State of Sustainability Initiatives

Enabling Sustainable Livelihoods in Forestry

The role of VSS in supporting the long-term viability of the forestry sector

Commentary Report *Dec 2016*

Sustainable Livelihoods and Forestry

The term "livelihoods" encompasses the abilities, assets and activities necessary for making a living. A sustainable livelihood is described by the Institute for Development Studies at the University of Sussex as "one which can cope with and recover from stresses and shocks as well as maintain or enhance its capabilities and assets, while not undermining the natural resource base" (quoted in Krantz, 2001, pp 7–8). In addition, it recognizes the multiplicity of factors that constrain or enable people to sustain themselves in an "economically, ecologically, and socially sustainable manner" (Krantz, 2001, p 1). Further, sustainable livelihoods should benefit other livelihoods at the local and global scales in both the short and the long-term (Chambers & Conway, 1992). The sustainable livelihoods approach seeks to understand the strengths and capacities of people, in terms of assets and capital, and their efforts to convert these endowments into positive livelihood outcomes (Department for International Development [DFID], 1999). Figure 1 depicts assets in terms of human, social, natural, financial and physical capitals transformed into strategies influenced by existing structures and processes to result in well-being and reduced vulnerabilities. The arrows denote relationships as opposed to causality

For those directly dependent on forest resources for their livelihoods, preventing the erosion of the resource base is especially important (Biggs et al., 2015). Sustainable forest management (SFM)[1] can only be achieved by establishing adequate livelihoods for the people who depend on those forests. Without sustainable livelihoods, communities in forested areas are more likely to turn to the resources near them to meet their immediate subsistence needs, in ways that have little concern for long-term sustainability.

Sustainable Forest Management

Efforts aimed at conserving forests for the global good have proliferated as the world's forests are increasingly being recognized for the valuable environmental, social and economic benefits they provide[2]. Increasingly, global governance mechanisms, international non-governmental organizations, civil society bodies and multinational companies are collaborating to address this challenge. Older conservation models, that viewed local communities as threats to forest preservation, are being replaced by conservation models that recognize the central role of forest dependent communities.

Voluntary Sustainability Standards (VSSs)[3] operating

[1] "Sustainable forest management addresses forest degradation and deforestation while increasing direct benefits to people and the environment. At the social level, sustainable forest management contributes to livelihoods, income generation and employment. At the environmental level, it contributes to important services such as carbon sequestration and water, soil and biodiversity conservation" (Food and Agriculture Organization, 2017).

[2] Forests are credited for reducing carbon emissions by trapping carbon dioxide (FAO, 2014) in the atmosphere, ensuring watershed functions and stabilizing the climate (FAO, 2014), providing food and resources for communities within and nearby forests (Greenpeace, 2011), acting as a habitat for a wide range of plants and animals (FAO, 2014) and a host of other functions.

[3] VSS systems have become important tools for encouraging greater sustainability in the production of commodities (Komives & Jackson, 2014). Most VSS initiatives, feature social, environmental and economic standards defined by an organization, along with a procedure to check and ensure that products or production processes conform to the standards set (Marx et al., 2015).

