expanded through the elaboration of provisions for middle-income countries engaged in the Paris Club debt relief process. Debt cancellation must rise from current levels towards the 100% level. But before this, debt relief should be linked to good performance on governance issues, which will contribute to poverty reduction, with fiscal sustainability as an intermediate indicator, rather than indicators of debt sustainability.

The expansion of debt relief would have significant positive benefits for the investment environment: much evidence demonstrates that the debt overhang undermines investment performance because debt service demands impose a tax on expected future returns, discouraging investors from committing their funds. Real exchange rate instability also undermines investment rates, and there is a strong case for additional ODA to be provided on a contingency basis to offset terms of trade shocks.

The NEPAD Environment Programme

Environment Action Plan for the First Decade of the 21st Century – Excerpt from the framework action plan approved by the African Ministers Conference for Environment (AMCEN). Prepared by AMCEN Secretariat UNEP/GEF, 2002.

A coherent, strategic and long-term programme of action is required to promote Africa's sustainable development. NEPAD places emphasis on measures that will ensure that the continent is able to confront its short-term economic growth challenges without losing sight of the long-term environmental, poverty eradication and social development imperatives. Sustainable development is about the long-term. It can only be achieved through investments in the future. Thus the proposed NEPAD environment programme of action takes a long-term approach. It is about processes, projects and related activities that are aimed at improving Africa's economic prospects through sustained environmental management.

The proposed action plan is integrated in the sense that it takes full consideration of economic growth, income distribution, poverty eradication, social equity and better governance as part and parcel of Africa's environmental sustainability agenda. Chapter 8 of NEPAD on the Environment Initiative cannot be implemented in isolation with the overall objectives of NEPAD. It will be implemented in harmony with the other components of NEPAD.

The plan is organized in clusters of programmatic and project activities to be implemented over an initial period of ten years. It is founded on the following principles:

- a) Emphasis is placed on those activities and processes that will add new and significant value to existing national, sub-regional and regional environmental management activities.
- b) The plan of action as a whole and its implementation projects will build upon prior progress and fill existing gaps.
- c) Activities are to be implemented in such a way as to ensure that Africa learns from its previous efforts and achievements while taking into account the experience gained in other regions of the world.
- d) Collective action with differentiated capabilities – clear recognition that while the continent has shared goals and obligations, its countries have different levels and ranges of capability (financial, human, scientific and technological). Genuine regional cooperation will thus be required to mobilize or harness the capabilities to implement the plan of

action. In addition, emphasis is on those activities that will ultimately enlarge the region's capacity to engage in environmental management.

- e) The action plan, its goals and implementation are not aimed at meeting interests or needs of a country or of a group of countries, but of the African continent as a whole.

This action plan will build upon the ongoing activities carried out by the revitalized AMCEN in the context of the implementation of the Abuja Declaration and other relevant African processes. The action plan will also complement the ongoing AMCEN activities including the generation and dissemination of environmental information in Africa: Poverty and Environment in Africa, Environmental Assessment in Africa and the strengthening of the collaboration with major bodies in Africa.

The Action Plan is organized in clusters of programmatic areas covering the following priority sectors and cross-cutting issues as identified in Environment Initiative of NEPAD: Combating land degradation, drought and desertification; Wetlands; Invasive species; Marine and coastal resources; Cross-border conservation of natural resources; climate change; and, Cross-cutting issues. The action will build upon the related problems of pollution, forests and plant genetic resources, wetlands, invasive alien species, coastal and marine resources, capacity building and technology transfer.

Objectives of the Action Plan

The overall objectives of the action plan are to complement relevant African processes, including the work programme of the revitalized AMCEN, with a view to improving environmental conditions in Africa in order to contribute to the achievement of economic growth and poverty eradication. It will also build Africa's capacity to implement regional and international environmental agreements and to effectively address the African environmental challenges in the overall context of the implementation of NEPAD. Its specific objectives are to:

- a) Contribute to the implementation of NEPAD through the effective implementation of its Environment Initiative.
- b) Promote the sustainable use of Africa natural resources; strengthen public and political support to sub-regional and regional environmental initiatives.
- c) Support the implementation by African countries of their commitments under the global and regional environment conventions and other legal instruments to which they are party to.
- d) Enhance the human and institutional capacities of the African countries to address effectively the environmental challenges facing the continent.
- e) Promote the integration of environmental considerations into poverty reduction strategies.
- f) Foster regional and sub-regional cooperation to address environmental challenges.
- g) Build a network of regional centers of excellence in environmental science and management.
- h) Mobilize and direct African and international scientific and technical communities to solve Africa's pressing environmental problems.
- i) Enhance the effective participation of the African major groups and their important contribution to inform inter-governmental decision making.
- j) Improve the institutional framework for regional environmental governance.
- k) Mobilize international resources for the implementation of the African environmental initiative.

- l) Provide a framework for the establishment of a solid partnership between the African countries and their bilateral and multilateral partners (including the multilateral financial institutions such as the Global Environment Facility) and in accordance with the spirit and the letter of the United Nations Millennium Declaration.

A. Implementation Mechanism

The implementation of the Environment Action Plan will require renewed efforts from the African leaders in charge of environment issues. The steering committee of the UNEP/GEF Medium-Sized Project on the Development and Implementation of the environment component of NEPAD (representatives from Algeria, Egypt, Mali, Morocco, Nigeria, Senegal, South Africa, Tanzania and Zambia) shall continue its work until June 2003. Lead country members of the steering committee will take the responsibility of coordinating the further development of each programme area building on the elements identified in the Framework of the Action Plan.

In fulfilling their tasks the lead countries for each programme will work in close cooperation with relevant sub-regional, regional and international institutions, the GEF and the Secretariat of the relevant conventions to undertake a mapping exercise of on-going programmes, initiatives and activities, identifying gaps, developing project proposals with clear time-frame, targets and priorities, cost-estimates and implementation and monitoring mechanisms.

To this end thematic, technical consultations will be convened and the results will be communicated to the steering committee no later than 1st of February 2003. It was agreed that the following countries would host thematic expert meetings to be convened before the end of February 2003: South Africa (Invasive Species), Zambia (Wetlands), Morocco (Climate Change), Tanzania (Cross-Border Natural Resource Management), Algeria (Desertification), Senegal (Health and Environment), Mali (Poverty and Environment), Forests (Cote d'Ivoire), Coastal and Marine Environment including freshwater (Nigeria), and Capacity Building (Egypt).

The lead countries will submit to the steering committee monthly progress reports. The steering committee will hold two additional meetings in December 2002 and April 2003 to finalize the draft Action Plan no later than 15th May 2003 with the view of submitting it for the consideration by a meeting of AMCEN to be held in summer 2003. All the members of the steering committee have requested to submit to UNEP a detailed report on their ongoing environmental activities of relevance to NEPAD as well as proposals for regional and sub-regional projects to be reviewed by the thematic expert groups under the overall coordination of the steering committee. A donor meeting for the financing of the implementation of the Action Plan will be convened immediately after its adoption by the 2003 meeting of AMCEN.

The criteria for project selection and preparation will be guided by among other things the following:

- a) Regional, sub-regional and multi-country projects or regional impact: projects developed and selected under the action plan should have a sub-regional or regional outlook or involve several African countries.
- b) Multi-focus: projects should aim as far as possible at integrating the three pillars of sustainable development.
- c) Participatory nature: projects should be developed through a participatory approach with strong ownership with all partners including the government, the private sector, civil society including NGOs and the scientific community.
- d) Programmatic approach: projects should be integrated in a comprehensive, programmatic (as far as possible) strategic approach.

- e) Sustainable development perspective: projects should be designed taking into account the need to alleviate poverty and promote economic growth.
- f) Capacity building: projects should integrate capacity development needs as part of their planned activities.
- g) Maximize utilization of African expertise: projects should aim at maximizing the utilization of local experts and institutions.
- h) High rate of duplication: projects should be designed to ensure replication and dissemination of good practices and experiences.
- i) Sustainability of activities: projects should have activities whose benefits are sustainable beyond the life cycle of the interventions;
- j) Fundability: only projects likely to attract adequate domestic funding and external support shall be considered.
- k) Promote sharing of experiences and learning: projects should aim at promoting sharing of experiences, enhancing regional cooperation and collective learning.
- l) Performance criteria: projects should contain clear objectives, performance indicators and monitoring mechanisms.
- m) Thematic balance: balance between the thematic areas of the Action Plan should be sought.
- n) Geographical balance: balance between the five Africa sub-regions should be sought based on the United Nations geographical groupings.
- o) Ensure gender mainstreaming in all projects.

B. Biodiversity, Forests and Plant Genetic Resources

The forests of Africa cover 520 million ha and constitute more than 17% of the world's forests. Forests play an important economic role in many African countries. They provide 6% of the GDP in the region, the highest in the world. But the share of forest products in trade is only 2%. Africa's forests are threatened by a combination of factors including agricultural expansion, commercial harvesting, increased firewood collection, inadequate land and tree tenure regimes, inappropriate agricultural systems, and accelerating urbanization and industrialization. Droughts and armed conflicts also contribute significantly to forest degradation.

During the 1980s, Africa lost an estimated 47 million ha of forests. By 1995, another 19 million ha had been lost, an area the size of Senegal. In most African countries, there has been an increasing demand for wood products, especially firewood and charcoal. As a result, the consumption of forest products nearly doubled during 1970–1994. At least 90% of Africans depend on firewood and other biomass for their energy needs. More recently, new economic reform measures have removed subsidies on energy alternatives, which has further increased the demand for firewood and other biomass. Recent projections estimate that the consumption of firewood and charcoal will rise by 5% by 2010.

Africa's forests and associated plant genetic resources are largely unknown, under-studied, under-valued and under-utilized. Possibly less than 50% of the region's forest ecosystems and plants therein have been identified and studied. Threats to plant genetic resources are poorly assessed and analysed. Meeting NEPAD's goals of achieving sustainable agricultural production, improving of human health conditions by utilizing medicinal plants and promoting environmentally sustainable trade will be based on strong scientific knowledge and information on the region's forests generally, and on plant genetic resources in particular.

The objective of this Action Plan is to initiate additional activities to implement plant genetic resource conservation in accordance with the objectives of the UN Convention on Biological Diversity and the International Treaty on Plant Genetic Resources. It will also

build capacity for Africa's continued participation in international negotiations on forests and in the implementation of the multi-years programme of work of the United Nations Forum on Forests related to all types of forests including addressing the needs of low forest cover countries. The objective of this Action Plan will aim also at assisting African countries to achieve the objectives of the Cartagena Protocol on Biosafety.

Conclusion

Today, it is not enough to only emphasize protection of the environment without emphasizing the need in the actual investment in the regeneration of natural capital, empowerment and capacity building to enable communities to rebuild and regenerate natural resources on which their livelihoods depend.

References

- AU/OAU. 2002. Towards the Implementation of the New Partnership for Africa's Development (NEPAD). Progress Report and Initial Action Plan, Assembly of Heads of State and Government, Thirty-Eighth Ordinary Session of the Organization of African Unity, AHG/ 235(XXXVIII), Durban.
- AMCEN Secretariat UNEP/GEF. 2002. Framework of an Action Plan for the Environment Initiative of the New Partnership for Africa's Development (NEPAD). 9th Meeting of the African Ministers Conference for Environment (AMCEN), Kampala.
- Dogonyaro, S.T. 2002. The Role of International Finance and Development Institutions and NEPAD Initiatives. African Regional Seminar of Experts on Implementation of the Durban Programme of Action: An Exchange of Ideas on Steps to Move Forward, Nairobi.

National Forest Programmes

François Wencelius

FAO

Since the mid-1980s, various international frameworks such as Forestry Master Plans and Forestry Sector Reviews have been proposed and promoted to guide forest sector development. The most significant was the Tropical Forestry Action Plan (TFAP) which, at one point, was active in more than 70 countries. The current concept for national forest programmes (NFPs) evolves and builds on lessons learnt from these efforts. These include: the need for full engagement with political and economic realities in a broad public dialogue; the need to identify and describe a viable path of change rather than simply state that change is needed; the need for strong national ownership and an emphasis on building national capacity which can then be employed to enhance forest policy and its implementation.

The Intergovernmental Panel on Forests (IPF) and the Intergovernmental Forum on Forests (IFF) established under the Commission on Sustainable Development following UNCED endorsed national forest programmes as an important means for addressing forest sector issues in a holistic, comprehensive and multi-sectoral manner. After intensive discussions that attempted to bridge the gap between the promotion of forest development frameworks which are internationally coherent, and the need for strong national ownership and leadership, IPF reached consensus on some common principles with which national forest programmes should comply. These are broadly summarised in Box 1.

In addition to these framework principles, several issues or action principles have been identified based on past experience as crucial to successful national forest programme processes. Some important ones are indicated in Box 2.

Despite the intergovernmental endorsement of NFPs, the concept remains rather generic and some key principles, particularly transparency and active participation, remain implicit rather than explicit. While the limitations of a generic concept are recognised – and many initiatives termed as ‘national forest programme’ do not fit with even the broad internationally agreed principles – so is the absolute necessity to leave sufficient scope for a nationally owned, local definition. How to support the development of nationally driven NFPs that embrace and go beyond the generic principles is thus an important area of work.

Related to this challenge of marrying international principles with national ownership is the need to establish a common vision of what a national forest programme is and, perhaps more importantly, what it is not. A recent worldwide survey on the status and progress in the

Box 1. Summary of internationally-agreed principles of national forest programmes.

National sovereignty and country leadership – the development of national forest programmes will differ between countries depending on their forest resources and overall development goals and priorities; the process is always led by the countries themselves

Consistency with constitutional and legal frameworks – national forest programmes must be developed in a way that they can be implemented within the overall constitutional and legal frameworks in each country

Consistency with national policy framework and global initiatives – national forest programmes should reflect the overall development goals and priorities of each country while, at the same time, they should comply with international conventions and agreements

Holistic and intersectoral approach – the development of national forest programmes should consider the impact of forestry on other sectors and the impact of other sectors on the forest sector; NFPs should also be an integral part of broader sustainable development strategies

Partnership and participation of all interested parties – national forest programmes are more likely to be effective and sustainable if they have been developed in partnership with and reflect the views of a broad range of stakeholders in each country, including partners from outside the traditional forestry sector and traditional forestry disciplines

Box 2. Issues and action principles for national forest programmes.

NFPs as long-term dynamic process – the development of a national forest programme is not a one-off planning exercise, but should be considered as a dynamic process of consultation, policy formulation and implementation responsive to changes in needs and priorities

Capacity building – especially in developing countries and countries in transition, many countries lack the human and institutional capacity to develop and implement effective policies and programmes. Effective national forest programmes will emphasise specific steps to build and strengthen institutional and human capacity

Policy and institutional reform – many countries have recognised that their policies and institutions will need to be reformed in order to develop the right conditions for sustainable forest management and increased forest investment; often this involves the empowerment of regional and local governments and local communities, decentralisation of responsibilities, and creation of more private-sector like institutions responsible for the management of government forests

Raising awareness – to gain political commitment and ensure that national forest programmes are holistic in approach and integrated into overall development plans, it is important that awareness of the forestry sector is raised as part of the process of developing such programmes

implementation of NFPs (FAO 1999) highlights this problem. This survey recognises over 100 NFP processes, yet many are either stalled or are far from the participatory, holistic processes that contemporary NFP processes aspire to be. A process to align key stakeholders' visions of NFPs will be helpful in promoting learning and the exchange of relevant experiences between countries and stakeholders.

The IPF and IFF promote NFPs as a cyclical, continuous process of policy development, planning, implementation and monitoring. Experience among more recent dynamic NFP processes indicates that the entry point to the cycle will vary by the countries' current context, its needs and the immediate demands of the NFP. Many countries have suffered under repeated planning processes that have led to very little action. Therefore, to be credible, their NFPs must deliver action alongside strategic planning.

National forest programmes aim to support a strategic process within which roles of stakeholders and their institutions are negotiated, institutions are strengthened so they can act upon agreed priorities, and practical action is taken. They use the best available information (improvements in the baseline information may come later) and focus on practical priority actions that make sense within the current realities and demands. Refinements and improvements become part of a process of doing, not just a part of a process of planning.

Experiences with NFPs in the last few years also indicate that the cycle of negotiating aims and roles, establishing effective institutional frameworks, agreeing and implementing prioritised actions and learning from experience requires good systems. Systems of participation, skill development, information and finance, as well as the systems that will underpin the management of the process. It is in these areas that developing countries need the most support.

Other challenges to national forest programmes include: How they can genuinely secure the necessary cross-sectoral reform e.g. in tenure, markets or governance? How the political profile of forestry can be raised so that it is treated as a priority consideration by other sectors and by government? How marginalised players with less power, but high levels of potential impact, can increase their capability to influence decision-makers? How national processes such as NFPs can accommodate and support decentralisation – indeed, what are the appropriate tactics for decentralising the NFP itself? These and other challenges remain, even in countries where dynamic and relatively successful NFPs have been developed.

National forest programmes seem to be fulfilling the expectation that they can enhance the coherence of external support to the sector. By offering a coherent view of Government's priorities they have promoted national leadership so that the country guides what they want from their external supporters. NFPs are promoting coherence and decreasing duplication across development initiatives (particularly between isolated project structures) and in some places they are providing the foundations for sector-wide approaches.

Forests in Poverty Reduction Strategies — An Assessment of PRSP Processes in Sub-Saharan Africa

Tapani Oksanen and Christian Mersmann

Programme on Forests (PROFOR)

Acknowledgements

The authors would like to thank the following World Bank staff who made time available for interviews with the authors in their busy schedules:

Jan Bojö, Lead Environmental Economist, Environment Department
Florence Charlier, Economist, Africa Region
Christine Cornelius, Senior Operations Officer, Rural Development Operations, Eastern and Southern Africa
James Douglas, Forests Advisor
Paula Donovan, Sector Director, Poverty Reduction and Economic Management (PREM), Africa Region
Brendan Horton, Lead Economist, Africa Region
Agnes Kiss, Lead Ecologist, Africa Region
Abdelkrim Oka, Senior Natural Resources Management Specialist, Africa Region
Ismael Ouedraogo, Senior Agriculture Economist, Africa Region
Rama Chandra Reddy, Economist, Environment Department
Guiseppe Topa, Lead Forest Specialist, Africa Region

Thanks are also due to Laura Ivers of PROFOR, who assisted in research, organized the interviews at the Bank, and edited this draft of the report.

The production of this report was made possible by the support given to PROFOR by the Government of Finland.

Abbreviations

CAS	Country Assistance Strategy (of the World Bank)
CBD	Convention on Biological Diversity
CDF	Comprehensive Development Framework
CDM	Clean Development Mechanism
CFM	Collaborative Forest Management
ESAF	Enhanced Adjustment Facility (of the IMF)
FAO	Food and Agriculture Organisation of the United Nations
HIPC	Heavily Indebted Poor Countries Initiative
IFF	Intergovernmental Forum on Forests
IMF	International Monetary Fund
IPF	Intergovernmental Panel on Forests
I-PRSP	Interim Poverty Reduction Strategy Paper
JSA	Joint Staff Assessment (of the World Bank and the IMF)
LDC	Least Developed Country
M&E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework
NFP	National Forest Programme
PFP	Policy Framework Paper (of the IMF and the World Bank)
PRGF	Poverty Reduction and Growth Facility (of the IMF)
PRS	Poverty Reduction Strategies
PRSC	Poverty Reduction Support Credit (of the World Bank)
PRSP	Poverty Reduction Strategy Paper
SAL	Structural Adjustment Lending
SFM	Sustainable Forest Management
UNCCD	United Nations Convention to Combat Desertification
UNFCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests
WB	World Bank

Executive Summary

Poverty Reduction Strategies (PRS), expressed in Poverty Reduction Strategy Papers (PRSPs), have been adopted as a key instrument to meet the Millennium Development Goals of halving, between 1990 and 2015, the proportion of people suffering from extreme poverty. The PRSPs are a framework both for setting priorities for public expenditure by governments of developing countries and for delivering international support to poverty reduction. Bilateral donors have strongly endorsed the PRS process, initiated by the World Bank and the IMF, and agreed that these strategies should serve as a framework for their assistance. Many donors have also agreed in principle to align their programmes with PRSPs, recognising the need to harmonise and simplify procedures for aid delivery and to concentrate assistance only in priority areas identified in PRSPs.

The PRS process and the PRSPs have initially had a strong focus on the traditional social sectors at the expense of a broader analysis of poverty and how to reduce it. Productive sectors such as the forest sector, natural resource sectors in general, and cross-cutting issues such as environment have received relatively little attention in these processes. In the forest sector, both internationally and at the country-level, poverty related issues are increasingly being discussed, but often without a clear link to the PRS processes.

It is within this context that this report provides an assessment of the current status and trends regarding the role of the forest sector in the Poverty Reduction Strategies in the countries of Sub-Saharan Africa. 25 Interim Poverty Reduction Strategy Papers (I-PRSPs), 11 PRSPs, 17 Joint Staff Assessments and 4 PRSP Progress Reports were assessed and allocated

a score to define to what degree the forest sector was incorporated in the PRS processes based on the following criteria:

- were forest related issues included in the poverty assessment/analysis;
- were the causal linkages between forest related issues and poverty related issues analysed in the documents;
- were forest related responses and actions defined in the documents; and
- were process links between the PRSP process and forest related policy and planning processes described in the documents.

The assessment found that 84% of the I-PRSPs and all PRSPs touched upon the forest sector somehow. However, in general the sector was incorporated in a rather modest and unsystematic manner. The analysis of the cause-effect linkages between the forest sector and poverty and the treatment of forest related issues were generally weak. Considering this, surprisingly many forest-related responses and actions were proposed in the poverty reduction programmes. Many I-PRSPs and PRSPs included forest related activities under such sectors as agriculture, rural development, natural resources and environment, or cross-cutting issues as environment. Only in a few I-PRSPs or PRSPs were linkages with sectoral policy and planning processes dealing with forests and forestry mentioned.

In all of the criteria, there was a modest increase in the incorporation of the forest sector from I-PRSPs to PRSPs. In a few cases this increase was significant, and it could be clearly seen that the forest sector related activities were based on the national forest programme (NFP).

In addition the assessment found that:

- the joint staff assessments of the World Bank and IMF do not comment on forest sector related issues, and make little reference to natural resources in general
- in the PRSP Progress Reports forests, forestry and natural resources in general are either completely absent, or treated in a very cursory manner. This reflects the general lack of forest and natural resource related indicators in these documents.

