

APRIL 2013

OVERVIEW

IIED Natural Resources Group

Project name:

Forest Connect – Reducing poverty by linking small forest enterprises better to each other, to markets, to service providers, and to policy processes

Project leader:

Duncan Macqueen

Time frame:

2007-2012

Cost:

US\$ 900,000

Objective:

To avoid deforestation and reduce poverty by better linking sustainable small forest enterprises to each other, to markets, to service providers and to policy processes such as National Forest Programmes.

PROJECT SUMMARY

Poor rural people can't afford to stop clearing forests unless they have a more sustainable way to make a living from these natural resources. Forest Connect is an ad hoc alliance of organisations who help forest communities strengthen small-scale enterprises. Co-managed by IIED and the UN Food and Agriculture Organization, the alliance supports partners in 12 countries, who have exchanged knowledge at meetings and designed and tested a toolkit for supporting small forest enterprise. Forest Connect also offers an open online platform where members share their experiences and resources.

THEORY OF CHANGE

Rapid deforestation threatens the global climate and biodiversity. As regions with the last forest frontiers tend to be poor, the challenge lies in reducing poverty through economic alternatives that also maintain forest cover. This is central for both climate programmes such as REDD+ and trade programmes tackling illegal logging such as FLEGT. One alternative to agricultural conversion at the forest frontier is sustainable forest enterprise. Small, locally run agricultural and forest enterprises are the norm in many developing countries,

Forest Connect: reducing poverty by ending isolation

To restore forests and get out of poverty, rural communities need the knowledge and connections to build flourishing enterprises.

Forest Connect focuses on forests, but 'connection' is the essence of the programme. In Nepal, for example, forest communities were recently linked into a supply chain that built better charcoal briquettes and stoves, cornering the market for fuel in Kathmandu. The Asia Network for Sustainable Agriculture and Bioresources (ANSAB), a Forest Connect partner that supports community-based enterprises, worked with the timber-producing groups with their buyers, community-owned small briquette manufacturers near the capital. They partnered with Himalayan Naturals, which has 51 retail outlets for charcoal in Kathmandu, to produce and sell briquettes with an innovative, higher-efficiency design. Another company was convinced to redesign the traditional Nepalese stove to handle the new product.

With this thriving market chain, poor timber producers are becoming better off – and now that the forest offers a good living, they have strong motivation to manage and restore it instead of clearing land to grow food for survival.

But building the chain was no straightforward task. Like many forest communities worldwide, the Nepalese villages were isolated in many ways. They were distant from neighbouring timber growers with whom they might work for scale efficiencies and bargaining power,

from potential buyers, from financial services and business consultants, and from decision-makers governing their forest access and use. ANSAB helped create sustainable forest businesses in rural Nepal by bridging many of these disconnects. And the NGO in turn drew support from the wider global network of the Forest Connect alliance.

Market power

Led by IIED and the UN Food and Agriculture Organization (FAO), Forest Connect works in 12 countries with partners like ANSAB backing business ventures by forest communities – honey and coffee in Ethiopia, timber and Easter-palm decorations in Guatemala, bamboo furniture and coconut-husk artifacts in Mozambique, and baobab juice in Mali, among others. The Forest Connect website (forestconnect.ning.com), an open communication platform for sharing information on small forest enterprise, has over 1,000 members from 94 countries. We have created a partner-tested 'toolkit' for supporting small forest enterprises, and we played a significant role in recent international meetings organised by The Forests Dialogue that identified key support 'pillars' for these enterprises. The pillars are now informing private-sector investment guidelines and being adopted by institutional partners such as the World Bank, IUCN and FAO.

but they are often unregistered and hampered by isolation from potential partners, buyers, services and government. Forest Connect seeks to overcome this isolation and establish a forest enterprise system based on secure rights to forest resources and strong local producer groups with the business capacity to make profits sustainably and attract investment. It does this by working through in-country partners who themselves facilitate support to small forest enterprises.

