



ROADMAP FOR STRENGTHENING FOREST AND FARM PRODUCER ORGANIZATIONS

policy brief



Food and Agriculture
Organization of the
United Nations



**FOREST
AND FARM
FACILITY**



Aim of this brief

The aim of this policy brief is to spread the word about forest and farm producer organizations and their increasing role in helping smallholders improve their economic and social well-being while managing their resources sustainably. The brief sets out a roadmap by which an international partnership can boost support for forest and farm producer organizations worldwide.

The importance of producer organizations for small-scale forest and farm producers

Forest and farm producer organizations unleash the economic power and entrepreneurial potential of indigenous peoples, local communities and private smallholders at scales that transform landscapes. They do this by:

- Increasing the political “voice” of small-scale forest and farm producers to secure tenure and other rights to the natural resources on which their enterprises are based.
- Increasing the negotiating power of forest and farm producers to obtain fair value for their products and environmental services.
- Delivering business advice and services to forest and farm producers through partnerships with non-governmental organizations, consultants, private companies and governmental and development agencies.
- Forest and farm producer organizations 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.

A road map for boosting support for forest and farm producer organizations

1. Share the news. There is an urgent need to increase the visibility and amplify the voices of forest and farm producer organizations in policymaking and decision-making.
2. Assist forest and farm producer organizations to become stronger. Governments and development partners should focus policies on, develop incentives for, and direct resources towards strengthening locally controlled forestry.
3. Create an enabling environment. Existing laws, regulations, institutions and services often hinder rather than encourage forest and farm producer organizations. Governments, service providers and development partners should help create an enabling environment.
4. Clear a path for increased finance. Governments, development agencies and financial institutions should collaborate to provide forest and farm producer organizations and their members with greater access to financial services.
5. Connect forest smallholders to markets and services. Connections between forest and farm producer organizations and government agencies, development partners and non-governmental organizations can link local producers to buyers and remunerative markets and help them increase their skills, knowledge and resources.
6. Build a global coalition. A worldwide coalition of forest and farm producer organizations will influence global policymaking and generate momentum for greater support.



The rise of forest and farm producer organizations

Indigenous peoples, local communities and private smallholders own or manage a growing proportion of the world's forests – now estimated at 30 percent of the global forest estate – and evidence shows that they are able to reduce deforestation and manage forests sustainably. Indigenous peoples, local communities and private smallholders are not only major private-sector actors, they are the private-sector segment with the greatest potential to deliver poverty reduction. But a crucial constraint is their isolation from each other and from markets, business services, policymakers, financing and investment opportunities, and information. They can overcome such isolation by organizing themselves into groups – forest and farm producer organizations.

Many roads, one map

Each forest and farm producer organization is unique, varying by country, context, stage of development, organizational model, size, cultural characteristics and the products produced by their members, among other things. Yet such organizations worldwide have many problems and solutions in common, too, and by sharing their experiences locally, nationally, regionally and globally they can map out a better future for their communities and natural resources. Individual forest and farm producer organizations will take their own roads, but a shared roadmap can guide and unite them.

Challenges for local producers

Indigenous peoples, local communities and private smallholders face many challenges in producing and marketing their forest and farm products. For example:

- The high cost of entry into markets caused by the administrative complexity of securing forest tenure, the multiple bureaucratic



requirements for the registration of commercial interests, and other factors, can be overwhelming, especially in rural areas.

- Rules, regulations and procedures are almost always biased towards large-scale businesses and corporate producers, which often receive preferential access to markets, power structures and resources. These biases take many forms, and may be expressed in (for example):
 - › inventory and management planning obligations that are poorly designed for small-scale producers;
 - › complex restrictions on the trade in forest products across district or state boundaries;
 - › multiple informal or formal taxes and levies (the cost of which often far exceeds the equivalent taxes and levies applied to large firms); and
 - › the legality assurance or quality certification requirements imposed by markets (often export-oriented).
- Small-scale forest and farm producers are often forced to operate outside the law because they are legally unrecognized. Many are using customary resources that legally belong to the state, and tenure insecurity remains a reality for millions of forest producers. Women producers often face additional barriers, while there is a strong trend for the rural young to migrate to urban areas because of a lack of opportunities at home.
- Small-scale forest and farm producers often have difficulty in obtaining loans for their businesses, and they face a wide range of other financial constraints.

- Unscrupulous traders take advantage of small-scale forest and farm producers, blocking their access to fair prices, markets and financial and other services and locking them into unfair deals. Some small-scale local producers are permitted to trade only in lesser-value products, while high-value wood and non-wood forest products are retained by the state or given to large-scale industry and the corporate private sector.

