

FOREST AND FARM FACILITY
Working Paper

MAKING CHANGE HAPPEN

**What can governments do to strengthen
forest producer organizations?**



FOREST AND FARM FACILITY
Working Paper

Making change happen

What can governments do to strengthen forest
producer organizations?

by*
deMarsh, P.,
Boscolo, M.,
Savenije, H.,
Grouwels, S.,
Zapata, J.,
Campbell, J.,
and
Macqueen, D.

* Peter deMarsh is Chair of the International Family Forestry Alliance (IFFA) and Chair of the Canadian Federation of Woodlot Owners, Marco Boscolo is FAO Forestry Officer Institutions, Herman Savenije is Programme Coordinator at Tropenbos International, Sophie Grouwels and Jhony Zapata are FAO Forestry Officers from the Forest and Farm Facility (FFF), Jeff Campbell the Manager of FFF and Duncan Macqueen is Principal Researcher, Forest Team IIED.

The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of the Food and Agriculture Organization of the United Nations (FAO) concerning the legal or development status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The mention of specific companies or products of manufacturers, whether or not these have been patented, does not imply that these have been endorsed or recommended by FAO in preference to others of a similar nature that are not mentioned.

The views expressed in this information product are those of the author(s) and do not necessarily reflect the views or policies of FAO.

© FAO, 2014

FAO encourages the use, reproduction and dissemination of material in this information product. Except where otherwise indicated, material may be copied, downloaded and printed for private study, research and teaching purposes, or for use in non-commercial products or services, provided that appropriate acknowledgement of FAO as the source and copyright holder is given and that FAO's endorsement of users' views, products or services is not implied in any way.

All requests for translation and adaptation rights, and for resale and other commercial use rights should be made via www.fao.org/contact-us/licence-request or addressed to copyright@fao.org.

FAO information products are available on the FAO website (www.fao.org/publications) and can be purchased through publications-sales@fao.org.

Please cite as: deMarsh, P., Boscolo, M., Savenije, H., Grouwels, S., Zapata, J., Campbell, J. and Macqueen, D., 2014. Making Change Happen. What can governments do to strengthen forest producer organizations? Rome, FAO, the Forest and Farm Facility, Tropenbos International and the International Family Forestry Alliance.

Content

01	Introduction	1
02	The role of governments	5
03	A conceptual framework for FPO development	11
04	Government policies for FPOs	19
05	Strategic challenges in the development of FPOs	23
06	Conclusion	25
07	Recommendations	27
08	Further steps in developing the analysis presented in this paper	29

Foreword

The economic activities of forest communities and small forest producers are critical for local livelihoods, markets and development and for the future of the natural resources on which such activities are based. Communities and small forest producers control an increasing proportion of the world's forests, and their roles in reducing poverty, improving food security in rural areas and restoring and enhancing the sustainability of resource use are beginning to be recognized. Self-organization into forest producer organizations (FPOs) is emerging as an important means by which small and marginalized forest producers can improve their access to, and use of, investments, technology, inputs and markets. FPOs are also helping strengthen the capacity of forest producers to articulate their needs and interests, negotiate for improved policies, encourage stable domestic markets, and link with international processes such as Forest Law Enforcement, Governance and Trade and REDD+.

Despite their importance and potential, however, FPOs face significant bureaucratic and other hurdles that, in many countries, are inhibiting their development. The Food and Agriculture Organization of the United Nations (FAO), the Forest and Farm Facility (FFF), Tropenbos International and the International Family Forestry Alliance (IFFA) are working to strengthen FPOs, including by supporting governments in improving policies, incentives, governance and legal and regulatory frameworks. Of particular interest is increasing the capacity of FPOs to organize themselves, facilitate better access to markets, knowledge and finance, and participate meaningfully in policy development.

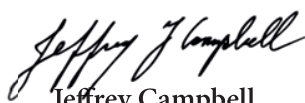
Governments at all levels have key roles to play in the development of effective FPOs. This paper explores the scope, strategies and impacts of public measures that could be deployed to improve the institutional enabling environment for FPOs. It responds to recommendations by FAO regional forestry commissions and the FAO Committee on Forestry to increase the capacity of governments to meet the multiple challenges in forestry, and also to FAO's new strategic framework, which mandates FAO to improve the enabling environment for the rural poor. This paper is also a direct response to recommendations contained in the summary statement of the International Conference on Forest Producer Organizations, which was held in Guilin, China, in November 2013.

This paper is a first step in a process to create enabling environments for FPOs worldwide. It focuses on what governments should and should not do to enable FPOs to form, thrive and create benefits for their members and the resources they manage. Further work is needed, including to increase understanding and knowledge sharing, build capacity, and stimulate dialogue, for example on the linkages between FPOs and major value-chains and on the explicit learnings and synergies that FPOs can find in the agricultural and other sectors.

Our hope is that this paper will stimulate discussions and reflections that ultimately will engage policymakers to effectively support FPOs and enable FPO leaders to reach out more systematically to policymakers as part of their advocacy efforts.



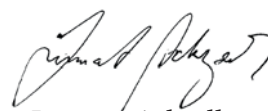
Eva Muller
Director FOE,
Food and Agriculture
Organization of the United
Nations (FAO)



Jeffrey Campbell
Manager Forest and
Farm Facility



René Boot
Director, Tropenbos
International



Lennart Ackzell
Vice Chair International
Family forestry Alliance

Acknowledgements

This paper was prepared by Peter deMarsh under the overall coordination of Marco Boscolo (FAO Forestry Department) and Herman Savenije (Tropenbos International) and in close collaboration with Sophie Grouwels, Johnny Zapata, Jeff Campbell (FAO/FFF) and Duncan Macqueen (International Institute for Environment and Development – IIED), all of whom provided substantial inputs into the current version as well as into the original concept, design and structure. An early version of this paper was prepared for the International Conference on Forest Producer Organizations convened by FAO, the State Forestry Administration of China, the FFF, IIED, the Asia–Pacific Network for Sustainable Forest Management and Rehabilitation and the International Union for Conservation of Nature (IUCN) in Guilin, China, on 25–28 November 2013, and it benefited from comments by conference participants. The current version also benefited significantly from the reviews and inputs of external experts and several technical divisions of FAO. In particular, the contributions of the following reviewers are gratefully acknowledged: Lennart Ackzell (LRF), Janne Narakka (MTK), Marc-André Côté (Fédération des producteurs forestiers du Québec), Paula Hokkanen and Ignace Coussement (AgriCord), Jur Schuurman and Kees Blokland (Agriterra), Ivar Korsbakken, Julie Harrod, the FAO Partnerships with Cooperatives and Producers Organizations Team (Rosalud DelaRosa, Denis Herbel, Maria Grazia Rocchigiani, Emma McInerney, Nora Ourabah Haddad and Boris Gandon), Jos Bijman (Management Studies Group, Wageningen University), Petra Hamers (The Amazon Alternative), Carol Djeddah, Dubravka Bojic and May Hany (FAO Social Protection Division), and Tran Huu Nghi, Alphonse Maindo and Kwame Appiah Owusu (Tropenbos International). Alastair Sarre edited the document and helped incorporate reviewer comments into the current version. Gabriele Marcelli did the illustrations. Marguerite France-Lanord and Marco Perri from the FFF communications and media team did the layout.

Acronyms

FAO	Food and Agriculture Organization of the United Nations
FFF	Forest and Farm Facility
FPO	Forest producer organization
GACF	Global Alliance for Community Forestry
IAITPTF	International Alliance for Indigenous and Tribal Peoples of Tropical Forests
IFFA	International Family Forestry Alliance
IIED	International Institute for Environment and Development
IUCN	International Union for Conservation of Nature

Executive summary

Families, communities and indigenous peoples own or manage more than 30 percent of the world's forests. They have a demonstrated capacity to manage their forests sustainably but have received little policy attention from national governments and international agencies.

A number of factors account for the long-term success of forest management by families, indigenous peoples and local communities. In all cases, however, forest producer organizations, or FPOs, have played central roles. FPOs are formal or informal associations of forest producers – women and men, smallholder families, indigenous peoples and local communities – who have strong relationships with forests and (often) farms in forested landscapes.

Encouraging the establishment and successful development of FPOs should be a priority for governments wishing to promote sustainable forest management and prosperous rural communities. This paper explores the factors that help build constructive relationships with government counterparts, and the policy and institutional conditions that encourage or hinder FPO development.

At least four fundamental conditions must be in place to enable sustainable forest management by communities, families and indigenous peoples: 1) secure tenure; 2) fair access to markets; 3) access to support services, especially extension; and 4) FPOs. FPOs can ensure – through lobbying, and by providing services directly to their members – that the first three conditions are in place and are maintained.