The assessment raised a number of issues for further consideration both regarding the PRS processes, and regarding the forest sector, including the following:

- the need to analyse the implications of the evolution of the PRSP to a comprehensive country-led participatory development planning instrument, so as to ensure that the scope of the PRS process and the methods and tools used in this process are compatible with such an expanded mandate;
- implications of the lack of analysis of the role of natural resources, including forests, as determinants of human well-being in the poverty assessment as currently carried out in the PRS processes;
- implications of the lack of analysis on the potential adverse effects of the (short-term focused) policies and programmes contained in PRSPs on the (long-term) sustainability of forests and natural resources;
- the need for the forest sector to use the PRS process as a means for a meaningful dialogue on the macro and cross-sectoral issues which have proved difficult to resolve through sectoral policies and programmes;
- the need for the forest sector to assume a more pro-active stance in relation to the PRS processes to ensure that forest issues are taken on board in the broader PRSP programmatic and cross-cutting components;
- the need for the forest sector to maintain robust policy and planning processes based on a rigorous analysis on the forest (natural resource) dependencies of the poor in order to be able to make its case in the PRS processes;

- the need to follow up the priority given to the forest and natural resource sectors in the actual PRSP costing and expenditure; and
- the sustainability implications of the lack of forest and natural resource related indicators in the PRSP monitoring frameworks, and the consequential omission of these sectors from monitoring reports.

In concluding, the following four questions are raised and put forward for discussion at the international workshop “Forests in Poverty Reduction Strategies: Capturing the Potential” to take place 1-2 October 2002:

What is the appropriate role of the forest sector in poverty reduction strategies and what kind of factors and analysis should determine this?

How can the appropriate linkages between the PRS processes and forest sector policy making and strategic planning be established?

How can the international community best provide assistance for these efforts?

How will international financing institutions adapt their operational modalities to correspond with their commitment to and role in the PRS processes?

1. Introduction

Developing countries, major bilateral donors and multilateral development organisations have adopted the Millennium Development Goals, including the goal to halve, between 1990 and 2015, the proportion of people suffering from extreme poverty. Poverty Reduction Strategies (PRS) have been adopted as a key instrument in this international effort.

This report has been commissioned to provide an assessment of the current status and trends regarding the role of the forest sector in the Poverty Reduction Strategies in the countries of Sub-Saharan Africa. The assessment covers all publicly available Interim Poverty Reduction Strategy Papers (I-PRSPs), full Poverty Reduction Strategy Papers (PRSPs), Joint Staff Assessment (JSAs) by the World Bank (WB) and the International Monetary Fund (IMF) of I-PRSPs and PRSPs, and the PRSP Progress Reports. In total, 25 I-PRSPs, 11 PRSPs, 17 JSAs and 4 PRSP Progress Reports were analysed. The assessment was complemented with a review of key documentation on the PRS process and interviews with key World Bank staff.

The report is a background document for the international workshop “Forests in Poverty Reduction Strategies: Capturing the Potential”, hosted by the Government of Finland in collaboration with the European Forest Institute and the Viikki Tropical Resources Institute of the University of Helsinki, 1-2 October 2002. The workshop forms part of a series of international events to discuss how to enhance the contribution of the forest sector to the international poverty reduction efforts, initiated by the Interagency Forum on the Role of Forestry in Poverty Alleviation organised by FAO in September 2001.

Chapter 2 of the report provides an overview of the PRSP concept and the PRS process, and discusses how forests and forestry figure in the PRS guidance materials. Chapter 3 describes some relevant processes in the forest sector and linkages between these and poverty reduction. In chapter 4, the assessment methodology and findings are presented, and some key issues for further consideration are outlined in chapter 5. The report ends with concluding remarks in chapter 6, suggesting priority themes to be discussed by the international workshop “Forests in Poverty Reduction Strategies: Capturing the Potential” as a means to defining concrete ways forward.

2. Background on the PRS Process

2.1 The Poverty Reduction Strategy Concept

The PRS concept was formally endorsed at the 1999 World Bank Group and IMF Annual Meeting.¹ I-PRSPs or PRSPs provide the basis for all concessional lending and for debt relief under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative.² As of April 2002, 11 LDCs had completed PRSPs, with six in the Africa region and three in the Latin American and Caribbean region. 42 countries had prepared I-PRSPs, with 23 in Africa, four in East Asia and the South Pacific, eight in Europe and Central Asia, two in the middle east, one in South Asia and four in Latin America and the Caribbean. The number of countries with I-PRSPs and PRSPs is growing rapidly, as indicated by the current numbers in Sub-Saharan Africa.

Box 1. Five Core Principles Underlying CDFs and PRSPs

Country-driven: involving broad-based participation by civil society and the private sector in all operational steps
Results-oriented: focusing on outcomes that would benefit the poor
Comprehensive: recognising the multi-dimensional nature of poverty
Partnership-oriented: involving coordinated participation of development partners (bilateral, multi-lateral and non-governmental)
Long-term focused: basing strategy on a long-term perspective for poverty reduction

Source: <http://www.worldbank.org/poverty/strategies/overview.htm>

Building on the principles of the Comprehensive Development Framework (CDF) (see Box 1), PRSPs provide a framework for country-led and participatory poverty measurement and analysis, policy formulation, formulation of programmes for priority public sector action, systematic monitoring, and coordination of national and international constituencies and institutions to address priority areas related to poverty reduction.

PRSPs are generally strategies spanning a three year period, positioned in the context of the long-term national development objectives and strategies. Especially in the African countries, PRSPs also focus on budget reform with the aim of mainstreaming poverty reduction objectives in the medium-term expenditure frameworks (MTEF) in order to improve the efficiency in resource allocation. PRSPs are intended to address the fragmentation of policy processes by introducing a more comprehensive process of development planning. While expanding the conventional poverty reduction agenda from being exclusively geared towards social sectors like health and education, PRSPs are also meant to address partisan interests of line ministries in a joint approach within the MTEF.

¹ The endorsement coincided with the transformation of the Fund's Enhanced Adjustment Facility (ESAF) into the Poverty Reduction and Growth Facility (PRGF) and the replacement of the World Bank's Structural Adjustment Lending (SAL) by Poverty Reduction Support Credits (PRSC). PRSPs replace the Policy Framework Papers (PFPs) which were prepared by the Fund and the Bank to underpin the structural adjustment programmes for LDCs.

² An I-PRSP is a condition for countries under the Highly Indebted Poor Countries Initiative (HIPC) to enter into debt relief negotiations with the Fund, the World Bank and the donor community. A full PRSP is expected as a condition for reaching the HIPC completion point when debt relief is fully locked in.

All World Bank Country Assistance Strategies (CAS) and CAS updates prepared after July 2002 are expected to be consistent with priorities and targets identified in I-PRSPs or PRSPs. Bilateral donors have strongly endorsed the PRS process and agreed that these strategies should serve as a framework for their assistance. Many donors have also agreed in principle to align their programmes with PRSPs, recognising the need to harmonise and simplify procedures for aid delivery and to concentrate assistance only in priority areas identified in PRSPs. A number, including the European Commission, are also willing to move towards budget support linked to PRSPs (International Conference on the PRSP Approach January 2002).

PRSPs constitute a shift towards a country-driven approach in national development planning and suggest the hypothesis that a “process conditionality” – in which recipient governments are expected to follow certain procedural steps, rather than accept specific policies – might work where other forms of conditionality have not produced the expected results. Although the PRSP concept originated the World Bank and IMF, early evidence suggests that this is not hindering country ownership of these processes (ODI 2001).

The PRS process has only recently reached a stage when some early conclusions can be drawn, and many issues regarding the PRSPs still remain debated. Among the priorities for PRSP development that have been pointed out by recent evaluations (European Commission 2002; IDA and IMF 2002), especially the following stand out as relevant to this assessment:

- institutionalisation of the PRS processes within the normal governance framework of a country, including a strengthened role for the parliaments,
- explicit strategic prioritisation (based on costs, benefits and assessment of trade-offs), both regarding policy measures and strategic action, taking into account that many first generation PRSPs gave a heavy emphasis to the traditional social sectors at the expense of a broader analysis of poverty and the ways to reduce it,
- development of indicators which allow the assessment of progress made towards the poverty reduction objectives (i.e. interim measures of progress) and which increase the accountability of the government for the resources entrusted to it,
- identification of explicit measures for improving public expenditure management, initially to get the PRSP allocations right based on the strategic prioritisation, and subsequently for increased transparency in the use of public funds,
- moving rapidly from PRSP formulation to implementation including (i) agreeing on a common approach to the PRSP cycle based on annual policy matrix, regular monitoring of agreed indicators, and annual review, (ii) the creation of suitable action plans in the context of sector programmes, (iii) identification and mobilisation of capacity to put these into practice, and (iv) the development of monitoring mechanisms (giving sufficient weight to the voices of the poor) to follow up progress,
- ensuring that donors have a voice without undermining national ownership; and among the donor community, subordinating their processes around the PRSPs.

The verdict is still undecided on whether the PRSPs will make a difference. What is clear, however, is that the PRSP initiative stems from, and is in turn helping to shape, notable shifts in the policy thinking of the IMF and the World Bank, and is prompting debates about changing more fundamentally the way those organisations do business. The PRSP initiative may also represent a non-trivial change in the way international support to poverty reduction is delivered (ODI 2001).

2.2 The Poverty Reduction Strategy Process

A PRSP is intended to reflect a country's individual circumstances and to identify country-specific goals and priorities for poverty reduction. To this end, I-PRSP and PRSPs are prepared by governments in a process involving civil society and the private sector, as well as relevant donors and international agencies. Central economic ministries (finance, planning, and development) often coordinate the PRSP process and appoint focal points for collaboration with line ministries, the international donor community and civil society. Although there is no blueprint for a PRS process, the core elements have been defined as follows:

- comprehensive poverty diagnosis and analysis
- focused and costed priority actions over a three-year period for macro-economic, structural, social and sectoral policies as well as programmes and projects under the MTEF
- appropriate targets and indicators for monitoring and evaluation (M&E) and well as M&E systems

The foundation for a PRS process is the poverty diagnosis, which analyses the national poverty line, the extent of poverty by households and the distribution of poverty amongst different groups and locations. It also looks at inequality in terms of income and consumption and at vulnerability of households and groups under the poverty line. The analysis includes predictions of future vulnerability caused by natural disasters, civil up-rise or other reasons by analysing poverty dynamics over time. This initial state-of-poverty assessment is supplemented by the analysis of underlying causes of poverty, focusing on sectoral, cross-cutting as well as macro-economic and structural adjustment issues. This analysis should then lead to a prioritisation of issues, policies and measures, reflected in the MTEF and support by the international community (World Bank 2001).

The PRS process also includes the development of an effective monitoring system to enable systematic assessment of progress made towards the poverty reduction goals established. The monitoring system is envisaged to have the following features: (i) participation of civil society, especially the poor; (ii) complementing outcome evaluation with impact evaluation of selected policies and programmes; (iii) monitoring the expenditure management to enhance accountability and efficiency of public spending; and (iv) dissemination of results to different groups in the civil society as well as policy makers to enhance transparency. The PRSP itself is expected to describe the framework and mechanisms for monitoring, including the indicators to be used.

Once a PRSP with focused and costed priorities is completed, a Joint Staff Assessment (JSA) of the World Bank and IMF is undertaken to evaluate whether the strategy put forward in the PRSP is a sound basis for lending to be considered for endorsement by the Executive Boards of the Bank and the Fund. Governments are expected to produce annual progress reports on PRSP implementation, and a full update of the PRSP, developed through a similar process of broad participation, is suggested every three years (World Bank 2001).

2.3 The PRSP Sourcebook

The PRSP Sourcebook³ provides guidance on a number of issues (see Box 2) to assist countries in developing PRSPs. It reflects the thinking and practices of the CDF as well as lessons emerging from previous poverty alleviation operations and good international

³ The Sourcebook was primarily prepared by Bank and Fund staff, and government officials and staff of related UN organisations have had opportunities to comment. The Sourcebook is a "living document" and will thus be adapted according to experiences and needs.

Box 2. Overview of Topics Addressed in the PRSP Sourcebook**Volume I:**

- core techniques for poverty measurement, establishment of M&E systems, development of targets and indicators as well as improving effective public budgeting and spending
- cross-cutting issues like participation, governance, community-driven development and gender as well as environmental dimensions

Volume II:

- macro and structural issues, including trade
- rural and urban poverty dimensions
- human development including social protection, health and education
- private sector and infrastructure (sectoral issues), including sectors of energy, transport, water, information/communication and mining

Source: <http://www.worldbank.org/poverty/sourcons.htm>

practices. It is not meant to be prescriptive, but to be used selectively as a resource to provide information and guidance about possible approaches.

The Sourcebook takes the approach of first analysing a broad set of dimensions of national development in view of poverty reduction before identifying areas of priority action and policy development. However, it does not offer detailed guidance on how the findings and analysis under the various dimensions influencing the dynamics of poverty could be turned into national development priorities and related policies. In this regard, the Sourcebook leaves room for country-specific interpretation.

2.4 Forests and Forestry in the PRSP Concept

The PRSP Sourcebook does not address the forest sector specifically, yet provides ample room to address forest issues under several headings. In this regard the PRSP concept strengthens the current tendency to see forests and forest issues as an integral part of other broader sectors and issues.

Based on the PRSP Sourcebook, forest and the forest sector would potentially fit at least under the following sections or themes of a PRSP:

- **Environment:** forests can be captured under economic opportunities in natural resources management. Based on the assumption that poverty reduction should not damage the environment, but preferably improve environmental conditions, the section outlines very briefly that poor people tend to be highly dependent on access to natural resources and that land tenure/property rights are crucial for sustainable resource utilisation.
- **Economic opportunities:** access to and availability of goods and services of forests can play a major role in poverty reduction, as the poorest rural groups can be highly dependent on these. Taking into account the increasing number of women-headed households in Africa who often belong to the poorest groups in the society, this could be especially important in the African countries.
- **Rural development:** natural resources management and access by the poor are only discussed in very general terms. Implicitly forests are seen as a land reserve for

agriculture. This is a very controversial issue contrasting short-term impacts on rural poverty reduction through land conversion and expanded agricultural production with the sustainability of the resource base.

- **Effects of national policies on rural poverty:** discussion on the possible impacts of macro-economic policies on agricultural production and livelihoods of the poor could be broadened to include possible impacts on the sustainability of the natural resource base, offering great opportunities to link rural development and poverty with natural resource management to foster community-based development in a more holistic way. This includes improved access of the poor to natural resources and consequent employment opportunities.
- **Energy and water:** the discussion on forests and forestry under these sectoral headings could be relevant for poor households where natural and planted forests play a major role for fuelwood and watershed protection.
- **Macro-economic development, trade and urban poverty and governance:** these provide another entry point for discussion, especially in high forest cover countries, where forests and the forest sector play an important role.

These are a few examples where the discussion on forests could be introduced into the poverty diagnosis and priority setting to make a case for forests and forestry in a PRSP process. It is evident, that the appropriate entry points need to be identified at the country level. The fact that the forest sector as it is conventionally defined is non-existent in the PRSP approach does not have to be seen as an obstacle, but can be perceived as an opportunity to engage in the identification of the sector's contribution to poverty reduction in a more holistic way.

3. Background on Relevant Forest Related Processes

3.1 Poverty in the Forest Related Intergovernmental Dialogue

The linkages between poverty, forests and forestry have received considerable attention in recent years in global forest related policy processes and by international organisations and donor agencies involved in the forest sector. In the 1980s this "people centred approach" led to increasing integration of forest issues into rural development efforts, resulting in a shift from industrial timber production towards concepts such as community-based forest management, community wood-lots, agro-forestry, bufferzone management around forest conservation areas, and joint management approaches in forest reserves. It has also led to increasing importance being given to non-wood forest products.

In the 1990s, an "environment centred approach" was introduced to the discussion on the role of forests, leading to increased attention on issues such as biodiversity conservation, watershed management, carbon sequestration and other environmental services of forests. Reconciling these different and often opposing sets of demands has become a major challenge for the sector, requiring more cross-sectoral and participatory approaches. Increasing awareness of the tremendous impacts of macro-economic policies, market liberalisation and structural adjustment, and governance related issues on forests and the forest sector in the late 1990s has further complicated the picture.

The international forest policy dialogue under the Intergovernmental Panel and Forum on Forests (IPF/IFF) and the United Nations Forum on Forests (UNFF), initiated in 1995, has focused on developing a more comprehensive approach to the management, conservation and sustainable development of forests. This dialogue has looked at the different demands and

Box 3. Underlying Principles of the NFP Concept

1. National ownership and respect for national sovereignty;
2. Integration in the sustainable development strategies of a country;
3. Consistency with national constitutional and legal frameworks as well as international agreements;
4. Holistic and cross-sectoral approaches;
5. Partnership and participation of governments, parliaments and civil society at large; and
6. A long-term, iterative approach.

dimensions of forests and forestry, and resulted in several proposals for action addressing aspects essential to sustainable forest management (SFM) and societal change that would enable forests to contribute to poverty reduction. The IPF/IFF proposals for action provide political and strategic guidance for country level work, emphasizing the linkage between forests and other sectors.

The IPF/IFF process developed and endorsed the national forest programme (NFP) concept as a country-driven approach to achieve sustainable forest management. NFPs are currently implemented in many of the countries involved in a PRS process. The NFP and PRSP concepts share several underlying principles (see Box 3), and linking the two processes would be a natural step to facilitate broader discussion on poverty reduction and SFM.

National biodiversity strategies and action plans deriving from the Convention on Biological Diversity (CBD) are also relevant policy and planning processes which need to be considered in PRSPs. Many of the issues that are dealt with in these strategies and action plans can effectively contribute towards poverty reduction objectives. The clean development mechanism (CDM), which is currently being negotiated to implement the Kyoto Protocol of the UN Framework Convention on Climate Change (UNFCCC), may also have implications to the role of the forest sector in poverty reduction, especially in terms how the envisaged afforestation programmes for carbon sequestration are put into practice. In low forest cover countries, the action programmes under the UN Convention to Combat Desertification (UNCCD) have also relevance to enhancing the forest-poverty linkages.

Effective coordination of national forest programmes, the national biodiversity strategies and action plans, the implementation of the CDM, and the national action programmes under the UNCCD with the PRS processes would, at least conceptually, offer possibilities for mutual gains regarding both poverty reduction and the sustainability of the management and conservation of forests and natural resources in general.

3.2 Poverty in the World Bank Forest Strategy

The revised World Bank Forest Strategy⁴ was developed through an extensive consultation with government representatives, international institutions, non-governmental organisations and the private sector. It is rooted in the context of the World Bank's commitment to poverty reduction, and founded on the premise that forests must play a central role in contributing to the poverty alleviation goals of the Bank's rural development strategy. The strategy acknowledges the need to work increasingly in partnerships with stakeholders and to look at forests in terms of how they can reduce poverty.

⁴ The revised strategy is currently a draft pending approval by the Executive Board of the World Bank. It is scheduled to be presented to the Executive Board in October 2002.

The revised strategy is founded on three pillars to be addressed simultaneously:

- harnessing the potential of forests to reduce poverty,
- integrating forests in sustainable economic development, and
- protecting vital local and global forest environmental services and values.

The strategy emphasizes that a livelihoods approach that places forests in the broader context of rural development must be taken. To this end, the strategy calls for more focused interventions in the forest sector that address opportunity, empowerment and security for forest-dependent peoples and communities. It also emphasizes the role of collaborative forest management (CFM) and characterises CFM as a partnership among stakeholders in the management of forests and tree resources, that seeks to link SFM with the promotion of social justice.

The Bank lists the following as priority areas in the revised strategy:

- promoting policy, institutional and legal frameworks that ensure the rights of indigenous and other forest-dependent peoples and communities are protected,
- empowering women, the poor and marginalized to take a more active role in formulating and implementing rural forest policies and programs,
- supporting the scaling up of collaborative forest management so that local communities can manage their own resources, rehabilitate and protect forests, market forest products and benefit from security of tenure, and
- working with local groups NGOs, the private sector and other partners to integrate forest and agroforestry farming systems into rural development strategies (World Bank June 2002)

Recalling that the future CAS will be based on the PRSPs, a successful implementation of the forest strategy and the business plan will largely depend on how the case can be made for forests in the framework of PRSPs. This requires a proactive attitude of Bank staff in terms of economic and sector work on forests as well as increased cross-sectoral considerations. The integrated approach in contributing to PRSP processes does not mean that the support to sustainable forest development is limited to direct interventions with the poor or poor groups. Consideration needs also to be given to commercial operations particularly in high forest cover countries where forests potentially have a major role in terms of their contribution to GNP and trade, and hence a role regarding the macroeconomic variables of poverty reduction.

4. Assessment of the Forest Sector in the PRS Processes

4.1 Assessment Methodology

The method used in the assessment of the forest sector in the PRS processes in Sub-Saharan Africa was adapted from the method used in the assessment of 40 Interim and Full Poverty Reduction Strategy Papers to assess the inclusion of environmental issues (Bojö and Reddy, 2002). The assessment was carried out using the following set of four criteria to define to what degree the forest sector was incorporated in the PRS processes.

- were forest related issues included in the poverty assessment/analysis,
- were the causal linkages between forest related issues and poverty related issues analysed in the documents
- were forest related responses and actions defined in the documents
- were process links between the PRSP process and forest related policy and planning processes described in the documents

Each criteria was given a numeric value using the following scale:

- 0 = no mention
- 1 = mentioned but not elaborated on
- 2 = elaborated
- 3 = good practice

Based on the values given, an average score was calculated for the I-PRSP or PRSP. This figure, from 0 to 3 was used as an indicative figure to describe the overall level of incorporation of the forest sector in the PRS process in a given country. Average score 0 would indicate that the forest sector does not appear in any way in the PRSP document, score 3 would indicate a good practice regarding all evaluation criteria. In addition, the numeric values given to the individual criteria were used to calculate averages regarding the specific criteria, as well as to assess changes from I-PRSPs to PRSPs.

It is acknowledged that the method is somewhat subjective. However, it is considered sufficiently reliable and transparent to enable fairly accurate conclusions on how the forest sector is incorporated in the PRS process in a given country and to make comparisons between countries where the forest sector could be assumed to have similar role in poverty reduction.

The assessment of individual I-PRSPs and PRSPs is presented in Annex 1, including the values given to each criteria, the average value, and a column giving remarks on what was found in each I-PRSP and PRSP document regarding the forest sector. It is hoped that this remarks' column will give an indication regarding the basis for the values given to the four criteria used in the assessment. It will also provide information for those interested in seeing how the forest sector is included in the I-PRSP and/or PRSP of a particular country.

The JSA report assessment looks only at whether or not forest and natural resource related issues have been addressed in these documents elaborated jointly by the Bank and IMF staff. The purpose of this is to see whether there is a formal feedback on this type of issues from the main international institutions promoting the PRSP concept. The assessment of individual JSA is presented in Annex 2. The assessment of the PRSP progress reports (Annex 3) is also limited to this single issue, and is done with the purpose of finding out what happens to the forest and natural resources sectors once the PRSP implementation gets on its way.

