

Linking national forest programmes and poverty reduction strategies

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An FAO study in seven African countries suggests ways to enhance financial, institutional and policy support for forest-based poverty alleviation.



*National forest programmes could help address the underfunding of the sector by building better linkages to poverty reduction strategies (Sudanese villagers collecting *Acacia nilotica* pods for a local planting scheme)*

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The cross-sectoral and participatory nature of national forest programmes (NFPs) makes them ideal mechanisms for gathering and sharing information from a wide range of sources on country issues, priorities and initiatives both within and outside forestry. As such, they could be instrumental in addressing the marginalization and underfunding of the sector by building linkages to wider national agendas, including poverty reduction strategies (PRSs). Yet the ties are often weak or non-existent.

This article examines the reasons for the weakness or absence of linkages and proposes some ways to strengthen the relationship between the two processes, based on preliminary findings of

an FAO study in seven African countries: Namibia, the Niger, Nigeria, the Sudan, Uganda, the United Republic of Tanzania and Zambia. Starting in 2005, interviews with representatives from government, the private sector and organizations from civil society identified factors that enhance the presence and influence of forestry in wider planning processes as well as best practices, challenges and opportunities for establishing effective linkages.

MAINSTREAMING Forestry in poverty reduction strategies

The extent to which forestry objectives and targets are included in national strat-

egies to reduce poverty varies considerably, based on the country's particular circumstances.

Political context. The framework in which the PRS process unfolds is largely shaped by the stability of government and its institutions and the extent of high-level political commitment to implement positive change.

Sudan's Comprehensive Peace Agreement, for example, is likely to result in emphasis on noticeably different aspects of forestry in the north (support to livelihoods) and the south (engine for growth). Civil strife in Uganda and Tanzania's affinity for collective approaches are factors that have influenced the development and implementation of their respective PRSs.

Complementary frameworks. In some countries, other national strategies are more relevant to advancing forestry objectives than those that exclusively aim to reduce poverty. In Namibia, for example, the Public Sector Investment Plan includes more forestry issues than its National Poverty Reduction Action Programme. In such cases, stakeholders need to extend their involvement in other processes if national forest programmes are to address issues in the context of broader country priorities.

However, if PRSs also target economic growth in addition to poverty reduction, the forestry sector can usually advance its priorities through this particular process.

Heightened awareness. In the seven countries studied, revised PRSs were found to be more likely than the initial documents to highlight forestry's contributions to the economy, the problems the sector faces, its potential to alleviate poverty, and external factors that influence sustainable forest management. In the second version of Uganda's PRS, for example, forestry is listed as an urgent short-term priority for funding.

Environmental mainstreaming. The more that forest authorities engage in efforts to integrate environmental concerns throughout poverty reduction strategies wherever relevant, the more attention is given to forestry in the final document in terms of identifying priorities, objectives, targets and action plans. Namibia, the Niger, Tanzania and Uganda are well advanced in this regard.

Subnational profiling. The importance of trees and forests to livelihoods is not uniform across any country because of variations in resources, tree cover and population density. Although national PRS processes gather local or regional information on poverty, such profiles often do not mention the contributions of forestry even when villages accord high importance to the sector. Moreover, when subnational authorities do pinpoint forestry as a priority for action, ministries of finance frequently do not accommodate their requests for support.

Long-term horizon. In all seven countries, forestry was seen as a long-term and high-risk investment in comparison with other productive sectors such as agriculture. Considering that benefits of sustainable forest management often take years to accrue and that political mandates are much shorter, the sector wields little bargaining power.

Lack of data on forestry's contribu-

tions to poverty reduction – for example, data on its importance to farmers in maintaining soil fertility to grow crops, to pastoralists in providing browse for animals or to households for energy; or information on the cost of substitutes for woodfuel when forests are depleted or degraded – is another major constraint that prevents it from holding a central place in PRSs.

Monitoring. Although poverty goes beyond economic growth, most PRSs still deal with issues on a sector-by-sector basis – an approach that makes it difficult to take into account the social, cultural, economic and environmental dimensions of forestry. As PRS monitoring systems become more complex and interlinked, indicators could measure the impact of the sector on poverty as well as demonstrate its influence in other areas such as agriculture and water. Such indicators could include the extent to which windbreaks increase agricultural productivity, the extent to which forests reduce levels of downstream sediment in water supply reservoirs and the extent to which forested catchments reduce requirements for water treatment.