Governments should encourage the development of FPOs because (among other reasons) FPOs can: improve policymaking by proposing supportive policies; providing coherent assessments of policy impacts from the perspectives of families and community forest producers; make services available to forest producers at a lower cost and with more effectiveness than is often possible by government; help increase the efficiency of markets and boost government revenues by formalizing previously informal revenue streams; help resolve conflicts over competing land claims; and protect and monitor forests more closely than governments.

FPOs can be characterized in a variety of ways, including on the basis of their purposes; their geographic scope; the composition of their membership; and the source(s) of their revenue. They can also be described by their autonomy in relations with governmental and other agencies and the extent to which the FPO—government relationship is collaborative or adversarial. Relationships that are either highly dependent or adversarial have a negative or zero-sum payback for governments, but relationships that respect FPO autonomy are much more likely to produce positive results for both sides.

Among other attributes, an “ideal” FPO will have an inclusive membership base; enthusiastic encouragement from government agencies; a firm spirit of self-reliance; an ongoing commitment to building trust in its relationships with government agencies; the involvement of women, youth

and socially marginalized groups; and a direct but legally distinct relationship with related forest product industries.

Governments can facilitate the development and strengthening of FPOs in many ways.

For example they can: create a suitable legal and regulatory framework; develop policies that provide a framework for, and actively encourage, ongoing engagement and cooperation with FPOs; create laws and policies that seek to establish a balance between large industrial corporations and locally controlled forest organizations in the marketplace and in access to public incentive programmes and other resources; provide opportunities for FPOs to participate in policy development; develop and stimulate the provision of capacity-building services; reduce business barriers; encourage gender equality, the active involvement of youth in FPOs, and good governance; and recognize and raise public awareness of the important contributions of community and family forestry. Governments can further support FPOs by: working with FPOs to show early tangible results; ensuring that laws allow appropriate forms of legal status for FPOs; having a policy of engagement and a practice of dialogue with FPOs; ensuring “buy-in” at all levels of government and among staff; developing rural economies and improving livelihoods; and helping FPOs build their capacity.

Recommendations

National governments should:

- gather data to assess the potential role of FPOs and learn from the experience of other governments;
- establish a process to facilitate discussions among forest producers on the development of FPOs and to help mobilize support within government;
- conduct a participatory review of the status of the four fundamental enabling conditions – 1) secure tenure; 2) fair access to markets; 3) access to support services, especially extension; and 4) FPOs;
- hold village meetings to invite forest producers to voice concerns and describe the actions needed;
- convene summits to present the results of reviews and consultations, seek agreement on the analysis of gaps in policies and programmes, establish priorities, and identify partners; and
- take a long-term approach to strengthening the management of community and family forests and supporting the development of FPOs, for example by investing in forestry extension services.

International development organizations should:

- place more emphasis on linking project support with the encouragement of the first three fundamental enabling conditions, as well as the development and strengthening of FPOs and a commitment to ongoing dialogue and engagement between governments and emerging FPOs;
- support government in their efforts to better understand sector dynamics in tenure, governance and markets and in their selection and implementation of policy instruments that support FPOs;

-
- give high priority to capacity-building programmes that support FPOs and the implementation, by governments, of policies that encourage the sustainable management of community and family forestry in general and FPOs in particular;
 - increase the sharing of FPO experiences within and between countries;
 - create consultative platforms and fora, where needed, and strengthen the participation of FPOs in formal policy development fora; and
 - support the development of monitoring and assessment systems that can be used by all stakeholders to track the extent to which the institutional environment is “enabling”, and how it is changing.

Further steps to develop the analysis in this paper could include:

- using more case studies to test and expand the generalizations proposed in this paper;
- improving the methodology for identifying effective government support policies;
- continuing to invest in initiatives that seek to promote government–FPO partnerships; and
- comparing existing FPO-related forest laws between countries to further clarify the most effective conditions for FPO development.



1. Introduction

1.1 Context and rationale

There is an urgent need for measures to encourage and support the sustainable use, management and conservation of forests worldwide. This urgency reflects threats to the capacity of forests to alleviate rural poverty and boost sustainable economic development through the production of wood and non-wood products while also providing critical environmental services, such as those involved in providing water, conserving biodiversity and sequestering carbon.

More than 30 percent of the world's forests are in the hands of families, communities and indigenous peoples – what is often referred to as “locally controlled forestry”.¹ Given the track record of deforestation and degradation in state-controlled forests, there are good arguments for increasing this percentage. In this report, the term “sustainable forest management” is used to describe policies and practices that simultaneously maintain healthy forests, deliver forest goods and environmental services, and improve rural livelihoods. In the case of community, family and indigenous peoples' forests, sustainable management is achieved by tapping the demonstrated capacity of families and communities to manage their forests sustainably when they derive socioeconomic benefits from them.

In both developed and developing countries, the rights held by families and communities to forests have, for generations, provided an essential underpinning of rural economies. Rights-holding families and communities engage in a wide range of interwoven informal and formal economic activities.

¹ According to Rights and Resources Initiative (2013), governments in the developing world recognized community ownership or long-term use rights to 31 percent of the developing world's forests in 2012 – which equates to about 490 million hectares (FAO, 2014).

They produce an array of wood and non-wood forest products for subsistence use and local exchange and for sale in local, national and international markets. They protect and sustainably manage forests and, in so doing, provide the wider world with many environmental services. They operate through a vast network of micro, small, medium-sized and sometimes large enterprises, which engage in harvesting and other forest management activities and supply raw material to an immense variety of manufacturers of all sizes. In many rural economies, the forest enterprises of families and communities make up a large proportion of all enterprises and provide a large proportion of employment (Macqueen, 2008). In many cases, the forests owned by communities, families and indigenous peoples contain significant unused or underused resources: there is a huge opportunity, therefore, to improve local income generation and sustainable forest management.

Families and communities with forest ownership or other forms of forest tenure rights, and the development potential they represent, have generally received little attention from national governments and international agencies. One of the reasons for their relative neglect in government and development agency policies and programmes is the prevailing forest development paradigm that treats large-scale industrial forestry as the norm². This is the case despite limited evidence that this paradigm helps reduce poverty or leads to sustainable forest management (Mayers, 2006). Policymakers often ignore forests because of their relatively small contributions to national economies, but this problem is even worse for smallholders and community forests, which are individually so small and often so far from centres of political decision-making that they are “invisible” in this dominant paradigm. The subsistence and informal economic activities these forests support are not recognized as part of the formal economy, and even the formal forest activities of families and communities may be underrepresented in official statistics.

When viewed at the landscape level, policymakers perceive an impossible complexity. How could the management of the vast number of small forest parcels held by families, communities and other smallholders possibly be coordinated in a productive way? How could families and communities possibly have the capacity to develop effective organizations to support sustainable forest management and collectively market their goods?

A second problem is the widely held perception that it is good for forests to be unused because development and protection are fundamentally incompatible. Some people concerned about forest conservation may think it is good that forests are “unused”, but there is ample evidence to show that a lack of use does not ensure forest protection, especially where there is poverty (see, for example, Porter-Bolland *et al.*, 2011).

Despite the lack of attention from policymakers, there are reasons for optimism. The dominant paradigm is being challenged – spectacularly. There is an increasing number of outstanding demonstrations of the ability of families and communities, both indigenous and non-indigenous, to put in place self-sustaining processes of sustainable forest management in ways that both improve

² For example, promoting industrial timber concessions is part of the World Bank’s 2002 forest strategy.

incomes and increase forest cover and forest biodiversity (see, for example, Bray et al., 2003; Khare, 2003; Nepstad et al., 2006; Molnar *et al.*, 2007; CEESP, 2008; Ojha *et al.*, 2009; Ackzell, 2009; FAO, 2012; Macqueen, *et al.*, 2014³). For nearly 100 years, Nordic countries have been showing that efforts to protect and strengthen forest environmental services and improve livelihoods can be mutually reinforcing; more recently, Nepal and China have also provided substantial evidence (e.g. Ojha *et al.*, 2009⁴ ; Elson, 2012⁵).

A number of enabling conditions help account for these examples of success in long-term processes of community and family forest development. In all cases, however, organizations of smallholder families and indigenous and non-indigenous communities – forest producer organizations, or FPOs – have played central roles. In this paper, the term FPO encompasses a wide range of organizations, associations and collectives of forest producers, including very small informal local groups, county, provincial and national associations, and international alliances. FPOs build the capacity of otherwise isolated and marginalized producers to achieve financial, food and energy security, increase their resilience and adaptability to climate change, sustainably manage their forestlands and farms, and boost their participation in policy processes. Encouraging the creation and strengthening of FPOs is therefore important not only for the socioeconomic benefits that can be gained by their members but also for advancing rural development and sustainable forest management objectives.

1.2 Objectives

This paper sets out to answer the following broad question:

How can governments and international agencies most usefully encourage the creation and development of effective FPOs?

