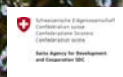


ASEAN CSO FORUM
WORKING PAPER SERIES

PAVING FUTURE ACTIONS TO ENGAGE ASEAN ON SOCIAL FORESTRY & CLIMATE CHANGE TOWARDS A PEOPLE-CENTERED ASEAN ECONOMIC COMMUNITY

Submitted by the **ASEAN Social Forestry Network (ASFN) Civil Society Forum**
For the **ASEAN Social Forestry Network Conference 2014**



We are a growing ASEAN civil society community – now numbering 47 organizations who are active in 8 countries, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand and Vietnam. The Civil Society Forum is participated in by civil society and community based organizations (CSOs) and indigenous peoples network and membership organizations present in ASEAN who are all active in the forestry sector in the implementation of capacity building, awareness raising, and technical support in programs on forest and NTFP livelihood and marketing, forest rights and tenure, and traditional and indigenous knowledge systems on natural resources, and projects in REDD+ (Reducing Emissions from Deforestation and Forest Degradation Plus). The ASFN Civil Society Forum, established in 2012, is a platform to distill, consolidate and relay key messages from CSOs and communities to ASEAN member states via the ASEAN Social Forestry Network .

In the 3rd year gathering of the ASFN Civil Society Forum in Kota Kinabalu, Sabah, Malaysia on May 22-23, 2014, the CSO Forum affirmed that there has been progress made in more than the thirty (30) years of practice in social forestry particularly when under a framework of cooperation among forestry stakeholders that include local communities, particularly indigenous communities and other forest dependent groups and civil society organizations (such as non-government organizations, academe, and research institutions). In particular, progress has been made in terms of the continuous roll out of improvements in community forestry through policy reviews and clarifications; the twinning or integration of community forestry with rural development and livelihood projects. In some countries, support by both civil society organizations and government to community forestry and producer groups have made possible linking them to traders, intermediaries and processors in order to improve access to markets and efficiency in the value chain; and linking community forestry to business development services and other financing schemes. Finally, national multistakeholder coordination or consultation bodies have been established in some countries for social forestry and climate change, particularly REDD+ with civil society and indigenous community representatives, for example, in Cambodia, Myanmar, Philippines and Vietnam.

Despite the significant progress, however, critical gaps still remain in the political will and commitment of Member States to realize long-term social forestry goals. Recently released assessment report on Social Forestry in climate change adaptation and mitigation in the ASEAN region by the Centre for People and Forests (RECOFTC 2014) noted that the deforestation rate still outpaces forest growth and national achievements on social forestry. Between 2010-2013, deforestation figures were at 13.3 million hectares compared to only 2.2 million hectares designated as community forests. The latter represents only 3.5% of forest area being managed by local people with official community forestry agreements. Some ASEAN countries demonstrate notable community forestry expansion within the last five (5) years such as Thailand (154%), Cambodia (62%), Philippines (38%) and Vietnam (15%) within the last five (5) years. However, the collective community forestry target within ASEAN at only 15.9 million hectares to a total remaining forest area of 434 million hectares (with forest cover decline at a rate of 6.3%) is not significant enough to generate maximum social and economic benefits for community economies that is consistent with ASEAN and its Member States' sustainable development goals.

Under the auspices of the ASEAN-Swiss Partnership on Social Forestry and Climate Change (ASFCC), herewith we commit to engage with the ASFN towards the common objectives of: (1) Developing and integrating social forestry approaches into the climate change adaptation and mitigation strategies of ASEAN and Member States and (2) Ensuring that socio-economic benefits are derived from the meaningful inclusion of the communities, women and vulnerable groups in social forestry and climate change adaptation and mitigation measures.

The Areas prioritized for Engagement of the CSO Forum with the ASFN:



- Building and strengthening multi-stakeholder community forestry partnerships that would encompass supports in livelihood, tenure, an governance
- Institutionalizing the inclusive structures and models of good forest governance with adequate safeguard measures; provide adequate technical and financial resources

- Accelerating community forestry awarding to communities with adequate capacity-building, monitoring and learning programs; and
- Developing a comprehensive value chain support program and incentive program for priority community forestry enterprise sectors including capacity building, financing, etc.