4.2 Results of the Assessment

4.2.1 Findings regarding the Poverty Reduction Strategy Papers

In 21 (84%) out of the 25 sub-Saharan countries with Interim Poverty Reduction Strategy Papers (I-PRSPs) the forest sector was somehow touched upon. All 11 countries with full PRSPs had included the forest sector in the document at some level. In the I-PRSPs the average total score for all countries was 0,61, for the full PRSP the average was only marginally higher, reaching 0,81. Considering only those countries where both I-PRSPs and full PRSPs are available, the increase had been somewhat larger, from 0,50 to 1,12.

The highest score for an I-PRSPs was 1,75, two I-PRSPs (8% of total) scored 1,50 or more, and the number of I- PRSPs scoring at least 1 was 6 (24%). Regarding the full PRSPs, the highest score was 2,00, there were two PRSPs (18%) scoring at least 1,50, and the number of PRSPs reaching at least 1 was six (54%).

Although these figures have to be treated with some caution, it would seem safe to conclude that there has been a modest increase in the incorporation of the forest sector in the PRS process from I-PRSPs to PRSPs, and that in some cases this improvement has been significant (i.e. Malawi, Mozambique, Zambia). This could partly reflect the fact that in many

countries the I-PRSPs were done rather quickly, with a less open and inclusive process, and with the main objective of meeting the HIPC conditionalities. Hence the scope of the I-PRSPs was often limited to the “traditional” HIPC sectors. The process towards a full PRSP has in many countries developed into a more comprehensive and participatory development planning exercise, and is starting to look more seriously at a wider range of growth related sectors and longer-term sustainability issues. There are, however, some countries where little change can be detected in this respect.

The following table summarises the total scores for the I-PRSPs and PRSPs:

Finally, the average total scores for each country were contrasted with two broader factors, the amount of forest resources relative to the size of the country, and the existence of an on-going forest sector policy and sectoral planning process (i.e. NFP process). This was done with the idea of finding out whether either one of these factors would make a difference in terms of how much attention the sector gets in the PRS process. The assessment (Annex 4) gives the following results:

- countries that are neither low forest cover countries (less than 7% of land covered by forests) nor have a high forest cover (more than 40%) would seem to get slightly higher scores than the other two groups,
- countries which have an on-going forest sector policy and strategy process seem to get somewhat higher scores regarding their full PRSPs .

Table 1. Scores for forest sector incorporation in the I-PRSPs and PRSPs.

Country	I-PRSP total score	PRSP total score
Burkina Faso	-	0.25
Cameroon	0.75	-
Central African Republic	1.50	-
Chad	0.75	-
Cote d'Ivoire	1.00	-
Cape Verde	0.00	-
Djibouti	0.25	-
Democratic Republic of Congo	0.50	-
Ethiopia	0.25	-
The Gambia	0.50	1.00
Ghana	1.00	-
Guinea Bissau	0.00	-
Guinea	0.50	0.75
Kenya	1.75	-
Lesotho	0.50	-
Madagascar	1.50	-
Malawi	0.75	1.75
Mali	0.25	-
Mauritania	-	0.50
Mozambique	0.75	2.00
Niger	0.50	1.00
Rwanda	1.00	1.00
Sao Tome & Principe	0.25	-
Senegal	0.25	-
Sierra Leone	0.75	-
Tanzania	0.00	0.25
Uganda	-	0.50
Zambia	0.00	1.25
Average:	0.61	0.81

Contrasting the same scores with the importance given to the forest sector in the dialogue with the World Bank in the same period when the PRS process has been going on indicates the following:

- those countries which have the forest sector mentioned in the Bank CAS also seem to get a slightly higher score in the analysis of the full PRSPs,
- those countries with an on-going active forest sector dialogue with the Bank in the forest sector also seem to get somewhat higher scores.

Given the size of the sample these results must be considered at best indicative, and are presented here mainly for the purpose of stimulating thought and to indicate an area where more work is needed when additional PRSPs become available.

Scores by individual assessment criteria:

In eleven (44%) of the 25 I-PRSPs forest related **issues** were somehow touched upon in the poverty analysis, but in general the quality of discussion was rather poor scoring only 0,56 on the average. Regarding the full PRSPs the situation had somewhat improved in the sense that forest related issues were included in the analysis in all eleven documents, and the average score increased to 1,18. Most often these issues did not, however, appear in the poverty analysis as such, but were introduced later in the descriptive parts of the programmatic and cross-sectoral areas, especially in the context of rural development and environment. The most common types of issues that were mentioned include over-exploitation and plundering of forests, lack of control of logging, poor management of forest and other natural resources, deforestation and forest degradation, loss of biodiversity, and issues related to use and availability of fuelwood.

In some cases there is an attempt to analyse the **cause-effect linkages** between the forest sector and poverty, but in general this type of analysis is weak or non-existent, scoring on the average 0,32 regarding the I-PRSPs and 0,45 regarding the PRSPs. Only 5 (20%) of the I-PRSPs, and 5 (45%) of the full PRSPs discussed these linkages at all. Linkages that are mentioned include deforestation - soil degradation – declining local livelihoods/agricultural production/food security; loss of biodiversity – declining base for ecotourism development; fuelwood scarcity – impacts on rural development and especially women; random logging – soil degradation; low timber prices and poor revenue collection – economic impacts.

Considering the relatively modest level of analysis of the role of the forest sector in poverty reduction, forest-related **responses** were proposed in surprisingly many I-PRSPs and PRSPs. The average score was 1,28 for the I-PRSPs and 1,55 for the full PRSPs, highest for any of the individual assessment criteria. It would seem that although forestry is less visible in the analysis and assessment phase of the PRS process, its importance becomes more evident once the discussion moves closer to action (i.e. how to generate rural income and revenue, how to stop soil degradation and how to increase supply of rural energy).

20 (80%) of the I-PRSPs and nine (82%) of the full PRSPs include forest related activities. In nine (36%) of the I-PRSPs, and three (26%) of the full PRSPs these are mere listings of one or several forest related activities, such as reforestation, forest management, forest-based micro-enterprises, community forestry, and promotion of private investment into forestry. Eleven (44%) of the I-PRSPs, and six (54%) of the full PRSPs present a more comprehensive set of activities. In two cases (Mozambique and Malawi) a coherent and comprehensive list of actions covering policy, institutional and field implementation levels, is presented as a sub-set of activities under agriculture/rural development (Mozambique) or sustainable use of natural resources (Malawi). The type of activities that are commonly presented in the I-PRSPs and PRSPs are often presented under different programme areas (e.g. agriculture, rural development, environment) would seem to indicate that the forest-related responses are perceived commonly as a supportive activities to larger more directly poverty relevant

sectors, more than as a productive sector per se. In most cases where forest related activities are included, these are also **costed** in the expenditure matrixes. Directly forest related **indicators** are found in two cases (Malawi and Zambia).

In six I-PSRPs (24%) and two (18%) full PRSPs some type of **linkages to forest sector policy and strategic planning processes**, or broader processes including the forest sector, are mentioned. In two PRSPs (Mozambique and Malawi) the forest sector activities are organised as a sub-set of actions based on a national forest programme process. In other cases the references are more indirect and less visible in the structure of how the forest sector appears in the PRSP. The scores for the individual criteria used in the assessment are presented in Table 2.

4.2.2 Findings regarding Joint Staff Assessments (JSA)

The JSAs of the I-PRSPs focus mainly on government commitment, structural and macroeconomic issues and sectors that are traditionally considered core sectors for poverty reduction (health, education) as well as on process and participation related issues. Very little is said about the strategies and actions proposed for productive sectors or the environment. Natural resources and forestry are not commented at all.

Table 2. Country scores by individual assessment criteria

Country	I-PRSP scores				PRSP scores			
	I	L	R	P	I	L	R	P
Burkina Faso	-	-	-	-	1	0	0	0
Cameroon	0	0	2	1	-	-	-	-
Central African Republic	1	2	2	1	-	-	-	-
Chad	0	0	2	1	-	-	-	-
Cote d'Ivoire	2	0	2	0	-	-	-	-
Cape Verde	0	0	0	0	-	-	-	-
Djibouti	0	0	1	0	-	-	-	-
DRC	1	0	1	0	-	-	-	-
Ethiopia	0	0	1	0	-	-	-	-
The Gambia	1	0	1	0	2	1	1	0
Ghana	0	0	2	2	-	-	-	-
Guinea Bissau	0	0	0	0	-	-	-	-
Guinea	1	0	1	0	1	0	2	0
Kenya	2	2	3	0	-	-	-	-
Lesotho	1	0	1	0	-	-	-	-
Madagascar	2	2	2	0	-	-	-	-
Malawi	0	0	2	1	1	0	3	3
Mali	0	0	1	0	-	-	-	-
Mauritania	-	-	-	-	1	0	1	0
Mozambique	0	0	2	1	1	1	3	3
Niger	0	0	2	0	1	1	2	0
Rwanda	1	1	2	0	2	1	2	0
Sao Tome & Principe	1	0	0	0	-	-	-	-
Senegal	0	0	1	0	-	-	-	-
Sierra Leone	1	1	1	0	-	-	-	-
Tanzania	0	0	0	0	1	0	0	0
Uganda	-	-	-	-	1	0	1	0
Zambia	0	0	0	0	1	1	2	1
Average:	0.56	0.32	1.28	0.28	1.18	0.45	1.55	0.64

I = issues, L = causal links, R = response/actions, P = process links

The PRSPs JSAs put more emphasis on commenting the productive sectors. Agriculture/rural development and environment are often commented on and in some cases reference is also made to natural resources. Forests and forestry as a sub-sector do not receive any attention in these documents, although 2 of the 10 JSA for full PRSPs make reference to natural resources in general.

The JSAs are done relatively late in the process and consequently are not an effective instrument to give feedback to the process in the countries. Other means would have to be found for the technical specialists of the Bank (e.g. the Central Forest Team) to effectively contribute to the PRS process at an earlier stage of the formulation of the PRSP documents.

4.2.3 Findings regarding the PRSP Progress Reports

Forests and natural resources in general are treated in the few available PRSP Progress Reports in a rather cursory manner. In all reports some reference to natural resources is made, and three reports mention forests and/or the forest sector specifically.

The issues mentioned include deforestation, sustainable management of forests and natural resources in general, revenue sharing and reforestation. Two reports include a figure on forest sector performance in the general assessment of economic performance. Only one country (Mauritania) has included a forest specific indicator (reforestation) in the PRSP monitoring matrix.

In general the status of the forest sector in the monitoring reports seems to reflect the importance (or lack of it) given to the sector in the PRSP report.

5. Issues for further Consideration

5.1 Changing nature of the PRSPs

The PRSPs are evolving from a HIPC-related instrument with a relatively limited scope and process towards a comprehensive country-led participatory development planning instrument defining the priorities for both the MTEFs and the external financial flows from the development partners, including the use of structural adjustment and other lending instruments (e.g. the PRGF and the PRSCs) of the IMF and the World Bank. The implications of this change need to be carefully analysed by all involved with these processes to ensure that the scope of the PRS process and the methods and tools used in this process are compatible with this expanded mandate and vastly increased level of ambition. Some of these implications, as related to the forest sector (and the natural resource related sectors in general), are discussed below in light of the results of the assessment presented in the previous chapter.

5.2 Poverty assessment and the scope of the PRSPs

The poverty assessment and diagnostics, as currently carried out in the PRS processes, seem to focus exclusively on the more tangible and traditional dimensions of poverty, such as income and consumption, inequality and vulnerability, leading to a strong bias towards the social sectors and agricultural development. They do not seem to include a systematic and in depth analysis on the role of the natural resources, including forests, as determinants of

human well being. This would require a different type of analysis looking deeper into the cause-effect relationships and a broader set of dimensions of poverty (e.g. as described in the “livelihoods approach”). Such issues as the role of forests in food security, in maintaining the productivity of agricultural soils, in protecting watersheds, as safety nets during times of crisis, or in the diversification of the rural economy receive scant attention in the PRSP documents. The question what happens to the poor if the forests and natural resources continue degrading and disappearing at current rates, is notably absent from the analysis.

This lack of analysis on the role and potential of natural resources, including forests can lead to a situation where the PRSP may impact negatively public sector investment in the sustainable management and conservation of forests and other natural resources. It may also result in the adoption of macro policies⁵ and/or sectoral policy measures and/or investments in other sectors (e.g. in rural roads or expansion of agricultural production for exports) which have direct negative impacts on forests and natural resources in general. Ultimately this may backfire through decreased sustainability of the efforts to reduce poverty.

To counteract these risks, two measures could be considered: (a) the methods used in the poverty analysis could be complemented with an assessment of the poverty – natural resource dependencies (e.g. a livelihoods-type assessment), and (b) appropriate procedures could be put in place for the early identification of major risks (and opportunities) regarding the impacts of the proposed macro and sectoral policy measures and investments on forests and other natural resources; making it possible to include measures for their mitigation (and enhancement) in the PRSP design. These procedures would have to be in place primarily in the countries, but also in the Bank and IMF, especially regarding the use of PRCSSs and the PRGF. They would also need to be incorporated at an earlier stage of the process, e.g. by broadening the scope of the JSAs.

5.3 Positioning of the forest sector in the PRS processes

Despite of the relative “invisibility” of the forest sector (and natural resources in general) in the poverty assessments and analysis, forest and natural resource related responses often appear in the various programmatic components of the PRSPs. These are presented either as individual actions or a sub-set of activities within the major productive sectors, especially agriculture and rural development and/or within the cross-cutting issues, especially environment but also governance in some cases. From the point of view of the forest sector (and natural resource sectors in general) this is both a risk and an opportunity; and it is definitely a major challenge. On one hand the forest sector may be reduced into an incoherent set of activities scattered in different productive and cross-cutting sectors without a common policy and implementation approach. On the other hand, the PRS process provides an opportunity for the forest and natural resources’ sectors to engage in a meaningful dialogue on many of the macro and cross-sectoral issues which have been difficult to resolve through a sectoral policy and planning process. As it is unlikely that the forest sector will ever be a sufficient national priority to achieve a major status in a PRSP, the sector should work hard to ensure that forest issues are taken on board in broader components like agriculture, water, community-driven development and environment.

To avoid the risk of being marginalised in the PRS process and to fully capture the potential opportunities, it is important for the forest sector to maintain a robust sectoral policy and planning process (i.e. a NFP or similar process) based on a sound analysis of the macro and

⁵ This comment on macro level policies has to be considered with some caution as it is not clear to what extent, if at all, the macro policy matrixes presented in the PRSPs are impacted by the poverty assessment or the PRSP approach in general.

micro-level poverty related issues (i.e. competent economic and sector work). More rigorous analysis is needed especially on the forest (natural resource) dependencies of the poor in different types of situations and settings. Only this way the forest sector will have the analytic base to market itself as an important part of the solution for poverty reduction. At the same time it is important for the forest sector to break out of its sectoral thinking, and see the PRS process as an instrument to be used to engage proactively with other sectors and broader development planning processes (such as rural development and agriculture and environment).

5.4 Setting of PRSP priorities

Looking at the existing PRSPs it seems that some countries have adopted a narrower focus for the PRSPs as a means of setting priorities, whereas others have covered a wider range of sectors, and have focused more on setting priorities within the sectors by means of a “poverty filter”. The latter approach would seem to be more in line with the evolving broader role of the PRSPs.

As relatively few PRSPs have so far been costed it is difficult to see what is the priority given to the forest sector related activities in PRSP implementation. This is a problem that is not exclusive to the forest sector but relates to the components and activities of the PRSPs in general as only after the costing of the various programme elements (and follow up of actual expenditure) can the priorities be assessed. It is encouraging to note that at least in the two cases of PRSPs which incorporate forest sector activities in a coherent manner based on a NFP or similar process and have been costed, the allocations to the forest sector seem rather substantial (64% of total allocation for natural resources and 6% of the total allocation for pro-poor growth in the case of Malawi, and 15,5% of the total for agriculture and rural development in the case of Mozambique). This issue, regarding both forests and natural resources in general, needs continued monitoring as more PRSPs reach the operational stage.

5.5 Monitoring and implementation

A specific issue of concern is the common lack of forest and natural resource related indicators in the PRSP monitoring frameworks, and consequently the disappearance of the sector from the PRSP Monitoring Reports. The lack of monitoring indicators can be observed also in cases where the forest and natural resources sectors seem otherwise fairly well incorporated into the design of the PRSP. In the longer term, this may weaken the perceived link between the implementation of the PRSP and these sectors by making their contribution invisible in monitoring implementation, and hence affect negatively future resource allocation. It would seem highly desirable from the point of view of the forest sector to include in the PRSP monitoring some key indicators, derived from the poverty-natural resource assessment, regarding forests and natural resources in general. The inclusion of key monitoring indicators related to forests and natural resources in general would also improve the monitoring of the sustainability of the poverty reduction efforts and give clear warning signs if it seems that too big risks are taken in this regard. Discussion at the country level on the inclusion of natural resource related indicators in PRSP monitoring could be stimulated using existing work on poverty and environment indicators as a starting point (e.g. the work by Shyamsundar published by the World Bank in 2001 which gives a set of poverty related natural resource/forest indicators).

6. Concluding Remarks

The above assessment of the status and trends regarding the role of the forest sector in the Poverty Reduction Strategies in the countries of Sub-Saharan Africa provides a picture of the current situation, and points out some issues and partial answers for further consideration. Based on this, and the information provided by other presentations, the workshop on “Forests in Poverty Reduction Strategies” should focus its discussions on how to move forward the agenda of enhancing the role of the forest sector in the poverty reduction strategy processes. Several important questions in this regard still remain, at least partially, unanswered:

First: what is the appropriate role of the forest sector (and the natural resources in general) in poverty reduction strategies, what type of factors determine this role, and what kind of analysis of the various dimensions of poverty⁶ and the natural resource and environment related factors and causal linkages will be needed to get this right? This will need to be defined both concerning the macro policy level and the programme level. It is also very much related to the future vision on the development of the poverty reduction strategies in terms of their role both within the countries and as a coordinating instrument for international cooperation.

Second: how should the poverty reduction strategy processes and processes for forest sector policy making and strategic planning be structured to ensure that the appropriate linkages are established at the right time and in the best possible way regarding both policies and programmatic action? This applies both to the governmental dialogue and to public participation and consultations that are built into both types of processes. It is also relevant regarding the political process. An additional issue is how the forest sector can be integrated in those cases when there is no on-going sectoral policy or strategic planning process.

An answer for these questions can only partially be found in international fora and discussions, such as this workshop. The real challenge has to be tackled at the country level. To advance this, work at the country level will need to focus on building the awareness and capacity of the key actors, improving the availability of reliable data and analysis, and enhancing mechanisms for coordination and participation. The **third** question then is: how can the international community - including the international organisations, donor agencies, research institutions, NGOs etc. - best provide assistance for these efforts. This relates to both what the priority areas for such assistance are, and what kind of delivery mechanisms should be used taking into account that these are complex country-led processes subject to internal political debate and dialogue.

It is also obvious that the international financing institutions, especially the World Bank and the IMF, face a major responsibility and challenge in adapting their operational modalities to correspond with their commitment to and role in the PRS processes. How they will achieve this is the **fourth** key question, but one that perhaps needs to be tackled internally by these institutions.

⁶ There are several ways of looking at the dimensions of poverty. The World Bank PRPS Sourcebook is using the following: (i) lack of opportunity, relating to low levels of consumption and income, (ii) low capabilities, relating to health and education indicators, (iii) low level of security, relating to exposure to risk and income shocks, and (iv) empowerment, relating to the capability of the poor to participate, negotiate, change and hold accountable institutions that affect their well being. The livelihoods approach, as described in the DFID Sustainable Livelihoods Guidance Sheets, looks at (i) human capital, (ii) natural capital, (iii) financial capital, (iv) social capital, and (v) physical capital as determinants of the livelihoods of the poor.

References

- Bojö, Jan, and Rama Chandra Reddy. 2002. Poverty Reduction Strategies and Environment, A Review of 40 Interim and Full Poverty Reduction Strategy Papers. World Bank, Washington D.C.
- DFID. 2001. Review of the Integration of Environmental Issues into Selected Poverty Reduction Strategy Papers.
- DFID. 1999. "Livelihoods Connect Sustainable Livelihood Guidance Sheets".
<http://www.livelihoods.org/info/guidance_sheets_pdfs/section1.pdf>
- DFID and FAO. 2002. How forests can reduce poverty. Information Division, FAO, Rome.
- European Commission. 2002. "PRSP Review : Key Issues."
<http://europa.eu.int/comm/development/sector/poverty_reduction/index_en.htm>
- IDA and IMF. 2002. "Review of the Poverty Reduction Strategy Paper (PRSP) Approach: Main Findings."
Prepared by the Staffs of the World Bank and IMF. Washington, D.C.
- Jadhav, Navenda. 2002. "Synopsis of External Comments and Contributions on the Joint IMF/World Bank Staff Review of the PRSP Approach."
- Muyatwa, Pumulo. August 2002. "A Synopsis of PRSP Reviews through an Environmental Lens". Nexus Issue 2. IISD. <http://www.iisd.org/pdf/2002/economics_nexus2.pdf>
- ODI. 2001. "Desk Study of Good Practice in the Development of PRSP Indicators and Monitoring Systems: Initial Review of PRSP Documentation" <http://www.odi.org.uk/pppg/publications/papers_reports/spa/mon01.html>
- ODI. 2001a. "PRSP Institutionalisation Study: Final Report." ODI.
<http://www.odi.org.uk/pppg/publications/papers_reports/spa/ins01.html>
- Proceedings of the International Conference on the PRSP Approach. January 14-17, 2002. Washington D.C.
<<http://www.worldbank.org/poverty/strategies/review/intlconf.pdf>>
- Shyamsundar, Priya. November 2001. "Poverty – Environment Indicators". World Bank, Washington D.C.
- South Center. June 2002. "The PRSP Process: Achievements and Challenges in LDCs." South Bulletin 38. <http://www.southcentre.org/info/southbulletin/bulletin38/bulletin38-04.htm#P139_42813>
- World Bank. June 2002. "A Revised Forest Strategy for the World Bank Group."
<<http://lnweb18.worldbank.org/ESSD/essdext.nsf/14ByDocName/ForestPolicyandStrategy>>
- World Bank. September 2002. World Bank Poverty Net: Resources and Support to Alleviate Poverty.
<<http://www.worldbank.org/poverty/strategies/index.htm>>
- World Bank. 2001. Poverty Reduction Strategy Sourcebook.
<<http://www.worldbank.org/poverty/strategies/sourcons.htm>>
- World Bank and IMF. 2000. "PRSP – Progress in Implementation"

Annex 1. Matrix on Forest Sector in I-PRSPs and PRSPs

Forest Sector in I-PRSPs

Country	I-PRSP	Remarks
Cameroon	issues	0
	causal links	0
	response	2
	process links	1
	total average	0.75
Central African Republic	issues	1
	causal links	2
	response	2
	process links	1
	total average	1.5
Chad	issues	0
	causal links	0
	response	2
	process links	1
	total average	0.75
Cote D'ivoire	issues	2
	causal links	0
	response	2
	process links	0
	total average	1.00
Cape Verde	issues	0
	causal links	0
	response	0
	process links	0
	total average	0

Annex 1. continued.