WHAT ARE FOREST AND FARM PRODUCER ORGANIZATIONS?

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 or international markets.

Forest and farm producer organizations are formal or informal associations of such producers. They are created with the aim of helping their members share knowledge and experience; engage in policy advocacy; secure tenure and access rights to forest, land and other natural resources; improve forest and farm management; expand markets; build enterprises; and increase income and well-being.

Forest and farm producer organizations 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.

Forest and farm producer organizations are growing

Forest and farm producer organizations can help small-scale producers overcome such challenges. They are growing in number, size and influence, and in some countries they now have significant economic weight and political clout, particularly when they are able to federate and form associations at different levels. Forest and farm producer organizations are building on the experiences of agricultural and other producer organizations, but they also have unique qualities. Compared with agricultural producers, for example, the members of forest and farm producer organizations are often more isolated; in more heterogeneous landscapes; more community-based; and dependent on a wider range of products.

Forest and farm producer organizations provide many benefits

Forest and farm producer organizations generate a wide range of benefits for their members. They help manage diversity and risk, and they also:

Rights and recognition

- help ensure that the rights of members are respected, including the right of producers to manage and use their forests in accordance with their objectives;
- increase the power of members to negotiate better and more secure tenure and access to forest, land and tree resources;

Networking and support

- enable members to share knowledge and experience with their peers – whether in the next valley, the next province or internationally;

- support coordinated action among members to create secondary processing enterprises and related products and businesses and make better and more efficient use of technology and research;
- build the capacity of members to adapt to climate change;
- strengthen relationships with government institutions, the private sector, development agencies and civil-society organizations;

Marketing and services

- make it easier for members to market products into new or bigger markets through increased economies of scale and by dealing directly with large public and private companies (reducing the need for “middlemen”), driving better bargains, developing new products, and collaborating on transportation, design, certification, branding and sales promotion;
- increase the access of local producers to finance to create and grow their enterprises, and make it easier to insure businesses and resources;
- enable the sharing of information on prices and quality requirements, which helps members decide what to grow and when to harvest;

Policy influence

- offer services to, and leverage the role of, government – forest and farm producer organizations have accountability to members that increases their impact, and they can assess producer needs and evaluate policy efficacy in ways that governments cannot; and

MANAGING DIVERSITY AND RISK

Forests produce a wide variety of potentially marketable products and environmental services, provide multiple intergenerational income streams and contribute to nutrition and food security. This diversity of products and services is an important public good: it encourages a complex mosaic of management systems at the landscape scale that ensures the provision of environmental services related to water, biodiversity and carbon and improves ecological resilience. Both ecological diversity and a diverse mix of products and enterprise types help spread the risks posed by pests, climate change and sudden movements in price and demand.

Forest and farm producer organizations help their members manage this diversity, including by assisting in the marketing of the many forest and farm products and environmental services and providing access to appropriate technologies that help simplify management and increase yields and efficiency.

- greatly increase the participation of members in policy processes that affect them, and their influence on them.

At the international level, much donor support for sustainable forest management and poverty reduction is being channelled through three main efforts, each of which would benefit from stronger and legally recognized forest and farm producer organizations:

1. Export-trade-related procurement laws that require legality assurance systems, such as the European Union's Timber Regulation. To be effective and ensure equity, forest law enforcement, governance and trade processes need to engage with the full range of forest stakeholders. The active involvement of strong forest and farm producer organizations in the planning and monitoring of good governance would help ensure that small-scale producers are legally recognized in such laws and systems, and that incentives and regulations address domestic markets as well as the legality and governance requirements of the export trade.
2. Climate-related payment mechanisms associated with REDD+. Readiness and implementation processes all need the inputs

of small-scale producers. Strong forest and farm producer organizations can contribute to equitable and transparent processes and provide effective implementation networks through which REDD+ payment systems could operate and be held accountable.

3. Poverty-reduction and food-security targets. Strong forest and farm producer organizations help boost the capacity of small-scale forest and farm producers to provide food security for their families and increase their incomes.

In sum, well-governed and properly supported forest and farm producer organizations unleash the economic power and entrepreneurial potential of indigenous peoples, local communities and private smallholders while ensuring well-being, social inclusion and environmental sustainability. They are powerful catalysts for boosting the incomes of local producers and thus provide strong incentives for SFM. Increasingly, they are driving sustainable development at the local, national and international scales.

Learning from innovative country experiences

Many countries are moving forward in their efforts to support forest and farm producer organizations more effectively. The International Conference on Forest Producer Organizations, which was held in Guilin, China, in November 2013, shared important learning from 40 countries, and *Strength in numbers: effective forest producer organizations*, a publication launched at the conference, describes a number of useful country examples.