The CSO Forum proposes the following Joint Concrete Actions with the ASFN:

- Establish official, regular mechanisms for stakeholder and civil society engagement with ASEAN at all levels:
 - o At the country level, constitute/strengthen ASFN Country Teams
 - o CSO representative/s in ASFN
- National ASFN teams to take on policy support role with special focus on facilitating the strengthening of people-centered legal framework (eg. policy briefs, dialogues, etc.)
- Use an evidence-based approach to policy development supported by research and development, incorporating traditional and local knowledge systems and indicators; and

- Capacity building and learning activities on SF related activities such as policy concerns, livelihood, resource management

The ASEAN Social Forestry Network (ASFN) Civil Society Forum was established in 2012 with the support of the ASEAN-Swiss Partnership on Social Forestry & Climate Change (ASFCC) as a platform to engage civil society stakeholders in the promotion and advancement of social forestry in ASEAN. This statement was produced during the 3rd ASFN Civil Society Forum and the 5th ASFN Conference on Social Forestry and Climate Change from May 22-26, 2014 held in Kota Kinabalu, Sabah, Malaysia.

For the full text, see ASFN CSO Forum Working Paper Series 1 to 4:

ASFN CSO Forum Working Paper 1 of 4: Governance Mechanisms

ASFN CSO Forum Working Paper 2 of 4: Safeguards

ASFN CSO Forum Working Paper 3 of 4: Forest Tenure and Access Rights

ASFN CSO Forum Working Paper 4 of 4: Community Economy and Livelihoods

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ASFN CSO Forum
Working Paper Series 1 of 4:

GOVERNANCE MECHANISMS

Submitted by the **ASEAN Social Forestry Network (ASFN) Civil Society Forum**
For the **ASEAN Social Forestry Network Conference 2014**



Background

Social forestry has evolved in the last thirty years from its birth in the 1970s to its practice today. It emerged mainly as a direct result of mounting rates of deforestation and the realization of state actors of the need to strengthen the management of state-owned forestlands in order to prevent encroachment, poaching and illegal logging activities. Local forest dependent community and indigenous peoples' participation, stronger contributions to human development and poverty reduction, and stronger management of forests are the primary thrusts of social forestry. The ASFN affirmed the defining characteristics of social forestry to be community-centered and "provides for their engagement, empowerment, benefit and access to forest resources for their participation in sustainable forest management". However, the evidence of this across ASEAN is not consistent; instead, the limitations and changes in the political landscape, natural resources, and environmental and climatic factors and conditions, continue to test the impact and effectiveness of social forestry throughout the region. Attention is currently drawn increasingly to the extent and scope of community's genuine representation and participation, and the extent of local ownership, and community engagement in decision-making, forest management and delivery of forestry services.

More so today with development in national to global policy, there is a growing demand for forestry services that require the participation of CSOs (NGOs, forest dependent communities such as Indigenous Peoples and tenured migrants, academic and research institutions), as they commonly work with the indigenous peoples and forest dependent communities where most forests are, thus bringing their issues and concerns in decision-making bodies. Previous work of CSOs with government has delivered positive results but current conditions of the environment and natural resources require concerted efforts by all stakeholders under a stronger cooperation and policy/legal framework for social forestry and climate change.

In keeping with the vision of a people-centered ASEAN community, a consistency in the principles and mechanisms of governance over forest and natural resources especially that which reflects genuine participation and representation, recognition of traditional governance mechanisms, and a stronger people-friendly or people-centred legal framework on social forestry and climate change must be supported to full realization. ASEAN cooperation on forestry through the ASFN can provide the platform for this.

There have been key developments in governance in social forestry and climate change mitigation and adaptation. Countries continue promoting social forestry through their various programs, initiatives and projects. In the Philippines, Vietnam, Cambodia and Indonesia, REDD Plus partnership projects and initiatives are established in community forestry (CF) areas, and are aimed towards promoting carbon and non-carbon benefits, including awareness raising and strengthening of capacities of local indigenous peoples and forest dependent communities in forest management.

Full and effective CSO participation is a criteria in international agreements and the new ASEAN Charter to ensure that the interests of indigenous peoples and forest dependent communities are secured. Furthermore, free and informed prior consent (FPIC) provisions under international and national laws, policies and programs are gaining strength especially in REDD Plus. The ASFN adopted in June 2013 that at the operational level, FPIC should be set as a minimum standard requirement for implementation of social forestry and REDD Plus. REDD Plus programs demand civil society and community representation and capacity building. Resources are allocated through project funding for establishing inclusive governance models. For example, the set up of management arrangements such as the REDD Plus Task Force, REDD Plus Consultation Group, civil society networks and technical working groups. National technical working groups and coordination structures are created for social forestry and related programs, and community forestry national working groups such as in Cambodia and Myanmar have been formed, and there are plans to set up sub-national and regional working groups. Climate change strategies and programs are designed as multi-stakeholder programs such that structures and platforms are created for intra-ministry coordination. There are representatives from CSOs and IPs in the UN-REDD Program Executive Board. Guidelines on harmonizing and interfacing community-based plans with government plans are also being started.