Country	I-PRSP	Remarks
Djibouti	issues causal links response process links total average 0 0 1 0 0.25	<ul style="list-style-type: none"> environment included in a general way as a relevant policy area within environment actions related to tree planting proposed
Democratic Republic Of Congo	issues causal links response process links total average 1 0 1 0 0.50	<ul style="list-style-type: none"> deforestation problem mentioned under environment, especially in areas where pressure from refugees is high systematic plundering of natural resources acknowledged some forest related issues and actions discussed under priority actions for environment, incl. updating list of tree species, combating erosion, non-wood and wood products, community forestry, and promoting private investment in forestry under "grassroots level" action also reforestation/erosion control mentioned
Ethiopia	issues causal links response process links total average 0 0 1 0 0.25	<ul style="list-style-type: none"> afforestation briefly mentioned in the context of on-going agriculture programmes, as is tree planting in the context of dry-land agriculture
Gambia	issues causal links response process links total average 1 0 1 0 0.50	<ul style="list-style-type: none"> desertification/deforestation problem briefly mentioned maintenance of sustainability of resource base referred to under on-going agricultural programmes forestry micro-enterprises listed under income generating activities preparation of fuelwood policy mentioned under energy policy measures to be undertaken transfer of forest resources to local management mentioned under forest policy measures forest regeneration and afforestation mentioned under environment policy
Ghana	issues causal links response process links total average 0 0 2 2 1.00	<ul style="list-style-type: none"> rural forest zones treated as a geographic unit for analysis of poverty trends forestry listed under agriculture strategy (sustainable natural resource management) as well as agriculture sector investment programme in the poverty reduction agenda, under environment, specific reference is made to the forest and wildlife policy and forestry development master plan community involvement in forest management listed as objective establishment of forestry commission and creation of a forest development fund for increased private investment in forest plantations listed as instruments increase of forest fees proposed under environment in the policy matrix for poverty reduction

Annex 1. continued.

Country	I-PRSP	Remarks
Guinea Bissau	issues causal links response process links total average	<ul style="list-style-type: none"> • forestry listed as a potential source of growth together with agriculture, fisheries and tourism (in the context of diversifying rural development) • significant natural resources mentioned as a strength for full PRSP preparation
Guinea	issues causal links response process links total average	<ul style="list-style-type: none"> • decline of rural resources (water, soil, forest) mentioned as impediment for rural development • rational and sustainable use of natural resources mentioned under agricultural policy and rural development programme • in the matrix of poverty reduction strategies and policies rational and sustainable use of natural resources is mentioned under agriculture, including regulations and enhancement of know-how, also protection of forest is mentioned in the context of protection of water sources • community based forest management mentioned also under environment
Kenya	issues causal links response process links total average	<ul style="list-style-type: none"> • fuelwood issue specifically discussed in relation to rural poor/gender • forestry sub-sector specifically addressed under agriculture and rural development • specific strategies include: (i) enacting pending forest policy and bill; (ii) restructuring of forestry institutions; (iii) putting industrial plantations under commercial management; (iv) undertaking a full forest resources inventory; (v) improving wood recovery rates; (vi) review of forest licensing procedures; (vii) stakeholder involvement in local forest management; (viii) collaborative agreements with local communities, societies and advocacy groups; (ix) promotion of agroforestry practices on private farms; and (x) improvement of natural forests for biodiversity and water values
Lesotho	issues causal links response process links total average	<ul style="list-style-type: none"> • environmental problems due to poor management of natural resources and their relevance to poverty mentioned • natural resource management mentioned as part of the agricultural sector development programme • eco-tourism and natural resource/biodiversity protection (especially to benefit local communities) mentioned under tourism

Annex 1. continued.

Country	I-PRSP	Remarks
Madagascar	<ul style="list-style-type: none"> issues 2 causal links 2 response 2 process links 0 total average 1.50 	<ul style="list-style-type: none"> • impacts of forest destruction/degradation to local livelihoods analysed in fair detail (erosion, loss of organic matter, micro-climate, biodiversity) • biodiversity as a resource for ecotourism development mentioned • future of agriculture conceptually linked to conservation and sustainable management of biodiversity and natural resources, including forests (urgency of halting deforestation stressed) • increasing forest revenue (among that of other productive sectors) referred to under management of public affairs • natural resource (forest, watershed, pasture, fishing...) management mentioned in a generic way within the rural development programmes
Malawi	<ul style="list-style-type: none"> issues 0 causal links 0 response 2 process links 1 total average 0.75 	<ul style="list-style-type: none"> • forests mentioned under natural resources and environment in discussion on potential poverty reduction and growth options • forestry dealt with under natural resources and environment in the IPRSP Matrix, with focus on empowerment of local communities, co-management of forest resources, private sector participation through leases and marketing and pricing reforms • reference made to new forest policy/implementation process • sustainable natural resource management, ecosystems restoration and biodiversity conservation also dealt with in IPRSP Matrix under environment
Mali	<ul style="list-style-type: none"> issues 0 causal links 0 response 1 process links 0 total average 0.25 	<ul style="list-style-type: none"> • natural disasters related to fragile ecosystems listed as a prime cause of poverty • forestry listed as a means for achieving food security in the Government sector strategy for agriculture • sustainable management of natural resources also mentioned in the same strategy • biodiversity conservation, conservation of natural resources and combating dune movement mentioned under environment strategy
Mozambique	<ul style="list-style-type: none"> issues 0 causal links 0 response 2 process links 1 total average 0.75 	<ul style="list-style-type: none"> • natural resource management set as a target under agriculture • reference made to PROAGRI programme • PARPA defines under rural development community mgn of natural resources as a target

Annex 1. continued.

Country	I-PRSP	Remarks
Niger	issues 0 causal links 0 response 2 process links 0 total average 0.50	<ul style="list-style-type: none"> • natural resources mentioned as a determinant of poverty • forestry activities included in the Government strategy on improving the economic conditions of the poor, including intensifying reforestation activities and replacing wood-fuel with other types of energy • preservation of fragile natural resources seen as a precondition for economic growth • rural sector policy matrix contains quantitative targets for forest management as well as a general statement on reforestation and wood-fuel substitution
Rwanda	issues 1 causal links 1 response 2 process links 0 total average 1.00	<ul style="list-style-type: none"> • environmental degradation mentioned as a (leading) cause of poverty, with specific reference to deforestation/soil degradation and loss of biodiversity • under enabling policy for increased income for the poor, agroforestry, tree-planting, community management of forests and energy saving stoves are proposed as medium-term measures; conservation of biodiversity is proposed under long-term measures; • community forests mentioned under rural and urban low-income energy policy • forestry actions (management of natural forests, reforestation and increase and diversification of forest products) listed under priority programmes for immediate implementation • forest area % of total land area, and total land area protected, are included in the environmental sustainability indicators
Sao Tome & Principe	issues 1 causal links 0 response 0 process links 0 total average 0.25	<ul style="list-style-type: none"> • random logging listed as a cause of soil degradation • loss of biodiversity seen as a factor contributing to lower living standards
Senegal	issues 0 causal links 0 response 1 process links 0 total average 0.25	<ul style="list-style-type: none"> • local management of natural resources mentioned as a policy action • reference made to NEAP and National Environmental Management Programme

Annex 1. continued.

Country	I-PRSP	Remarks
Sierra Leone	issues	1
	causal links	1
	response	1
	process links	0
	total average	0.75
Tanzania	issues	0
	causal links	0
	response	0
	process links	0
	total average	0
Zambia	issues	0
	causal links	0
	response	0
	process links	0
	total average	0

Annex 1. continued.

Forest Sector in PRSPs

Country	PRSP	Remarks	
Burkina faso	issues causal links response process links total average	1 0 0 0 0.25	<ul style="list-style-type: none"> mentions overuse of natural resources by agriculture as one of the major causes of poverty, singles out soil and water but not forests general reference made to the need of sustainable use of natural resources including forests natural resource management mentioned in the broadest sense, mainly under agriculture (also rural employment)
Gambia	issues causal links response process links total average	2 1 1 0 1.00	<ul style="list-style-type: none"> higher profile given to rural development and environment than in the I-PRSP environmental issues discussed under a separate section of the poverty analysis, including natural resources; the discussion covers linkages with sustenance needs, linkages between environmental degradation and poverty, loss of forest resources, desertification, and destruction of mangroves environmental/natural resource related issues are not included in the local-level poverty perceptions, with the exception of a mention of soil degradation among the causes under social sector priority programmes, natural resources included in the agriculture strategy and priority actions, natural resource management and biodiversity being one of the five priority areas natural resources included also under the cross-cutting issue of environment with reference to afforestation, forest management and eco-tourism even less forest specific measures are proposed than in the I-PRSP
Guinea	issues causal links response process links total average	1 0 2 0 0.75	<ul style="list-style-type: none"> little importance given to environment/natural resources in poverty analysis importance of rural sector (crop-farming, livestock, fishing), further emphasised, natural resources' conservation third major objective of rural development policy natural resource management and environmental protection are discussed in a separate section (not included in the I-PRSP) under chapter dealing with boosting growth; the section makes specific reference to need to boost implementation of forestry code in terms of clarification of community and private forests and defining roles of different actors in managing and using forests; specific measures are proposed also for improving forest management, promoting private sector participation, improving reporting and monitoring, and improving incentive/financing systems through more lawful and efficient use of forest revenues management of natural resources, including forest, also dealt with in the matrix of poverty reduction strategies and policies the costed strategies/actions include specific forest related activities under a section dealing with waterways and forests: including (i) promotion of grassroots participation in the creation, development and management of public, communal and private forests; (ii) strengthening the system for information, control and monitoring of the forest sector; (iii) promoting private sector participation in wood processing; and (iv) improving the incentive systems for forestry

Annex 1. continued.

Country	PRSP	Remarks
Malawi	issues 1 causal links 0 response 3 process links 3 total average 1.75	<ul style="list-style-type: none"> • environmental degradation mentioned among the causes of poverty, no reference made specifically to natural resources/forests • within the 1st pillar of the poverty reduction strategy, dealing with pro-poor growth, forest sector explicitly addressed under the component dealing with sustainable use of natural resources • sectoral problem analysis and demand-supply balance estimate is presented for the forest sector, followed by a specific strategy focusing on: (i) devolution of the management of forest resources to local CBNRM groups; (ii) promoting the involvement of the private sector in plantation forestry and production of non-timber products; (iii) strengthening of forestry extension; (iv) mass tree planting campaigns; and (v) forestry curriculum development at training colleges (this is broadly in line with the national forest programme) • reducing pressure on fuelwood is discussed in the section dealing with sustainable rural energy (energy efficient stoves) • afforestation also mentioned under public works programme and alternative livelihood strategies • forest issues discussed also under the cross-cutting theme of environment, specifically the high pressure on natural resources (incl. forests) due to growing populations • forest issues discussed in detail in the PRSP action plan under the general heading of natural resources; the priority actions are derived from the national forest programme, and direct reference is made to the programme; the action plan lists 39 forest related actions grouped under 6 headings, derived from the NFP • forestry included in the costed PRSP costing by objective matrix, with a 64% share of the total for natural resources, and 6% of the total for pro-poor growth
Mauritania	issues 1 causal links 0 response 1 process links 0 total average 0.5	<p>note: no I-PRSP exists for Mauritania</p> <ul style="list-style-type: none"> • general reference is made to the scarcity of forests and vegetation • very general reference is made to the relationship between rural poverty and the environment/natural resources • general reference is also made to desertification and drought • within the integrated rural development policy, a section is dealing with the promoting private investment in the production and marketing of gum arabic, another section deals with the possible establishment of a forests for charcoal and building materials to relieve pressure on natural vegetation • forest development is also briefly mentioned under environmental policies with reference to the NEAP • in the matrix of actions preservation of natural forest is mentioned under environment, this is the only reference to forest related action (and the only costed action), the section dealing with rural development makes no mention of forestry

Annex 1. continued.

Country	PRSP	Remarks
Mozambique	issues causal links response process links total average 1 1 3 3 2.00	<ul style="list-style-type: none"> • environment and natural resources not reflected in the poverty analysis • forestry mentioned among the principal sources of livelihood for the rural population • direct reference is made to PROAGRI in the section of the poverty reduction strategy (PARPA) action plan dealing with rural development, the operational areas of PROAGRI and PARPA are shared in the relevant areas • the strategic objectives for increasing the contribution of the agricultural sector to poverty reduction include increasing the productivity of the forestry sector; and sustainable management of natural resources • forestry and wildlife one of the 9 operational areas of the PARPA/PROAGRI agricultural and rural development programme • specific targets are set for forest products and ecotourism development • measures include: (i) national/local forest resource inventory system; (ii) rehabilitation of hunting reserves and forestry and wildlife reserves and national parks; and (iii) development of policies and programmes for reforestation and restocking of wildlife with community/private sector participation • measures related to development of forest legislation and regulations, training, and monitoring and evaluation are also proposed • earmarked funds presented for forestry activities in the indicative projected budget requirements for selected sectors and areas, amounting to 15.5% of the total for agriculture and rural development • in the operational matrix of the action plan specific actions are proposed for the forest sector (within agriculture and rural development) in two strategic areas: (i) promoting the sustainable use of natural resources and organising management services; and (ii) encouraging the participation of local communities, the private sector and other actors in the sustainable management and use of natural resources • forests/forestry also mentioned under rural extension and research • measures to control deforestation also proposed under the programme area of environment and an analysis of deforestation & awareness raising/community capacity building proposed • the protection of natural resources and enforcement of their sustainable use also discussed under governance programme, and the strengthening of (government) capacities in this regard is proposed, including negotiation/supervision and control of concessions, and frontier control • no forest/forestry (or environment in general) related indicators are proposed

Annex 1. continued.

Country	PRSP	Remarks
Niger	issues causal links response process links total average 1 1 2 0 1.00	<ul style="list-style-type: none"> • soil degradation mentioned among the causes of poverty and forest degradation/deforestation is linked to vulnerability and desertification • environment/fight against desertification noted as a major priority by population, and effective measures to fight desertification (including forest degradation/deforestation seen as an important component of rural development strategy • agro/silvo/pastoral products seen as an important complement of rural incomes • two of the four priority areas for rural development (agry/silvo/pastoral development and desertification control and management of natural resources) include forest sector activities • forest and natural resource management, agroforestry and other forest sector related actions costed in the action plan, but under different types of headings, i.e. environment, other productive activities in the rural economy
Rwanda	issues causal links response process links total average 2 1 2 0 1.00	<ul style="list-style-type: none"> • environmental degradation, including deforestation, listed among the structural causes of poverty, deforestation is also mentioned in several regional poverty profiles • lack of natural resources in general is considered an important criteria for poverty • within the programme area of agricultural transformation and rural development, reforestation of degraded hillsides is proposed as a community activity under the component of environmental infrastructure • within the programme area of employment promotion and labour intensive public works, some forest related activities are proposed • within the programme area of economic infrastructure reforestation activities are proposed under the component of energy for poor households and rural enterprises • in the policy matrix also the updating of forest law is proposed • within the cross-cutting programme area of environment, reforestation is also mentioned • the revised list of priority programmes for 2002 includes some forest related actions (management of natural forests, diversification of forest products, reforestation), financial allocation for forestry is also included in the expenditure programme, amounting to some 10% of proposed expenditure for agriculture

Annex 1. continued.

Country	PRSP	Remarks
Tanzania	issues 1 causal links 0 Response 0 process links 0 total average 0.25	<ul style="list-style-type: none"> environmental/natural resources not addressed in poverty analysis, general observation was made on the need to address environmental degradation in the national workshop actions related to reafforestation are mentioned under the strategy on reducing vulnerability the dependence of the poorest households on woodlands is mentioned under the environment strategy, as is their dependence (in some parts of the country) on sale of wood and non-wood forest products for income the only forest related action in the logical matrix is reforestation under the objective area of extreme vulnerability forestry/natural resource do not appear in the programme areas, nor are they costed in the expenditure programme the need to incorporate environmental indicators into poverty monitoring is acknowledged in the environment strategy, but such indicators are not included in the proposed set of indicators
Uganda	issues 1 causal links 0 Response 1 process links 0 total average 0.50	<ul style="list-style-type: none"> mention of need to promote forestry as an income generating activity mention of sustainable natural resource management as a core area of the plan for the modernisation of agriculture
Zambia	issues 1 causal links 1 Response 2 process links 1 total average 1.25	<ul style="list-style-type: none"> natural resources/forestry and environment not dealt with in the poverty analysis natural resource conservation mentioned as a national-level sub programme under tourism development woodlands and forests mentioned as important sources of energy (about 70% of total energy consumption), reference made under energy chapter to on-going programme to promote efficient use of wood fuel under cross-cutting issues/environment reference is made to the dependence of rural poor on natural resources, including forests and the need to promote more sustainable and productive use of these resources; reference is made to the Zambia Forestry Action Plan, the Provincial Forestry Action Plan, and the Community Based Natural Resource Management Programme among other on-going programmes as well as their envisaged strengthening under the PRSP and better coordination with poverty reduction objectives the matrix on objectives, policy actions and costings include: (i) sensitisation programmes for rural communities on natural resource conservation under tourism; (ii) reduction of dependency on woodfuel and efficient use of alternative sources of energy under energy; (iii) development of programmes for natural resource protection under environment, including agro-forestry, non-wood forest products, joint forest management, forest inventories and other mainly community based activities as well as implementation of Provincial Forest Action Plans and Community Environmental Management Plans forest related actions costed in the implementation matrix indicators include reduced dependency on wood energy, and both outcome and impact indicators related to natural resources (deforestation specifically mentioned)

Annex 2. Matrix on Forest Sector in JSAs

Note. the assessment was limited to the single issue of whether or not the forest sector, or natural resources in general, were addressed in the I-PRSP or PRSP Joint Staff Assessment Report. A broader reference to natural resources is marked with (x).

Country	Yes	No	Remarks
			I-PRSPs
Cote D'ivoire		X	<ul style="list-style-type: none"> importance of better analysis of the causes of rural poverty stressed no reference to natural resources or environment
Cape verde		X	<ul style="list-style-type: none"> no reference to natural resources or environment
Democratic Republic of Congo		X	<ul style="list-style-type: none"> comment made on lack of proper attention to environment no reference to natural resources
Ethiopia		X	<ul style="list-style-type: none"> development of a strategy for food security suggested no reference to environment or natural resources
Kenya		X	no reference to environment or natural resources
Mozambique		X	no reference to environment or natural resources
Zambia		X	no reference to environment or natural resources
			PRSPs
Gambia		X	<ul style="list-style-type: none"> shortcomings regarding environment are briefly commented on
Guinea		X	<ul style="list-style-type: none"> further analysis on environmental issues and vulnerability recommended
Malawi		X	<ul style="list-style-type: none"> reference is made to lack of analysis of environmental degradation as a cause of poverty
Mauritania		X	<ul style="list-style-type: none"> no reference to environment or natural resources
Mozambique		X	<ul style="list-style-type: none"> reference made to lack of analysis of vulnerability/food security and natural disasters no reference made to environment or natural resources
Niger	(X)		<ul style="list-style-type: none"> reference is made to PRSP analysis indicating deterioration of natural resources as a poverty determinant reference is made to integrated rural development strategy as a means to address also environment and natural resource issues development of indicators for monitoring environmental sustainability and natural resource management are suggested
Rwanda		X	<ul style="list-style-type: none"> formulation of strategies to deal with cross-cutting issues, such as environment, are suggested
Tanzania	(X)		<ul style="list-style-type: none"> reference is made to the need to incorporate measures to promote sustainable management of natural resources as the PRSP is developed further
Uganda		X	<ul style="list-style-type: none"> reference made to importance of rural development no reference made to environment or natural resources
Zambia		X	<ul style="list-style-type: none"> reference is made to need to better incorporate cross-cutting issues, such as environment

Annex 3. Matrix on Forest Sector in PRSP Progress Reports

Country	Reference to natural resources	Reference to forests	Specific forest related indicators	Remarks
Burkina Faso	yes	no	no	<ul style="list-style-type: none"> • general reference made to sustainable management of natural resources as a guiding principle • general reference made to effort to protect and improve management of natural resources in the component dealing with the reduction of vulnerability of the agricultural sector • monitoring indicators not yet defined
Mauritania	yes	yes	yes	<ul style="list-style-type: none"> • reforestation activities recorded under the environment component • implementation of international environmental conventions among the indicators under environment component • reforestation included in the monitoring matrix
Tanzania	yes	yes	no	<ul style="list-style-type: none"> • forest sector growth-rate discussed in the principal achievements matrix under agriculture • deforestation mentioned under the 6 major areas of environmental concern of the government • sharing the revenue from forests (and other natural resources) mentioned under environment • forests or natural resources not included in the monitoring matrix
Uganda	yes	yes	no	<ul style="list-style-type: none"> • forest sector growth recorded under GDP performance • deforestation discussed under general discussion on environmental policy and natural resource management • monitoring more descriptive than indicator-based, no specific indicators for forests sector or natural resources

Annex 4. Potential Background Factors

Background factors for individual countries

Country	Forests addressed in CAS ¹	World Bank dialogue on forest ²	NFP type process ³	% forest cover ⁴
Burkina Faso	Yes		No	25.9
Cameroon	Yes	X	Yes	51.3
Central African Republic	No	X	No	36.8
Chad	Yes		No	10.1
Cote d'Ivoire	(Yes)	X	No	22.4
Cape Verde	(Yes)		No	21.1
Djibouti	No		No	0.3
DRC	Na	(x)	No	59.6
Ethiopia	No		Yes	4.2
The Gambia	(Yes)		Yes	48.1
Ghana	Yes	(x)	Yes	27.8
Guinea Bissau	Yes		No	60.5
Guinea	(Yes)		No	28.2
Kenya	No	(x)	No	30.0
Lesotho	(Yes)		No	0.5
Madagascar	Yes	X	Yes	20.2
Malawi	(Yes)	X	Yes	27.2
Mali	No		Yes	10.8
Mauritania	No		Yes	0.3
Mozambique	Yes		Yes	39.0
Niger	No		No	1.0
Rwanda	Yes		No	12.4
Sao Tome & Principe	Yes		No	28.3
Senegal	Yes		No	32.2
Sierra Leone	No		No	14.7
Tanzania	Yes	X	Yes	43.9
Uganda	(Yes)		Yes	21.0
Zambia	(Yes)		Yes	42

1 Mention of the forest sector in the CAS, () indicating a very brief mention (Source: World Bank)

2 Whether the World Bank has an on-going forest-specific dialogue or process in the country, (x) indicating a lesser intensity (Source: World Bank)

3 Existence of an NFP type process (Source: PROFOR)

4 Percentage of land under forest cover (Source: FAO Global Forest Resource Assessment 2000)

Annex 4. continued.