Forest and farm producer organizations are proving their value in widely diverse contexts. Finland, for example, has more than 100 years of experience in effective forest and farm producer organizations at various levels, from local to national. In Nepal, FECOFUN, a network of forest user groups, was formed in 1995 to give voice to small forest users in policy processes and has grown into a social movement of 8.5 million local producers. In Mexico, local producers manage more than 80 percent of forests, and forest and farm producer organizations are therefore a key to fighting poverty in rural areas there. The box on this page describes China's large-scale support of forest and farm producers and local-level organizations. Governments worldwide are beginning to recognize the potential of forest and farm producer organizations to generate local, national and global benefits, and many are starting to ask how they can best facilitate their development.

THE CASE OF CHINA

China provides perhaps the most dramatic example of the huge potential of forest and farm producer organizations. By 2012, after five years of the country's most recent forest tenure reform process, more than 90 million forestry farms had been granted certificates for forest management, and 115000 forest and farm producer organizations had formed. China is expanding its forest estate by 2.9 million hectares per year, and forest farmers are planting about 70 per cent of this. More than 1000 forest ownership management service centres, called "forest trade centres", have been established to work with forest and farm producer organizations in, among other things, resolving disputed land titles and boosting the efficiency and value of their trading activities. The forest trade centres are designed to be one-stop shops that make it easier for forest and farm producer organizations to enter the marketplace.

The Government of China has provided a range of other supportive policy measures, too. For example, it has enabled the use of forests as collateral for loans and rolled out new schemes for forest insurance. The government is also helping develop capacity among forest farmers, for example by providing training in ecotourism and by nurturing traditional agricultural knowledge. Services are being developed to provide local producers with real-time information on weather, product prices and fluctuations in demand, among other things. Research into understorey cash crops has provided producers with management options for generating regular income and providing environmental benefits.

Supporting sustainable forest and farm producer organizations



Encouraging forest and farm producer organizations and enabling them to flourish and become self-sustaining involves attaining the right balance of laws, infrastructure, technical advice, research and service providers. The weighting of these factors varies between countries and over time, but all are necessary. Establishing trust among forest and farm producer organizations, service providers and governments is essential. It requires that dealings are transparent and conducted in good faith over long periods and on the basis of respect for the autonomy of forest and farm producer organizations.

The most fundamental aspect of an enabling environment is security of tenure and access – to land, trees and forests. Without it, forest and farm producer organizations and their members are unlikely to flourish. Many forest and farm producer organizations require financial and technical support to increase their capacity in, for example, business and financial management, organizational development, adding value to products, and negotiating fair market prices. They may also require assistance to obtain financial and insurance services. Subsidies, incentives, loans and revolving funds can all provide pathways for the growth of forest and farm producer organizations.

WHO ARE THE SERVICE PROVIDERS?

Service providers for small-scale forest and farm producers may be the forest and farm producer organizations themselves and their representative organizations, as well as non-governmental organizations, consultants, private companies, government agencies and development partners. Services include those related to organizing, group formation, finance, insurance, business advice, accountancy, telecommunications, market information and technical support.

Strengthening from within

Forest and farm producer organizations are strongest when they have a clear sense of purpose and are well-structured and inclusive, and when membership is voluntary. Successful forest and farm producer organizations have democratic governance, strong grassroots support, autonomous functioning, open and accountable leadership and administration, respect for indigenous peoples' rights and cultural perspectives, and financial transparency. Well established communication strategies and mechanisms help increase visibility and strengthen their voice and messages. Forest and farm producer organizations may benefit from linking more explicitly with existing well-managed agricultural organizations, or simply by collaborating with such organizations and learning from their experiences.

Forest and farm producer organizations can work internally and with each other to strengthen their effectiveness. For example, the organization of forest and farm producer organizations into federations at the local, provincial, national and international levels enables them to spread policy views from the grassroots to other levels. Multiple layers of forest and farm producer organizations can provide many kinds of complementary services and facilitate the rapid dissemination of policies, products and services, greatly strengthening individual organizations and encouraging technological proficiency and dynamism.

Peer-to-peer exchange is another powerful way of building skills, spreading innovations and encouraging a spirit of goodwill across political and social divides.