Gaps in Policy & Practice

Despite the progress in governance mechanisms, there is a gap in political will and institutional support to realize social forestry goals. State laws still do not reflect optimal priority on community forestry rights if targets and actual implementation results are to be considered. The current situation reflects relatively low priority on social forestry as reflected by the variance between the target and what has been actually achieved. For example, Cambodia targeted 2M hectares (1,000 CF) , but only around 400,000 hectares of community forestry has been established. In Myanmar, CF is still at a level of instruction and not a law, although it is noted that the CF instruction is being reviewed under the Forestry Law. New Community Forest User Groups (FUGs) are emerging albeit at a pace well below the target of 918,000 hectares by 2030 in its Forestry Master Plan. In the Philippines, while there is considerably a good target by the Department of Environment and Natural Resources (DENR) in terms of assistance in the processing of community based forest management (CBFM) tenure, development of community plans and strengthening of CBFM peoples organizations, these are affected by the rationalization scheme which transforms the CBFM division into a mere section, with limited personnel and limited resources.

Social forestry structures are either ad hoc or project-based and lack a strong legal basis. On the other hand, respect and recognition of traditional governance as the foundation or basis of community forestry governance needs more support. Institutional prescriptions tend to erode traditional governance systems.

Often communities are unable to develop their own plans given the complex technical and financial requirements. There is a lack of support to the implementation of community

plans and limited support for organizational development and strengthening of community forestry organizations. Government agencies have limited capacity to perform their mandates. In many cases, changing leaderships and structures in the government negatively affects sustainability of social forestry programs and activities.

There is no representation at the national level of forest user groups for instance in Myanmar, where there is limited village level representation, and in some cases, no local or sub-national representation. There is more focus on national bodies but less support on building local level structures that would govern local forest management and carry out planning and monitoring. There is lack of support for formative processes of governance and institutional frameworks, which results in limited opportunities for government, civil society and communities to engage. Where there are structures that communities and CSOs are engaged, these tend to be limited in scope of responsibility or function, such as forest patrolling, information sharing, secretariat functions, and technical concerns; and less on conflict resolution and representation in decision-making. Even representatives in the REDD Plus national structures have limited capacity in providing inputs and comments in policies and practices. In particular, there is lack of information disclosure on issuance of licenses and concessions which may be in conflict with social forestry. There is also lack of institutional mandate for information flow from representative to their constituencies.

Priorities for Engagement with ASEAN

To further support the ASFN Strategies and Mechanisms adopted in June 2013 and endorsed by the ASOF in July 2013, civil society commits to engage with the ASEAN member states particularly at the policy and operational levels of social forestry and climate change.

At the Policy Level:

1. Support and facilitate efforts within and among member states to institutionalize and mainstream inclusive social forestry and REDD Plus structures. This will include:
 - Explicit promotion of rights of indigenous and forest dependent communities and other affected communities;
 - Access to information and documentation;
 - Inclusive community participation on MRV, Safeguards and other REDD Plus related concerns; and
 - Institutionalization of a grievance mechanism and other safeguards.
2. Move from pilots to institutionalization of inclusive social forestry and climate change structures such as the National CF Coordinating Committees/Provincial Committees or Working Group, REDD Plus Consultation Group and REDD Plus Task Force, and National Multi-stakeholder REDD Plus Council/Provincial MRC.

At the Operational level:

Scale up project based and project driven working models of inclusive or participatory governance to national, transboundary and ASEAN actions.

Specifically, priority actions proposed for the ASEAN are the following:

- Establish official, regular mechanisms for stakeholder and civil society engagement with ASEAN at all levels. At the country level, the ASFN Focal Points / Leaders will take the lead to constitute and strengthen ASFN Country Teams, activating regular mechanisms for collaboration and consultation. These teams should be inclusive of all stakeholders: government, civil society and social forestry groups.
- National and/or sub-national ASFN teams will take on policy support role with the special focus on facilitating the strengthening of people-friendly, people-centred legal framework.
- Promote social forestry representation in local/sub-national and national social forestry and REDD Plus decision-making process and governance.
- Support local/provincial and national working groups with resources and capacity building programs, which include equipping communities with information and knowledge about policy. This is already being planned under ASFN country support programs.
- Establish CF monitoring learning programs which would also support the development of social forestry monitoring indicators and criteria.
- Document and disseminate existing working CF management models; facilitate visits and exchanges to the sites with a view to learning and sharing on the best practice governance models.