Contrasting the total scores with two factors potentially indicating the importance given to the forest sector in a particular country gives the following results:

Forest cover	Average score I-PRSPs	Average score PRSPs
less than 7% (low forest cover)	0.38	0.75
from 7% to 40%	0.80	1.20
41% and more	0.29	0.83

On-going national forest policy and strategy process (i.e. NFP process)	Average score I-PRSPs	Average score PRSPs
Yes	0.58	1.04
No	0.63	0.75

Contrasting the total scores with on-going World Bank dialogue and operations gives the following results:

Forests/forest sector addressed in the CAS	Average score I-PRSPs	Average score PRSPs
Yes	0.56	0.97
No	0.75	0.75

Active on-going forest World Bank dialogue with government on forests/forest sector	Average score I-PRSPs	Average score PRSPs
Yes	0.92	1.00
No	0.51	0.92

3rd Segment:
Enhancing the Contribution of the Forest Sector

Building Linkages Between Poverty Reduction Strategy and National Forestry Programme: the Case of Mozambique

Arlito Cuco, Fernando Songane and Cristina Matusse

Abstract

The programme approach has been followed in forestry sector since the last decade under the PROAGRI process in the Agricultural sector. The process was initially driven by economic, social and environmental concerns. Currently, the economic growth and poverty alleviation lie at the core of the policy agenda. The majority of the Mozambican people depend directly or indirectly on forest for their subsistence. This paper presents the most important features of the policy and legal frameworks, as well as implementation processes influencing the relationship between forestry and poverty alleviation. In this document we stress that the role that forests play in poverty alleviation depends not only on the forest policy, but even more on the macroeconomic and other sectoral policies such as land, agricultural, and environmental policies. Finally, it discusses the implications of policies on improving the living conditions of the poor people who depend on the use of forest resources.

1. Introduction

In September 2000, the Member States of United Nations (UN) committed to work toward a world in which sustainable development and poverty reduction would have the highest priority. The international community committed to reduce poverty by half the number of people who are food insecure and also to reduce the proportion of people living in extreme poverty by the year 2015 (FAO 2001).

Mozambique is committed to eliminate poverty. The country had a per capita income of US\$ 230 per year in 2000 (PARPA 2001) which is amongst the ten lowest in the world. Some 65% of Mozambicans live on less than US\$ 0.5 per day. Poverty remains essentially rural in character with over 80% of Mozambique's poor households living in rural areas. Rural poverty is primarily attributable to limited agricultural development, limited market

development and poor productivity levels. Agricultural potential is poorly converted into tangible income generation and employment creation. Agriculture, nevertheless, remains central to the economy accounting for 32% of GDP, 80% of exports and 70% of employment.

Given that poverty in Mozambique remains basically rural in nature, measures to effectively address it should be targeted where poor rural people live, and be based on the resources within their command. In this context, the effective and beneficial management of Mozambique's forests represent a practical and realistic means to help alleviate rural poverty.

Mozambique is one of the most forested countries in the Southern Africa region with a productive forest estate extending over 20 million ha. Demand for forest products worldwide is high and will likely continue to be so. The sustainable use and development of Mozambique's existing forests represent a potential engine for rural development and growth which, if sustainably and equitably developed, has the potential to make a permanent contribution to national development and poverty reduction.

The challenge facing the government is how to use the forest and wildlife resources in order to contribute to poverty alleviation without compromising the needs of future generations. In addressing this challenge, an Action Plan, known as PARPA (*Action Plan for the reduction of Absolute Poverty 2001–2005*), was adopted in 2001. In order to deal with this situation at the sectoral level, a comprehensive and integrated programme, known as PROAGRI, was adopted in 1998 by the government and donor community as an instrument in the agrarian sector with some of following general objectives: (i) poverty alleviation; (ii) food security; (iii) sustainable use of natural resources; and (iv) social equity. The forestry and wildlife component of PROAGRI was formulated within the wildlife policy framework adopted in 1996 by the government. The forestry policy document defines the main direction for activities for the long-term development of the National Forests and Wildlife Program. Therefore, the program document is in line with the current agricultural policy, the objectives of the forestry and wildlife sector, and the opportunities and constraints that affect the development of the sector.

2. Overview of the Relevance of Forestry in Context of Poverty Alleviation

2.1 Poverty Assessment in the Country

According to the last census (INE 1998), the population of the country is estimated at 17 million and has a very young age structure¹. Population density is very low², which, combined with scarce transport infrastructure, results in the isolation of many regions. Most of the population live in rural areas (77%) and most of the workforce is in the agriculture sector (95%).

According to a study³ on household living conditions, coordinated by the Ministry of Planning and Finance (MPF), average consumption per capita is US\$ 170 and more than two-thirds of the population (70%) live in absolute poverty. Poverty is greater in rural areas (71%) than in urban areas (62%) while about 82% of the poor live in rural areas. It can be said that poverty is mainly a rural phenomenon, although a high proportion of the urban population is also poor. The same study also shows that education levels are very low, with literacy rates at 52% for men and 16% for women in rural areas, and school enrolment rates at 49% for boys and 39% for girls.

There are almost no landless peasants in Mozambique (less than 2% in rural areas) but productivity is very low (less than half of neighbouring South Africa and Zimbabwe) and

¹ Age structure is as follows: 46% younger than 15 yrs of age, 52% between 15 and 64 yrs old and 2.5% over 65 yrs of age.

² Average is 20 inhabitants per square kilometer and it ranges from 6 hab/km² in Niassa to 3220 hab/km² in Maputo.

³ Titled "Understanding poverty and well being in Mozambique: the first national assessment 1996–97" published in 1999.

mechanisation is almost non-existent (less than 2% use fertilisers or pesticides, around 5% use animal traction and less than 10% use some equipment). In addition, most of the cropland is in the family sector while less than 4% of total is in the private sector. Therefore, the study concludes that increasing the size of the land plots will not reduce poverty unless productivity is also increased, particularly by investing in irrigation and fertilisers.

The other important finding from the study is the apparent lack of differences between the poor and the non-poor in rural areas. This situation could be explained, by the fact that rural households are a homogeneous group, and that the measured differences in per capita consumption are relatively insignificant. This finding suggests that development initiatives that focus on rural areas will provide a strong poverty focus.

2.2 Forest Resources

2.2.1 Natural forests

According to the last national forest inventory (NFI) carried out in 1994 using satellite images from 1992, almost 78% of the country was covered by natural vegetation (Saket 1994), distributed in high forests (0.8%), low forests (13.7%), thicket (43.3%), wooded grasslands (19.4%) and mangroves (0.5%). Forests and wildlife resources are property of the State, which recognises the traditional rules for its use and grants free access for subsistence utilisation.

Approximately 48 million ha, or 60% of the country has good potential for forests and wildlife management (PROAGRI 1997). Around 19 million ha (39.6% of the forests) can be classified as valuable for timber production of which 12 million ha have potential to be used as logging concessions. Around 900 000 ha have been granted last year in 24 forest concessions in the provinces of Sofala and Cabo Delgado; another 1.1 million ha have been requested in other provinces. It leaves a balance of at least 10 million ha.

Another 10 million ha (12.6 % of the country) are recorded as protected areas: 2.75 million ha declared as national parks⁴, 1.95 million ha as game reserves, 450 000 ha as forest reserves, and around 5 million ha as hunting areas ('*coutadas*') released as concessions to the private sector. The remaining forests are undesignated, and are used for multiple purposes.

The annual allowable cut of commercial wood is estimated at 500 000 m³/year⁵. The country's forests are largely low growth (0.58 to 1.61 m³/ha/year) 'miombo' type and its associated ecosystems, dominated by *Brachystegia* spp., but including some valuable hard wood species (*Dalbergia melanoxylon*, *Androstachys johnsonii*, *Pterocarpus angolensis*, *Milletia stuhlmannii* and *Azelia quanzensis* amongst others) with densities between 700 and 1000 kg/m³. In fact, the high wood density is one of the reasons why the Mozambique charcoal is so much appreciated as a domestic fuel, and also a reason for the present log exports due to the lack of appropriate technology to transform the timber.

2.2.2 Deforestation

Deforestation rate was determined by comparing the 1979 NFI (with images of 1974) and the 1994 NFI that used images from 1992. In this 18-year gap, the deforestation was only 4.27% (0.23% per year). This period was characterised by a strong economic slow down as a result

⁴ Includes 1 million ha of "Coutada 16", which has recently been declared a national park as part of the Limpopo International Park, or "GKG Transfrontier Conservation Area".

⁵ Estimated for a stock of 22 million m³ of commercial trees with DBH > 40 cm, out of a total commercial stock estimated in 503 million m³.

of the civil war. Even though, some provinces like Maputo had a much higher deforestation rate: 19% in the period studied, or 1.1% per year.

At present, there is no updated NFI but some localised studies have been carried out in the districts most affected by deforestation in Maputo province to supply charcoal and fuelwood for the urban areas, where the deforestation rate reached the 5.7% per year from 1990 to 1997 (Monjane 2000).

2.2.3 Afforestation

Upon its independence in 1975, there were almost 20 000 ha of plantation forests, mainly of *Pinus patula*, *Eucalyptus grandis* and *Casuarina equisetifolia*. In the first decade after independence there was an effort to enlarge these plantations, and by 1989, the estimated forest plantation area was 41 000 ha. Unfortunately no relevant commercial use or incentives were applied to these resources, and a survey carried out in 2001 estimates that only 24 000 ha remain, and this area is likely to be reduced due to mismanagement, fires and lack of incentives to continue planting.

2.3 Potential of the Forestry Sector in Poverty Alleviation

The forestry and wildlife resource base has been seen as a source of ready capital which, with relatively low levels of investment, could generate foreign exchange through export. It is now known that the contribution of forestry and wildlife to the subsistence economy of the sector is much greater than its contribution to the market economy or as a source of foreign exchange. The total contribution of forests and wildlife resources to livelihoods is difficult to quantify, and most of the available information is descriptive and often the official statistics related to GNP do not reflect the real value of the forestry and wildlife sector in the economy of the country. This includes:

a) Subsistence goods:

- Approximately 80% of the energy consumed in the country comes from woody biomass (fuelwood, with which to cook food and boil water). The annual consumption of this energy source is estimated at 16 million m³, or the equivalent of about US\$ 706 million annually of which the GDP does not take account.
- It is also estimated that about 80% of the population uses bush meat from forest and fish as their principal source of animal protein.
- Forests also provide materials for construction, storage structures, agricultural implements, boats and hunting and fishing devices.
- Many basic needs of rural people are served by forests: foods (to supplement or complement what is obtained from agriculture), medicinal plants, fibre and grazing.

b) Goods for sale:

- A large number of local communities generate some of their income from selling forest products (fuelwood, medicinal plants, wildlife products, etc.), often on a part-time basis, when farm production is not enough to provide food security.
- Income from forest products may contribute to the purchase of farm inputs or food between harvests.

c) Indirect benefits:

- Forests also contribute to soil nutrient cycling, help conserve soil and water and provide shelter and shade for crops and animals.
- Environmental services, including watershed protection and biodiversity conservation.
- Social and spiritual sites of special values for the local communities.

Revitalisation of forest and wildlife based industries (wood processing, hunting and ecotourism) will provide significant employment opportunities facilitating diversification of household income and the potential to alleviate rural poverty.

In summary, forests have an important role as a reserve or safety net, providing both subsistence and income in times of crop failure, shortfall, unemployment or other emergency or adversity (floods, droughts, famines and wars). Thus it can be concluded that the local community (subsistence sector) is the principal consumer and beneficiary of the products of the forestry and wildlife sector, and the rural population have traditionally been dependent on these resources.

3. Policy Processes Relevant to Forests And Poverty

3.1 Macroeconomic Policy

The Mozambican government has been implementing a structural adjustment policy (SAP) since 1987. During the first stage, the government aim was to achieve an economic stabilisation to deal with economic crisis of the early 1980s. The main points were: currency devaluation, wage restraint, higher interest rates, reduction of fiscal deficits, liberalisation of foreign trade and abolition of subsidies on food and utilities.

With the peace, economic and political stability, the country has been experiencing progress in real terms. Over the last years, inflation fell to single digit figures and annual growth rate has been about 8%, while investment reached an average of 27% of GDP. The growth of agricultural sector (family sector mainly) is 9%. The macroeconomic performance suffered a temporary setback in 2000 as a result of the floods.

The medium-term objective is to maintain a growth rate not less than 8% per annum, increase national income per capita and private consumption by at least 5%, with an inflation rate of 5% to 7% per annum. These macroeconomic objectives are to be achieved under the following scenario: a) peace and political stability; b) strong investment in education, health and infrastructure; c) substantial gains in agriculture productivity, particularly in family sector; d) public and structural reform; e) rapid growth in exports, and f) continued liberalisation of foreign trade. HIV/AIDS may affect the progress. AIDS may reduce per capita growth by almost 0.5% per annum over the period 2000–2010.

3.2 Strategy for Poverty Alleviation (PARPA)

Mozambique has fought against poverty since independence (1975) when high priority was given to expenditure on health and education in order to improve human development. Significant investments were also made in rehabilitating basic infrastructure. In 1987, the government adopted a stabilisation and structural adjustment programme with the objective of re-establishing production and improving incomes through a thorough reform aimed at creating an economy based on private initiative and market forces.

The main objective of the Mozambican government is to reduce the level of absolute poverty from 70% in 1997 to less than 60% by 2005 and less than 50% by the end of the decade. In order to achieve this objective and in line with the government programme, an Action Plan for Absolute Poverty Reduction (PARPA) 2001–2005 was formulated. The PARPA 2001–2005 is also Mozambique's first Poverty Reduction Strategy Paper (PRSP).

The Poverty Reduction Strategy is a government effort to face the poverty situation. Its foundation is the maintenance of peace and socio-political stability. This document is the result of a participatory process involving relevant stakeholders (civil society, international partners, public and private sector) at the central, sectoral and provincial levels.

The PARPA is based on six priorities aiming to promote human development and create a favourable environment for growth. The fundamental areas of action are: a) education; b) health; c) agriculture and rural development; d) basic infrastructure; e) good governance; and f) macroeconomic and financial management. This document has been formulated based on existing sectoral and inter-sectoral policies and strategies, and sectoral programmes/plans developed by different state agencies.

The document describes the main objectives on poverty reduction, the strategic vision that emphasises rapid growth as essential and powerful tool for poverty reduction in the medium and long term. The combination of programmes that benefit the poor in the short term with policies that delivers benefits in the medium and long term by promoting rapid and balanced growth. The document also includes the characteristics of poverty, demographic, macroeconomic and territorial context, where the framework for harmonising the national objectives and targets for poverty reduction at the regional, sectoral, provincial and local levels are established.

The PARPA document identifies two main units for poverty reduction and the promotion of economic growth. One is the fundamental area for action including issues and sectors that play critical roles in reducing poverty and promote equitable economic growth for society as a whole. This includes education, health, infrastructure, agriculture and rural development, good governance, the legal and justice system and macroeconomic and financial policies. The second unit addresses other complementary areas of action including, employment and business development, social action, mines, fisheries, tourism, processing industry, transport and communication, technology, environment, and the reduction of vulnerability to natural disasters.

In this context, from an institutional point of view the forests which are within the agriculture sector are reflected in PARPA documents, which means that forests are considered to have a very important role in poverty alleviation in Mozambique.

In terms of implementation and taking into consideration the fact that PARPA is a medium-term planning instrument, it is fully integrated into annual planning instruments, such as the Economic and Social Plan (PES), State Budget (OGE) and Medium-Term Fiscal Scenario (CFMP). All PARPA actions have to be reflected on the Economic and Social Plan and the annual budget. The sectors (including forestry and wildlife) have an important role in its implementation. They have to follow the targets already defined in the PARPA operational matrix and prioritise the poverty activities on sectoral resource allocation.

The monitoring strategy foresees that the monitoring of activities and programmes of the sectors involved in the PARPA will be reflected in the Economic and Social Plan, which is the main monitoring tool for all government activities. The integration of the PARPA monitoring system into existing government mechanisms will avoid the duplication of reports and reduce the burden on the institution involved.

The monitoring allows the progress of poverty reduction programmes to be followed and to periodically assess changes in the welfare of the population. The impact of public policies can be assessed on an annual basis. Mechanisms are developed to ensure effective flow of information to all stakeholders in the PARPA.

Agriculture and rural development play a very important role in poverty reduction. The PARPA document includes agriculture and rural development as one of the fundamental areas. Therefore, forest and wildlife are reflected in the PARPA operational matrix.

3.3 The Land Tenure Policy and Legislation

The land tenure regime in Mozambique has undergone a radical change in the last few years. The new Land Policy was adopted in 1995, and the Land Law was passed in 1997 followed by the Land Regulation in 1998. A Technical Annex to these regulations, detailing the methodology by which registration of community rights should take place, was passed at the end of 1999.

These changes took place within a context of transition from a central economy to a market-oriented economy. By the early 1990s, it became clear that the national legal and regulatory framework governing land use rights did not provide secure tenure rights to either smallholders or large commercial interests.

The land reform in Mozambique has now reached a critical point in its development. The basis has been laid for the development of land administration systems that facilitate rural development and safeguard the rights and interests of the rural poor. Policy objectives and legal instruments have been put in place to ensure that customary rights of rural communities are safeguarded. The role of rural communities in allocation and adjudication of land use rights, and the right to register customary use rights are ensured by statute. Simple and flexible methodologies have been designed that allow for registration and recognition of customary rights, knowledge and practice. In addition, the policy is designed to encourage the development of negotiated partnerships between customary right holders and the private sector, allowing communities to benefit directly from the use by third parties of customarily occupied land.

Nowadays, the challenge is to ensure that the land can be used as an asset for the improvement of rural livelihood and for the poverty alleviation.

3.4 The Forestry and Wildlife Policy and Strategy

The Forestry and Wildlife Policy and Strategy adopted by the Government in April 1997 relies on two broad lines of action: a) strengthening of the functional capabilities of the government institutions; and b) expansion of field based production and conservation activities.

The present policy and strategy document is a result of a participatory process started in 1991, which gathered the viewpoints of resource users and field experience of various organisations, aiming to approach the development of forestry and wildlife sector in a more integrated and coherent way.

The formulation process took into consideration national policies for Land Use, Agriculture, Environment and other related policies. The Forest and Wildlife Policy and Strategy fits within the fundamental principles and objectives of the Agricultural Policy, summarised in the following declaration:

To develop agricultural activity with a view to achieving food security, through diversified production of products for consumption, provision to domestic industry and for export, having as its basis the sustainable use of natural resources and the guarantee of social equity.

The recent Forest and Wildlife Policy of Mozambique has been formulated towards the following overall long-term objective:

To protect, conserve, utilise and develop forest and wildlife resources for the social, ecological and economic benefit of the present and future generations of the Mozambican people.

The development of policy objectives in the Forest and Wildlife sector reflect the priorities of Chapter 11 of Agenda 21 of UNCED and the associated *Forest Principles*, specifically with regard to the provision of economic and social benefits to current and future generations, involving forest dependent peoples, and conserving the resource base, including its biological diversity.

These objectives are also relevant to other chapters of Agenda 21, namely: Chapter 3 – Combating Poverty; Chapter 12 – Managing Fragile Ecosystems; and Chapter 15 – Conservation of Biological Diversity.

Besides Agenda 21, the sub-sector policy takes into account the principles of the following international conventions: a) Biodiversity; b) Climate change; c) Convention on international trade of endangered species of flora and fauna (CITES); and d) Desertification.

The policy document represents the basis for the formulation of forestry programme, adopted in 1998, within the framework of PROAGRI, and the new legislation (Law 1999 and Regulations 2002) as well as PARPA in 2001.

3.5 The Forest and Wildlife Legislation

The principal legislation controlling the forestry and wildlife sector is the Forest and Wildlife Law approved in 1999 by parliament. It defines two main functional categories: a) protected areas, which include national parks and national reserves in which harvesting is not permitted; and b) sustainable utilisation areas, set aside exclusively for management on a sustainable basis, which include production forest areas, hunting safaris areas, game farms and afforestation areas.

Logging is regulated by two systems: a) the simple license system; and b) the concession system. Under the first system, temporary annual licences are issued to cut specific quantities of named species in a given location. The majority of licences issued are for minor forest products (poles, charcoal, firewood). The rural communities may utilise forest resource without charge for own consumption.

Recently (June 2002), the government approved the new Forest and Wildlife Regulation in order to conform the recent policy (1997) and law (1999) related to forestry and wildlife. Various other legal instruments (such as Technical Annexes to the Regulation) will deal with the detailed mechanisms of implementation.

The new legislation is an important development because it seeks to transfer rights to local people and to ensure that adequate consultation with local communities regarding the granting of use rights to logging companies is undertaken. The new legislation also emphasises the importance of long-term concessions over simple licences in terms of granting use rights to forest resources. These are fundamental legal reforms which, in principle, represent a significant step forward towards sustainable management of Mozambique's forests.

Commercial companies under existing regulations undertake legal harvesting of resources. While these regulations permit the state to award long-term (50 year) secure concessions to loggers (one which is generally recognised as providing at least an incentive for sustainable use), they also safeguard the right of local communities for free access to use the natural resources for their subsistence.

Government receives a royalty from felled timber. The royalty rates are low compared with international levels and the intrinsic value of the timber harvested. However, monitoring of compliance with the terms of concessions or felling permits is difficult given the high costs involved, severely constrained funds and the opportunities for corruption.

The new regulations provide changes to the existing framework, with the awarding of a percentage of these royalties and fees to local communities, but the mechanisms through which this will occur have yet to be worked out. Therefore, no direct benefits from felled timber accrue to local communities until such mechanisms have been established. The new legislation promotes the participatory management, where local resources management councils constituted by the representatives of the local communities, the private sector, associations and local authorities have the responsibility for the protection, conservation and sustainable use of forests and wildlife resources of local communities.