Participation. Despite the challenges and costs of implementing participatory processes to reflect the needs and priorities of its citizens accurately, countries recognize the importance of consulting widely during the drafting of PRSs and

The second version of Uganda's poverty reduction strategy lists forestry as an urgent short-term priority for funding (house construction with Ficus wood)



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their subsequent revision. What is not always obvious, however, is the need for forestry interests to be well represented during discussions, including those on priority areas for action.

Poverty reduction in national forest programmes

In each of the seven countries that participated in the study, the national forest programmes noted the need to be coherent with broader frameworks, including PRS processes. Factors that were found to influence the content of NFPs include:

Livelihood linkages. The importance of forests and trees for livelihoods is expressed in NFPs more in terms of the goods and services they provide for subsistence than in terms of income creation. The focus is generally on activities that are simple, labour intensive and household based.

Sector analysis. A national forest sector review provides the basis for establishing NFP objectives, priorities, activities and targets, but also for linking into PRSs. Although the countries carried out sector analysis to a varying extent, all identified poverty and population growth as root causes of deforestation; recognized the multiple role of forests; fostered the development of guiding principles on community participation in the management of resources; and showed how programmes would create jobs, deliver a skilled civil service, redistribute income to communities, establish industry, generate income and contribute to foreign exchange earnings.

Cross-cutting dynamics. Although many of the NFPs that were examined consider agriculture, health, energy and rural development as key sectors, few address issues that originate outside forestry yet affect its viability. In addition, the NFPs generally were not developed in the context of wider programmes such

as those related to institutional reform, nor did they sufficiently take into account the sometimes conflicting objectives of development and conservation.

Prioritization. Most of the NFPs have yet to deliver a strategy in which social issues are as important as productive issues or where the tradeoffs that must be made to reduce poverty are assessed. Consequently, the sector's contributions to poverty reduction are not well measured and areas for investment are not adequately prioritized.

Public sector funding

Linking NFPs to PRSs and therefore to the annual and medium-term budgeting frameworks should improve the chances of forestry receiving additional government funding. So far, these links are tenuous.

Public expenditure management.

Although fiscal management is improving, links between PRSs and budget processes are still weak. In addition, public accountability and expenditure management systems have been neglected so that not only can wide disparities occur between allocations and disbursements, but non-PRS activities can and do get funded at the expense of PRS priorities. In response to public pressure on government to show results and provide value for money, Nigeria is testing a system that monitors budget line items in key sectors that aim to reduce poverty as part of efforts to demonstrate transparent and effective use of public funds.

Medium-Term Expenditure Framework (MTEF).

Although some countries have made progress in implementing the MTEF in planning and budgeting, all continue to experience difficulties in aligning their PRSs, other strategic plans and forestry budgets with the MTEF. During the annual preparation of budgets, ministries of finance and line ministries still discuss performance

NFP coordination in Uganda

The Forest Sector Coordination Committee is a high-level forum that was established to direct the implementation of the national forest programme and the Forestry Sector Umbrella Programme in particular. It is chaired by the Permanent Secretary of the Ministry of Water, Lands and Environment, and membership consists of senior officials from seven ministries (agriculture, tourism, local government, public service, finance, energy and education), the private sector and civil society. Through its NFP Steering Group and six technical working groups, the committee broadened participation in the NFP beyond forestry circles, providing a venue for a number of sectors to exchange information and address issues of common concern, including those related to poverty. Because of its broad scope and influence, the committee was instrumental in integrating forestry into Uganda's Poverty Eradication Action Plan.

in terms of money spent or absorptive capacity rather than in terms of contributions to poverty reduction. For these and other reasons, the scope for securing increased funding for NFPs remains largely unpredictable.

Resource allocation to forestry. Many activities, although listed as priorities in NFPs, are not allocated resources. In some cases, costs are estimated for projects that could be financed, at least in part, from public and private sources. However, this ad hoc approach seldom considers how to link NFP implementation with initiatives in other sectors to improve cost effectiveness and increase the impact of interventions on poverty reduction. If each sector gathered information on the unit costs of achieving outcomes and targets, including those related to PRS implementation, and submitted this information as part of ongoing public expenditure reviews, line

ministries would then be able to draw on this information to streamline costs of administering programmes while maximizing their effect.

IMPROVING LINKAGES: CONSTRAINTS, OPPORTUNITIES AND SUGGESTIONS

Coordination and participation

The study found that good NFP coordination improves the interface with agencies responsible for PRSs and can often convince partners, including ministries of finance and donors, to support NFP priorities. When forestry experts are at the table when decisions are made that affect the sector, they can influence outcomes, especially on matters pertaining to monitoring and evaluating the impacts of programmes on poverty reduction. Stakeholder engagement is fundamental to instilling a sense of ownership in the NFP and PRS processes and is most successful when the full range of interested parties is involved.