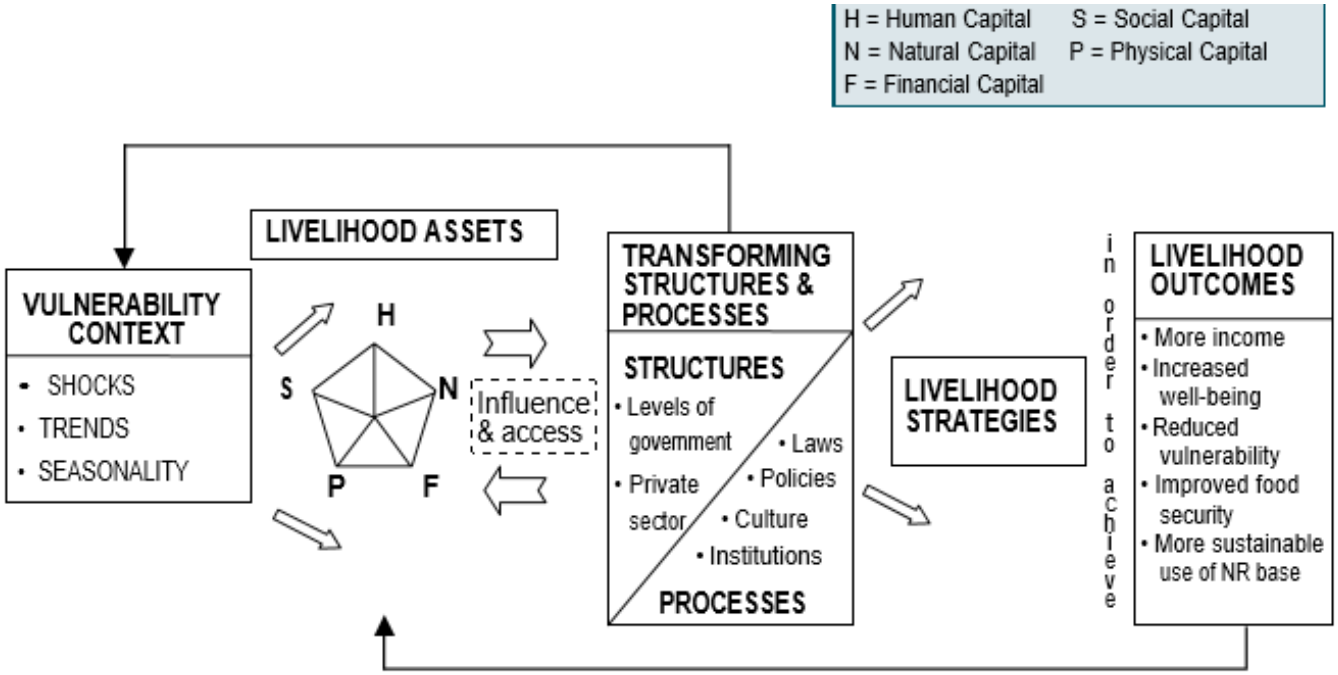

Figure 1. The Sustainable Livelihoods Framework. Source: DFID, 1999.

in the forestry sector[4] have been supporting the aims of integrating sustainable livelihoods in SFM in several ways. These multistakeholder-governed market-based instruments aim to integrate forest users and owners into sustainable forest product value chains (Marx, Sharma, & Becault, 2015). Forest certification has had success primarily in the developed, temperate and boreal regions of the world (Marx & Cuypers, 2010; Rametsteiner & Simula, 2003).

In terms of enabling sustainable livelihoods, VSSs in the forestry sector have developed approaches to enable the principle of subsidiarity[5] by developing locally relevant standards, indicators and auditing practices. They often establish separate standards for small forest holders and/or enable group certification to allow people working in the forestry sector with fewer resources to access more sustainable markets. They establish multistakeholder governance systems where their boards of directors are comprised of different segments of society and are often geographically balanced between developed and developing countries to enable more holistic and sustainable direction and decision making. Along with balanced board of directors they also allow stakeholder participation on boards, committees, standard-setting and decision-making processes and mechanisms for dispute settlement at the local level. These efforts should result in standard-setting bodies that are more in tune with priorities from multiple perspectives and contexts

Did you know?

The forestry sector employs approximately 52.4 million people—13.2 million in the formal sector and 41 million in the informal sector—with the formal timber sector contributing USD 600 billion in gross value to the global economy or 1 per cent of global GDP in 2016 (World Bank, 2016). The sustainable forestry market has grown quickly to approximately USD 232 billion in export value in 2015 up from approximately USD 200 billion in 2012 (Potts, Voora, Lynch, & Mammadova, 2017). VSSs play an important role in enabling the timber sector to move toward more sustainable forest management practices and enabling small timber producers to access more sustainable markets. The clear majority of sustainable timber is being sourced and produced from more temperate forests in developed economies, with 89 per cent of all certified timber coming from North America and Europe in 2015 (Lernoud et al., 2017). Tropical forests represent a major opportunity for expansion. The greatest deforestation rates in 2012 occurred in Brazil (57 million hectares), Australia (57 million hectares), Indonesia (11 million hectares), Nigeria (9 million hectares) and Tanzania (9 million hectares) (Potts et al., 2014). With approximately 396 million hectares of certified forests in 2015 out of a potential 4 billion hectares of forested area reported in 2012 the future looks promising for the continued expansion of forest certification systems. Nevertheless, timber certification in tropical regions pose new challenges that need to be overcome to ensure that it results in sustainable livelihoods and outcomes (Adams, 2012; Lernoud et al., 2017).

