

Supporting Community Forest Management and Enterprise:

Eight lessons from twenty years of global experience



Photo: Sergio Izquierdo

This document is a summary of the lessons learned from past community forest projects the Rainforest Alliance has implemented. It is the result of a study done with the support of the independent consultant, and former Rainforest Alliance Director of Forestry Ben Hodgdon.

For more than two decades, the Rainforest Alliance has supported the development of rights-based community forest management and enterprise around the world. Our work is grounded in the knowledge that in order for forest communities to defend their territories, they must have the capacity to govern their lands, manage forests more sustainably, and build their own local enterprises.

Our early experience supporting established community forest enterprises in Mesoamerica has long informed our forest strategy in other parts of the world. As our work has expanded to regions where forest rights are less secure and community forestry is a more incipient practice, we recognize the need for a holistic approach that aligns with our commitment to landscape-scale action.

Our resulting pathway for Integrated Community Forest Management (ICFM) is an articulation of this holistic, inclusive, context-based approach. As we work with partners to operationalize our vision in the field, the time is ripe

for an analysis of past experience with community forest management and enterprise development supported by the Rainforest Alliance, with the aim of learning lessons that can inform ICFM efforts in the future. This summary paper outlines eight key lessons learned.

Lesson 1. Intervention strategy needs to fit the context.

For support to be effective, interventions must focus where the real needs lie. To determine such needs, site-specific theories of change should be developed through participatory processes together with local stakeholders, based on analyses of the following four enabling conditions for successful projects: (i) secure rights to manage forests, exclude others, and sell forest products or services; (ii) governance, social organization and management capacity that are equitable and fair, providing effective leadership and technical knowledge; (iii) a viable social enterprise model that produces financial benefits sufficient to reinvest while providing equitable economic benefits, and; (iv) strong alliances with national and local government, donors, civil society organizations, producer associations, and private sector entities. An assessment of where a site falls with respect to each of these four enabling conditions should define intervention strategies and priority activities.

There is also no single model for CFE development of community forest enterprise. The size and commercial value of a forest—and even the availability of long-term financing—pale in comparison to political and social dynamics, community objectives, and the market. There are very large forests where, for cultural or political reasons, a strategy of investment for value-added timber production will not work; non-timber products and ecotourism will be more appropriate. By the same token, there are very small forests with seemingly little commercial value that can become highly competitive. Given this logic, in trying to reach markets and build formal enterprise, aggregating markets and adding value at the “second-tier” scale becomes more attractive than vertical integration. Whatever the enterprise model may be, care must be taken to ensure that equity of access is maintained or enhanced, and that forestry does not undermine food security or increase marginalization.

Lesson 2. Building successful community forest enterprise (CFE) takes a long time, major investment, and multiscale alliances.

Wherever CFE has achieved durable success at some level of scale – e.g. in Mexico, Guatemala or Nepal – there has been large-scale support from government, donors and a broad alliance of international and local organizations over decades. In the *Maya Biosphere Reserve*, for example, US-AID support alone exceeded \$100 million over the last 25 years, and a large number of technical-assistance bodies have worked with the community concessions since their establishment. For community forestry to go to scale in new geographies, we recognize the need to mobilize large investments over multiple project cycles, working through alliances with a range of local, national, and international partners.

Lesson 3. Social governance is foundational, as is continuity in enterprise administration.

Without a strong social basis for CFE governance, investments in forest management, enterprise, markets, and finance is a house of cards. In communities whose forestry operations are stalled or backsliding, it is typically governance problems—not resource availability, markets, or finance—that form the main issue. Where basic functioning governance structures for CFE are in place, with adequate administrative and business capacity, durable success lies in the establishment of mechanisms to weather leadership transitions. CFEs that are doing well have, almost unanimously, established some kind of separate, permanent institution to manage the forest enterprise.

Building producer capacity to access, execute, and repay loans is also critical. Accessing credit can break CFEs free of buyer-advance debt cycles and reliance on subsidy. Where CFEs have managed to do this, transformative change has been achieved, since the process often requires solid performance across social, economic, and ecologic performance benchmarks. But the need for support on the ground with CFE capacity outweighs the need for designing new financial mechanisms.

Lesson 4. Local grassroots organizations are the linchpin for long-term success.

