

# Rights and Resources Initiative

## A New Global Initiative Advancing Forest Tenure, Policy and Market Reforms

### **to Reduce Rural Poverty, Strengthen Forest Governance, Conserve and Restore Forest Ecosystems and Achieve Sustainable Forest-Based Economic Growth**

*Concept Note*

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#### **Why Prioritize the Reform of Forest Tenure, Policy and Markets?**

Forests cover around 30 per cent of the world's land area. They provide food, wood, medicinal plants and much else for hundreds of millions of people. They harbor a significant portion of the globe's biodiversity, and they perform a range of environmental services. Yet despite their importance, and despite the substantial efforts which have been made to manage forests sustainably, this critical portion of the global landscape is beset with problems, ranging from persistent poverty to unsustainable use, from illegal exploitation to the loss of cultural and biological diversity.

Forests are particularly important for the poor. Some 1.6 billion people rely to a significant extent on forests for their livelihoods. These people constitute approximately half of all those who live on US\$2 a day or less, and they include the some 350 million indigenous and tribal people who are entirely dependent on natural forests. Over 2 billion people, a third of the world's population, rely on fuelwood to cook and heat their homes and a similar or greater number use medicinal plants and animals, many harvested from the forests, as their primary source of health care. Forests are also particularly important to poor women. It is women, more often than men, who search for fuelwood, manage tree gardens around the home, collect, process and trade non-timber forest products and search for clean sources of water. The almost direct overlap between forests and rural poverty in many countries puts forests and forest use at the center of the growing national and global concern about poverty reduction, rural development, forest protection and rehabilitation, and sustainable economic growth.

Unfortunately, the contribution which forests could make to rural development, forest conservation and economic growth has been persistently undermined by conventional approaches to forestry. These often discourage or deny local people's rights to own, use and trade their forest products and services. In many countries, most of the forest estate remains publicly owned and managed, despite legitimate local claims to the forests, extensive occupation by agrarian people and the limited ability of governments to protect these vast resources.

Furthermore, prevailing models of industrial development, and the state subsidies which provide support for forest industries, often reinforce this inequity and abuse of local rights. Industrial forestry also makes a limited contribution to sustained rural economic growth and yields meager revenues for governments. In short, conventional approaches to forestry often help to perpetuate poverty, reduce biodiversity and discourage local investment in enterprises that could improve incomes and growth.

**This unsatisfactory state of affairs is beginning to change.** Many communities are asserting their rights to manage their forests, and some governments and private sector leaders are introducing substantive changes to forest tenure, policies and markets. The forest sector is now

undergoing important reforms – we are witnessing arguably the most important set of policy and market shifts since the end of the colonial era – and these present historic opportunities for, and sometimes threats to, the well-being - livelihoods, rights, freedom and choices, and culture - of the 1.6 billion poor people who live in and around forests. These reforms affect the way in which forest people manage and conserve forests and the provision of environmental goods and services from forests that benefit society as a whole.

Perhaps the most important reforms relate to forest ownership and tenure. Some countries are now considering, most for the first time, the reform of the public forest estate. This involves the recognition of collective and individual property rights. If individuals, communities and businesses are to invest in forest resources, take responsibility for their conservation, and participate regularly and openly in the market place, they need to be confident of their property rights. This is particularly important for the forest-dependent poor: clearly defined rights are essential if they are to improve their income and well-being. Growing evidence from around the world demonstrates that recognizing local rights and improving local governance is politically feasible. It is also a cost effective strategy for rural poverty alleviation.

Besides introducing reforms in forest and land tenure, governments across the world are now beginning to reassess their legal and regulatory frameworks, and they are reviewing the way in which they allocate subsidies, provide privileged access to publicly owned forests, develop new policies, and monitor the impacts of existing policies. A large number of countries are also engaged in a process of decentralization. At the same time, changes in the world trading regime and the demand for greater democracy are forcing nations to fundamentally rethink the roles of the state, civil society and the private sector.

Changing long-established patterns of governance and industrial behavior is never a simple process and inevitably entails a degree of political, economic and environmental risk. Governments, communities and the private sector all face tremendous challenges when assessing new policy options and adapting to the long-term process of changing laws, restructuring industry and building the capacity required for implementing reforms.

**There are reasons for optimism.** Various factors mean that progress on reforming forest tenure and establishing good forest governance is much more likely now than in previous years.

- A growing number of Indigenous Peoples and community organizations are conserving their forests, managing forest enterprises and actively shaping and monitoring national and international policy. This growing sector is demonstrating their viability as economic agents and contributors to local economic development.
- There is a growing appetite among some governments for forest reforms. Many governments are eager to learn from the experiences of forest policy reform in other countries, and are willing to learn with, and from, the private sector and civil society.
- There has also been a growing global commitment to reducing poverty, manifested most particularly by the Millennium Development Goals and the increase in development assistance. There is a growing recognition of the need for tenure, policy and market reforms if countries are going to achieve their poverty reduction targets.
- There is a growing opportunity for local people to participate in and benefit from forest markets – and thus lift themselves out of poverty. Reforming the prices and structure of

markets for timber, non-timber forest products and ecosystem services provides new opportunities for the people who live in and around forests, as well as opportunities for governments to encourage industrial development that contributes to economic growth in a socially responsible manner.