[4] The two largest international VSS working in the forestry sector are the Programme for the Endorsement of Forest Certification (PEFC) and the Forest Stewardship Council (FSC). Both VSS were established in the 1990s and work via the establishment of national level bodies that assist in devising forest certifications systems better suited for the contexts in which they are implemented.

[5] "The principle of subsidiarity suggests that centralized rule-making and implementing organizations should only perform those tasks that cannot be performed effectively at a more intermediate or local level" (Potts et al., 2014, p. 48).

so that relevant standards can be developed enabling sustainable livelihood in forestry.

Concretely, VSSs enable more sustainable livelihoods by typically demanding that standard compliant entities provide better working conditions and compensation for their workers by upholding and practising labour rights, gender equality, health and safety, better employment conditions and benefits. These can include provisions and requirements to enable equal remuneration, collective bargaining, prohibition of forced labour, safe and healthy work conditions, written employment contracts, timely payment of wages, paid leave, and pension and security benefits among many other conditions that VSSs typically demand of the entities they certify.

A Landscape Approach to Forestry

VSSs working in the forestry sector continue to work toward innovating on several fronts to enable sustainable livelihoods. One of the most promising directions is to approach forestry at the landscape scale to manage forest resources to benefit whole regions and communities and in so doing address potential drivers of deforestation. This is especially important due to the valuable ecosystem services that forests provide and the fact that drivers of deforestation are often greatly influenced by activities occurring outside of forested areas[6]. From carbon sequestration to water filtration, forests are fundamental to human well-being.

One of the most prominent VSSs working in the forestry sector is the Programme for the Endorsement of Forest Certification (PEFC)[7]. Established to meet the needs of small and family forest owners in 1999, PEFC aims to enable the sustainable management of forests by certifying and labelling forest-derived products (timber and non-timber forest products) using SFM practices[8]. Potts et al. (2014, p 30) describe the PEFC as "an international umbrella organization working with national standards initiatives to provide independent assessments and endorsements of national forest certification systems." PEFC has thus far certified a total of 300 million hectares of forests managed by 750,000 forest owners (Programme for the Endorsement of Forest Certification [PEFC], n.d.a).

The PEFC Forest Certification Week 2016 explored the connections between the landscape approach and sustainable livelihoods. The consensus was that landscape approaches can provide frameworks for sustainable land management where the drivers of deforestation can better be addressed, with sustainable livelihoods representing a key component. The participants recognized that deforestation is a development issue and SFM needs to include human health and well-being considerations, especially of those impacting forests. Participants underscored that a holistic view and strategy of embedding forests into the development agenda is necessary, with forest certification playing a critical role. The discussions covered two important aspects of the landscape approach and sustainable livelihoods for the forestry sector: small forest holders and community involvement.

Small Forest Holders

The PEFC certification system aims to further empower small forest holders. Aidan C. Flanagan, pointed out that without integrating small forest holders into VSS and landscape approaches, future demand for forestry products is unlikely to be met. He insisted that forest certification needs to focus on ensuring that small forest holders are actively and equitably involved, receiving real benefits from the certification process. Forest certification systems need to be cost effective and beneficial for small forest holders (Flanagan, 2016, personal communication). Some countries are hoping to develop national PEFC systems to buffer against certification lapses among small forest holders[9].