Drawing on a range of sources and practical experience, with particular attention to the presentations, discussions and recommendations of the International Conference on Forest Producer Organizations, the paper contributes to a conceptual framework to assist countries in defining and implementing policies and tools to support effective FPOs. At the same time, the paper is designed to help focus the work of development assistance organizations such as FAO and Tropenbos International, partnerships like the FFE, and other agencies in supporting countries to pursue the sustainable management of community and family forests.

1.3 Methodology

This paper was born of a desire to better understand what governments can do to improve the enabling environment for FPOs. An initial paper was presented and discussed at a thematic session focusing on the enabling environment for FPOs during the International Conference on Forest

³ An independent evaluation of the World Bank's 2002 forest strategy concluded that "World Bank Group effectiveness in supporting sustainable forest management can be enhanced by (i) building more meaningful community participation into the design and management of protected areas, (ii) helping to level the playing field for community based forest enterprises..." (World Bank, 2012).

⁴ Hemant Ojha, Lauren Persha, Ashwini Chhatre. 2009. Community Forestry in Nepal. A Policy Innovation for Local Livelihoods. IFPRI Discussion Paper 00913. Paper prepared for the project on Millions Fed: Proven Successes in Agricultural Development,.

⁵ Elson, D. (2012), Guide to investing in locally controlled forestry, Growing Forest Partnerships in association with FAO, IIED, IUCN, The Forests Dialogue and the World Bank, IIED, London, UK

Producer Organizations held in Guilin, China, in November 2013. All relevant comments received during the conference were incorporated in a revised document, which was then reviewed by FAO, other sponsoring agencies and numerous external experts (as listed in the acknowledgements).

Concrete cases are referenced to provide evidence for the findings of this paper. The lack of a comprehensive literature review is an acknowledged limitation of the paper, which nonetheless incorporates the views and experiences of a wide range of stakeholders in the establishment, ongoing management and encouragement of FPOs worldwide.

1.4 Organization of this paper

This paper has eight sections. Section 2 looks at the role of governments in the sustainable management of community and family forests, and why governments should be interested in encouraging FPOs. Section 3 provides a conceptual framework for FPO development, including a typology of FPOs. Section 4 looks at enabling government policies for FPOs, including the factors that contribute to productive relationships between governments and FPOs. Section 5 details some of the strategic challenges faced by FPOs, Section 6 draws conclusions, Section 7 makes recommendations for national governments and international development organizations, and Section 8 sets out the steps that could be taken to further develop the analysis presented in this paper.



2.1 Governments and the sustainable management of community and family forests

Three international alliances seek to represent the forestry interests of communities, families and indigenous peoples at the international level: the Global Alliance for Community Forestry (GACF), the International Alliance for Indigenous and Tribal Peoples of Tropical Forests (IAITPTF), and the International Family Forestry Alliance (IFFA). These three alliances have collaborated closely in recent years and have learned that, on many issues, the interests of families and communities in forests are similar worldwide. In their efforts to give a global voice to these common interests, the three alliances have summarized what they see as the four fundamental enabling conditions for sustainable forest management by communities, families and indigenous peoples:

1. secure tenure;
2. fair market access;
3. good-quality support services for capacity development, especially extension; and
4. effective FPOs.

The three alliances believe that these four enabling conditions are fundamental to the process of sustainable development of family, community and indigenous peoples' forests. Why these four, and only these four? One way to answer this question is through the following simple story. The story is told by a hypothetical villager, but it describes a real situation that is experienced by families and communities throughout the world.

“A government, aid agency or private company representative visits my village and tells us: ‘if you plant this new type of tree, it will change your lives.’ My neighbours and I will want answers to four questions before investing our hopes, and also our work and money, in this miracle tree:

2. The role of governments

-
- *Will we own these trees when they are ready to harvest?*
 - *Will we be able to sell them on reasonable terms?*
 - *Will we have access to the information we need to plant them properly and protect them from insects and disease while they are growing?*
 - *Do we have an association to represent us that will work to ensure there is and continues to be a good answer to the first three questions?*

Each question, and the corresponding enabling condition, reflects a fundamental risk that families and communities must consider before they embark on the simple process of planting a new kind of tree. These risks are even more strongly present in the complex process of maintaining and seeking to improve the sustainable management of their forests.

There are other, even more fundamental, enabling conditions. One is the key responsibility of governments to uphold the rule of law and protect their citizens from illegal mining, logging, deforestation and drug cultivation, and other illegal activities. Another is respect for the principle of free, prior and informed consent. Without these conditions, secure tenure, fair market access, good extension services and effective associations will mean little or nothing. Thus, the four fundamental enabling conditions listed above assume the pre-existence of an adequate level of governance.

The three alliances believe that another type of very important enabling condition – access to financing and credit – flows from the first four: if those are in place, financing will be much easier to obtain; without them, financing will be largely impossible to obtain and, in any case, will have limited value.

To argue that such a small set of essential enabling conditions for sustainable management applies to all parts of the world and for all the more than one billion people whose families and communities depend at least in part on forests is to greatly simplify a very diverse and complex reality. Yet this set of enabling conditions has been presented on numerous occasions in the past four years at various meetings of FPOs (such as the annual general meetings of national FPO federations), as well as at meetings of international processes such as the United Nations Forum on Forests, and it has consistently been received by participants as a useful summary of the fundamental requirements for the self-sustaining development of family, community and indigenous peoples' forests. This paper uses this set of enabling conditions as the starting point of its discussion on the measures governments can take to facilitate the creation and development of FPOs⁷.

⁷ Further discussion of these enabling conditions can be found in:

1) United Nations Forum on Forests major groups, 2010, "Social development and indigenous and other local and forest-dependent communities, including forest land tenure", Discussion paper submitted to the Ninth session of UNFF; available at: <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N10/601/64/PDF/N1060164.pdf?OpenElement>

2) United Nations Forum on Forests major groups, 2013, "Forests and economic development", Discussion paper submitted to the Tenth session of UNFF, available at: <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N13/218/09/PDF/N1321809.pdf?OpenElement>

Secure tenure is fundamental to recognizing existing long-term relationships between families, indigenous peoples and other communities and their forests. Secure tenure is also essential as a means of motivating individuals and communities to invest their time and money in activities that will only provide a return at some point in the future, often the fairly distant future (trees take years to grow⁸). Tenure rights may apply broadly to all products and uses of the forest, including the land on which the forest grows, or to a limited number of products and uses. Such rights may also be very secure, with strong enforcement by governments and the courts, or they may be weakly defended and subject to ongoing encroachment. In general, greater security of tenure and breadth of its application will increase the likelihood that forests will be managed sustainably.

Tenure issues may be relatively straightforward, as in cases where the main need is to streamline bureaucratic procedures for formalizing titles to land where existing ownership rights are generally accepted as legitimate and only lack formal registration. Tenure issues may also be very complex: in many forests, for example, there are overlapping systems of tenure – statutory systems, imposed by governments, and customary systems, which have been developed by the communities themselves, often over hundreds or even thousands of years, and which pre-date and often contradict statutory systems. Another common situation is one in which local communities may be granted rights to non-wood forest products, while rights to harvest the more-valuable wood resources are reserved for governments or large companies. The resolution of situations such as these requires great political skill on the part of both communities and governments.

Fair access to markets is essential: investing in improved forest production only makes sense if there is a reasonable prospect of selling the eventual production on acceptable terms. There are many obstacles to fair market access. One or two very large buyers of timber or other products may have significant control over the market for the raw materials small producers want to sell. A lack of competition may allow large buyer(s) to dictate prices and other terms of sale. Competitive markets may also be undermined in situations where buyers have access to supplies of raw materials from state-controlled forests, perhaps on very favourable terms.

A different kind of barrier is the onerous administrative requirements for obtaining permits for the legal sale of products, especially timber. In Mozambique, for example, the forest law insists that users have either a “simple licence” or a concession for commercial sales, but the administrative requirements for obtaining these licences are often beyond the financial or political capacities of communities. In Nepal, family forest owners must obtain three separate permits for the sale of timber from their land, each of which requires a lengthy administrative procedure as well as a financial cost.

⁸ Forestry has longer time horizons than farming; forest managers, therefore, often have to forgo short-term income while waiting for the first products of forestry to mature.

Access to support services, especially extension and other types of capacity building, is also crucial. If forest producer associations and enterprises lack access to good-quality information and training on forest management techniques, leadership and management, markets and regulators and the families and communities themselves will lack confidence that efforts to manage the forest and process and market the goods produced in it are using the best-available information, technologies and skills.

Finally, FPOs have an essential role to play by ensuring – through lobbying, and by providing services directly to their members – that the first three components are in place and are maintained. To play this role effectively, FPOs must be organized at a scale that allows them to mobilize the resources and the level of bargaining power needed to achieve the goals they were created to pursue while at the same time maintaining a meaningful degree of control by their members.

