

# Forests, Poverty and Development

## The Contribution of Forests to the Millennium Development Goals and Poverty Reduction Strategies

### UNFF-3 AGENDA ITEMS:

- Economic aspects of forests
- Maintaining forest cover to meet present and future needs
- Enhanced cooperation and policy and programme coordination
- National forest programmes

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### Summary

As evidenced by the World Summit on Sustainable Development (WSSD), the predominant concern of the international community is the eradication of poverty.

Countries need ensure that the international forest policy arena is better aligned with the broader international community in a post-WSSD world. This will allow forest issues to recapture the attention and funding they used to enjoy and support implementation of the IPF/IFF proposals for action and other international commitments on forests. The UN Forum on Forests has an important role to play in making this happen.

Forests already make important contributions to poor peoples' livelihoods, for example, by:

- Generating income
- Underpinning subsistence economies
- Providing a safety net to minimize vulnerability to risk
- Supplying energy to poor households
- Maintaining productivity of poor farmers' land use systems
- Pioneering decentralized approaches to access and benefit-sharing and thus good governance.

### The UNFF should urge countries to:

- ☑ Allocate to the poor greater rights and responsibilities for the use, management and ownership of forests and other environmental assets
- ☑ Recognize the synergies between the UNFF Plan of Action and the Millennium Development Goals

- ☑ Mainstream forests into poverty reduction strategies and other related processes, and improve links between those processes and national forest programmes.

This would involve, among other things:

- Improving knowledge to build the case on the contribution of forests to the poor
- Incorporating subsistence activities and the provision of a forest resources safety net into poverty reduction strategies
- Strengthening the capacity of forest departments to participate in sustainable development and poverty reduction processes, and to make effective use of livelihood approaches
- Establishing or enhancing coordination mechanisms between forest and environment -- and finance and economic planning ministries

- ☑ Request the Head of the UNFF Secretariat to collaborate with the UN Millennium Project, interested CPF members (including UNDP, the World Bank and CIFOR) and Major Groups to prepare for a thorough review and analysis at UNFF-4 of steps taken to strengthen these linkages, obstacles encountered, and factors contributing to success.

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## The Case for Forests

Sustainably managed forests are fundamental to human health, economic growth, productivity and environmental protection. World Bank figures and a number of studies tell us that forest resources directly contribute to livelihoods of 90% of the 1.2 billion people living in extreme poverty. So why is it so difficult to make the case for forests?

Various international meetings have explored the role of forests in poverty reduction, including an international forum in Tuscany in September 2001, which pointed out the importance of local people as the key stakeholders of forests for ensuring livelihoods.

The discussion on the linkages between poverty and forests was continued in 2002 in Edinburgh, Scotland, the need to focus on specific, local cases, and the importance of recognizing the needs of the local communities were among the topics discussed.

In October 2002 the Finnish Ministry of Foreign Affairs hosted a workshop on Forests in Poverty Reduction Strategies: Capturing the Potential. There was general recognition by participants that forests already make important contributions to poor peoples' livelihoods, for example, by:

- **Supporting income generating activities:** Products derived from forests and trees, such as furniture, foodstuffs and agricultural implements, are important sources of income and employment for the rural poor. Others garner income from forest-based micro-enterprises, such as fuelwood sales and small-scale sawmilling. In Sub-Saharan Africa alone, more than 15 million people earn cash income from forest-related activities.
- **Underpinning subsistence economies and providing a safety net to minimize vulnerability to risk:** Forest products help meet the subsistence needs of many millions of people, particularly women and children and the poorest households. Forests also reduce the vulnerability of the rural poor to external shocks, like food shortages; they form a 'safety net' for times of hardship.
- **Supplying poor rural households' energy requirements:** Forests provide low cost energy, and employment and cash income for the rural poor from the production of fuelwood and charcoal.
- **Maintaining productivity of poor farmers' land use systems through intimate tree-crop or tree-livestock interactions:** Forests and trees

contribute to crop and livestock production by providing soil nutrients and animal fodder, protecting against soil erosion, maintaining water supply, pollinating crops and regulating weeds and pests.

- **Providing a testing ground for pioneering decentralized approaches to access and benefit-sharing and thus good governance:** Devolution of forest resource ownership and management to local communities and removing excessive regulations which discriminate against the poor can help to empower and increase the political capital of the poor.