### **The Rights and Resources Initiative**

The Rights and Resources Initiative is a new informal coalition of organizations dedicated to raising global awareness of the critical need for forest policy and tenure reforms in order to achieve global goals of poverty alleviation, biodiversity conservation and forest-based economic growth. The Initiative will help communities, governments and the private forest industry advance tenure, policy and market reforms to achieve these ends. Founding members include Forest Trends, the Center for International Forestry Research (CIFOR), the World Conservation Union (IUCN), and the Regional Community Forestry Training Center (RECOFTC). The United Kingdom's Department for International Development (DFID), the Ford Foundation, and the International Development Research Centre (IDRC) are providing intellectual support and seed funding to facilitate development of the Initiative. Development of the Initiative is coordinated by the Rights and Resources Institute, a non-profit organization in USA. The Initiative will seek to broaden the coalition by involving new partners actively engaged in advancing tenure and policy reform – particularly those representing community organizations in 2005 and 2006.

The Rights and Resources Initiative is guided by a set of **core beliefs**.

- We believe it is possible to achieve the seemingly irreconcilable goals of alleviating poverty, conserving forests and encouraging sustained economic growth in forested regions. However, for this to happen the rights of poor communities to forests and trees, as well as their rights to participate fully in markets and the political processes that regulate forest use, must be recognized and strengthened.
- We believe that the next few decades are particularly critical. They represent a historic moment where there can be either dramatic gains, or losses, in the lives and well-being of the forest poor, and the conservation and restoration of the world's threatened forests.
- It is clear that progress on the necessary tenure and policy reforms requires constructive participation by communities, governments and the private sector, as well as new research and analysis of policy options and new mechanisms to share learning between communities, governments and the private sector.
- The two related Millennium Development Goals – No. 1, to eradicate extreme poverty, and No 7, to ensure environmental sustainability, with a target of halving the proportion of people whose income is less than US\$1 a day by 2015 – will not be met in many developing countries unless forest tenure and rights are significantly reformed.
- We believe that reforming forest tenure and governance to the scale necessary to achieve either the Millennium Development Goals, or the broader goals of improved well-being, forest conservation and sustained-forest-based economic growth, will require a new, clearly focused and sustained global effort by the global development community.

The experience and beliefs of the founding partners are the basis for the Initiative's focus on rights and governance. They are also the basis for its **mission**: to promote greater global

commitment to pro-poor forest policy and market reforms to increase local household and community ownership, control, and benefits from forests and trees.

The Initiative will encourage communities, governments, donors and international institutions to combine efforts to advance two new **global goals**:

- to dramatically reduce poverty in the *forested* areas of the world;
- to substantially increase the forest area under local ownership and administration, with secure rights to use and trade products and services.

**Key activities** of the Initiative will include:

1. **Mobilizing a global commitment to policy and tenure reforms.** The Initiative will focus global attention on the need to adopt the global goals and targets described above. It will encourage major global institutions to support and adopt new targets for pro-poor reforms. The Partnership will monitor and regularly report on global progress.
2. **Generating new globally strategic research on key policy and market transitions that affect livelihoods and sustainable forest use.** The Initiative will conduct global analyses and syntheses that will encourage action to achieve its goals and targets and inform policy makers of the lessons learned when implementing reforms. These analyses will focus on tenure and regulatory reform, pro-poor conservation approaches, investment and business models, global finance and subsidy reforms.
3. **Supporting domestic policy reforms.** Policies and prejudices at the local and domestic level continue to act as a constraint on indigenous and other community rights and livelihoods. The Initiative will work with governments and local partners to advance strategic policy and market reforms in developing countries. This will include collaborating on new studies on critical policy and market issues and co-organizing policy workshops and events.
4. **Helping community networks to engage more effectively and leverage change in key regional and global dialogues and institutions.** The Initiative will strengthen community networks and capacity and complement and support their initiatives by: (1) collaborating with them to elevate the profile and feasibility of pro-community reforms in global arenas; (2) arming them with new strategic analyses, data and messages to help advance their positions; and (3) collaborating with them to engage governments in legal and policy reforms.

The Initiative will advocate **two targets** as global indicators of progress – both situated within the framework of the Millennium Development Goals:

1. To reduce by half the proportion of people in forest areas who live in extreme poverty by 2015. The Initiative will encourage governments to adopt the necessary reforms, and provide the development flows required, to tackle poverty in forest areas.
2. To double the global forest area under local ownership and administration, with secure rights to use and trade products and services, by 2015. Many countries have made progress in strengthening and reforming forest tenure, but unclear rights remain the norm rather than the exception for the majority of the world's forests and forest peoples.