The three alliances consider the four enabling conditions to be a “package”. That is, all four are required, and if one is absent or lost, the other three will be much less effective in reducing risks and inspiring confidence in families and communities to pursue efforts to care for forests and improve livelihoods. The fourth enabling condition – the existence of effective FPOs – is qualitatively different from the first three, and indeed if this condition is met it can assist in putting in place the other three (as well as others). All four conditions are necessary to ensure the success of forest management by families, communities and indigenous peoples.

Governments at all levels can play key roles in putting in place incentives and institutions to create and maintain the four fundamental enabling conditions. Supportive government policies, laws and programmes, as well as functioning institutions, are essential for secure tenure, which is an absolute precondition of sustainable forest management. Tenure granted to families, indigenous peoples and local communities requires ongoing protection and, in many cases, expansion. Supportive government policies are almost always essential for fair market access and are usually essential to ensure adequate support services. FPOs with the strength and skills to effectively advocate on behalf of their members are needed to ensure that these necessary policies and services are put in place and then maintained and properly administered.

The role of the private sector in supporting the sustainable management of community and family forests is a complex matter that requires a separate discussion. The private sector has a diversity of players, including the forest families and communities themselves (who, as noted above, may constitute a large proportion of the private sector in certain areas). Many other enterprises may be important customers of, or the providers of services to, family and community producers, and their development may have important synergies with the sustainable development of family and community forests. Large industrial forest corporations often play strategic roles in helping advance, or, on the other hand, making more difficult, the sustainable development of family and community forests. These issues are clearly relevant to the role of government in supporting community and family forestry and need further analysis.

2.2 What is in it for governments?

Governments will want to encourage the development of FPOs if they consider that community and family forestry can contribute significantly to the country's socioeconomic development and the accountability of government programmes. Governments may also understand that, in many places, local people and communities have deep relationships with their natural environments that cannot be replicated by external actors, be they public agencies or private contractors, and which are invaluable in the pursuit of sustainable forest management.

In the absence of such agreement and understanding, however, governments may overlook FPOs as an essential ally in the process of sustainably managing community and family forests. They could adopt the attitude that “we can lead this. We can design and implement an effective strategy without local input. In fact, involving families and communities in the process would just slow things down; maybe all they will contribute is criticism and it won't be helpful because they just don't understand the constraints under which we are working”.

The best response to this concern may be to address the following question: Where have successful processes of sustainable management of community and family forests been undertaken, and what have been the roles of FPOs in those situations? Many examples – such as in Guatemala, Mexico, Nepal and the Nordic countries – show not only effective forest management by families and communities but also the important roles being played by FPOs (e.g. Asen *et al.*, 2012; Elson, 2012; Macqueen *et al.*, 2014).

FPOs perform one function that governments simply cannot duplicate: they provide government with a more-or-less coherent assessment of policy needs and impacts from the diverse families and community forest producers directly affected by those policies (e.g. Asen *et al.*, 2012; FAO and AgriCord, 2012). This “speaking with one voice” function can be very helpful to governments and can greatly improve policymaking and decision-making. FPOs can also make services available to forest producers at a lower cost and with more effectiveness and greater acceptance by forest owners than is often possible for government. FPO employees are usually not paid at equivalent rates to those employed by government agencies, they have a more detailed knowledge of the needs of forest producers, and they are more directly accountable to the recipients of their services. FPOs can also help organize markets, increasing their efficiency and, ultimately, boosting government revenues by formalizing previously informal revenue streams. FPOs and their members have the capacity to provide societies with a wide range of environmental services at a low cost, thereby helping governments achieve a policy goal that is increasingly important in many countries. Well-organized FPOs can help mediate and resolve conflicts over competing land-use claims and protect and monitor forest resources much more closely than governments.

Governments who commit to the sustainable development of community and family forests recognize these advantages of FPOs. As Vice Minister Yin Hong of China's State Forestry Administration succinctly told the International Conference on Forest Producer Organizations in Guilin in November 2013, FPOs “leverage the role of government”.

This is not to say that autonomous, self-reliant FPOs will always be easy to work with. Based on a growing body of experience, however, the contention is that, over time, the benefits to government of vigorously engaging with FPOs on matters of policy, and seeking opportunities to collaborate with them in expanding the reach of essential support services and other benefits, will be much greater than the costs.

3. A conceptual framework for FPO development



Typologies can help in identifying options and determining the focus of interventions in areas in which there is a high degree of diversity. This chapter describes FPOs and proposes a general typology for them.

3.1 FPOs

FFF definition

Forest-and-farm producers are women and men, smallholder families, indigenous peoples and local communities who have strong relationships with forests and farms in forested landscapes. Such producers grow, manage, harvest and process a wide range of natural-resource-based goods and services for subsistence use and for sale in local, national and international markets.

FPOs are formal or informal associations of such producers. They are created to secure clear benefits for their membership by, for example, helping their members share knowledge and experience; engage in policy advocacy; secure tenure and access rights to forest, land and other natural resources; gain access to finance; improve forest-and-farm management; expand markets; build enterprises; and increase income and well-being.

FPOs vary widely in size and institutional form and may focus on forests or combinations of forest- and farm-related activities. They may include indigenous peoples and local community organizations; tree-grower and agroforestry associations; forest owner associations; producer cooperatives and companies; and their umbrella groups and federations.

The decision to establish an FPO

FPOs are not an end in themselves. They are a tool put in place by forest producers to increase incomes and livelihood opportunities (and, often

just as importantly, to increase their security of income and reduce risks) while also promoting sustainable forest management¹. Their establishment and maintenance require considerable time and other resources; most forest producers know this, either from previous experience or by observing the experiences of other groups, and the decision to organize an FPO is not one they make lightly.

Decisions on forming FPOs are made in local contexts of past successes and failures of collective efforts – perhaps by forest producers and often in actions by farmers relating to agriculture – to achieve shared objectives. When producers consider this local history, they do so not only in terms of the success or failure of past efforts of associations in achieving particular goals, but also in light of maintaining or failing to maintain good governance within the associations and of reducing or increasing conflict within the producer group and with other groups, communities, the private sector and governments. To form an FPO, forest producers must really believe it is worth the effort and risks.

An effective FPO is one with the capacity to achieve results in a way that, at the very least, does not increase conflict in a community or between the community and other players. Because of the key role of governments in establishing the first three fundamental enabling conditions, and also other enabling conditions, achieving results almost always means developing good working relationships with governments.

Internal and external challenges faced by FPOs

Although the potential of FPOs to contribute to rural and natural resource development is significant, realizing this potential presents challenges. Some of these challenges are internal to the FPOs themselves, while others are external and linked to the economic, policy and institutional environment in which they operate. This paper focuses on the policy and institutional conditions that encourage or hinder FPO development, but some internal challenges are also explored because they may hinder constructive relationships with government counterparts.

FPOs usually struggle to establish solid technical, managerial and leadership capacity, especially in their early years. Maintaining member commitment, good internal governance and information-sharing and communication with members are ongoing challenges. These internal issues can translate into weakened political legitimacy and a decline in effectiveness. Also, certain groups, notably women, youth and socially marginalized groups, often remain excluded from the services and benefits provided by FPOs.

⁹ The term “tool” is used to emphasize that FPO’s come into existence when forest producers decide to work together to pursue one or more very concrete goals. While FPO’s have a social value for their members and will contribute to the social development of society as a whole, their purpose for those who form them is to carry out certain specific tasks. Some of the organizations that fit within a broad definition of FPO are organic traditional decision making systems that may be centuries old; these systems are faced with the challenge of adding new elements to the traditional structures for new marketing and enterprise needs. “Tool” is an appropriate term for these new functions but not very appropriate for the traditional decision making systems.

Notwithstanding these internal challenges, FPOs have made remarkable contributions to rural development and sustainable resource management. If anything, the presence of such challenges emphasizes the huge potential that remains to be realized.

Some quasi-universal qualities of effective FPOs

FPOs vary in character in a number of ways that reflect national and local histories and cultures and the specific activities and products that are the focus of their work. These important differences co-exist with other qualities that appear to be relatively universal in determining the effectiveness of FPOs over time (emerging, for example, in reviews of successful collective action – see Macqueen *et al.*, 2006). Such universal qualities include:

- membership-based;
- democratic functioning (e.g. one member, one vote, and regular opportunities for members to discuss, approve and change FPO policies and strategies);
- transparent financial reporting by FPO management to members;
- autonomous functioning in relation to governments and other agencies and institutions;
- a significant degree of self-reliance in financial needs for basic organizational functioning; and
- (for secondary- and tertiary-level FPOs) subsidiarity in the functions performed by FPOs – that is, they only perform functions that cannot be performed just as well by an FPO that is at a level closer to the producers¹⁰.