Gender equality and social inclusion should be embedded in the principles and operations of forest and farm producer organizations and used as a basis of all activities. Women's producer groups

should receive equal benefits and services to those provided to other, male-dominated forest and farm producer organizations. Engaging young people and providing them with training is an important part of capacity building and sustainability in forest and farm producer organizations. The business opportunities generated by forest and farm producer organizations should be compatible with, and should strengthen, the traditional values and social fabrics of communities and also deliver social, cultural and environmental benefits. Nurturing community cohesion through forest and farm producer organizations will help safeguard communities from predatory behaviour.

Facilitating the roles of forest and farm producer organizations

Globally, tenure reforms may continue to increase the area of forestlands under the control of indigenous peoples, local communities and private smallholders. Given the alarming recent increase in pressure for land from larger-scale commercial industries, however, such reforms will take strong political will and effective advocacy.

Secure tenure for forest and farm producer organizations and their members will have global benefits. In the face of unprecedented global change, forest and farm producer organizations are likely to become increasingly important:

- for improving livelihoods;
- for ensuring the provision of environmental services, such as those associated with water resource protection, biodiversity conservation, climate-change mitigation and ecotourism;
- for adapting and increasing the resilience of communities and ecosystems to climate change; and

- as “green engines” of rural transformation, reversing out-migration and creating new opportunities and livelihoods for future generations.

Efforts to strengthen agricultural cooperatives and farmer organizations through the inclusion of forest and farm producers will benefit those organizations, including by providing 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 livelihoods.

Given the growing importance of local forest and farm producers, a collaborative approach at multiple levels to develop and strengthen forest and farm producer organizations will help ensure their continued and greater success. The following policy proposals can be taken up at many levels and by many types of public, private and civil-society organizations, facilitated globally by the Forest and Farm Facility and other international partners. Together, the proposals constitute a roadmap to the future for forest and farm producer organizations.





Roadmap for effective forest and farm producer organizations

There are six ways to help forest and farm producer organizations become more effective.

Share the news

There is an urgent need to increase the visibility of forest and farm producer organizations and amplify their voices in policymaking and decision-making and improve their capacity to communicate effectively.

Options for action

Communicate the following messages simply and effectively, both within countries and internationally:

Forest and farm producer organizations offer locally based, culturally embedded models for improving the well-being of their members.

Well-managed, democratically organized forest and farm producer organizations boost incomes and promote market transparency and sustainable forest management.

Forest-and-farm producer organizations can be even more successful when they form collaborative partnerships with government, the corporate private sector and civil society.

Target major international bodies and events – such as the FAO Committee on Forestry, the Collaborative Partnership on Forests, the International Year of Family Farming, the United Nations Forum on Forests and the World Forestry Congress – for awareness-raising and lobbying through workshops, side events and the dissemination of materials.

02

Help forest and farm producer organizations build capacity

Despite their many benefits, forest and farm producer organizations are not as common or as well-organized, or have as broad a membership, as similar groups in agriculture. Governments and development partners should focus policies on, develop incentives for, and direct resources towards strengthening the capacity of forest and farm producer organizations.

Options for action

Convene national meetings on establishing and strengthening forest and farm producer organizations, and disseminate the outcomes at key national, regional and global forums.

Demonstrate the tangible benefits of forest and farm producer organizations for their members and assist them to build political strength by federating and by demonstrating their importance in achieving national goals.

Engage with forest and farm producer organizations at the national, regional and global levels to develop their capacity.

Facilitate peer-to-peer exchanges, networking and linkages among forest and farm producer organizations, and between them and similar organizations in the agricultural, livestock and fisheries sectors, and create best-practice guidance on how to establish forest and farm producer organizations and ensure that they flourish. In all such exchanges, networking and linkages, attention should be paid to promoting and ensuring gender equity.

Provide forest and farm producer organizations with long-term support to build their capacity in business and financial management, organizational development and adding value to products, with the aim of ensuring they become independent of such support.

Support exchanges between forest and farm producer organizations and the corporate private sector.

Create an enabling environment

Existing laws, regulations, institutions and services often hinder rather than encourage forest and farm producer organizations. Governments, service providers and development partners should help create an enabling environment for forest and farm producer organizations.

Options for action

Recognize, respect and protect the rights of indigenous peoples, local communities and private smallholders in the ownership, use and management of forestlands, including by applying the principles of the United Nations Declaration on the Rights of Indigenous Peoples and the Voluntary Guidelines for the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security, and monitoring their application.

Create a supportive legal framework for the establishment and development of forest and farm producer organizations in policy processes, removing legislative and regulatory barriers, and providing clear legal recognition of the role of forest and farm producer organizations.

Provide forest and farm producer organizations with appropriate incentives, credit and insurance packages, enable the use of land and trees as collateral for loans (with safeguards to ensure that this process does not affect the rights of people dependent on collective and common forests and land), and develop other policies to ensure access to credit.