4. The National Forest and Wildlife Programme (NFP) in the Context of the National Agrarian Programme (PROAGRI)

4.1 Background

Until the mid-1990s, the sector development had been based on projects financed by funds made available by the donor community, in which the government contribution used to be below 10% of the total budget. Those projects were very often designed and implemented by donors, while the government acted as mere observer or as a passive recipient within the chain of decision making. This situation led to the lack of sustainability of the projects and the dispersion of scarce sector resources and a weakening of the institutional framework in favour of strengthened projects, as the best staff were attracted to work for the projects, which offered better incentives and working conditions.

The experience of project implementation in Mozambique revealed their limited impact due to the following factors: a) resources spread too thinly over similar small-scale development projects with similar goals and actions; b) the government implementing agencies did not take an active role in the decision making process; c) the decline of public services as a result of the movement of skilled staff to the projects; d) unclear financial procedures and delays in disbursement of funds; e) weak coordination.

It was within this context that the agricultural sector undertook the formulation of the National Agrarian Programme (PROAGRI), with the aim of ensuring: a) reduction of the negative impact of project oriented approach; b) the sustainability of the interventions; c) the involvement of the beneficiaries in the planning, implementation, monitoring and evaluation of sector's activities; and d) a stronger impact of the public expenditure on the development of the sector, and reform and modernisation of the sector.

4.2 The Programme Concept

In the 1990s after recognising the disadvantages of the project approach for the development of the agricultural sector, the Government, jointly with the donors, undertook the formulation of a comprehensive sectoral programme for agriculture, the National Agrarian Programme (PROAGRI). PROAGRI is a public investment program or a planning instrument of the public expenditure for the Agrarian Sector, aiming at the implementation of the whole Government programme in this sector. It covers Institutional Capacity Building, Agriculture

Production, Livestock, Forestry and Wildlife, Land Management, Rural Extension, Agrarian Research, and Irrigation. The Programme has the following general objectives: a) poverty alleviation; b) food security; c) sustainable use of natural resources; d) job creation; e) improvement of the balance of payment; and f) guarantee of social equity.

The PROAGRI contains three main areas of intervention: a) institutional reform and modernisation with special focus on the strengthening of the capacity to formulate the sector policies for country development; b) reinforcement and development of the capacity of the civil service as support to agriculture, livestock production, forestry and wildlife, in order to expand the production and productivity; and c) sustainable management of the natural resources: land, forests and wildlife, and inland waters.

The programme document is an instrument to implement the government policies in the agriculture sector and is the outcome of a participatory exercise in analysing the opportunities, constraints and options. After the approval of the forestry policy in 1997, the government and cooperating partners approved the Programme (PROAGRI) in 1998.

4.3 Programme Formulation

The Programme formulation process took into account the national policies for land use, agriculture, environment, forest and wildlife and other related policies. The Programme document is a result of a long participatory process started in 1991, which involved all the interested parties in the development of the sector (government, private sector, NGOs, local communities, donor community). This participation was achieved through a participatory planning process, which drew on the viewpoints of resource users and field experience of different organisations, through a series of national and regional workshops at which there was ample community participation. One of the principal outputs of this process was the identification of problems, their causes and suggested solutions proposed at *in-situ* regional workshops.

The document reflects also priorities of Agenda 21 and associated Forest Principles with regard to the provision of economic and social benefits to forest-dependent people, and conserving the resource base including its biological diversity. Besides Agenda 21, the formulation team took also into account several international conventions, such as the Biodiversity Convention (CBD), the Convention on international trade of endangered species of flora and fauna (CITES), and the Desertification Convention.

For the purpose of the formulation of the Programme, a Forestry Working Group was created composed of various experts. In designing the Programme the Working Group adopted the 'Integrated Approach and Logical Framework' method. The main results of the process were summarised in a matrix, which shows the most important aspects of the Program in a logical format: overall objective, immediate objectives, results, activities, indicators and assumptions. This framework allows the adjustment during the implementation phase, and serves as a master tool for programme management, monitoring and evaluation. Following the log frame development, a specialised group in budgeting identified and processed the necessary (human, material, and financial) resources, using the database and software package called COSTAB. This database allows corrections and facilitates the vertical and horizontal interpretations of budgets by provinces.

A Consultative Forum, that held weekly meetings comprising the heads of the groups, ensured the harmonisation among the program components during the conception phase. A Concertation Forum, which included the main donor representatives, was created and held bi-weekly meetings, creating an opportunity for an open dialogue among donors and the government. A number of national and international consultancies were used for specific studies during the process of elaboration of the Program.

Finally, a joint donor and government pre-appraisal and appraisal were organised in 1997 and 1998, respectively, to evaluate and adopt the whole PROAGRI document, which includes the Forests and Wildlife Sub-Sector Programme, known also as Forestry and Wildlife Component.

4.4 Programme Objectives

4.4.1 General Objectives

The overall goal of the programme for this area is to conserve, develop and utilise the forest and wildlife resource in a rational and sustainable way, for economic, social and ecological benefit of the present and future generations of Mozambican people. The aim is to direct efforts, both national and international, to realise the full potential of the forest and wildlife resources of the country. The programme aims at a set of coordinated interventions by the state forest and wildlife agency, local communities, the private sector and NGOs. This programme expects to achieve the immediate economic, social, ecological and institutional objectives defined in the Forestry and Wildlife Policy and Strategy approved by Government in April 1997.

4.4.2 Immediate Objectives

The overall objective was translated into specific or immediate objectives as follows:

The **Institutional Objective** seeks: a) to improve the organisational and operational structure of the national forestry and wildlife administration to enable it to fulfil its central mandate of policy formulation, planning, technical guidance, administration, monitoring and evaluation; b) to strengthen the organisational and operational capacities at provincial and district levels in conformity with the requirements for decentralisation and participatory natural resource management; and c) to enhance staff capabilities through professional and vocational education and training.

The **Economic Objective** aims at realising the full potential of forest and wildlife resources in economic development, satisfying the needs of people for forest and wildlife products, and generating and collecting revenues efficiently to contribute to the national finances. The objective places emphasis on the roles of other stakeholders in its aim “to enable the private sector, both formal and informal, to cooperate in the sustainable management and use of the forest and wildlife resources, and development of new plantations, thus contributing to an increase in gross domestic product (GDP) and employment opportunities”.

The **Ecological Objective** aims at improving the management and conservation of forest and wildlife resources in order to contribute to sustainable national and local development, appropriate use of the land, and conservation of biological diversity. The objective highlights the contribution of forest resources to the maintenance of soil and water resources, biological diversity and other environmental benefits.

The **Social Objective** addresses the role of forest and wildlife resources in alleviating poverty and will enable local communities to assume greater responsibility for management and sustainable use of the resources. The objective is defined in these terms: “to increase the participation of local communities, as direct agents and beneficiaries in the integrated management, fire protection, use and conservation of forest and wildlife resources”.

The statement of objectives recognises the three agents of development involved in the use of forest and wildlife resources: a) the government institutions directly related to the sector (at central, provincial and local levels) and institutions for education and training; b) the private sector involved in the utilisation, conversion and marketing of the products and services of the sector; and c) the local communities who are and should be the principal beneficiary of the use and conservation of the resources.

4.5 Programme Components

The objectives defined previously are broad in nature, indicating the general directions foreseen for medium-term sector development. The Programme document was elaborated in order to provide additional guidance to those implementing it and to facilitate its monitoring and evaluation. Accordingly, the immediate objectives from the Policy and Strategy document were translated into components and, in each component⁶ presented below, the primary emphasis corresponds to one of the immediate objectives: a) the institutional objective became **Component A** (Central, Provincial and Training); b) the ecological objective emphasises **Component B** (Rehabilitate State Protected Areas); c) the social objective emphasises **Component C** (Develop Community-based Resource Management); and d) the economic objective emphasises **Component D** (Develop Production Forest Management).

The point is made strongly, however, that each of the Components A, B, C and D contains a mix of the ecological, social and economic objectives. Despite the convenience of the above representation, it would be incorrect, for example, to see the community-based natural resource management component solely in terms of a social objective: in order to achieve sustainability, it is essential that all three objectives (social, economic and ecological) are strongly integrated into each component.

For each immediate objective/component, a set of results or outputs were defined. For each output, there is an indicative list of activities that will make up the implementation plan of the Programme. The outputs and activities were identified during the logical framework exercise which took place during the formulation phase.

4.6 Implementation Strategy

The adoption of common procedures is intended to eliminate the parallel structures of projects. The procedures will be progressively incorporated in the process by the Programme Management Unit. The second aspect of common procedure is related to the commitment of the donors to harmonise their needs in terms of the procedures for the accounting, procurement and auditing.

Technical and operational decentralisation is an important part of the programme. Decentralisation requires good monitoring. Quick and periodic monitoring and evaluation may prompt reorientation of activities in a timely manner. Part of the information obtained through the monitoring system will provide direct inputs for the Programme Database.

The coordination of activities is done through the annual planning mechanism (called PAAO) for each province and each component of the PROAGRI. This is the key instrument for the effective allocation of resources and coordination, both inside the Ministry of Agriculture and Rural Development (MADER), and between MADER and Ministry of Planning and Finance (MPF) and donors.

⁶ Whilst being aware that (in terms of PROAGRI definitions) the entire Forestry and Wildlife Programme is defined as a Component of PROAGRI, it is convenient to treat each of the four major subdivisions as a Component for the purposes of presenting the Forest Programme.

At the central level, the Agrarian Economy Directorate (DEA) of MADER is responsible for the harmonisation of the various provincial Annual Budget and Work Plans (PAAOs), in order to reflect the necessary coordination between the central and provincial structures.

The capacity building will be ensured by the adoption of a systematic training program to be prepared on the basis of an evaluation of the programme needs in terms of human resources.

5. Linkages of PARPA and NFP within the Framework of PROAGRI

Mozambique has a remarkable set of sectoral and multi-sectoral policies and action plans designed in a generally consistent fashion to meet the overall objective of poverty reduction.

In the PARPA document, environment and natural resources are not reflected in the poverty analysis. Forestry is, however, mentioned among the principal sources of livelihood for the rural population. Direct reference is made to PROAGRI in the section of the poverty reduction strategy (PARPA) action plan dealing with rural development. The operational areas of PROAGRI and PARPA are shared in the relevant areas. The strategic objectives for increasing the contribution of the agricultural sector to poverty reduction included increasing the productivity of the forestry sector, and sustainable management of natural resources. The agrarian sector, represented by Ministry of Agriculture and Rural Development, played a special role in the PARPA formulation process, participating in the consultative process and seminars organised at the provincial and central levels.

The PROAGRI is a comprehensive strategy and programme document formulated with the objectives of: a) creating the conditions needed for sustainable and equitable growth in agriculture, forestry and wildlife, livestock; and b) contributing to poverty reduction and greater food security, while protecting the physical and social environment. The forestry and wildlife component of PROAGRI can be considered as the National Forestry Program (NFP) of Mozambique as it addresses the opportunities and constraints for conservation and sustainable use of forestry and wildlife resources.

On the basis of these principles and PARPA objectives, four strategic objectives have been identified as the contribution of agriculture to poverty reduction: a) raise the productive capacity and productivity of agriculture, forestry and animal husbandry in the family sector and private sector using labour intensive technologies, and sustainable management of natural resources; b) access rights to land and reduce the bureaucracy associated with land registration; c) promote and facilitate market of agrarian products; and d) reduce the vulnerability of households and chronic food insecurity.

These objectives allow the understanding of the overall operational matrix of PROAGRI in the PARPA 2001–2005. One of the ten PROAGRI components is forestry and wildlife. The main objective is long-term sustainable use and conservation of forestry and wildlife for the benefit of local communities and private sector.

In order to achieve this objective, some measures have to be undertaken. Such measures include: a) the national and local forestry and wildlife inventory; b) rehabilitate the protected areas (national parks, forest and game reserve) with the involvement of local communities and private sector; and c) develop and adopt policies and programmes for afforestations and restocking of wildlife, with participation of local communities and private sector.

Forests/forestry are also mentioned under rural extension and research. Measures to control deforestation are also proposed under the programme area of environment. An analysis to control deforestation and awareness raising/community capacity building is proposed. The protection of natural resources and enforcement of their sustainable use is also discussed under the

governance programme. The strengthening of government capacities in this regard is proposed, including negotiation/supervision and control of concessions and frontier control.

The development of the legal instruments is considered to have great importance for the long-term sustainable management of the forest and wildlife resources, particularly, to enable and provide incentives to the local communities and private sector to participate and benefit from the resources.

The funds earmarked for forestry activities in the indicative projected budget requirements for selected sectors and areas amount to 15.5% of the total for agriculture and rural development.

It is important to note that PROAGRI is the implementation tool of the 2001–2005 Action Plan for the Reduction of Absolute Poverty (PARPA) for the agrarian sector. Therefore, PROAGRI is very likely to be extended beyond its first phase ending in December 2003.

6. Final Remarks

Although the Mozambique's forest and wildlife resources have potential to act as an engine for rural development and poverty reduction, currently this potential is not being fully captured. Therefore, if forests are to be used sustainably and equitably, and they are to contribute to poverty reduction, measures need to be taken and focused on: a) development of forestry industry which can generate particular benefits at local level through increased economic activity and employment in rural areas where exist few realistic income opportunities; b) development of forest plantation and associated industry to generate economic opportunities in the rural areas; and c) develop practical procedures for revenue sharing with local communities from sustainable use of the resources.

The opportunities that the forests offer for development and poverty reduction are clear and attainable. The challenge is to ensure that forests are managed in a sustainable and equitable manner which ensures that benefits are captured in Mozambique and distributed in a manner likely to benefit the poor and support sound development.

These challenges have resulted in a new comprehensive policy and strategy, legal framework and programme, which aim to address the sector problems. The existing forest and wildlife policy, law and regulation, and programme provide a good framework and platform for the sector's future development.

The community-based management of forest and wildlife resources initiative under development since 1994 represents a good entry point to address poverty and inequality in Mozambique. Ensuring local communities' understanding of their rights over forest resources is central to any effort to sustainably use the resource. Unfortunately, there is very limited experience on this new approach at the local level. However, it is important to mention that since 1995 when the first community based natural resource management (CBNRM) experiences started in Tchuma Tchato, at least 50 similar initiatives have been initiated by the Government and by various NGOs. These are now starting to provide lessons and methodologies for CBNRM dissemination in the country. At the same time, considerable achievements have been made in the development of appropriate policies and a legal framework to enhance community participation.

Currently, there is an emerging understanding that the key factors influencing the management of forests may lie outside of forest sector proper. International trade issues and trends, industrial policies, and land legislation may be more influential on the state of the nation's forests than forest specific policy and legislation.

Comments to “Building Linkages Between Poverty Reduction Strategy and National Forest Programme: the Case of Mozambique” by Cuco et al.

Fred Owino

African Academy of Sciences

Preamble

The paper presents the strategies so far adopted in Mozambique to address the millennium development targets, set by the United Nations, on poverty reduction. It highlights the strategies and plans in the Mozambique’s Action Plan for the Reduction of Absolute Poverty (PARPA). PARPA focuses on six priority areas of intervention: education; health; agriculture and rural development; basic infrastructure; good governance; and macroeconomic and financial management. The paper highlights the contribution of forestry and wildlife to both subsistence and market economy, albeit with no supporting data. The thrust of the paper is the policy, legislation and institutional frameworks for formulation and implementation of Mozambique’s national forest and wildlife programme and the potential of the sector in poverty alleviation. This commentary raises some generic issues from the paper relevant to the subject of this workshop.

Pressure on forests

Mozambique is comparatively well endowed with forest and wildlife resources (a 1994 forest inventory showed that about 78% of the country was covered in forests). About 80% of households live in rural areas and rely on forests as sources of fuelwood, bush meat, medicines, etc. So far, the pressure on forests is relatively low with deforestation estimated at 0.23% per year. Given the current situation, the transition to sustainable forest management need not be as challenging as for many countries that are less well endowed with forest resources and with great pressures on existing forests.

Planning and implementation of national forest programme (NFP)

Mozambique has made commendable progress in adopting recommendations of UNCED/IPF/IFF/UNFF on sustainable forest management. The revised forestry and wildlife policy was approved in 1997. This was followed by the passing of revised legislation in 1999 and its contingent regulations in 2002. The next logical step for Mozambique was to undertake the necessary institutional reforms. It appears that this step was not necessary since the government had already adopted and integrated a programme (PROAGRI) in 1998, which was robust enough for NFP implementation. PROAGRI is both a public investment programme and a planning instrument for public expenditures for the agrarian sector. Thus, NFP planning and implementation has been internalized in PROAGRI. This should help Mozambique move quickly on NFP implementation.

The paper does not address mechanisms through which PROAGRI accommodates and coordinates with civil society and the private sector in NFP implementation. Nor does the paper address strategies to achieve increased investment in NFP implementation. These are important areas for further elaboration.

Focus on the role of forests in sustaining rural livelihoods

The paper provides the conventional poverty indicators at the national economy level. For example, the per capita income is given as US\$ 230 (Mozambique is in the low bracket among African countries). Some 65% of the population live on less than US\$ 0.5 per day (absolute poverty by any world scale). Although the paper highlights the importance of forests in 'subsistence' economy, it does not give due recognition to the critical dependencies on forests by rural populations in the aspects of agricultural production, health, income generation, etc. (Byron and Arnold 1997). In this regard, it is noteworthy that the PARPA document addresses the relationships between poverty and environment/natural resources (including forests) although poverty analysis in the document does not take these relationships into account.

Articulating NFP in national poverty alleviation strategies

Mozambique, like many other developing countries have prepared their poverty reduction strategy plans (PRSPs) in response to international calls and consensus. In reality, some countries have prepared PRSPs merely as 'donor fodder' but that is beside the point of the argument here. The PRSP process has introduced a new approach to central planning and budgeting which significantly changes the pattern of allocation of local and foreign resources. For the next decade or so, government will prioritize allocation of development resources. It will, therefore, become more important for forestry development to be articulated in PRSPs to stand a chance of due allocation of local and foreign resources.

Like Mozambique, many developing countries are adopting sector wide planning frameworks (SWAPs). Forestry falls under environment and/or natural resources sector. Not only is this sector relegated to low priority in national planning and budget allocation, forestry is often not even highly rated within the sector. Thus, despite the high profile political statements about the importance of forests, it currently attracts little in budget allocations. Of course, the root problem is that the true value and contribution of forests is not reflected in national economic accounting

systems. In this regard, some of the initiatives like the one on natural resources accounting by the Economic Commission for Africa should be promoted and widely applied.

Concurrently with PRSPs and SWAPs is the growing trend in bilateral and multilateral co-operation to move towards budget support (no earmarking of donor support for certain sectors). Uganda is an example of a country moving strongly in that direction. While there are very good justifications for this move (such as country leadership and ownership of its development plans), it will have an immediate negative impact on forestry development in many countries. Many countries have depended on earmarked donor funds for the forest sector. For example, the Kenya Forest Department relied on donor support for some 90% of its operation in the mid-1990s. The sudden withdrawal of donors around 1997 nearly halted its operation. Since then, it has not succeeded in attracting matching funds from the government budget. This may be an extreme example, but the reality is that forestry will suffer in the transition to budget support.

What can be done to better articulate NFPs in PRSPs? For forestry to be accorded a higher priority in the national planning and budgeting process, it must raise its voice considerably within its sector and across related sectors of the economy. The profiles of environment and/or natural resources sectors must shift upwards through more effective dialogue with Ministries of Finance and Planning. More importantly, the logical integration of forestry with other higher profile sectors such as agriculture, health and trade must be fully exploited.

Interventions of the African Academy of Sciences

The African Academy of Sciences (AAS) is a continent wide, non-political organization founded in 1985 with its headquarters in Nairobi, Kenya. Currently AAS has some 115 fellows in 34 countries (including five foreign fellows). It functions as both an honorific and programme implementing organization with on-going capacity building in forestry research and forest policy, among other areas.

AAS started its interventions in forest policy by convening a regional round-table in Addis Ababa, Ethiopia in 1994. Thereafter, AAS has been active in sensitizing and mobilizing African scientists in the evolving UNCED/IPF/IFF/UNFF agenda on forests. In particular, AAS implemented a capacity building programme on national forest programmes in the period 1998–2002 with funding support from EC and DFID. The thrust of this programme was the series of regional workshops involving key actors from 16 selected countries (Ethiopia, Kenya, Uganda, Tanzania, Malawi, Zambia, Zimbabwe, Namibia, Botswana, Gabon, Cameroon, Ghana, Nigeria, Senegal, Mali and Sudan). Through this programme, AAS also significantly enhanced the participation and contribution of African countries in the on-going global dialogue on sustainable forest management (SFM). One important component of this programme was the establishment of an 'African Forestry Experts Group', which also included FAO and UNEP. Although the funding of that particular programme has come to an end, AAS is still committed to sustaining policy dialogue on SFM. It will continue seeking opportunities to work with other players to support dialogue and action on SFM in the continent. It is on this background that AAS is pleased to participate in this international workshop on an aspect which it considers very important in realizing resources for SFM in the continent. AAS is particularly happy to note the substantial participation from Africa.

Themes and Results of the Working Groups

Results of the Working Groups

Working Group 1: What is the appropriate role of the forest sector (and the natural resources in general) in poverty reduction strategies, and how can that be established?

Role 1: Contribution to economic development

Existing Constraints

- Lack of data with explicit links to poverty;
- Forests are not perceived as a key sector in immediate crisis;
- Incomplete valuation of forests' contribution to the national economy;
- Lack of champions making the contribution of forests known;
- Lack of understanding by foresters on the timing of key PRS process events;
- Lack of understanding by foresters how to link with planning & budget cycles.

Action Points

- Collate/collect knowledge and demonstrate poverty links;
- Add forestry indicators into existing poverty surveys;
- Build consensus, from forest stakeholders through forest authorities and other sectoral departments to the finance ministry;
- Include a forest champion in the national PSR steering committee.

Role 2: Poverty prevention: threats to the safety net

Existing Constraints

- There is uncertainty over the role of subsistence forest activities in poverty reduction;
- These activities are seen as 'poverty traps', not a modern use of the forest;
- Rural stakeholders do not have their contributions heard in PRS processes;
- The expected results of investing in these activities is uncertain;
- Many activities are officially illegal;
- No institution (not forest departments) have support to these activities high on their agenda.

Action Points

- There is a need to improve/clarify forest user rights and tenure for the poor;
- Governments should consider the revision of legislation;
- Create local networks of forest users;
- Emphasize the value of investment through improved diagnostic, monitoring and evaluation;
- Explore the role of domestication and substitution of forest products;
- There is a need for scenario building with these activities.

Working group 2: How can the synergies between the poverty reduction strategy processes and processes for forest sector policy making and strategic planning be improved?