3.2 Types of FPOs

A four-dimension typology

There are many ways of describing FPOs. The typology offered below attempts to identify some of the more significant features that can be identified within the great variety that exists among FPOs in terms of purpose, scope, organizational structure, memberships and financing. The typology may help service providers and government authorities to better understand the implications of FPO diversity, to choose the focus of interventions more thoughtfully, and thus to help ensure a more effective mix of services and policy measures that respond to the specific needs of the different types of FPOs.

Dimension 1 – Basic purposes of FPOs

FPOs have three basic purposes, which are to:

1. speak for producers “with one voice”, especially in advocating with government officials for the four fundamental enabling conditions and other support policies;

¹⁰ For example, an FPO at the national level will probably do a better job than a provincial FPO at lobbying a national government, but not as good a job at lobbying a provincial government. It is unlikely that FPOs at either of these two levels will be able to directly assist with forest management or marketing work as effectively as a county- or village-level FPO.

-
2. provide services for their members, such as helping them improve forest management, expand markets by aggregating product, improving its quality, storing and transporting it and negotiating terms of sale with buyers, and gain increased access to forest education and training and other types of capacity building; and
 3. engage in the value-added processing of forest products.

These three purposes are listed in order of organizational complexity, from the more simple to the more complex, but this does not imply a necessary or even likely chronology. There are many examples where FPOs begin with a service, such as in Sweden, where the first associations were formed to allow forest producers to negotiate with buyers.

Purpose 1 may involve focusing on one or more specific priorities at the beginning of an FPO, and it also has an open-ended quality: priorities may change over time and new challenges are likely to emerge for which lobbying may be just as important as it was early on in the FPO's life. The services provided as part of Purpose 2 are usually made available to members on a not-for-profit basis. Purpose 3 is likely to have a profit-making objective (often part of a more or less formal "triple bottom line") for involved enterprises.

Distinguishing three FPO purposes in this way also helps identify sources of revenue for FPOs: membership fees or levies; payments for service provision; and profits from value-added processing. In ideal circumstances, fully developed FPOs may hope to generate revenue with a roughly even split between these three streams.

The three purposes may overlap: lobbying and advocacy could be considered a "service"; negotiating with buyers for better prices and other terms of sale could be considered "lobbying"; and the distinction between marketing and processing may also be blurred. The usefulness of this division by purpose is that it responds to three questions that FPO members might ask:

- As a group of forest producers, what do we want to say to our government about improved policies that will better serve our needs and interests?
- What necessary services can we provide directly for ourselves through our FPO, at a higher quality and a lower cost than would likely be available from (or even possible for) alternative providers, whether government agencies or the private sector?
- Will the value of the forest products we sell significantly increase if we go beyond the marketing services we currently provide and engage in further processing of the product, and, if so, can we feasibly put in place and properly administer the additional specialized capacity that will be required?

The questions will be broadly the same whether they are posed by (for example) a producer of wood in a family forest in Norway, or by a producer of wild forest coffee or honey in a community forest in Ethiopia.

Dimension 2 – Geographic scope and form

Organizations at the village, township, county, provincial and national levels may be

composed of individuals, or they may be federations of local organizations (which comprise the memberships of those federations). This distinction is clear when the formation of the local organization precedes the formation of the federation. An FPO at the provincial or national level may also create local structures (sometimes called “chapters”), reflecting the principle of subsidiarity noted above and with the aim of increasing opportunities for the active involvement of members. Examples of this latter approach are the Association of Municipal and Private Forest Owners in the Czech Republic, known as SVOL, and the Ontario Woodlot Association in Canada (see also FAO and AgriCord, 2012; Herbel *et al.*, 2012).

The geographic scope of an FPO will reflect its two basic functions:

- to take advantage of economies of scale in providing various services to its members (What size of area will allow a particular service to be provided most efficiently?); and
- to lobby for changes in government policy, services and budgets (What are the geographic boundaries of the level of government whose policy the forest producers would like to influence?).

One of the conditions for the success of an FPO is the extent to which individual forest producers continue to believe, over time, that the organization genuinely reflects their interests and is fully subject to their democratic control. The challenge of maintaining this spirit of ownership and sense of control can easily increase with the size of the organization. It increases even more dramatically as additional organizational layers are added, such as a provincial federation of local organizations and a national federation of provincial groups; such federations are inevitably more remote from individual producers or communities than are local organizations. Choices of leadership and action priorities will normally be made through a system of delegates representing individual members. A third-level organization, such as a national federation, in which delegates of delegates make the decisions, is even more remote.

There is a growing number of formal FPOs at the village level; for example, there are 18 000 community forest user groups in Nepal and 115 000 forest farmer cooperatives in China. Beyond the village level, FPOs normally adopt formal legal structures as cooperatives, unions, businesses or not-for-profit associations or corporations, as decided by members on the basis of which form best suits their needs, goals and capacities and the options available under the laws of their provinces or countries.

There is also a vast array of informal groups of various sizes and functions that may support individual family and collective production and marketing needs in critically important ways. Informal FPOs have various internal arrangements for roles and responsibilities and the sharing of benefits and costs. Larger, formally constituted organizations may greatly improve on the services provided by these informal groups, including by reducing vulnerability to market vagaries. That, at least, may be the argument, but the loss of informal groupings may increase vulnerability in other ways, such as by reducing support for production needs. It is important to know which local informal organizations are in place and to understand the arrangements that

have been developed to deal with local realities and needs and how these interact with formal organizations and external market and policy pressures. The contributions and limitations of small informal groups need to be carefully and respectfully considered by promoters of larger, higher-capacity organizations.

Dimension 3 – Composition of membership

The key question in this dimension is: Who is considered to share a common interest that an FPO might address? The FPO may be:

- inclusive (comprising all family or community forest holders);
- exclusive in various ways (e.g. by age, gender, size of forest holding or production activity); or
- part of a more broadly-based organization, such as a general farm organization or a body that includes industrial forest owners.

How uniform must a membership be to ensure that an FPO's goals are sufficiently narrow to be achievable; guarantee that fundamental concerns are not ignored in favour of more superficial general interests; and provide the best possible prospects of internal cohesion? What breadth of membership is necessary to ensure that all those directly affected by the work of an FPO have an opportunity to participate in its affairs and contribute their energy, skills and perspectives to increasing the FPO's effectiveness? What breadth of membership will exert the strongest political influence while maintaining the widest possible distribution of benefits, strengthening social cohesion and minimizing internal conflict?

In some contexts, these questions will have fairly obvious answers. In others, the choices will be agonizing and, in hindsight, decisions may be found to have been less than optimal. Regardless of such choices, it is essential that efforts always be made to fully involve women, youth and other marginalized groups; otherwise, FPOs risk perpetuating inequalities and injustices against such groups.

Family forest owners and community forest members are often farmers themselves, or, at the very least, they share the landscape with farmers. Many of the production, marketing and government policy challenges (such as those relating to land-use policies) faced by forest producers are broadly similar to those faced by farmers, so they will be natural allies in a wide range of circumstances. The feasibility of working in a single organization will depend on specific conditions: How similar is the socioeconomic status of most farmers and forest producers? How similar are the challenges faced by each group, and how amenable are they to being addressed by a single service provider?

There are outstanding examples of successful FPOs that are members of national federations of agricultural producers. In LRF (in Sweden), *Fédération des producteurs forestiers du Québec* (in Canada) and MTK (in Finland), for example, some services, such as legal and taxation advice, are provided in common to all farmer and forest producer groups that are

part of the federation, but the requirements for some other services, such as market analysis and negotiation support, are sufficiently different to require separate services.

Because farmer organizations already exist in many of the countries where the organization of an FPO is being discussed, asking the farmer organization to expand its services to include and represent forest producers, or seeking its support for the organization of an FPO, are logical (but not automatically feasible or desirable) possibilities. While there are challenges in expanding farmer organizations to include forestry services, it may be easier to expand an organization (provided it is functioning efficiently) than to start a new one. Efforts to strengthen agricultural cooperatives and farmer organizations through the inclusion of forest producers may benefit those organizations. Among other advantages, it will provide them with a broader landscape perspective that recognizes the links between family farming and the multiple benefits that forests play in food security and diversifying livelihoods¹¹. Forest producers should be encouraged to consider this option, and each case should be viewed on its merits.

Dimension 4 – FPO revenues

Experiences in various countries show that a critical dimension of an FPO's success is establishing a secure source of revenue, especially for its core functions. The first source of revenue is its members through membership dues and fees for the services they receive. One important option is a mandatory payment from all producers who benefit from the actions of the organization. If an FPO is funded by voluntary contributions, even though all producers share the gains obtained through collective action, its resources will be limited and it will be destabilized more easily. National or provincial laws may establish automatic FPO membership for all forest producers, as has been the case until recently in Finland (for that country's forest management associations), and is the case today in Québec and New Brunswick, Canada, for collective marketing structures.