KEY LESSONS LEARNT & INNOVATIONS

- Forest Connect's enterprise approach to forestry, in which economic incentives for local people to restore or manage forests are centre stage, has attracted widespread interest across civil society, government and the private sector.
- Bottom-up design – asking in-country supporters of small forest enterprises to identify the areas where they needed guidance to do their job more effectively – helped us tailor and test an effective toolkit to support them.
- An open online communication platform and a series of international learning events nurtured an unexpectedly large and vibrant community. Participants number far more than we could fund directly and have the power to shape future forest agendas worldwide.

PARTNERS' VIEW

The Forest Connect activities in Nepal have strengthened business membership organisations including the Briquette Producers Association and the Herbs and Herbal Products Association, improving understanding among stakeholders on the necessity of improving SMFEs' links to markets and service providers, and strengthening networks among facilitating organisations. Information generated and networks established during the Forest Connect project have leveraged a strong foundation for ANSAB to design and develop programmes in partnership with different organisations, including the government, for the promotion of the SMFE sector.

Sudarshan Khanal, ANSAB

IIED NATURAL RESOURCES GROUP

The aim of the Natural Resources Group is to build partnerships, capacity and wise decision-making for fair and sustainable use of natural resources. Our priority in pursuing this purpose is on local control and management of natural resources and other ecosystems.



This research was part-funded by UK aid from the UK Government, however the views expressed do not necessarily reflect the views of the UK Government.



Photo: Duncan Macqueen

Forest Connect members feel they are no longer working alone in remote forests but are part of a global movement.

The focus on business has been a major factor in making an impact. Across civil society, government and the private sector, an enterprise approach to forestry attracts attention. It is relevant to poverty reduction and democratisation as well as preventing illegal logging and restoring forest cover; poor communities need a political voice and the legal rights to responsibly use their 'natural capital', and given the right economic incentives they can channel local knowledge, creativity and social power into conservation. The potency of small enterprise is also being studied elsewhere in IIED, for example in the Sustainable Markets Group.

In the case of forest businesses, sheer numbers offer huge potential. Small forest enterprises – mostly informal and invisible in national economic statistics – actually make up 80-90 per cent of enterprise and more than 50 per cent of forest-sector employment in most developing countries. Yet these community-based industries had received little help in overcoming their isolation to build strong market chains. The Forest Connect alliance addresses that gap.

No 'experts' allowed

Forest Connect takes a bottom-up approach, with members shaping and improving our agenda and outputs. For example, getting country teams to test the toolkit made the guidance more realistic and added dozens of on-the-ground examples. And the teams were eager to do this testing, because they themselves had requested the information in the toolkit. The guide was designed based on feedback from the alliance about their urgent needs for advice on matters such as market research or financial planning.

Next, we are seeking members' input on which subsectors of enterprise are most important to support positive social and environmental change at the landscape level. We will be creating more tailored guidance for the ventures chosen as top priorities.

We've been especially surprised by the results of opening up the alliance online. Rather than being mainly a vehicle for Forest Connect publications, the website has people worldwide sharing papers, blog posts, discussions, videos and job postings. Members beyond our project support dwarf us many times over in the resources they bring to this community of practice, and ideas have jumped the globe in unexpected ways.

Forest Connect helped catalyse this by defining a hot topic, allowing information to flow freely and rewarding contributors by showcasing their work in email newsletters. Similar approaches could be tried in many alliance-based IIED projects.

But the main draw is the expectation that everyone in this online community has something to contribute and something to learn. A project like changing the Kathmandu charcoal market requires an array of social, technical and business skills that no one group has. By exchanging expertise and experience, organisations become more confident in tackling difficult work. Forest Connect has met a wave of enthusiasm because members feel they are no longer working alone in remote forests – they're part of a global movement.

The International Institute for Environment and Development's Reflect & act series showcases innovation and lessons learnt in selected projects from across the institute. See www.iied.org for more.