High-Level Roundtable 2
Finance for Forest Dependent Communities
Wednesday 2 February 3:00 pm – 6:00 pm

Roundtable 2, held on 2nd February 2011 during the high-level ministerial segment of the 9th session of the UNFF, focused on finance for forest-dependent people. It was chaired by UNFF9 Bureau Member Mr. Ndiawar Dieng and moderated by Her Excellency Ms. Ana Maria Sampaio Fernandes, Ambassador of Brazil in Nairobi. During this Roundtable ministers and high officials of the following countries and one international organization made statements: Bolivia, Botswana, Central African Republic, Colombia, Democratic Republic of Congo, Guatemala, Malaysia, Nicaragua, Nepal, US, Paraguay, Sudan and IUCN. What follows is an overview of the discussion among the ministers and other high level representatives.

Discussions highlighted the fact that the contribution of forests to rural livelihoods is estimated at 25-40% of household income. But because forests are significantly undervalued, laws and regulations often prohibit forest dependent people from accessing forest resources, and public spending on community forestry remains low.

Several participants noted that forest-dependent peoples, which represent a significant proportion of the population in many developing countries, face various barriers in implementing sustainable forest management, ranging from the lack of clear and secure land tenure and use rights arrangements, as well as restricted access to information and participation in decision-making processes. Ensuring sustained sources of finance was another challenge highlighted together with limited capacity building and organisational training as well as technical training for forest management. However, an example provided by Guatemala, revealed that 30% of its forests are managed by local communities, enabling them to benefit to a greater extent from forest resources of all types. Emphasis was also made to the importance of recognizing all functions of forests, including the social and cultural values of local and indigenous communities.

Several participants highlighted that in medium- and high-forest cover countries, forests are the basis for specific markets, namely for timber and non-timber forest products. They explained that forests are a major source of livelihoods for millions of people living in and around forests. However, because many forest dependent communities are isolated and their economies are informal, they need assistance in developing products and gaining access to markets. In this regard, participants noted that in designing financing schemes to assist forest dependent communities the informal economy and the knowledge and skills of local communities, including the non-cash values of forests’ contributions to livelihoods should be recognized. These and other types of financing, such as benefit distribution mechanisms, need to be equitable and involve all stakeholders, including the private sector, where relevant to support sustainable forest management activities with local communities, for example through their corporate social responsibility programmes.
Participants also highlighted the need for budget allocations at the national level to recognize the role of forests. While many stressed the need for funds to sustainably manage natural forests, they also noted that funding for reforestation and plantation projects, was much easier to secure. A large number of national financing initiatives were mentioned, such as funds in Botswana to promote community-based natural resource management and small forest enterprises, as well as a new taxation system in the Central African Republic and the Democratic Republic of Congo to secure government revenue from logging operations. In both countries, there is also a system to redistribute part of this revenue to local communities. However, financing for forest communities and sustainable forest management, as noted by many participants, requires greater integration into national forest plans and national development plans.

Views also addressed the international level, specifically the creation of multilateral funds, reflecting the global benefits that forests provide, for instance in terms of limiting the effects of climate change. Many pointed to existing funds, include those of the Global Environmental Facility, FAO and the NFP Facility, and funding initiatives at the regional level. For example, REDD+ was viewed as a useful source of financing for local communities, which to an extent addresses cross-sectoral issues related to sustainable forest management. However, participants cautioned on the risks which communities could face from REDD+ as the focus of this mechanism remains on carbon stocks rather than on the rights and livelihoods of local communities. Therefore, aside from these efforts, participants highlighted the need for existing funds to be complemented by other sources of financing, capacity building and technology transfer addressing forests in its entirely. In this context, many stated the need for a predictable source of funding for forests from the international community, and that, a global forest fund would address this very issue.