The role and well-being of small forest holders in moving toward SFM was also recognized by the Center for International Forestry Research (CIFOR). Small forest holders usually have forest holdings under 0.5 hectares which typically consist of trees planted or maintained in agricultural areas, acting as reservoirs of biodiversity, alternative food sources and products that help reduce the need for extraction from larger forest areas. They also have the potential for enabling seed preservation and other initiatives that encourage in situ conservation (Dawson et al., 2013).

Clearly, awareness of the importance of supporting sustainable livelihoods in forestry has been growing over time. The United Nations Forest Working Group

[6] The recent expansion of palm oil and soy cultivation has led to the loss of tropical forests in Southeast Asia and the Amazon, which points to the fact that deforestation is often driven by pressures occurring outside forested areas. In these cases, deforestation was driven by the global demand for soy and palm oil to enable food security.

[7] The PEFC is an international non-profit, non-governmental organization working towards enabling sustainable forest management (SFM) practices by certifying forest management through independent third-party certification. It works throughout the forest supply chain to promote good forest use practices while ensuring that forest products are produced in a manner that recognizes ecological, social and ethical imperatives. Customers and consumers can recognize those products that are made from sustainably managed forests through the presence of the PEFC logo.

[8] PEFC has adopted and aligns its standards with the following SFM definition: "The stewardship and use of forests and forest lands in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfil, now and in the future, relevant ecological, economic and social functions, at local, national, and global levels, and that does not cause damage to other ecosystems" (PEFC, n.d.b).

[9] Smallholders tend to depend on external support for certification, and when support is withdrawn certification lapse.

highlighted the importance of small forest holders in their "Resolution of Working Group One on Progress in implementation of the non-legally binding instrument on all types of forests" (20 April 2013). The resolution noted that public and private investments in SFM should be promoted in community-managed forests and those owned by small forest holders "to facilitate the contribution of such forests to sustainable development and poverty eradication at local and national levels" (United Nations Forum on Forests, 2013).

Community Involvement

The threats forests face can occasionally be linked to surrounding communities in the form of illegal logging, encroachment and fires. Alternative livelihoods are needed to prevent these damaging practices. Companies are working toward implementing more integrated approaches to forest management (Devi Bramono, 2016, personal communication). Asia Pulp and Paper (APP) launched an integrated forest management strategy in 2013 by committing USD 10 million per year to support the initiative. Detailed plans were created for local communities, and activities inside forest concessions were assessed to examine how they may be affecting adjoining areas. APP recognizes that communities play a key role in landscape protection, since the drivers of deforestation and degradation are typically linked to either poverty or a lack of awareness.

While companies should engage in landscape approaches, they have no scope or authority outside of their own areas. Companies need strategic partnerships to support their aims (Bramono, 2016, personal communication). For instance, government involvement is required to set adequate regulatory boundaries (Bramono, 2016, personal communication). These considerations underscore the importance of local communities in enabling SFM.

Broadening Sustainable Forestry Management

The landscape approach to managing forests broadens thinking and highlights connections and complementary efforts toward sustainable resource management. Doing so necessitates integrating local communities and small forest holders in SFM strategies and enables the development of sustainable livelihoods dependent on the long-term viability of forests.

Thankfully, examples of how forest related businesses and users can work toward integrating concerns from outside their forest concessions are available. APP shared insightful experiences highlighting the need for key partnerships in enabling a landscape approach to SFM and sustainable livelihoods due to the jurisdictional limitations of their forest concessions.

Nevertheless, more work needs to be done on rethinking the possible contributions of the landscape approach to enabling sustainable livelihoods in standards-compliant forests. More specifically, understanding how VSSs such as PEFC can contribute to broadening SFM approaches through the landscape approach will require attention to local community needs to facilitate sustainable livelihoods for those dependent on forest resources.

These reflections are especially important for PEFC since interest in its certification system has expanded rapidly within tropical forests where significant, often poverty-stricken, populations live[10]. As a result, the related need for ensuring sustainable livelihood options for local communities has grown in importance within PEFC—a challenge which can be overcome via multistakeholder dialogue and planning.

10 Founded to address small forest holder and local community needs, PEFC expanded beyond enabling certification in European temperate forests in 2002.

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