Common types of FPOs

Forest producers share a need for certain basic enabling conditions and services, so it is unsurprising that some common types of FPOs can be discerned. Based on knowledge gleaned from the membership of the three alliances and on collections of case studies (such as Harrod, 2013) a tentative list includes the following:

- traditional territorial governance institutions of indigenous peoples and other customary communities;
- informal, village-level, forest management labour-sharing groups;
- formally constituted village-level cooperatives for improved forest management capacity or selling into local markets;
- county-level associations for selling into provincial and national markets and to provide forest management support services, such as forest extension;

¹¹ See www.fao.org/partnership/forest-farm-facility for an example from Liberia (the Farmer Union Network).

-
- provincial or national federations of local-level FPOs that perform lobbying functions; and
 - organizations with secure revenues through mandatory membership arrangements.

Given the large diversity of FPOs and their specific needs and functions, it seems useful to develop an instrument to assess the extent to which a specific FPO functions in relation to its “ideal type”. Such an assessment tool specific for FPOs can build on the numerous models and experiences that already exist in other sectors (see, for example, Schrader, 2010; Krugmann, 2011; www.agriterra.org).



4. Government policies for FPOs

This section examines the potential role of government policies and programmes in encouraging FPOs and explores the development of productive relationships between FPOs and governments.

“Public institutional measures” comprise the full range of possible government instruments, actions and structures that could facilitate the development and strengthening of producer organizations. They include laws, regulations and policies; institutional structures and capabilities; financial incentives; support for capacity development; the delegation of specific powers; participation in partnerships; a wide range of consultation and dialogue mechanisms; and the comprehensive ability to confer recognition and formal legitimacy on civil-society organizations. Specifically, governments can:

1. create a suitable legal and regulatory framework that includes security of tenure and appropriate taxation and trade regimes and provides appropriate options for the formal legal registration of FPOs, from which forest producers can select the organizational option that best suits their needs. All options should be accessible in terms of cost, time frames and administrative requirements;
2. develop formal policies that provide a framework for, and actively encourage, their ongoing engagement and cooperation with civil-society organizations in general and FPOs in particular, and clearly establish the government’s commitment to strengthening those organizations;
3. facilitate initial support directly to FPOs for the development of basic capacities in organizational functioning and management;
4. provide a wide range of financial incentives, tax breaks, access to credit and insurance, simplified or reduced bureaucratic

-
- requirements, preferential government purchasing policies, and improved coordination between relevant government departments and agencies;
5. where there are strong monopolies (including public ones) that may put FPOs at a disadvantage (e.g. state forest wood allocations to large industrial corporations), create laws and policies that seek to establish and maintain balance between large industrial corporations and locally controlled forest organizations in the marketplace and in access to public incentive programmes and other resources. A key example is policies that ensure fair market access for FPOs and their members;
 6. provide opportunities for FPOs to participate in policy development consultations on issues specific to community, family and indigenous peoples' forestry and, together with other stakeholders, on issues of more general application to all types of forestry. Consultations may be ad hoc or formally structured, and periodic or ongoing;
 7. develop and stimulate the provision of capacity-building services through their own agencies, FPOs themselves, private-sector service providers, or combinations and partnerships of these. Forest extension and a range of training support in business management are among the high-priority services;
 8. reduce business barriers, including by improving rural infrastructure and health and education services;
 9. encourage gender equality and the active involvement of youth in FPOs. Women and youth often remain excluded from membership rights and the services and benefits provided by FPOs;
 10. encourage good governance, including through monitoring and evaluation, to safeguard against corruption; and
 11. recognize and raise public awareness of the important economic, social and environmental contributions of community and family forestry.

4.1 Productive relationships between governments and FPOs

Much of the focus of an FPO's work is on government policies that support the fundamental enabling conditions and a host of related policies and programmes, and productive relations with government are therefore essential for the success of an FPO. Three types of FPOs with respect to their relationship with government are proposed here, with two dimensions:

1. The relative degree of dependence and autonomy of the FPO in relation to governmental and other agencies. An FPO is best able to perform one of its most important functions – providing policy advice to governments from the perspective of those who the policy is intended to influence or support – if it is able to speak as their legitimate and authentic representative. An FPO will maintain active, democratic, member-based governance if its members believe that they are, in fact, in control of their organization. If, on the other hand, members develop the impression that although they are participating in meetings and investing valuable time in trying to help guide the affairs of the FPO, others from outside the organization are making the real decisions, then it will be difficult for the

FPO to maintain their active involvement. If the engagement of members declines, the quality of the policy advice the FPO is able to provide will also inevitably decline, as will its capacity to mobilize the energetic support of its members for the policy improvements it negotiates.

2. The extent to which the FPO—government relationship is collaborative or adversarial. The capacity for honest debate and constructive disagreement is an important asset in the development of good policies and programmes. For the creative potential of an FPO to be realized, differences must be discussed on a sound basis of trust. Because politics in most countries has a large adversarial component, and because the focus of FPO priorities usually has political implications, it is difficult to avoid a tendency for either or both the government and the FPO to see the other as a rival to be out-manoeuvred rather than as a partner that has an indispensable contribution to make to a long-term relationship. Great discipline and patience are required by both government and FPO leaders and staff to never lose sight of the importance of maintaining long-term trust.

On the basis of these two dimensions, three main FPO types may be observed:

1. FPOs that are highly dependent on the guidance provided by outside agencies (government or private) and have a limited vision or programme beyond the specific incentives available when they were formed. Leadership may be timid or authoritarian and may have significant connections with formal political processes. Alternatively, FPOs may be the products of outgrower schemes that more or less explicitly restrict their independent activity.
2. FPOs that are somewhat dependent on governments or other agencies and have relationships that oscillate between good collaboration and unproductive conflict and criticism. The ability of such FPOs to provide constructive analysis of the strengths and weaknesses of government policies is limited.
3. FPOs that function as fully autonomous entities, share with government and other agencies a clear understanding of each party's strengths and limitations, make indispensable contributions to public policy development on an ongoing basis, and have established, well-functioning partnerships with government and other agencies for improving services for forest producers in a number of areas. At the same time, such FPOs unequivocally represent the interests of their members and passionately express their concerns and grievances; they have learned how to disagree constructively with their partners. This type of FPO often exhibits a high level of financial autonomy.

Relationships that are either highly dependent or adversarial have a negative or zero-sum payback for governments. In the case of an FPO that is dependent on the government agencies it works with for its core financing or on government advisers for its policy proposals, the government will get back what it puts in, or maybe less. Where a relationship has been established that respects the autonomy of the FPO, the results for both sides are much more likely to be positive. The FPO has an interest in mobilizing the energy and enthusiasm of its membership and staff to

get the best possible outcomes for the support provided by government. A spirit can develop in which each party adds value to the contributions of the other.

4.2 An “ideal” FPO type

What might an FPO look like that combines the various desirable qualities and circumstances described above, including in its relationship with government? An “ideal” FPO will (not in order of importance):

- have an inclusive membership base that provides its members with marketing and forest management services;
- have received enthusiastic encouragement from government agencies in its formation period, in a process in which the government representatives were always careful to ensure that the producers were in control of decisions on whether to proceed, for what purposes and with what structure and rules of governance;
- have begun its existence with a firm spirit of self-reliance, looking first to its own resources and capabilities, both for building the organization and developing its plans for short-term action and long-term development (only when the resources available to it through its members were fully exhausted did it carefully explore assistance from government or other outside agencies);
- have obtained early results for its members (either financial or political);
- have established, early in the process, an ongoing commitment to building trust in its relationships with government agencies, based on respect for autonomy and clear boundaries;
- not have allowed outside assistance to become so great as to threaten its autonomy;
- from the first discussions about forming an FPO, paid particular attention to ensuring the involvement of women, youth and socially marginalized groups;
- have partnered with a government agency to provide expanded extension services to its members;
- have a direct but legally distinct relationship with the processing industry it helped establish (about two-thirds of its members will be shareholders in the processing cooperative); and
- have sought out, early in its development, other established or emerging FPOs to learn from their experiences, share its own, and explore possibilities for collaboration and mutual support – it will have played a leading role with other FPOs in establishing a provincial federation that performs a lobbying function in relation to government policies.



