

Annex 3 Concept Note

Rights and Resources Initiative

A Global Initiative Advancing Forest Tenure, Policy and Market Reforms to Reduce Rural Poverty, Strengthen and Improve Forest Governance, Conserve and Restore Forest Ecosystems and Achieve Sustainable Forest-Based Economic Development

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

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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 carbon, 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, and indigenous and local forest dwellers often find themselves disenfranchised over the resources they have depended on and preserved from outsiders.

Forests are particularly important for the poor. Some 2 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 some 350 million Indigenous Peoples (IP) and local communities who are entirely dependent on natural forests. Over 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 primary sources of health care and food. Forests are also particularly important to 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 national and global concerns 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, climate change mitigation and economic growth has been persistently undermined by conventional approaches to forestry and forest protection. These often discourage or deny local peoples' 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 and political will of governments to protect these vast resources.

Furthermore, there is unprecedented global interest in forest lands and resources that threatens local, national and global security and development, and the prevailing models of development, including the tendency for the state to support private investors over communities, 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 forests and development 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 changing. 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 forest dependent people. 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, major reforms of the public forest estate. This includes recognizing the property rights of Indigenous Peoples and local communities, and increasing community rights to access and administer what remains as public lands. These steps to rationalize the public estate and strengthen local rights are necessary if individuals, communities and businesses are to invest in forest resources, take responsibility for their conservation, and participate on more equitable terms in the market place at scales required to satisfy global demands for forest products. Clearly defined and easily defended rights are particularly important for the forest-dependent poor if they are to improve their income and well-being. Growing evidence from around the world demonstrates that recognizing and strengthening local rights is not only politically feasible, but also a cost effective strategy for rural poverty alleviation, forest protection, climate change mitigation, and the establishment of equitable rural development.

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, and a growing number of investors are finding widespread tenure insecurity to be a major risk to their investments. At the same time, changes in the world trading regime and grassroots demand for greater democracy and respect of human rights are forcing nations to fundamentally rethink the roles of the state, civil society and the private sector.

Changing long-established patterns of governance and economic 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, economic restructuring and building the capacity required for implementing reforms.

There are reasons for optimism. Various factors suggest that progress on reforming forest tenure and establishing good forest governance is accelerating:

- A growing number of Indigenous Peoples and local communities 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 governments for forest tenure reforms that respect Indigenous Peoples and local communities' land rights, as demonstrated by the endorsement of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in 2012. 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.
- International climate change initiatives increasingly accept secure indigenous and community forest ownership as an essential strategy to reduce deforestation, are insistent of the observation of safeguards that include free, prior and informed consent and effectively mitigate and adapt to climate change. There is growing international financial support among donors for this agenda.
- There has also been renewed global commitment to reducing poverty, manifested most particularly by the Sustainable Development Goals. 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 peoples 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 rights recognition.
- Private investors in agribusiness, infrastructure and extractive sectors are increasingly recognizing the substantial financial and reputational risks of insecure tenure investments that do not take account of the land and forest rights and economic interests of local people. Investors are increasingly applying ESG (environment, social, governance) standards to the terms of their investments in companies that produce commodities such as palm oil, soy, and beef have in recent years have driven extensive deforestation.

The Rights and Resources Initiative

The Rights and Resources Initiative is a coalition of organizations dedicated to raising global awareness of the critical need for forest policy and tenure reforms in order to achieve goals of poverty alleviation, biodiversity and livelihoods conservation, forest-based economic growth, climate change adaptation, and disaster resilience. The Initiative helps communities, governments and the private sector to advance tenure, policy and market reforms to achieve these ends.

The RRI was created in late 2005 by representatives of the Center for International Forestry Research (CIFOR), the World Conservation Union (IUCN), Forest Trends, RECOFTC - The Center for People and Forests, ACICAFOC and the Foundation for People and Community Development (FPCD). In the following years, the Forest Peoples Programme (FPP), the World Agroforestry Centre (ICRAF), Intercooperation (HELVETAS Swiss Intercooperation since July 2011), Civic Response, FECOFUN, the Samdhana Institute, Prisma (Programa Salvadoreño de Investigación sobre Desarrollo y Media Ambiente), Tebtebba (Indigenous Peoples' International Centre for Policy Research and Education), IFRI (International Forestry Resources and Institutions), and the Center for Environment and Development of Cameroon (CED) joined RRI. ACICAFOC, IUCN and FPCD have since left the Initiative.

The Initiative will continue to broaden the coalition by involving new Partners actively engaged in promoting pro-poor tenure and policy reforms.

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

- We believe it is possible to simultaneously achieve goals of alleviating poverty, conserving forests and encouraging sustained economic growth in forested regions. However, for this to happen the rights of Indigenous Peoples and local 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 given the continuing threats. They represent a historic period during which 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.
- Deforestation and carbon emission goals, as well as the Sustainable Development Goals and climate change adaptation, related to land and forests are less likely to be met in many developing

countries unless forest tenure and rights are significantly reformed, and local peoples' rights are respected.

- We believe that reforming forest tenure and governance to the scale is necessary to achieve either the Sustainable Development Goals, or the broader goals of climate change mitigation and adaptation, 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 support local communities' and Indigenous Peoples' struggles against poverty and marginalization by promoting greater global commitment and action towards policy, market and legal reforms that secure their rights to own, control and benefit from natural resources, especially land and forests. The Initiative will continue to encourage governments, private companies and investors, donors, and international institutions to join forces with Indigenous Peoples, forest communities, and their allies to advance three **global goals**:

- To substantially increase the forest area under local ownership and administration, with secure rights to manage, conserve, use and trade products and services;
- To prevent all changes to national laws and regulations that weaken the customary and statutory forest land rights of Indigenous Peoples and local communities, and simultaneously promote new laws that strengthen customary and statutory rights of IP; and
- To dramatically reduce poverty in the forested areas of the world.

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

1. At least 50% of lower and middle income country forest area is owned or designated for use by Indigenous Peoples and local communities by 2030.
2. Indigenous Peoples and local communities have recognized rights to manage, conserve, use and trade forest products and services in 100% of the area under their ownership or designated use by 2030.

Key activities of the Initiative will include:

Mobilizing a global commitment to policy and tenure reforms. The Initiative will focus global attention on the need to adopt and act upon the global goals and targets described above. It will encourage major global institutions to support and adopt new targets for tenure reforms, and act upon them. The Partnership will monitor and regularly report on global progress.

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, inform policy makers of the lessons learned when implementing reforms, and invalidate false arguments being used against forest tenure reform. These analyses will focus on tenure and regulatory reform, pro-poor conservation approaches, investment and business models, global finance and subsidy reforms.

Supporting policy, market and legal reforms at the country and regional levels. Policies and prejudices at the local and domestic level continue to act as a constraint on Indigenous Peoples and local communities' 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.

Helping strategic networks to engage more effectively at the national, regional and international levels and

leverage change in key regional and global dialogues and institutions. The Initiative will strengthen strategic networks and complement and support their initiatives by: (1) collaborating with them to elevate the profile and feasibility of tenure reforms in strategic arenas; (2) providing them with new strategic analyses, data and messages to help advance their positions; and (3) collaborating with them to engage governments and corporate actors in legal, policy, and business reforms.