Countries that have established NFP coordination units (e.g. Tanzania and Uganda – see Box opposite) have more effectively secured the involvement of authorities who oversee the formulation and implementation of PRSs. These units are effective in carrying out tasks

because members of the team have different backgrounds and skill sets: forest economics, social sciences, poverty analysis, sector planning, communications, statistics and law are all important.

NFP coordination units should reach beyond the forest sector to expose more stakeholders to the concept of sustainable forest management and cross-cutting issues, help other sectors to understand how their activities affect and are affected by forestry, and stimulate ideas on how to improve collaboration to achieve common goals, including poverty reduction.

National accounts and economics

In national accounts, economic activities are classified on the basis of the International Standards of Industrial Classification, and forestry's contribution to gross domestic product (GDP) is aggregated as part of the agriculture sector. In each of the seven countries, forestry authorities are trying to face up to the challenges of calculating the full economic value of the sector. In addition to the lack of reliable information, weak capacity to analyse statistics prevents them from building a solid case to capture the attention of decision-makers. Nigeria's attempt to assess the social and economic conse-



Namibia's recently established environmental economics unit is developing stronger evidence to highlight the place of forestry in the next generation of PRSs (community forestry nursery)

quences of unsustainable forestry may prove useful (see Box below), and Namibia's recently established environmental economics unit is developing stronger evidence to enlighten the next generation of PRSs.

Although research has increasingly been able to quantify the value of forests and suggest ways to analyse their full contribution to GDP, more information is needed on the value of the environmental services that these resources provide, including water quality and supply, soil retention and fertility, carbon storage and conservation of biodiversity. Because green accounting (i.e. assigning a value to these services) captures more fully the importance of forestry to the economy and to poverty reduction, the forest sector should work with national planning commissions, statistical authorities and energy commissions, among others, to use new accounting methodologies in surveys, assess the impacts of policy options and measure both the qualitative and quantitative contributions of forestry to poverty alleviation.

Research on the consequences of unsustainable forest management in Nigeria

Research conducted by the African Institute for Applied Economics (AIAE) estimated that economic losses as a result of deforestation and forest degradation in the past five decades was at least 120 billion naira (US\$0.8 billion) per annum, or 1.7 percent of GDP in 2003 – a figure roughly the size of the combined federal budget for health and education in 2004. The study revealed that in parts of the country the real prices of fuelwood have doubled over the past 20 years as a result of increased collection and transportation costs. It further predicted that if Nigeria lost its remaining forest resources and the population that now depends on fuelwood for cooking were forced to switch to kerosene, the annual cost would be 650 to 980 billion naira (US\$4.8 to 7.3 billion). This amount, in addition to values forgone for timber and non-wood forest products, is equivalent to 6 to 9.3 percent of current GDP (estimated at US\$78 billion in 2005).

Source: AIAE. 2005. *Unlocking the potentials of agriculture and forestry for growth and poverty reduction*. Enugu, Nigeria. Available at: www.aiae-nigeria.org/Publications/Policybrief1.pdf

Monitoring and evaluation

If monitoring and evaluation of the PRS and NFP processes are linked and comprehensive in design, they can facilitate collaboration between forestry authorities and lead PRS agencies. If systems are not complementary and there is no clear indication of who is responsible for various aspects of their respective implementation, it is difficult to identify entry points for interventions and to assess progress accurately.

Poverty reduction strategies. In countries where PRS processes have been going on for some time, the approach to monitoring and evaluating their implementation tends to link qualitative and quantitative data in the hope of raising new questions, scrutinizing policy assumptions and exploring issues and trends in greater depth.

Information systems draw from a variety of sources to track the extent to which poor people derive benefits from public expenditures and from government policies and programmes designed to alleviate poverty. Each of the seven countries has significant gaps and shortcomings in the quantity, quality and availability of information to monitor PRSs, including a lack of adequate poverty baseline data, poor mapping of vulnerabilities, limited market information and restricted access to remote areas. The data collected tend to be localized, context specific and difficult to aggregate so that they are not easily integrated into government decision-making.