5. Strategic challenges in the development of FPOs

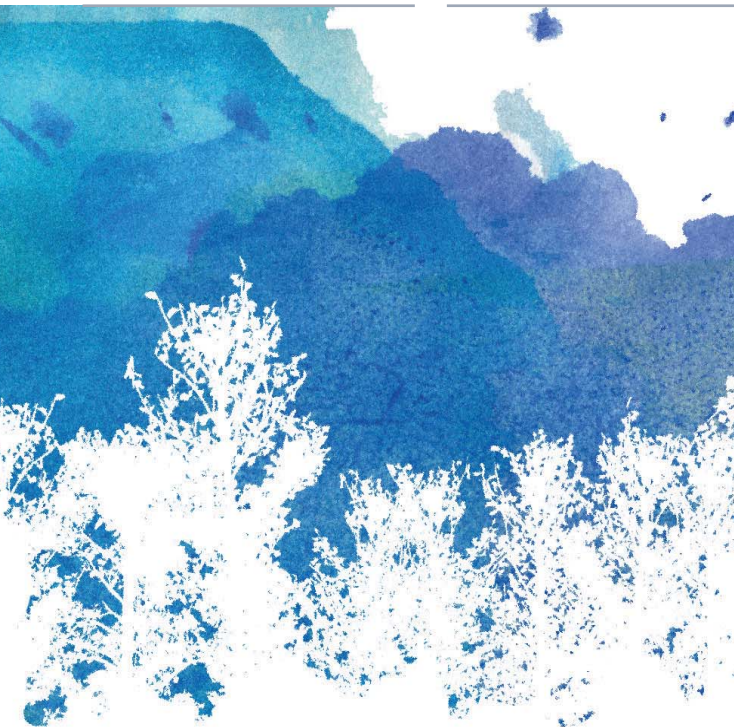
Forest producers face a number of practical challenges when they set out to organize a new FPO or seeks to maintain an existing one. These include the challenges of: maintaining trust and cohesion within the group; ensuring the active, ongoing involvement of a significant proportion of members in the FPO's decision-making on issues of broad policy and governance; ensuring healthy relationships between the FPO leadership, members and staff; and building and maintaining trust and collaboration with various levels of government. All these challenges are ever-present in any given FPO and in constant flux as circumstances change and, in particular, as the membership, leadership and staff change (and also as the leadership and staff change in the government agencies with which the FPO works).

Other less-obvious challenges that an FPO may face include the following:

1. Those who decide to form FPOs will have to overcome the pessimism of at least some in their communities who argue that the situation is hopeless, that the government will never listen, and that the failure of similar efforts in the past will inevitably be repeated. The establishment of an FPO that conforms to the ideal type described in 4.2 above would require the surmounting of a host of potential roadblocks; if such an ideal was to be put to people as a “blueprint” for the development of an FPO, many – not just the pessimists – would greet it with disbelief. The challenge for leaders in such a process is to keep a broad, ideal vision in mind while building confidence in the new FPO with small and practically useful successes.
2. The active involvement of youth in an FPO sooner or later becomes a necessity if the organization is to survive. Young people have

a different perspective on the future than their elders, and this perspective is a potentially valuable resource for FPOs. It is easy enough to invite young people to take part in the activities of an FPO but universally difficult to ensure their participation. Innovative ways of encouraging such participation, such as by tapping the capacity of youth to master new communication technologies, can benefit the FPOs and the young people themselves.

3. As active producers in many contexts, and as a major group among the potential beneficiaries of an FPO's work, women bring perspectives to FPOs on production issues and benefit-sharing that are essential for the optimal functioning of an FPO. The involvement of women is often constrained by a range of sociocultural, institutional and economic barriers, and overcoming these barriers continues to be a major challenge in many FPOs.
4. The ideal type also implies an organic, logical progression from local through to provincial and national organizations. Even in situations where this is clearly the most appropriate progression, it is nonetheless unlikely that all counties (or other local government unit) in a province or subnational state will have FPOs at a roughly similar stage of development. How can a federation promote and support local actions in areas where FPOs are less developed or non-existent, in ways that do not create dependencies?
5. How can the pursuit of broad goals (e.g. the four fundamental enabling conditions) most effectively create favourable conditions for promoting "project" activity (e.g. value-added processing enterprises)? How can successful local actions or specific projects (e.g. the establishment of a village- or county-level sawmill) help create a foundation for a stronger FPO and stronger efforts to pursue broad goals? A challenge is to avoid situations in which such success becomes a barrier to broader action because of the high demand for resources to maintain it or because of the temptation to believe, because of its success, that the local FPO does not share the needs and interests of less-developed neighbouring groups.
6. A challenge for governments and other outside agencies who want to support the development of FPOs is to ensure that the inevitable importance given to short-term results does not override – and indeed encourages – the push for more substantial long-term change. How do such agencies balance the risk of providing too much inducement (e.g. offering forest producers who form an FPO with privileged access to government incentives) with the risk of creating dependencies by failing to provide FPOs with sufficient encouragement to make their own decisions? How do governments ensure that their policies keep up with rapid changes in markets, communities and the environment?



In the process of developing and strengthening themselves, FPOs can benefit from various kinds of support from governments, and a range of measures is described above. The ways in which such measures are developed and made available to FPOs may be just as important as the measures themselves. While the broad challenges facing local people in managing their forests are similar worldwide, there is also huge diversity according to climate, terrain and socioeconomic and cultural circumstances. Such heterogeneity makes it difficult to generalize about the factors that will best support FPOs in all situations; nevertheless, some generally applicable points can be made.

Based on the interventions made during the International Conference on Forest Producer Organizations, important forms of support requiring significant commitments from government include the following:

- The single best way for a government to show its support is to work with an FPO to show early, tangible results towards the FPO's goals. Particular attention will be given to the first enabling condition – secure and long-term access and tenure to forests, land and trees for indigenous peoples, communities and family forest owners.
- A country's laws must allow some form of legal status for organizations that small-scale forest-and-farm producers feel will serve their interests. The financial cost and technical requirements for accessing these laws should be within the means of groups with modest resources. This legal framework should allow the implementation of a payment mechanism aimed at forest producers who benefit from the actions of an FPO.
- Government agencies must have a policy of engagement and a practice of dialogue with

6. Conclusion



organizations such as those that forest producers are considering putting in place.

- It is essential that government forest services (from top to bottom) perceive FPOs as a necessary means for implementing national forest policies, developing rural economies and improving livelihoods. If this perception throughout a forest service, field staff can undermine good political intentions.
- Governments should help FPOs build their capacity, both initially and on an ongoing basis.

Enabling conditions work best when they are maintained over time and adapted to changing circumstances. Governments have a central role to play in supporting the establishment and development of FPOs, but there are some things they cannot do. Ultimately, forest producers are responsible for the healthy functioning of *their* organizations.



7. Recommendations

For national governments

- If sceptical about the claims made about the benefits of community and family forestry and of the importance of encouraging a central role for FPOs, gather reliable data and other evidence with which to assess such claims by engaging with representatives of forest-dependent families and communities and with governments of countries where FPOs are well established, such as China, the Nordic countries and Nepal.
- Establish a process to facilitate discussions among forest producers on the development of FPOs and to help mobilize support within government.
- Conduct a participatory review with existing FPOs of the status of the four fundamental enabling conditions – what is working and what needs strengthening. In many places, non-governmental organizations hold relevant information, which could be collected and organized to help generate specific actions to strengthen FPOs.
- If no FPOs have been formed, hold village meetings to invite forest producers to voice concerns and describe the actions needed. Farmer organizations and other civil-society organizations might be able to assist with such a process.
- Convene subnational or national summits to present the results of reviews and consultations, seek agreement on the analysis of gaps in policies and programmes, establish priorities, and identify partners (for example, farmer organizations may have a key role to play in this process).
- Take a long-term approach to strengthening the management of community and family forests and supporting the development of FPOs, for example by investing in forestry extension services.

For international development organizations

- Place increasing emphasis on linking project support with the:
 - encouragement of the first three fundamental enabling conditions (tenure, market access and support services), as well as the development and strengthening of FPOs locally and (inter)nationally; and
 - demonstration of a clear commitment to ongoing dialogue and engagement between governments and emerging FPOs to create opportunities for a strong, clear role for FPOs in policy development and implementation.
- Support government agencies in their efforts to better understand sector dynamics in tenure, governance and markets and in their selection and implementation of policy instruments that support FPOs.
- Give high priority to capacity-building programmes that support FPOs and the implementation, by governments, of policies that encourage the sustainable management of community and family forestry in general and FPOs in particular.
- Increase the means for sharing FPO experiences, challenges, successes and setbacks within and between countries. In this, give particular attention to encouraging exchanges between government agencies, producers and FPOs and to identifying and reporting on examples of good progress and best practices.
- Create consultative platforms and fora, where needed, and strengthen the participation of FPOs in formal policy development fora.
- Support the development of a monitoring and assessment system that can be used by all stakeholders to track the extent to which the institutional environment is “enabling”, and how it is changing. Possibly using a scorecard approach, such a monitoring and assessment system might include:
 - the extent of participation of FPOs in formal policy development fora and informal policy discussions (e.g. in the past year, how often have ministers of forestry and rural development requested meetings with the executive of the FPO? Have the ministers taken part in FPO meetings of the general membership?); and
 - a formal commitment by government, with a timetable for progress on tenure reform and improved market access.