Groups of Issues

1. Convincing diagnosis

- Improve diagnosis of PRSP related to natural resources;
- Quantification of the role of forestry in PRSP;
- Market pricing/correct valuation of products (timber and NTFP) and services;
- Forestry exports to be reflected in PRSP;
- Formal and informal contribution to GDP;
- Identify/highlighting forestry contribution in PRSP themes;
- Forging common understanding on what constitutes key elements of poverty reduction.

2. Coordination and dialogue

- Give forestry issues adequate voice in PRSP;
- Inter-sectoral coordination;
- Dialogue between NFP & PRSP processes & respective stakeholders;
- Predictability of donors' contribution to support PRSPs and NFPs.

3. Planning

- Focussing on priorities of natural resources;
- Harmonization of planning frameworks;
- Synchronization of planning processes;
- Capacity for cross-sectoral planning & rural development planning;
- Capacity for sectoral & rural development planning at sectoral ministries and at financing / planning ministries;
- How the budget support affects synergy.

4. Governance

- Decentralization in decision making;
- Campaigns against corruption;
- Address forest tenure.

Issue	Action	Who
Diagnosis	Develop diagnosis methodology Document experiences Surveys/inventories of forest resources Develop forest sector statistics Environmental accounting Expand forestry diagnosis to address PRSP diagnosis	Bureau of Statistics Research institutes Development partners Min. Forestry Dept. of Forestry MoF/MoP
Coordination & dialogue	Involve MoF/MoP planners in NFP formulation Involve foresters in PRSP formulation Inter-sectoral cooperation Macro-economic working groups Inter-ministerial working group Donor-government working group Dialogue with civil society	MoF/MoP NFP Coord. Local authorities
Planning	Negotiations between governments & donors on medium & long-term commitments Enhance planning capacity both at sectoral level & MoF/MoP level Institutionalized mechanism for consultations between sector ministries/MoF & sector ministries/civil society	MoF MoP Sectoral Min. Donors
Governance	Quantify financial losses due to corrupt or illegal practices Enhance transparency using information tools Enhance security of land tenure Enhance private sector and community involvement Re-define the role of government	MoF/MoP Donors Research institutions Media Min. of Forestry Min. of Lands Min. of Forestry civil society private sector

Working Group 3: How can the international community best provide assistance for the countries to capture the potential forest-poverty synergies?

Priority areas to make forest sector more relevant to PRSPs

NFPs are the overall framework for improving the poverty relevance of the forest sector; focus is needed especially on the following issues:

- improving the involvement of the private sector – increased investment in production;
- empowerment of the rural poor, and participation directed to local communities, civil society in general and international partners;
- increased attention to trade related issues, including domestic, regional and international;
- development of more equitable forest policies (revenue sharing, etc.);
- improved use of forest related innovative financing instruments, such as payments for environmental services, debt for nature swaps, clean development mechanism;
- improving internal revenue generation within the forest sector;
- promoting and managing institutional change.

Priority areas to improve the capacity of the forest sector to make its case in the context of a PRSP – issues and action points

1. Improving information on forest sector potential
 - awareness
 - training
 - research and study
 - documenting success stories
 - networking
 - coordination
 - dissemination
2. Advocacy and lobbying
 - awareness
 - skills development
 - networking
 - seminars and workshops
3. Improved understanding and linking with international processes
 - training at country level
 - information dissemination at country level
 - preparation of country cases to relevant processes
 - coordination of initiatives and processes at country level
4. Improving linkages with other sectors and cross-sectoral themes (agriculture, energy, education, health, infrastructure, environment, economy, culture) (many institutional issues internal to government – less role for donor assistance)
 - development of negotiating skills and tools
 - articulation of linkages through studies, etc.
 - horizontal cooperation and exchange of experiences

5. Improved understanding of PRSP processes and public finance management

- training on PRSP concept and process, public finance MGM, SWAp, budget support...
- horizontal cooperation and exchange of exp.

Working Group 4: How can the effects of non-forest policies and actions on forests and the forest sector in the context of PRSPs be tackled?

Understanding Forestry in PRSPs

- PRSP should differ from SAP, by being owned by capacitated government in partnership with international players.
- Poverty is multi-dimensional. Money-metric valuation is only one of many criteria. Better to use sustainable livelihoods approach to convince Ministry of Finance and WB/IMF.
- Lack of understanding of the role of forests in poor people's livelihoods. Causing (unintentional) removal of safety nets through extra-sectoral and macroeconomic reform.
- PRSPs are not developed on the basis of robust analysis (SLA) of the potential of natural resources.
- Environmental concerns often cause reluctance of WB/IMF to limit macroeconomic reform and structural adjustment by (necessary) safeguards to protect the livelihoods of the poor.
- Balance global public goods against PRSPs/country's immediate needs, priorities and short-term objectives.
- No cost-benefit analysis can be done on the basis of the 'true' value of forest goods and services to the poor (key benefit is subsistence).
- PRSPs are often seen as a subset of national development planning with prioritised sectors but are moving towards more comprehensive development frameworks. See MTEF.
- The role of bilaterals and NGOs supporting countries in economic and sectoral work and PRSP analysis.

Monitoring & Evaluation Mechanisms

- PRSPs need to assess and monitor adverse effects of macroeconomic reform process and structural adjustment on natural resources.
- Macroeconomics are growth driven but we talk about subsistence for the poor's livelihoods - leading to the analysis of key elements of sustainable livelihoods.
- Lack of mechanism to evaluate the effects of the impact of public sector reforms (minimisation of environmental and natural resources administration as weak sector).
- Application of principles of strategic impact assessment (Environmental and social indicators) in PRSPs currently missing.
- Do not quantify what only needs to be qualified.

Policy development and key issues

- Government initiatives on forests – linking forest policy and implementation to PRSPs. Making them mutually reinforcing.
- Active participation of all partners and close monitoring to mainstream the linkage between PRSP and forest policy.
- Imperative to undergo pre-assessment of key macroeconomic policy effects on forests.
- Identification and analysis of impact of key non-forestry sectoral and cross-sectoral policies.

- Proposal: Framework for co-ordination of the analysis of policy effects within PRSP. To achieve cost recovery in social service delivery.

Budget Reform

- HIPC crucial for PRSP success.
- Increased privatisation of parastatals support domestic debt reduction.
- Budget reform, management and efficiency leads to quality expenditure through efficiency gains and elimination of wastage.
- Increased efficiency through line ministries performance and delivery as well as decentralised institutions.
- Appropriate financial evaluation should lead to increased public knowledge on the contribution of forests to sustainable livelihoods, GNP and macroeconomic development.
- Public budget share and equitable distribution of revenues to be based on sound analysis of forest's contribution.
- MTEF should include all costed actions of domestic and international development budget. (national ownership).
- If PRSPs are development plans but still need to be endorsed by WB/IMF, where do countries stand in their ownership?
- WB/IMF should open up JSAs for wider consultation and possibly merge with CPIA. E.g. design very new PRSP review mechanisms.
- If PRSPs and MTEF do not mention forests, what is the role of bilateral donor agencies wanting to invest?
- Most important point for PRSPs is to continue the partnership WB/IMF and the respective country beyond PRSP establishment, budget reform into implementation.
- Consider all relevant legal provisions and budgetary and administrative procedures having adverse effects on forests and forestry.

PRSPs processes and budget reform

- While sector-wide approaches are supported, experimental projects with a strong monitoring and lesson-learning component should improve forest sector performance.
- Assessment of financial flows in and out of forests should lead to financing strategies acknowledged by budgetary reform process to avoid unsustainable and ad-hoc budget allocations in forestry.

Open Session

Forests in Poverty Reduction Strategies: Capturing the Potential Sub-Saharan Africa

**Presentation given to members of the public, academics, NGOs and the
press in Helsinki, Runeberg Hall, 2 October 2002**

Penny Davies

Rural Livelihoods Department
Department for International Development (DFID)

Good morning. Thank you to Mr Tomi Tuomasjukka from the Ministry for Foreign Affairs, Finland, for inviting me to participate in this panel discussion with sub-Saharan African partners. I think I am here not just to represent the UK Department of International Development (DFID), but to speak for other donor agencies as well.

Information and knowledge in the right hands

The last two days' workshop here in Helsinki ("Forests in Poverty Reduction Strategies: Capturing the Potential" 30 September – 1 October 2002) clarified for the participants that information is available about the important contribution forests and trees make to peoples' livelihoods (in terms of. For example, wildlife, non-timber forest products, poles, fruits, medicines, soil and water protection). The presentation by Dr David Kaimowitz of the International Centre for Forestry Research (CIFOR) brought that home. It also became clear that we, as international partners, need to use this kind of information better in order to build knowledge amongst a range of policy actors, otherwise countries will not develop the kinds of policies and actions that make a difference to forest and tree dependent people.

Seven contested areas of development policy

Mr Pertti Majanen, Under Secretary for Foreign Affairs of Finland, highlighted in his opening presentation some of the global themes that will occupy us all in the medium term as we focus on the needs of the poorest and the most vulnerable. Forests are at the centre of some of these key debates. Indeed at the centre of the most heavily contested areas of development policy.

For me the questions in relation to forest policy that provoked some of the hardest talk we heard yesterday and the day on poverty reduction were these seven:

1. What is the role of the state and the optimal degree of transfer of public assets, like forestland, into private or community hands?
2. To what extent will poor people benefit from decentralisation and the decentralised management of forests and trees, and what are the incentives and capacities needed at local government levels for this to happen?
3. What difficulties do we confront in establishing strategies for the poor in a sector where resources are often exploited illegally, either by the poor themselves or by others?
4. Are we, as donors, willing to commit to promoting our own policy coherence when it comes to private corporate responsibility – governance of forest companies and financial houses in the north as well as the south?
5. How can poor people better access environmental markets, particularly water markets?
6. What policy narratives do we have to argue that forests are important, not just for direct economic growth and wealth creation, but also for sustaining safety nets?
7. We know that in some cases forests and timber fund conflict. Do we run the risk by ignoring the role of forests as safety nets and as livelihoods support systems, of increasing forests' role in fuelling conflict?

Policy and institutional criteria and indicators

This moment of reflection on the potential that forests and trees have to reduce poverty and the need to sharpen the poverty focus of national forest policy frameworks has happened at a timely moment. Like other international development agencies we in DFID have been looking at how to improve our aid effectiveness. Internally we are promoting operational reforms in our aid delivery in order to better respond to policies owned by our country partners and in working towards harmonisation of donor procedures. Like other donors we will better focus our aid on poor and low-income countries, building our partnerships in Africa. We are also responding to recent evidence that aid works better in countries where the policy environment is “good”. How is “good” measured? Policy and institutional criteria measure a country’s progress in developing working policies for

- Economic management
- Structural policies (of relevance to us policies and institutions for environmental sustainability)
- Policies for social inclusion
- Public sector institutions (including property rights and rule-based governance)

We discussed in the workshop the need for those championing the role forests play in poverty reduction to participate in the development of appropriate indicators under these criteria and to promote the use of qualitative and well as quantitative indicators.

Negotiating across boundaries

Finally, and what most impressed me, the workshop provided an opportunity for representatives from Ministries of Finance and Planning to come together with Ministries of Forestry, Agriculture and the Environment, as well as some civil society representatives to discuss whether policies relating to forests can reduce poverty as well as the impact of short term national strategies on forests and the welfare they provide in the long term.

The Value of Forestry and Forest Products in the National Income of the Developing Countries

Ben Botolo

Ministry of Finance and Economic Planning, Lilongwe, Malawi

Introduction

The role of forestry and forests products in poverty reduction cannot be ignored. Most people in developing countries derive their sustainable livelihoods from forestry and forests products. For the past two days the delegates have ably discussed the issues related to sustainable use of forestry. In most cases the development policies of developing countries do not include sustainable use of forestry. It is therefore no surprise to see most poverty reduction strategy papers without strategic planning for utilisation of forestry.

Contribution of Forestry to National Income

There is a need to link overall economic growth as measured by Gross Domestic Product (GDP) with the forestry production in developing countries. It is so clear that in most of our countries in Sub-Saharan Africa, forest is not accounted for in the economic growth. There are a lot of forest related activities that are captured at the value added stage. However, the actual production of forestry by smallholder farmers and large estates are completely ignored. This omission brings policy dilemma among officials in the sense that there is need to have statistics that can be worked upon in order to derive maximum benefits from forestry and forest-related activities. The issue is that most poor people derive their daily livelihoods from forest-related economic activity such as energy, medicine and food. Therefore, it is imperative that there is a need to research the link between economic growth and forest development. The research will help Ministries of Finance, Economic Planning and Development to sharpen their policies in the utilisation of forests by everyone in the society.

The Development of Poverty Reduction Programmes

The process of poverty reduction clearly requires prioritisation of the activities and identification of the people whose livelihoods mostly depends on the utilisation of the forests. Therefore, there is a need to clearly link National Forests Programmes to Poverty Reduction Strategies. All these initiatives would be meaningful if a strong bond can be developed between national planning institutions and sectoral planning ministries. The analysis of Poverty Reduction Strategy papers has shown that those countries with well-developed national forest plans have fully integrated those plans into poverty reduction strategies. Two good examples were cited at the workshop, namely Malawi and Mozambique.

Land Policy and Forestry Ownership

In most developing countries in particular in Sub-Saharan Africa, land policies are hindrances to private forest ownership. Not only to the development of forestry, but also to the development of other agricultural products. A comprehensive review of the land policies will complement the national development strategies.

Conclusion

The overall strategy of the development should include a national forest plan that fits into the poverty reduction strategy. Most countries have adopted poverty reduction strategies as their main planning tool. The poverty reduction strategies are based on well costed and prioritised activities. The international community can play a vital role in service delivery as well as in developing national forest plans.

Comments at the Open Session

David Kaimowitz

CIFOR

Recently, at the World Summit on Sustainable Development, Kofi Annan, the Secretary General of the United Nations, talked about the main challenges that the world needed to address at the summit. He said that those challenges were Water, Energy, Health, Agriculture, and Biodiversity, or “WEHAB” as it has come to be known in the following months.

The Johannesburg Summit was rather different from the previous “Earth Summit” in Rio de Janeiro in 1992 because unlike Rio where forests were one of the main items under discussion in Johannesburg very few people focused on forests. When they did they talked mostly about illegal logging, rather than focusing on how forests might contribute to human welfare. Nevertheless, the truth of the matter is that forests, woodlands, and wild plants and animals make a huge contribution to providing clean reliable water, heating people’s meals and houses, keeping them healthy, supporting their agriculture systems, and conserving biodiversity. So forests are at least as central to the agenda of Johannesburg as they were to that of Rio.

The problem is that forests’ contribution to rural livelihoods remains rather invisible. As we have heard in the discussions over the previous days, people do not associate forests in their minds with economic growth and modernity.

- The symbols of development are shiny new airports with modern gateways, not women carrying fuelwood on their head to sell in local towns and cities.
- Africans are seriously worried about being marginalized from global trade and finance – and they are quite right to be worried about that. Global trade and finance is about micro-computers, biotechnology, shopping centers, and MTV. It is not about people selling and eating caterpillars from the forest.
- Africa urgently needs health care, and for most people that means more clinics, more doctors, and more pharmaceuticals. They forget that where there is no doctor, many rural people depend on wild medicinal plants and animals for their basic health care.

So, forests are not sexy. They are not modern. They are not going to provide high-income employment that will take hundreds of millions of people out of poverty.

But people do depend on them. Hundreds of millions of them depend on forests to earn the money for school fees to send their kids to school. They depend on them for the forage to feed their cattle and for the protein and vitamins in their diets.

One often hears that forests are poverty traps. Forests are not poverty traps. It is the un-just international trade and financial system and un-democratic regimes that are poverty traps.

Forests are simply the way that poor people try to make ends meet in the very difficult context they find themselves in.

Given everything I have just said, one might expect that something called “Poverty Reduction Strategies” would take into account how important forests actually are for rural people and help to make sure that they continue to have access to forests and can earn more money from them. Unfortunately, as we have seen in this workshop, with a few exceptions such as Malawi and Mozambique, in most cases that has not happened.

One possible explanation for that is that even though forests are important there really is not much that governments and civil society can do to protect or improve their contribution to rural livelihoods. Everyone knows that the air we breathe is also important, but nobody worries about putting that into the Poverty Reduction Strategies Papers. They assume that god provides the air, so they don’t have to worry about it. Following the same logic, a lot of government officials believe that forests and the food, medicines, fuelwood, forage, and other products and services they provide have simply always been there and always will be there. So governments don’t have to worry about them.

The sad truth is that is not the case. Africa is losing a lot of the forests and wildlife that its people depend on. And even when those forests still remain, local people are often losing access to them.

If Poverty Reduction Strategy Processes (PRSPs) are really going to support the needs of rural households they need to address that reality.

Fortunately, they can.

The discussions at this workshop have made clear that by protecting community rights to forests and improving local governance a lot can be done to maintain people’s access to the forest products and services they depend on. A lot can also be done to adjust non-forestry policies, such as agriculture, infrastructure, and resettlement policies, to protect the forests that people rely on for their livelihoods.

Moreover, it is not just a matter of addressing threats there are also some major new opportunities. In particular, domestic markets for forest products are growing rapidly in a number of countries and by working with people to help them to get access to market information, technology, and credit you can go a long way to helping them take advantage of those new markets.

We all must work hard to collect the data and develop the arguments that can help to convince policymakers to fully incorporate these issues into their PRSPs. This workshop has gone a long way towards meeting that goal. But there is still much to be done.

Comments at the Open Session

Sammy Masayanyika

CARE-Tanzania

I would like to thank the Government of Finland through the Ministry for Foreign Affairs, European Forest Institute and Viikki Tropical Resources Institute for organizing a very good Workshop on Forest in Poverty reduction strategy. I would like further to thank the organizers for inviting NGO's in this workshop.

The forest sector has an opportunity in PRPSs to focus on poverty reduction. We first have to ensure that forestry is mainstreamed in the PRPSs. This is a new role and function in forest sector. The Forest Sector will have to change to inform with the new roles and function. It will need more to work in partnership. We need Partnerships because:

- Poverty is a multifaceted phenomenon requiring expertise from different disciplines – forests, conservationists and livelihood experts.
- The new role and fuelling requires operations beyond the traditional forest sector mandate. We need more and more to deal with marketing, credits and agriculture all of which are outside the traditional mandate of the forest sector
- We need to mobilize reasons
- We need to increase the reach-out capacity of the forest sector. This partnership is called upon at different levels between the donors and different countries. Between the forest sector and civil society organizations at different levels, and partnership with communities

Talking of civil societies, we need to emphasize the need to identify these societies, then build their capacity – and keep them abreast with the national development efforts – like the PRS.

The major tasks for a partnership identified above will include.

- Information generation and sharing to improve the understanding of the public at large on importance of forest related goods and services to the welfare of the people.
- The information generated and shared will be instrument in advocacy work to ensure that forestry is getting the high profile it deserves.
- The information generated and shared will improve understanding of forestry linkages with other sectors and this will in turn ensure proper attention is given to forestry development.
- This partnership will use the information generated to plan strategic forest plans usually called National Forestry Programmes that will have poverty reduction forms in line with the PRSP.

Community based forest management seems to provide good leverage for poverty reduction. In the Tanzania National forest programme, the community based forest management is one of the identified priority areas. This approach has the ability – to contribute to poverty reduction but we need to really do it and not merely talk about it;

- Are we willing to release power and share benefits with these communities
- Are we willing to consider the local communities as shareholders and not merely as resource users

To realize this shift in thinking, the forest sector needs to be assisted by the civil societies there is a strong need to improve civil societies in this endeavour.

Mr. Chairman, thank you very much!

Resume of the Issues Discussed at the Open Session

Tomi Tuomasjukka

Ministry for Foreign Affairs of Finland

In the Open Session the keynote addresses were followed by a lively debate among all the participants. This short resume makes an attempt to summarise the main discussion themes and reflect on the train of thought most commonly supported by the large number of people who participated in the discussion.

There was a common agreement that the political decision makers should know about the importance of forests in poverty reduction. Importance of discussion across sector borders was underlined. It was also recognised that information about the importance of forests in poverty reduction is not in the hands of the decision makers. Their attention is normally caught only by the GDP figures and violent conflicts. As violent conflicts frequently occur in forested areas, one remedying action could be to increase the share of local communities in the the management and utilization of forests with high value timber.

“Development starts at the people level” – this expression received wide acceptance among the participants. It was further stressed that development of Africa is not restricted by lack of resources, but rather by limited access to the existing resources by rural people. The discussion highlighted the role of research, foreign assistance and specially the decentralisation processes by national governments in improving this situation. While development should be promoted and induced at all levels from national to local, the role of districts and local governments was specially noted. External donor assistance should recognise the importance of national systems of resource allocation, whose development is quite closely related to the decentralisation processes.

Decentralisation of power of decision making on the use of forest resources is an important part of promoting the rational use of forests by rural people. Decentralising only responsibilities to the districts is not sufficient. The audience recognised that decentralisation processes will require lots of local capacity building in order to be successful. Community forestry was mentioned as one concept with lots of potential to support forest-based development. It was noted to require an enabling environment where e.g. organised civil society and freedom of expression are reality.

Another observation, which received support was that the forest policies need not be perfect in order to be implemented. It is more important to work on the ground and develop policies further as a process as experiences are gathered. However, it was noted that mechanisms for implementation of policies are often lacking. As for NFPs, the Mozambique

case was highlighted as an example of a successful forest policy process with linkages to the poverty reduction context.

The audience criticised the lack of participation of the representatives of private sector in the workshop. The organisers recognised the validity of the criticism as it is important to look at the larger picture of forestry in relation to poverty reduction. Issues like economic incentives for forestry development, investment in forest operations and influences of forestry labour and income were highlighted in this context. It was also noted that both natural forests and plantations should be taken aboard in the discussion about forests and poverty.

As a conclusion of the lively discussion, the Chairperson pointed out that forests and poverty are part of a paradigm shift process in forestry development. The earliest paradigm of *industrial forestry* was focused on forests as a timber resource which should be used by mechanical and chemical industries. This was followed by an awakening to the so-called *social forestry*, which put more emphasis on the needs of people in the use of forests but advocated government-led action. However, the post-Rio emergence of environmental concerns and sustainability broadened the scope towards *environmental forestry*. Finally, the Chairperson noted that it is important to see the current discussion on forests and poverty in the context of the Millennium Development Goals, which have poverty reduction as the most pressing problem of our time. This paradigm then could well be called *national realities forestry*, aiming at people's real needs.