Indicators for monitoring and evaluating PRSs have become important tools for assessing the effectiveness of forestry interventions in reducing poverty. Uganda and Tanzania have each formulated a forestry indicator to assess PRS performance (see Box)

National forest programmes. Despite plans to establish databases and monitor forest activities using information generated at various levels and from other

sectors, forest-related data, when collected, are often kept in different systems and are not always accessible. The paucity of facts and figures makes it difficult to demonstrate the importance of forestry to poverty alleviation.

Because monitoring and evaluation systems are only now being developed in earnest for NFPs, forest authorities might find it useful to replicate or tailor proven practices and instruments found elsewhere rather than design new ones. In addition, they should incorporate data collection and analysis on poverty into their regular work, using sources of information such as forest sector reviews, household surveys, forest valuation studies and participatory poverty assessments in which poor people express their concerns. Monitoring units

should be established within parent ministries to monitor NFP performance.

As systems for monitoring poverty develop, forestry authorities should work closely with those involved in PRSs to propose criteria that are relevant to specific PRS goals. They should also clearly define indicators, outline the scope and approach for interpreting them, set targets, establish baselines, identify data sets and determine the frequency of data collection as well as the responsible institutions.

Decentralized forestry services

Although efforts are being made in all seven countries to engage local governments and non-governmental organizations (NGOs) in NFP and PRS formulation, resource constraints make it nearly

Developing forestry-based poverty indicators in the United Republic of Tanzania

Tanzania's poverty monitoring strategy tracks the extent to which poor people derive benefits from policies and programmes to alleviate poverty. It draws on administrative data from federal ministries and local governments, national surveys, research and participatory poverty assessments that capture the views of poor people. After extensive consultations, the Poverty Eradication Division of the Ministry of Planning, Economy and Empowerment developed 49 indicators to shed light on the links between poverty and the environment, of which 15 were proposed for the National Strategy for Growth and Poverty Reduction. The indicator specific to forestry concerns the percentage of households that use other sources of energy than woodfuel (including charcoal) for cooking. However, adding indicators on the collection and use of fuelwood would strengthen the linkages between forestry and poverty reduction, as would questions in household surveys that consider other activities for which fuelwood is used – for example curing tobacco, brick-making and brewing.

Tanzania's indicators for monitoring the performance of its poverty reduction strategy include one specific to forestry: the percentage of households that use other sources of energy than woodfuel for cooking



PHOTO: S549/11/ELINE

impossible to secure wide ownership of the processes. Given the lack of attention that public authorities in these countries generally accord to issues related to the environment and natural resources, lower tiers of government are finding it difficult to manage the increasing portion of forest estate for which they are being given responsibility.

Just as forestry advocates lobby to make their voices heard in the nation's capital, they also need to push for inclusion in decision-making processes in local government administrations. Their participation is a prerequisite if the state or local equivalent of an NFP is to make forestry interventions work more effectively for poor people. In this regard, the experiences of other sectors can be instructive. For example, in Tanzania the health sector provides lessons on how to decentralize budgets effectively and target spending on activities that reduce poverty.

In designing participatory subnational NFP processes, still at modest levels in many countries, governments and their partners should consider ways to:

- address weak human resource and institutional capacity;
- secure buy-in from forestry officials to reflect NFP priorities in lower tiers of government;
- mainstream forestry into regional, provincial, state and district development plans;
- manage change and train front line staff to adopt new and better ways of managing forests;
- revise benefit sharing and expenditure mechanisms so that communities and each level of government have adequate revenues to discharge their responsibilities.

Forest enterprise development

Viable forest enterprises depend not only on market demand but also on the sustainable management of resources. Despite emphasis on private-sector investment and enterprise development

Both NFPs and PRSs emphasize enterprise development, where interventions are needed e.g. to improve marketing capabilities and linkages between small suppliers and large buyers (resin of Acacia senegal in the Sudan)



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in both NFPs and PRSs, they face many constraints including lack of coherent policies; high costs of legal and regulatory compliance; inadequate marketing capabilities; weak linkages between small suppliers and large buyers; limited access to credit, finance, capital and technology; and shortage of business and technical skills.

Interventions intended to spur economic growth within the framework of poverty reduction strategies can favour the establishment or expansion of forest enterprises by, for example, increasing demand for existing products, creating new markets, improving market functioning, and enhancing efficiencies and waste management through technological innovation. Governments could increase the potential of the private sector to invest in business ventures and job creation by reviewing relevant legislation and strengthening institutional capacity to address issues affecting the forestry sector in the fields of environment, labour, trade, property rights and taxation.