CIFOR, in collaboration with InWEnt, BMZ, GTZ and the World Agroforestry Centre, hosted a conference on Rural Livelihoods, Forests and Biodiversity in Bonn, Germany, on May 19-23, 2003. The objectives of the conference were to survey the current state of knowledge on the role forests play, enhance public awareness about their significance for rural livelihoods, and to produce policy lessons and to identify concrete proposals for action. The results will be conveyed to UNFF-4.

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## Millennium Development Goals

The Secretary-General's report on Maintaining Forest Cover highlighted that: *Forests have role to play in achieving the Millennium Development Goals (MDG) set out in the Millennium Declaration, in particular poverty reduction and environmental sustainability.*

The Secretary-General's report on Economic Aspects concluded that: *The first goal of poverty reduction, among the Millennium development goals, has a clear link to the economic aspects of forests... Similarly, the MDG on ensuring environmental sustainability has clear links to economic aspects of forests, since ensuring sustainability of forests contributes to overall environmental stability.*

Given that forests do play a critical role in the lives of the rural poor and of forest-dependent communities everywhere, forest dialogues in the UNFF, CBD and elsewhere need to be linked to the Millennium Development Goals - conceptually and in practice through implementation action. This link is not only relevant to MDG 7 on ensuring environmental sustainability, but also to the other goals relating to health, education, gender, etc.

IUCN's poverty and conservation work has demonstrated that forests can impact on these other aspects of development. For example, in the Lao PDR, IUCN has worked with villages in Oudomxay province on developing a marketing and sustainable use strategy for non-timber forest products. From 1996 to 2002 (during the period of the Asian economic crisis) household income increased by up to five-fold, food insecurity was eliminated, child mortality

decreased (from 10 children in 1996 to 0 in 2001 and 2002, school enrolment doubled (30 to 67), and inequities in access to education were addressed (by 2002 35 of the 67 pupils were girls). This type of forest-related information, collected in these terms, can contribute to building the case for the role of forests in meeting the MDG and in reducing poverty.

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### Poverty Reduction Strategies

Poverty reduction strategies (particularly Poverty Reduction Strategy Papers - PRSPs) are sometimes described as the 'road map' for achieving the Millennium Development Goals. The Secretary-General's report on Economic Aspects noted that: *PRSPs have been recently endorsed by the World Bank and the International Monetary Fund as being the country-owned and produced blueprint for setting the priorities for policy reforms, public expenditures, and for delivering international aid for poverty reduction.*

Experts participating in the Finnish workshop on the role of forests in poverty reduction strategies observed that consideration of forest issues during the analytical phase of poverty reduction strategy processes tends to be superficial and unsystematic. This message was echoed in the Secretary-General's reports on Maintaining Forest Cover and on Economic Aspects.

The workshop also concluded that this could be partly explained by the fact that analytical tools, such as livelihood-based approaches, which are particularly well suited to drawing out natural resource dependencies of the rural poor, are rarely used to complement poverty assessments, which rely heavily on standard economic indicators such as cash income.

Furthermore, national forest programmes seldom establish strong links with poverty reduction strategy processes even though the limitations of a purely sectoral approach to forest planning are widely acknowledged and understood.

Despite these shortcomings, there are signs that some governments have made provision to incorporate forest-related activities in their poverty reduction strategies, including community forestry, reforestation, sustainable forest management and the development of forest-based micro-enterprises.

Other appropriate activities could include forest landscape restoration, protected areas that deliver social benefits, community-based approaches to forest fires, carbon sequestration projects that deliver social and environmental benefits, good governance through the application of a landscape approach, and redirection harmful forest subsidies to activities which benefit the poor.

At a national level, the forest and environment sectors need to become more active in addressing the poverty issue- it is not good enough to complain that forests have been excluded from PRSPs; forest departments need to systematically address poverty and poverty reduction in their sectoral planning processes such as NFPs.

IUCN's experience in East Africa shows that senior people in ministries of finance and economic planning are ready to listen and make provision for forests and the environment whenever the case is made convincingly.

Dealing with poverty and forests leads into a suite of governance issues, including access and tenure rights. If forests are to fulfil their potential in making tangible contributions towards poor people's livelihoods then poor people must be able to access, use and control the resource.

The story of *ngitili* restoration in Shinyanga, Tanzania - where over a period of 15 years 250,000 hectares of natural woodlands were regenerated - illustrates this point. The results were driven by the establishment of secure land tenure rights, building on local knowledge and institutions, and on what people (rather than external experts) wanted to do, with less emphasis placed than in the past on cultivation and cash crops. Greater effort is required to reward poor people for forest and environmental stewardship through appropriate policy and market mechanisms.