Preferentially favour forest and farm producer organizations in government purchasing policies and generally match government policies with the interests of the members of those organizations.

04

Clear a path for increased finance

Many financial institutions are wary of investing in small forest and farm enterprises. Governments, development agencies and financial institutions should collaborate to better understand the needs of forest and farm producer organizations so that their members will have greater access to – and more appropriately designed – financial services.

Options for action

Develop partnerships between forest and farm producer organizations, government agencies, non-governmental organizations and financial institutions to increase access to finance. This might involve adapting timeframes, collateral and liquidity requirements and insurance and financial products to the needs and resources of forest and farm producer organizations and their members.

Ensure that the businesses of indigenous peoples, local communities and private smallholders have access to preferential terms of finance because of the social benefits those businesses bring, and that they can use their resources as collateral.

Increase the reach of affordable credit to all local forest and farm producers.

Ensure that the businesses of indigenous peoples, local communities and private smallholders have access to insurance.

Enhance the capacity of forest and farm producer organizations and their members to prepare business and financial proposals and to account for and report on the effective use of funds.

Connect forest and farm producer organizations with services

Partnerships between forest and farm producer organizations and government agencies, development partners, non-governmental organizations and others can link local producers with remunerative markets and buyers and help them build their skills, knowledge, resources and capacity by connecting them with researchers, extension workers, investors, insurers and other service providers.

Options for action

Provide mechanisms to connect forest and farm producer organizations with service providers in a transparent and open environment. This includes the negotiation of fair market prices for products through, for example, existing innovative mechanisms such as Forest Connect (a web-based networking platform), forest trade centres and social–business roundtables and the provision of real-time market information.

Encourage linkages between researchers and forest farmers at all levels, including for on-site trials relevant to the needs of the members of forest and farm producer organizations. Such trials could feature, for example, understorey forest management to increase forest productivity and economic viability.

06

Encourage a global coalition

Exchanges of information and knowledge at all levels are vital for learning. Such exchanges enable the sharing of experiences, the discovery of new ideas, the spreading of innovations and the establishment of best practices. A worldwide coalition of forest and farm producer organizations that links national and global processes will influence global policymaking and generate momentum that ultimately benefits local forest and farm producers.

Options for action

Support networking, exchanges and participation in shared events and meetings in order to link national “apex” forest and farm producer organizations with regional and global counterparts.

Make use of the Forest and Farm Facility to raise the profile of forest and farm producer organizations and assist in strengthening them at all levels, especially through communication, learning, knowledge-sharing and networking. The Forest and Farm Facility has been created to support local, national and international organizations and platforms to engage in policies and investments that meet the needs of local people. It is well placed, therefore, to facilitate the building of a global coalition of forest and farm producer organizations and to work with them to stand up for smallholders.

FOREST AND FARM FACILITY

The Forest and Farm Facility is a multidonor-funded partnership between FAO, IIED and the International Union for Conservation of Nature (IUCN).

The vision of the Forest and Farm Facility is that:

- Smallholders, women, communities and indigenous peoples' organizations have improved their livelihoods and the decision-making over forested landscapes.

The mission of the Forest and Farm Facility is to:

- Promote sustainable forest and farm management by supporting local, regional, national and international organizations and platforms for effective engagement in policies and investments that meet the needs of local people.

The Forest and Farm Facility is helping:

- strengthen smallholder, women, community and indigenous peoples' producer organizations for business/livelihoods and policy engagement;
- catalyse multisectoral stakeholder policy platforms with governments at local and national levels; and
- link local voices and learning to global processes through participatory processes and communication and information platforms.

More information: www.fao.org/partnerships/forest-farm-facility.

This policy brief builds on the collective wisdom of participants at the International Conference on Forest Producer Organizations and the summary statement arising from that conference. The conference was held in Guilin, Guangxi Autonomous Region, China, on 25–28 November 2013 and attended by about 150 people from 40 countries. It was co-organized by FAO, the State Forest Administration of China, the Asia-Pacific Network for Sustainable Forest Management and Rehabilitation, the Forest and Farm Facility, and Germany's Federal Ministry of Food, Agriculture and Consumer Protection, with support from AgriCord, the Confederation of European Forest Owners, Deutsche Gesellschaft für Internationale Zusammenarbeit, IIED, IUCN, RECOFTC and Tropenbos International.

The conference presentations and summary statement, and additional background information (including the publication *Strength in numbers: effective forest producer organizations*), is available at: www.fao.org/partnerships/forest-farm-facility/83759

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