People's participation in forest management and in national policy processes

When implemented properly with clear ownership, user rights and adequate policy and institutional support, participatory forest management can provide incentives for forest management and a pathway to improved livelihoods. All seven countries practice some form

of participatory forest management to varying degrees. With few exceptions, however, the approach is experimental, limited to specific areas and dependent on ad hoc external support. In addition, the legal basis for benefit sharing is often not in place so that communities are unable to implement the agreements they negotiate with governments.

Assessment of the social, economic, ecological and institutional conditions where participatory forest management enhances forest quality, livelihoods and governance would provide solid arguments for expanding participatory forest management and according it priority in NFPs and in budget allocation.

The participation of civil society in NFP processes is similar to that in PRSs. Rural groups are sometimes less satisfied with government efforts to involve them than are their colleagues working in capital cities. In general, civil society actors are concerned that the shift in donor aid from projects to central budget support has increased their reliance on government funding, which they fear could compromise their objectivity. They also maintain that this new approach all but eliminates project support to communities where measures to reduce poverty are needed the most.

In two countries, NGOs led the effort to mainstream forestry into the PRS. The Government of Namibia contracted an environmental NGO to arrange consultations and produce a draft strategy, and



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Participatory forest management can provide incentives for forest management and a pathway to improved livelihoods (community forest meeting in Namibia)

the Government of Tanzania commissioned a consortium of NGOs to analyse its PRS, assess the training needs of key organizations and design as well as deliver training on poverty-environment linkages.

Several organizations are well placed to share experiences and information, provide advocacy and facilitate access to networks. To the extent that resources are available for joint ventures, stronger partnerships would build NGO capacity to address issues of common concern, including illegal logging, participatory forest management, decentralization and benefit sharing. Sharing lessons on how forestry contributes to poverty reduction with civil society groups in other countries would also enhance regional and international networking.

Awareness raising and communications

Communications and marketing are possibly the most underfunded components of the forest policy process. Better use of the mass media, brochures, fact sheets, workshops and documentaries could raise the profile of forestry and awareness of its importance in reducing poverty. Similarly, briefings to members of parliament could inform them about the sector's contributions to national development.

Many foresters, including those involved in formulating, implementing and monitoring NFPs, are unaccustomed to working across sectors or with central planning processes. Thus, they are not

as knowledgeable of PRSs as they could be and are often absent when outside interests take decisions that affect forest resources and the people who depend on them. By the same token, when agencies responsible for PRSs are unaware of NFP priorities, they cannot take them into account when developing programmes, allocating budgets and designing indicators to measure the impact of pro-poor interventions.

Limited access to documents and electronic media continues to hinder the effective engagement of stakeholders and to prevent a better understanding of issues. However, a few countries have produced and distributed user-friendly versions of their NFPs and PRSs and have shown in this way how communications can be used to make the link between forestry and poverty alleviation. National forest policies and legislation should be explained in straightforward language, especially aspects related to participatory forest management.

CONCLUSIONS

NFPs would be more relevant as instruments for achieving national poverty reduction goals if they would be updated to: prioritize activities and areas for investment that are pro-poor; focus on poverty reduction and livelihood improvements as core objectives; promote collaboration among forestry authorities and those leading the PRS process; align forestry more closely with core government reforms; embed forestry

questions in routine data collection via such means as household surveys; comprehensively address cross-sectoral policy issues; elaborate approaches to capture emerging markets for environmental services; and develop coherent monitoring and evaluation systems linked to PRS monitoring.

Although the FAO study of linkages between NFPs and PRSs is ongoing, the following trends are emerging.

- The adoption of poverty reduction as a national goal is sharpening the focus on cross-cutting issues, and governments are instituting cross-sectoral approaches to planning and resource allocation.
- Efforts to assess and report on poverty are increasingly involving stakeholders, but governments often find participatory processes time consuming and costly. Some also lack the capacity or political will to carry them out.
- Decision-makers are likely to continue to underestimate the importance of forestry to social and economic development as long as the sector fails to quantify the full extent of its contributions.
- The shift in donor funding from sector-specific projects to support of central processes is weakening forestry capacity and hindering efforts to decentralize services to districts and communities where interventions have the greatest potential to alleviate poverty.
- Marketing forestry on the basis of its capacity to meet key objectives of other sectors could broaden understanding of the benefits and open up opportunities for collaboration.

It is hoped that the results of the full study will assist countries to enhance the presence and influence of forestry in wider planning instruments – including poverty reduction strategies – and strengthen financial, institutional and policy support for forest-based poverty alleviation. ♦