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### The Integration Challenge

A superficial commitment to mainstreaming forests and the environment in the fight against poverty is likely to fail, risking "sustainable poverty" and resulting in continued environmental degradation. Traditionally, environment and forestry ministries have excluded themselves from the poverty debate. They now need to more fully engage in broader sustainable development issues, assuming an active role in promoting forests as a key poverty reduction sector and building a convincing case for greater national and donor investment in natural assets for the benefit of poor people.

This will require trade-offs between poverty reduction, forestry and conservation interests. Balancing these different objectives is a necessary part of repositioning forests in the broader international political agenda. A first step will be to better articulate what a livelihood emphasis means within forest policy and vice versa. This will also imply a shift of attention from an emphasis on win-win - supposing that all parties can get everything they want - to a practical understanding of how land use trade-offs can be equitably balanced.

The recent progress in promoting forest restoration within an ecosystem context is one example of how land use trade-offs can be

dealt with. The Forest Landscape Restoration approach aims to strike a balance between the ecological, social, and economic requirements for sustainable and equitable resource use, based on the outcomes of an inclusive land-use negotiation.

This approach is being further developed and promoted by the Global Partnership on Forest Landscape Restoration, whose partners include the Forestry Commission in the United Kingdom, the Government of Kenya, IUCN, WWF, the Centre for International Forestry Research (CIFOR), the International Tropical Timber Organization (ITTO), the United Nations Environment Programme - World Conservation Monitoring Centre (UNEP-WCMC), the Secretariat of the UN Forum on Forests (UNFF), the Secretariat of the Convention on Biological Diversity, and CARE International.

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### Areas for Action

Forests will not solve the problems of the world's poor - but they have a contribution to make, and this will require a range of actions by countries, including:

- Strengthen the access of the rural poor to and community control over forest resources
- Reward environmental stewardship through innovative sources of financing, e.g. for forest landscape restoration initiatives
- Incorporate livelihood and landscape approaches into poverty reduction, forest conservation and development efforts
- Promote good governance, e.g. by addressing tenure, fighting corruption and decentralizing decision-making
- Improve the knowledge base on forest sector contributions to poverty reduction, including analysis of values, especially of subsistence and environmental benefits; pilot studies of introducing sustainable livelihoods assessment into PRSs; data on forests as a safety net for the poor; and forest-related indicators for poverty surveys
- Encourage ministries of finance and economic planning to address the potential contribution of the forest sector in poverty reduction strategies and associated policies
- Urge forest and environment ministries to step up to the challenge of poverty alleviation and realize their potential to contribute to poverty alleviation
- Monitor and mitigate impacts on forests of poverty reduction strategies, including assessing the impacts on forests and people of measures aimed at stimulating economic growth; and adopting indicators to monitor impacts on forests as part of PRSP monitoring frameworks.

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### Recommendations

Given this daunting task, what can the UNFF do? While some of these issues are expected to receive more detailed attention at UNFF-4 in connection with the Social and Cultural Aspects of Forests, they are also critical to the UNFF-3 agenda.

UNFF-3 therefore has the responsibility and opportunity to reach agreement on the direction to be taken and to establish a solid basis for fruitful intersessional preparation for UNFF-4.

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## IUCN's engagement

IUCN is committed to supporting governments, civil society and others in the achievement of the Millennium Development Goals. We believe that a 50% reduction in the number of people living in absolute poverty by 2015 is one of the most urgent milestones in achieving sustainable development and we believe that the conservation and sustainable management of forests has to be enlisted in the fight against poverty.

IUCN's commitment is reflected in the development of a special programme of work on Poverty, Livelihoods and the Environment, which focuses on (1) mainstreaming environment into poverty reduction processes at the national level, (2) developing and promoting forest landscape restoration as an approach to deliver tangible benefits for poor people and to maintain the integrity of forest resources and (3) engagement in international poverty and forest debates.

More specifically this will include such activities as conducting a series of national studies in Asia and Africa, bringing directors of conservation together with their counterparts in finance ministries, analysis of linkages, development of economic valuation tool kits, and establishment or strengthening of networks of interested practitioners and policy-makers. This work is supported by efforts in the field linking forest conservation and poverty alleviation in many countries in the developing world.

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