8. Further steps in developing the analysis presented in this paper

The challenge is not one of finding examples of sustainable management of community and family forests in which FPOs are playing a central role, because these are increasingly common. The challenge lies in determining the extent to which progress is due to government support, and which elements of that support are most effective. Unambiguous relationships of cause and effect between government policy and specific results are difficult to establish, and the contribution of policies to a long-term process of sustainable development is even more difficult to assess¹².

Next steps could include:

- using an expanded number of case studies to test and expand the generalizations proposed in this paper, particularly those in Section 3;
- improving the methodology for identifying effective government support policies, for example by adapting the methodology of Brusselsaers, Doorneweert and Poppe (2012) to all continents;
- continuing to invest in funding initiatives that seek to promote the kind of government–FPO partnerships described herein – such as that represented by the FFF – and document lessons to refine the material presented here; and
- comparing existing FPO-related forest laws between countries to further clarify the most effective conditions for FPO development.

¹² These methodological difficulties are described in Brusselsaers et al. (2012) in their study of the relationship between successful farmers' cooperatives in Europe and supportive government policies.

References and further reading

Ackzell, L. 2009. 100 years of Swedish forest owner associations, challenges ahead. Presentation made at “Taking stock of smallholder and community forestry: Where do we go from here?”, an international conference convened by the Center for International Forestry Research on 24–26 March 2010, Montpellier, France. Stockholm, Sweden, Federation of Swedish Family Forest Owners.

Asen, A., Boscolo, M., Carrillo, R., van Dijk, K., Nordheim-Larsen, C., Oystese, S., Savenije, H., Thunberg, J. and Zapata, J. 2012. Unlocking national opportunities: new insights on financing sustainable forest and land management. Rome, FAO, National Forest Programme Facility, the Global Mechanism, Tropenbos International and the International Tropical Timber Organization.

Bijman, J., Iliopoulos, C., Poppe, K.J., Gijssels, C., Hagedorn, K., Hanisch, M., Hendrikse, G.W.J., Kühl, R., Ollila, P., Pyykkönen, P. and van der Sangen, G. 2012. Support for farmers’ cooperatives. Final report of “Support for farmers’ cooperatives”, a project commissioned and funded by the European Commission, DG Agriculture and Rural Development, 2011-2012. Available at: edepot.wur.nl/245008.

Brusselaers, J., Doorneweert, B. and Poppe, K.J. 2012. Support for farmers’ cooperatives: EU synthesis and comparative analysis report. Policy measures. Wageningen, the Netherlands, Wageningen University and Research Centre.

Bray, D., Negreros, P., Merino-Perez, I., Torres Rojo, J.M., Segura, G. and Vester, H.F.M. 2003. Mexico’s community managed forests as a global model for sustainable forestry. *Conservation Biology*, 17(3): 672–677.

CEESP. 2008. Recognising and supporting indigenous and community conservation – ideas and experiences from the grassroots. CEESP Briefing Note 9. IUCN Commission on Environmental, Economic and Social Policy. Available at: www.rightsandresources.org/documents/files/doc_1049.pdf.

Elson, D. 2012. Guide to investing in locally controlled forestry. Growing Forest Partnerships in association with FAO, IIED, IUCN, The Forests Dialogue and the World Bank. London, IIED.

FAO. 2012. Review of forest owners’ organizations in selected Eastern European countries. FAO Forestry Policy and Institutions Working paper No. 30. Rome.

FAO and AgriCord. 2012. Strength in numbers: effective forest producer organizations. Rome, FAO, National Forest Programme Facility, AgriCord.

Forest and Farm Facility: www.fao.org/partnerships/forest-farm-facility/83759/en/. Accessed 20 May 2014. G3forest.org: www.g3forest.org/index.cfm.

Herbel, D., Crowley, E., Ourabah Haddad, N. and Lee, M. 2012. Good practices in building innovative rural institutions to increase food security. Rome, FAO and the International Fund for Agricultural Development.

Khare, A. 2003. Funding conservation: the current status of conservation financing in the developing countries. Working Paper. Washington, DC, Forest Trends.

Krugmann, H. 2011. Generic INP Environmental Screening Tool. MCA-N Indigenous Natural Products Producer and Processor Organisations Sub-activity Report Number 6. London, Natural Resources Institute, University of Greenwich.

Macqueen, D., Bose, S., Bukula, S., Kazoora, C., Ousman, S., Porro, N. and Weyerhaeuser, H. 2006. Working together: forest-linked small and medium enterprise associations and collective action. IIED Gatekeeper Series No. 125. London, IIED.

Macqueen, D. 2008. Supporting small forest enterprises: a cross-sectoral review of best practice. IIED Small and Medium Forestry Enterprise Series No. 23. London, IIED.

Macqueen D. (ed.), Emmanuelle Andaya, Samuël Begaa, Mario Bringas, Martin Greijmans, Tony Hill, Shoana Humphries, Barthelemy Kabore, Thibault Ledecq, Tabin Lissendja, Alphonse Maindo, Amalia Maling, David McGrath, Simon Milledge, Femy Pinto and Nguyen Quang Tan, E. 2014. Prioritising support for locally controlled forest enterprises. IIED, Forest Connect and Forest and Farm Facility.

Mayers, J. 2006. Poverty reduction through commercial forestry: What evidence? What prospects? Tropical Forest Dialogue background paper. New Haven, USA, The Forest Dialogue.

Molnar, A., Liddle, M., Bracer, C., Khare, A., White, A. and Bull, J. 2007. Community-based forest enterprises: their status and potential in tropical countries. ITTO Technical Series No. 28. Yokohama, Japan, International Tropical Timber Organization.

Nepstad, D., Schwartzman, S., Bamberger, B., Santilli, M., Rar, D., Schlesinger, D. Lefebvre, P., Alencar, A., Prinz, E., Fiske, G. and Rolla, A. 2006. Inhibition of Amazon deforestation and fire by parks and indigenous lands. *Conservation Biology*, 20(1): 65–73.

Ojha, H.R., Pandey, G., Dhungana, S., Silpakar, S. and Sharma, N. 2009. Investing in community managed forestry for poverty reduction in Nepal: a scoping of investment opportunities. Paper presented at the Second International Dialogue on Investing in Locally Controlled Forestry 21–24 September 2009, Kathmandu, Nepal. Available at: environment.yale.edu/tfd/uploads/TFD_ILCF_Nepal_BackgroundPresentations_Ojha.pdf.

Osei-Tutu, P., Nketiah, K.S., Kyereh, B. and Owusu-Ansah, M. 2012. Small and medium

forest enterprises in Ghana: sourcebook on enterprise characteristics, activity centres, product markets, support institutions and service providers. IIED Small and Medium Forest Enterprise Series No. 28. London, Tropenbos International and IIED.

Palmér, C.H. undated. Small-scale private forestry in Sweden. Background paper prepared for The Forest Dialogue (TFD) on Investing in Locally Controlled Forests, 16–19 April, 2012, Växjö, Sweden.

Porter-Bolland, L., Ellis, E.A., Guariguata, M.R., Ruiz-Mallén, I., Negrete-Yankelevich, S. and Reyes-García, V. 2011. Community managed forests and forest protected areas: an assessment of their conservation effectiveness across the tropics. *Forest Ecology and Management*, 268 (2011): 6–17.

PRISMA. 2014. Asociación de comunidades Forestales de Petén, Guatemala. Available at: www.prisma.org.sv.

Rights and Resources Initiative. 2013. Landowners or laborers: what choice will developing countries make? Annual Review 2012–2013. Washington, DC.

Schrader, T. 2010. Engaging with farmers as entrepreneurs and partners: experiences with a self-assessment tool for farmers' organisations (FORCE). Market Chains and Sustainable Development Strategy & Policy Paper No. 19. Wageningen, the Netherlands, Wageningen University.

United Nations Forum on Forests major groups. 2010. "Social development and indigenous and other local and forest-dependent communities, including forest land tenure", Discussion paper submitted to the Ninth session of UNFF; available at: <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N10/601/64/PDF/N1060164.pdf?OpenElement>

United Nations Forum on Forests major groups. 2013. "Forests and economic development", Discussion paper submitted to the Tenth session of UNFF, available at: <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N13/218/09/PDF/N1321809.pdf?OpenElement>

World Bank. 2012. Managing forest resources for sustainable development: an evaluation of World Bank Group experience. Independent Evaluation Group. Washington, DC, World Bank. Available at: www.redd-monitor.org/wordpress/wp-content/uploads/2013/01/ForestCODE-Jan-2013.pdf.

CONTACT

Forest and Farm Facility
FAO - Forestry Department
Viale delle Terme di Caracalla
00153 Rome, Italy

forest-farm-facility@fao.org

For more information, please visit our website:

www.fao.org/partnerships/forest-farm-facility/en/



[iied](http://www.iied.org)