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ASFN CSO Forum
Working Paper Series 2 of 4:

SAFEGUARDS

Submitted by the **ASEAN Social Forestry Network (ASFN) Civil Society Forum**
For the **ASEAN Social Forestry Network Conference 2014**



Background

For indigenous peoples and local communities, forests have social, cultural, spiritual, subsistence and medicinal values. Safeguards are protection measures to protect communities from possible adverse effects of external interventions. However, safeguards should not be limited to just avoiding harm or doing no harm. It should also bring benefits to indigenous peoples. Safeguards have become central elements to international and national forestry and climate change agreements. Civil society organizations and indigenous peoples organizations play important roles in the development of safeguard policies. They bridge the gap between communities and governments related to forest policies as well as raise awareness on relevant issues and concerns affecting communities. Institutionalizing the role of CSOs in ASEAN safeguard formulation on forestry and climate change can make the process of safeguard development more efficient and effective.

The Cancun Agreement in REDD Plus includes the social and environmental safeguards that all parties to the United Nations Framework Convention on Climate Change (UNFCCC), including ASEAN member states, have the obligation to implement in their respective countries. The social safeguards include the full and effective participation of indigenous peoples and local communities, and respect for the rights and traditional knowledge of indigenous peoples. The agreement also made reference to the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), explicitly mentioning that there should be no conversion of natural forest to plantation. A strategic goal of the legally binding Convention on Biological Diversity also seeks to improve the status of biodiversity by safeguarding ecosystems, species and genetic diversity. Therefore, it is relevant and appropriate that the ASEAN member states should undertake policy reform and the formulation of laws and policies for the implementation of social and environmental safeguards in REDD Plus and other forestry related activities. At the same time, accessible grievance mechanisms should be put in place to redress affected communities and legally address safeguard violations. Gender equity should also be considered in REDD Plus safeguards since it is one of the critical issues in shaping control to and control over forest resources (UN-REDD Programme, 2011).

Several urgent concerns related to safeguards are common among ASEAN member states. Safeguards and FPIC guidelines have not been developed in most of the ASEAN, and many development projects such as dam construction, mining and agro-industry crops are taking place without the consent of communities. Traditional knowledge of indigenous and local peoples on herbal medicine is being used for business purpose without the consent of communities. There is low awareness on community rights in the national and international laws and policies. In some ASEAN member states, there is lack of legal recognition of indigenous peoples and forest dependent community rights. There is limited information disclosure related to safeguards. It is also an issue that the processes for community land titling and community forest certification are time consuming and bureaucratic.

While there are these issues that need to be addressed, there have also been developments with safeguards, particularly the increased engagement of indigenous peoples and local

communities with the government in REDD Plus. There is recognition of indigenous and local peoples' customary forests. In some ASEAN member states, safeguards framework is already in place, and there is ongoing work on safeguards and benefit sharing in REDD Plus. Community based forest management has also been adopted in many ASEAN member states.

Priority Engagement with ASEAN

The CSO Forum seeks for the recognition of customary forests and the adoption and implementation of FPIC as a minimum standard. Proposed mechanisms for this include:

- Establishing a regional, multi-stakeholder body in ASEAN that will oversee the implementation and monitoring of safeguards related to social forestry and climate change, including regional criteria and indicators. These safeguards should include social and environmental safeguards as well as safeguards on the disclosure of information, dispute settlement and mechanisms related to sanctions upon violation.
- Formulating the ASEAN FPIC guidelines with the full and effective participation of indigenous peoples, forest dependent communities and relevant stakeholders.

Specifically, priority actions proposed for the ASEAN are the following:

- Development of a communication plan to disseminate safeguards information for all stakeholders.
- Regional multi-stakeholder consultations to consolidate existing initiatives and practices as well as proposed principles, criteria and indicators on safeguards on social forestry and climate change in the ASEAN.
- Development of a regional ASEAN “umbrella” safeguards framework on Social Forestry and REDD Plus.