At the core of successful community forests—especially where a measure of scale has been achieved—are local grassroots organizations. ACOFOP and FEDECOVERA¹ (in Guatemala), and *UNECOFAEZ* and *UZACHI* (in Mexico) are prime examples. Like many such groups the world over, these organizations were formed as part of political struggles for land and forest rights. They thus have deep legitimacy among communities, have local ownership, and are best placed to represent local interests in planning territorial management, resource use, and enterprise development, as well as part of policy reform agendas. They are also the best resource communities have to stand up to organized crime, violence, and other human rights violations. External groups will come and go, but grassroots organizations live on in their territories, confronting threats on the ground every day. International organizations need to ensure that their partnerships with such grassroots groups genuinely strengthen them, rather than competing with them for resources and attention.



Women working at FEDECOVERA nursery, a federation of Alta Verapaz forestry cooperatives, distributes wood that's been legally sourced from well-managed forests, an endeavor that promotes forest conservation and generates income for the members of these cooperatives.

Photo: Sergio Izquierdo

Lesson 5. Associations can be powerful, positive intermediaries.

Communities that have achieved durable success as individual CFEs are nearly always supported by strong associations and committed individuals. Such associations take many forms. Some are more political in nature, while others focus on forestry technical services provision. Other groups focus on product aggregation, value-added processing, and accessing finance and new markets. Such associations are particularly important for smaller, more remote forestry communities that are not likely to achieve “five-star” status on their own. But supporting the growth of second-tier associations is a complicated and long process, especially where they seek to engage the market on behalf of their members. Associations that avoid exclusivity arrangements with members and that add real value tend to perform better.

¹ See case study, page 91 in the [IIED publication Forest Business incubation](#).

Lesson 6. Market-based approaches must work from the bottom up.

There is scant evidence that “responsible buyers” from the North have had much long-term impact on CFE development. It is undoubtedly the case that a market focus for CFEs is fundamental. In everything from forest management planning, to investment strategy, out to business development, a CFE needs to base its vision on what can actually be sold on the market so the enterprise can turn a profit. But while it is right to look for ways to maximize the value of a community’s forest through deals with preferential or “niche” buyers, the main focus must be from a bottom-up perspective, looking realistically at what the actual demand is in local and regional markets. Only this way can a local enterprise expect to build a business that will be economically sustainable. Positive partnerships with buyers can be forged, but such alliances are best made with local or regional buyers that are likely to be more reliable and predictable.

Lesson 7. Certification is not a panacea, but it can help.

In general, certification has not significantly changed the game for community forests in the tropics. It has not been maintained at scale amongst CFEs where it is not required or heavily subsidized. The costs of certification remain too high and the market benefits are often considered negligible. Still, certification produces other benefits, especially with the Forest Stewardship Council (FSC®), as a way for communities to be fast-tracked through cumbersome government regulations, and as a way to identify problems and map action plans for improvement. Efforts should continue to make FSC more accessible to communities, while being realistic about the benefits that certification can actually deliver.

Lesson 8. Diversification reduces risk and is a benefit multiplier.

The most successful CFEs are those that diversify. A long-term focus on one or a small number of species should be avoided. The more a CFE relies on a single product, the greater the exposure to risk, and the fewer benefits it will deliver to a smaller number of people. Diversifying enterprise can also create different types of jobs, many of which may be open to women and people from more marginalized households. Where it involves value-added production, diversification can result in specialized employment resulting in more benefits. A focus on a broader range of products like non-timber forest products (NTFPs) or Payment for Environmental Services (PES), moreover, can help avoid excluding the rights of less powerful community members, which often happens with the formalization of forest management and business development.



Carpenters in Petén, Guatemala - Photo: Sergio Izquierdo



Women sort ramon nuts and spread them out for drying at their processing center and bakery for ramon nuts in Ixlu - Photo: Sergio Izquierdo

TAKING INTEGRATED COMMUNITY FOREST MANAGEMENT TO SCALE

While these lessons and the ICFM pathway both underscore the importance of bottom-up support, clearly it is difficult to take any model of community forestry to scale without top-down action. In the few cases where community forest management in natural forest has gone to scale—in Guatemala, Mexico and Nepal—it is clear that state-driven, top-down measures starting with favorable policies and including sector-wide reform programs and long-term, well-resourced extension services are key. Thus, if ICFM is to be mobilized at scale, advocacy and long-term partnerships with government must be forged.

The challenge will be to secure financing and make it available. Bi- and multi-lateral donors will continue to play a central role as will private funding such as the Rainforest Alliance’s [Forest Allies](#). But with greater momentum behind the Paris climate agreement on the horizon, there may be hope for more robust carbon financing becoming available, as well as investments tied to “green recovery” post-COVID plans. These could be important sources of funding for ICFM at scale.



The Rainforest Alliance is creating a more sustainable world by using social and market forces to protect nature and improve the lives of farmers and forest communities.

rainforest-alliance.org
email: **info@ra.org**