Programme

International Workshop Forests in Poverty Reduction Strategies: Capturing the Potential 1–4 October 2002 • Tuusula, Finland

Monday 30 September

17.45–19.00 Registration for the Workshop

Tuesday 1 October

8.30–09.00 Registration continues

1st Segment – The Role and Potential of The Forest Sector in Poverty Reduction (Moderator: Olavi Luukkanen, University of Helsinki, Viikki Tropical Resources Institute (VITRI), Finland)

9.00–09.30 Opening of the workshop:
Global Commitment to Poverty Reduction
Pertti Majanen, MFA/DIDC, Finland

9.30–09.45 Workshop Objectives, Programme, and Organisation
Tomi Tuomasjukka, MFA/DIDC, Finland

9.45–10.45 Forest Sector in Poverty Reduction, Assessing the Potential

Case Study from Countries with Economies in Transition:
Forest-Based Sustainable Economic Development
Ilpo Tikkanen, European Forest Institute (EFI)

Case Study for the Sub-Saharan Africa:
Not by Bread Alone: Forests and Rural Livelihoods in Sub-Saharan Africa
David Kaimowitz, CIFOR

11.15–12.15 Forest Sector in Poverty Reduction, Harnessing the Potential

Forest-Based Poverty Reduction: A Brief overview of Facts, Figures,
Challenges and Possible Ways Forward
Olivier Dubois, FAO

Action Needed by Development, Research and Training Institutions: Summary
of the Results of the Edinburgh Workshop
Paul Van Gardingen, ECTF

12.15–12.45 Questions and Plenary Discussion

**2nd Segment – The Status of The Forest Sector in Poverty Reduction Strategies
(Moderator: Ilpo Tikkanen, European Forest Institute)**

14.15–14.45 Overview of the Theory and Practice of Poverty Reduction Strategy Processes
Clotilde M. Ngomba, the World Bank Cameroon Country Office

14.45–15.00 Comment
Lindelwa Myataza, NEPAD Secretariat

15.00–15.30 Overview of National Forest Programme Processes and Their Linkages to
Broader Cross-Sectoral Instruments
François Wencélius, FAO

15.30–16.00 Questions and Plenary Discussion

16.30–17.00 Forests in Poverty Reduction Strategies: An Assessment of PRSP Processes in
Sub-Saharan Africa
Tapani Oksanen, INDUFOR/PROFOR, Finland

17.00–17.30 Questions and Plenary Discussion

Wednesday 2 October

**3rd Segment – Enhancing the Contribution of the Forest Sector
(Moderator: Juhani Toivonen, Ministry for Foreign Affairs, Finland)**

08.30–08.45 Opening of the Session
Summary of Key Points Arising from the Presentations and Discussions of the
First Day
Tapani Oksanen, Indufor, Finland, Representative of the Drafting Group

08.45–09.30 Building Linkages Between Poverty Reduction Strategy and National Forest
Programme: Case of Mozambique
*Fernando Songane, Ministry of Agriculture and Rural Development,
Mozambique*
Arlito Cuco, National Directorate of Forestry and Wildlife, Mozambique

09.30–09.45 Comment
Fred Owino, the African Academy of Sciences (AAS)

09.45–10.15 Questions and Plenary Discussion

10.15–10.30 Instructions for the Work in Groups
Tomi Tuomasjukka, MFA/DIDC, Finland

10.30–13.00 Working Groups on 4 Themes Selected by the Drafting Group

Moderator of the Afternoon Sessions: Juhani Toivonen, Ministry for Foreign Affairs, Finland

14.00–16.00 Presentations of the Results of the Working Groups Plenary Discussion

16.30–16.50 Summary and Conclusions
Fred Owino, AAS, Representative of the Drafting Group

16.50–17.00 Closing
Tomi Tuomasjukka, MFA/DIDC, Finland

Thursday 3 October

10.00–12.00 Open Session
Runeberg Hall, University of Helsinki, address: Unioninkatu 34, Helsinki
(Moderator: Olavi Luukkanen, University of Helsinki, Viikki Tropical Resources Institute (VITRI))

Summary Presentation: Tomi Tuomasjukka, MFA/DIDC, Finland
Commentaries by
Lindelwa Myataza, NEPAD Secretariat
David Kaimowitz, CIFOR
Sammy Masanyika, CARE, Tanzania
Penny Davies, DFID, UK
Ben Botolo, Ministry of Finance and Economic Planning, Malawi

Afternoon is reserved for possible bilateral and other meetings.

Friday 4 October, Excursion

10.30 Arrival to Logging Site in Lohja Area
Introduction and Logging Techniques
Harri Hyppänen, Metsäliitto Ltd.
Pertti Vuoristo, local Forestry Managing Association
Seppo Leinonen, Forestry Centre
Jussi Saramäki, Finnish Forest Research Institute

Discussion

- 12.00 Farm House, Näppinen
Farmer Olli Oittila, old farmer Eero Oittila
Farmer Aarne Anttila
- Walk in the Forest (appr. 2 km)
During the Walk Introductions to
Special Characteristics of Private Forestry in Finland
Regulations in Private Forestry
- 15.30 Nuuksio National Park
Introduction to State Owned Lands and Nature Conservation
Annukka Rasinmäki, Metsähallitus (Forest and Park Service)

List of Participants

Mr Markku Aho
Ministry of Foreign Affairs
P.O. Box 127
00160 Helsinki
Finland
Markku.Aho@formin.fi

Pertti Anttinen
Ministry for Foreign Affairs
P.O.Box 176
00161 Helsinki
Finland
pertti.anttinen@formin.fi

Mr. Gebre-Medhin Belay
Ministry of Agriculture
Addis Ababa
Ethiopia

Mr. Ben Botolo
Ministry of Finance and Economic Planning
P.O.Box 30049
Lilongwe 3, Malawi
bbotolo@hotmail.com

Mr. Arlito Cuco
National Directorate of Forestry and Wildlife
Ministerio da Agricultura e Desenv. Rural
Praca dos Heróis Mocambicanos
C.P. 1406, Maputo, Mozambique
acuco@map.gov.mz,
acuco@virconn.com

Mr. Arild Angelsen
Agricultural University of Norway
Department of Economics & Social
Sciences
P.O.Box 5033
1432 Ås, Norway
arild.angelsen@ios.nlh.no

Mrs. Monica Imelda Aoko
Ministry of Finance and Planning
P.O.Box 30007
Nairobi, Kenya
maoko@treasury.go.ke,
imeldamonica@yahoo.co.uk

Mr. Neil Bird
Overseas Development Institute
Forest Policy&Environment Group
111Westminster Bridge Road
London SE1 7JD, United Kingdom
n.bird@odi.org.uk

Mr. Tuukka Castrén
Ministry for Foreign Affairs
P.O.Box 176
00161 Helsinki, Finland
tuukka.castren@formin.fi

Ms. Penny Davies
Department for International Development
DFID
1 Palace Street
London SW1E 5HE
United Kingdom
penny-davies@dfid.gov.uk

Mr Olivier Dubois
FAO
Via delle Terme di Caracalla
00100 Rome
Italy
olivier.dubois@fao.org

Mr. Gideon Gathaara
Forest Department
P.O.Box 30513
Nairobi, Kenya
fdmenr@spacenetonline.com

Mr, Joseph Hailwa
Ministry of Environment and Tourism
Directorate of Forestry
P.O.Box 13346
Windhoek, Namibia
jhailwa@met.gov.na

Mr. Vesa Jaakola
Ministry for Foreign Affairs
P.O.Box 176
00161 Helsinki, Finland
vesa.jaakola@formin.fi

Mr. Matti Kiisseli
Ministry for Foreign Affairs
P.O.Box 176
00161 Helsinki
Finland
matti.kiisseli@formin.fi

Dr. Dipoko Kwedi
Ministry of Economy and Finance
P.O.Box 13127
Yadunde
Cameroon
cts.minefi@iccnnet.cm

Dr. Servacius Beda Likwelile
Vice President's Office
Poverty Eradication Division
UWT Road, Maktaba Complex 2nd floor
5380 Dar es Salaam
Tanzania
likwesb@hotmail.com

Ms Alice Ennals
NORAD /Noragric, Agricultural Univ. of
Norway
Centre for International Environment and
Development Studies
P.O.Box 5002
1432 Ås, Norway
alice.ennals@noragric.nlh.no

Mr. Julian Gayfer
LTS International Ltd.
Pentlands Science Park, Bush Loan
EH26 0PH Penicuik, Scotland
julian-gayfer@lts.co.uk

Dr. Dawn Hartley
DIDC Forest, Evaluation Team
LTS International Ltd
Pentlands Science Park, Bush Loan
EH26 0PH Penicuik, Scotland
dawn-hartley@ltsi.co.uk

Mr. David Kaimowitz
CIFOR/Center For Int. Forestry Research
P.O.Box. 6596 JKPWB
Jakarta 10065, Indonesia
d.kaimowitz@cgiar.org

Mr. Godwin Kowero
CIFOR
73 Harare Drive
Mount Pleasant, Harare
Zimbabwe
g.kowero@cgiar.org

Mr. Jörn Laxen
University of Helsinki
Viikki Tropical Resources Institute, VITRI
P.O.Box 28
00014 University of Helsinki, Finland
jorn.laxen@helsinki.fi

Dr. Bernd-Markus Liss
GTZ / AGEG- German Associations of
Development Consultants
National Resources and Development
Branch
Galgenweg 29
86899 Landsberg/Lech, Germany
bernd_liss@compuserve.com

- Dr. Olavi Luukkanen
University of Helsinki
Dept of Forest Ecology/Tropical Silviculture
P.O. Box 28
00014 University of Helsinki, Finland
olavi.luukkanen@helsinki.fi
- Mr. Pertti Majanen
Ministry of Foreign Affairs
Department for International Development
Cooperation
P.O.Box 176
00161 Helsinki, Finland
pertti.majanen@formin.fi
- Mr Sammy Masayanyika
CARE Tanzania
P.O.Box 10242
Dar es Salaam
Tanzania
smasayanyika@care.or.tz
- Mr. Hassan Jubara Mohammed Mohammed
Ministry of Agriculture & Forestry
Relation Administration
P.O.Box 285
Khartoum, Sudan
hassuni99@hotmail.com
- Mr. Kenneth Mugambe
Ministry of Finance, Planning & Economic Dev.
P.O.Box 8147
Kampala, Uganda
kmugambe@africaonline.co.ug
- Mr. Pauli Mustonen
Ministry for Foreign Affairs
P.O.Box 176
00161 Helsinki
Finland
pauli.mustonen@formin.fi
- Mrs. Lindelwa Myataza
Nepad Secretariat
1258 Lever Road, Halfway House
1685 Midrand
South Africa
lindelwam@hotmail.com
- Mr. Stewart Maginnis
IUCN
Forests Conservation Programme
Rue Mauverney 28
1196 Gland, Switzerland
stm@hq.iucn.org
- Mr. Paul Martins
Canadian International Development
Agency
Policy Branch
200 Promenade du Portage
Hull, Quebec, Canada
paul_martins@acdi-cida.gc.ca
- Dr. Christian Mersmann
Programme on Forests (PROFOR) /
The World Bank
ESSD/MC5-514
1818 H Street
Washington DC 20433, USA
christianmersmann@compuserve.com
- Mr. Raphael O. S. Mollel
Vice President's Office
Luthuli Road
5380 Dar es Salaam
Tanzania
makamu2twiga.com
- Dr. Situmbeko Musokotwane
Ministry of Finance and National Planning
P.O.Box 50062
Lusaka, Zambia
smfarm@zamnet.zm
- Mr. Ernest Mwape
CONASA
P.O.Box 50062
Lusaka, Zambia
rhino@zamnet.zm,
emconasa@yahoo
- Ms. Clotilde L. Ngomba
The World Bank, Cameroon Country
Office
P.O.Box 1128
Yaoundé, Cameroon
cngomba@worldbank.org

Mr. Virgulino Chicochane Nhate
Ministry of Planning and Finance
Av. Ahmed Sekou Toure, No.21, Flat 62
258 Maputo
Mozambique
virgulinonhate@dnpo.gov.mz

Mr. Solomon Odunga
Ministry of Natural Resources and Tourism
P.O.Box 9372
Dar Es Salaam
Tanzania

Ms. Riitta Oksanen
Ministry for Foreign Affairs
P.O.Box 176
00161 Helsinki
Finland

Prof. Dr. Matti Palo
Finnish Forest Research Institute
Unioninkatu 40 A
00170 Helsinki
Finland
matti.palo@metla.fi

Ms. Hanna Rinkineva
Ministry for Foreign Affairs
P.O. Box 176
00161 Helsinki; Finland
hanna.rinkineva@formin.fi

Mr. Jyrki Salmi
Indufor Oy
Töölönkatu 11 A
00100 Helsinki
Finland
jyrki.salmi@indufor.fi

Ms. Anneli Shishome
Ministry of Environment and Tourism
Rural Development Centre
PIBag 5558
9000 Oshakati, Namibia
shishome@iway.na

Mr Steve Amooti Nsita
Forestry Department
P.O.Box 7124
Kampala
Uganda
ecforest@starcom.co.ug

Mr. Tapani Oksanen
INDUFOR Oy
Töölönkatu 11 A
00100 Helsinki, Finland
indufor@indufor.fi

Dr. Fredrick Owino
AAS, African Academy of Science
Off Waiyaki Road, Mountainview Estate
Nairobi, Kenya
forin@kenyaweb.com

Ms. Tuulikki Parviainen
Ministry for Foreign Affairs
P.O.Box 176
00161 Helsinki
Finland
tuulikki.parviainen@formin.fi

Mr. Hanno Rumpf
National Planning Commission
Luther Street
13356 Windhoek
Namibia
hrumpf@npc.gov.na

Mr, Pekka Salminen
Ministry for Foreign Affairs
P.O.Box 176
00161 Helsinki
Finland
pekka.salminen@formin.fi

Mr. Markku Siltanen
Ministry for Foreign Affairs / Impact Consulting
Mannerheimintie 44 a 8
00260 Helsinki
Finland
markku.siltanen@impactconsulting.fi

Mr. Jorma Suvanto
Ministry for Foreign Affairs
P.O.Box 176
00161 Helsinki
Finland
jorma.suvanto@formin.fi

Mr. Ilpo Tikkanen
European Forest Institute
Torikatu 34
80100 Joensuu
Finland
ilpo.tikkanen@efi.fi

Mr. Tomi Tuomasjukka
DIDC / Ministry for Foreign Affairs of Finland
P.O. Box 176
00161 Helsinki
Finland
tomi.tuomasjukka@formin.fi

Mr Paul van Gardingen
The Edinburgh Centre for Tropical Forests
(ECTF)
Pentlands Science Park, Bush Loan, Penicuik
Edinburgh EH26 0PH
United Kingdom
p.vangardingen@ed.ac.uk

Mr. Timo Voipio
Ministry for Foreign Affairs
P.O.Box 176
00161 Helsinki
Finland
timo.voipio@formin.fi

Mr. Fernando Songane
Ministry of Agriculture and Rural
Development
P.O. Box 1406, Heroe's Square
Maputo, Mozambique
fsongane@map.gov.mz

Mr. Nordino Junior Ticongolo
ABIODES - Organic Agriculture,
Biodiversity and Sustainable Development
Av. Eduardo Mondlane, 2221 2 andar
Maputo
806 Maputo, Mozambique
abiodes@teledata.mz

Mr. Juhani Toivonen
Ministry for Foreign Affairs
P.O.Box 176
00161 Helsinki
Finland
juhani.toivonen@formin.fi

Mr. Aart van der Horst
Ministry of Foreign Affairs
P.O.Box 20061
2500 EB The Hague
The Netherlands
aart-vande.horst@minbuza.nl

Mr. Francois Wencelius
FAO
Viale delle Terme di Caracalla
00100 Rome
Italy
francois.wencelius@fao.org

Introduction to Organisations behind the Workshop

Ministry for Foreign Affairs

The Ministry for Foreign Affairs is the authority dealing with the issues of development policy, development cooperation within the Finnish central administration. Within the Ministry, development related matters are the responsibility of both the Department for International Development Cooperation and Regional Divisions and the Division for Global Affairs.

The Department for International Development Cooperation is responsible for the overall guidance and coordination of the development policy and development cooperation. The Department comprises, besides the leadership, a Division for General Development Policy and a Division for Information and NGO Activities. A Unit for Evaluation and Internal Auditing is placed directly under the Director General. The Regional Divisions deal with country- and region-specific development issues, while the Global Division handles development issues which are related to worldwide processes and actors.

In addition to the Department for Development Cooperation, the Regional and Global Divisions are guided by the Political Department and the Department for External Economic Relations. The Units of the Regional Divisions are each assigned a geographical area. Thus, all country- and region-specific matters are dealt with by the same Unit which enhances coherence of the action. As a part of its duties, the Division for Global Affairs hosts the Interministerial Working Group on International Forest Policy, which prepares Finland's positions to all international forest related processes.

Ministry for Foreign Affairs website: <http://global.finland.fi>

European Forest Institute (EFI)

European Forest Institute (EFI) is an independent and non-governmental research body conducting forest research at the European level. EFI is an international association guided by its members which form an extensive researcher network across Europe and beyond. Currently EFI has over 141 members from 39 countries. Main fields of research are:

- forest ecology and management
- forest products markets and socio-economics
- forest policy analysis
- forest resources and information

EFI website: <http://www.efi.fi>

Viikki Tropical Resources Institute (VITRI)

The Viikki Tropical Resources Institute (VITRI; earlier known as Tropical Silviculture Unit) at University of Helsinki was established in 1980 as a result of educational and research co-operation with Thailand. By 1984, when a professorship in tropical silviculture was established, VITRI had also become involved in afforestation and tree nursery projects supported by the Finnish government in Indonesia, the Sudan and Kenya. Other essential tasks were forest researcher education and institutional support, and training of Finnish tropical foresters and forest researchers. From Southeast Asia and eastern Africa the activities have later expanded to Central America, China and West Africa. Presently, VITRI has ongoing research activities also in Costa Rica, Tanzania, Ethiopia and Ghana. Ongoing research and training topics include rehabilitation of natural forests and agricultural production systems; participatory natural resource management with special attention on women in development; agroforestry system management and modelling; forest ecosystem dynamics; tree population genetics; and crop physiology. Strong institutional links are maintained especially with Kasetsart University, Bangkok (Thailand), Tropical Agricultural Research and Higher Education Center (CATIE) (Costa Rica), Nanjing Forestry University (China); and the Forests National Corporation and the Forestry Research Centre of the Agricultural Research Corporation (both in Sudan). VITRI is actively involved in the European Tropical Forest Research Network (ETFRN) and collaborating with several European countries. VITRI has been led since its establishment by Dr Olavi Luukkanen, professor of tropical silviculture. In addition, the unit consists of a lecturer in tropical silviculture and about ten researchers or doctoral students as well as Finnish and international M.Sc. students specialising mainly in tropical forests and their management. VITRI publishes its own international journal, "University of Helsinki Tropical Forestry Reports", with 24 volumes already printed.

VITRI website: <http://honeybee.helsinki.fi/tropic>

INDUFOR Oy – Metsähallitus Group

INDUFOR Oy was established in 1980 to provide specialised and independent consulting services related to forests and natural resources, with a strong focus on the economic, social, and environmental sustainability of resource management and use. Since 2001 INDUFOR is part of the Metsähallitus Group. Metsähallitus is the Finnish state forest enterprise managing state land properties, including forests, conservation areas, national parks, and water areas. With the expanded resources of Metsähallitus, INDUFOR continues its operations as one of the leading consulting companies in its field, specialising in the following areas: (i) forestry and natural resource development and institutional change management, (ii) environmental management, nature conservation and development of nature related services, and (iii) forest products and industries development, including both wood and non-wood products. INDUFOR has carried out over 300 assignments in more than 100 countries in Europe, North America, Asia, Africa and Latin America, serving both public and private sector customers.

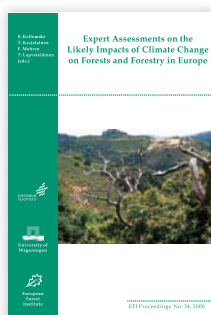
Indufor website: <http://www.indufor.fi>

EFI Publications



EFI Research Reports

High-quality peer-reviewed reports compiling the final results of EFI's research or on topics relevant for EFI's mission. Published in co-operation with international publishers.



EFI Proceedings

Collections of papers presented at various events organised or co-organised by EFI. They compile the most recent research results together with hot spot papers by policy-makers and decision-makers.



EFI Discussion Papers

Short commentaries on current forestry topics related to EFI's research agenda, targeted especially for policy-makers and managers in forestry and industry. Some titles are also available in French. See also EFI website for the electronic versions!

For further information please contact:

European Forest Institute	Tel.	+358 - 13 - 252 020
Torikatu 34	Fax:	+358 - 13 - 124 393
FIN-80100 Joensuu	Email:	publications@efi.fi
Finland		http://www.efi.fi/

On-line order form:

www.efi.fi/publications/order_form.phtml

Most recent EFI publications include:

Discussion Papers

- No. 10 Energy, Carbon and Other Material Flows in the Life Cycle Assessment of Forestry and Forest Products. Achievements of the Working Group 1 of the COST Action E9.
T. Karjalainen, B. Zimmer, S. Berg, J. Welling, H. Schwaiger, L. Finér and P. Cortijo
ISBN 952-9844-92-1. 68 p.

Proceedings

- No 46. Cross-Sectoral Policy Impacts on Forests
Ilpo Tikkanen, Peter Glück and Heikki Pajuoja (editors)
ISBN: 952-9844-95-6, ISSN: 1237-8801. 208 p.
- No 45. Risk Management and Sustainable Forestry
Michel Arbez, Yves Birot and Jean-Michel Carnus (editors)
ISBN: 952-9844-93-X, ISSN: 1237-8801. 94 p.

Research reports

- No 14. Combining Earth Observation Data and Forest Statistics.
R. Päivinen, M. Lehtikoinen, A. Schuck, T. Häme, S. Väätäinen, P. Kennedy and S. Folving.
European Forest Institute/Joint Research Centre-European Commission, 2001. ISBN 952-9844-84-0. 101 p.
- No 13. Forest Related Perspectives for Regional Development in Europe. Pentti Hyttinen, Anssi Niskanen, Andreas Ottitsch, Markku Tykkyläinen and Johanna Väyrynen
Brill: Leiden, Boston, Köln, 2002 hardback, 129 p. ISBN: 90-04-12311-3, ISSN: 1238-8785

*EFI Research Report 13 is available from Brill Academic Publishers,
Customer Services Department, PO Box 9000, 2300 PA Leiden, The Netherlands.
Tel +31 71 5353566, Fax +31 71 5 317532, E-Mail cs@brill.nl*

A full list of EFI publications can be downloaded from EFI website (<http://www.efi.fi>) or is available by request from the EFI secretariat.