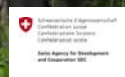
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ASFN CSO Forum
Working Paper Series 3 of 4:

FOREST TENURE AND ACCESS RIGHTS

Submitted by the **ASEAN Social Forestry Network (ASFN) Civil Society Forum**
For the **ASEAN Social Forestry Network Conference 2014**



Background

The ASOF 2013 Strategy on Social Forestry in Climate Change & Biodiversity Conservation endorsed the recognition and the enforcement of indigenous peoples' territories and customary forests and that communities should not be separated, but seen as part of the solution. Effective community engagement at the operational level must be ensured. This endorsement by the ASOF provides the key motivation and incentives with respect to forest access and tenure rights.

The Civil Society Forum has identified four common issues which affect indigenous peoples and forest dependent communities in terms of forest tenure and access rights.

1. Insufficient protection of livelihoods

Most ASEAN member states identify shifting cultivation as a driver of deforestation, criminalizing sustainable traditional practices of indigenous peoples and agricultural practices of forest-dependent communities. For example, the practice of shifting cultivation is prohibited by Lao PDR, Thailand and Vietnam and is currently being phased out through regulatory laws and policies in Indonesia and Myanmar.

Indigenous peoples' and forest-dependent communities' conservation and management practices (traditional or otherwise) have contributed both to adaptation and mitigation of climate change. Recognition and support, including robust safeguards to protect their livelihoods, knowledge and practices, will enable them to continue to offer culturally appropriate solutions to global challenges such as climate change.

ASOF 2013, in adopting CSO Proposals on Community Economy and Livelihoods, recognises that the current scope of access and tenure rights may not fully guarantee the sustainability of livelihood initiatives of forest communities.

2. Rapid development in indigenous peoples' and forest dependent communities' territories

In ASEAN, large-scale development in indigenous peoples' and forest-dependent communities' territories and lands, particularly infrastructure (energy sector) and resource extraction by state and private business interests, have numerous consequences including dispossession and extensive degradation of the natural resource base upon which communities depend for survival and livelihoods. Community land and forest use plans and priorities are not taken into consideration in the development and implementation of such projects. In most of these projects, the right to provide or withhold FPIC is not respected or upheld. It is important to note that the ASOF 2013 strategy on Social Forestry in REDD Plus urges the adoption of FPIC as a minimum standard requirement for implementation at the operational level.

Indigenous peoples and forest-dependent communities are expected to face even more such

challenges with the ASEAN economic integration. It is important to note that the ASOF Strategies and Mechanisms 2013 recommends the conduct study on implications of ASEAN Economic Integration on community and forest-based livelihoods.

For example, in Vietnam, over 90,000 people (mostly ethnic Thai) were relocated for the Son La Hydropower plant, leaving many without access to agricultural land. In Cambodia's Prey Lang Forest region, home to the Kui indigenous peoples, official land grants of tens of thousands of hectares of forests for mineral extraction and timber and rubber plantations have deprived many of their traditional livelihoods. In Cambodia, from 1996 to 2013, 117 companies were granted economic land concessions (ELCs) totaling 1.5 million hectares or over 50% of the country's arable land, much of which is indigenous lands. Although the Cambodian government declared a moratorium on issuance of ELCs in May 2012, procedures introduced to review existing ELCs have also created conflict, including through privatization of communal lands, and threats and intimidation of communities and their representatives who choose communal lands over individual titles.

Finally, oil palm plantation expansion is a significant threat to indigenous peoples and forest-dependent communities in Malaysia and Indonesia. In Sarawak (Malaysia), despite a clear government directive on 13 June 2011 requiring all Provisional Leases, Forest Timber Licenses and Licenses for Planted Forests to exclude indigenous settlement areas and any land subject to Native Customary Rights claims from licensed areas, there have been numerous community complaints that the directive has not been followed.

3. Challenges to implementation of laws and policies

The ASOF 2013 Strategy on Social Forestry in Climate Change & Biodiversity Conservation also endorsed the use of an evidence-based approach to policy development to be supported by research and documentation. Another key challenge in ensuring biodiversity conservation and sustained community livelihoods is the inappropriate or inadequate implementation of laws and policies relating to indigenous peoples' and forest-dependent communities' rights to forests and resources.

In Malaysia, for example, Sections 8 and 9 of the Sabah Forest Enactment 1968 require that prior to the creation of any proposed forest reserves, a notification of the proposal is to be published in the Gazette and an inquiry is to be conducted. However, these provisions have not been complied with in most cases, resulting in indigenous peoples and forest-dependent communities not being informed or consulted about proposed forest reserves that would affect their lands (Suhakam). In 1984, new Forest Reserves established under the Forest (Constitution of Forest Reserves Amendment) Enactment 1984 side-stepped the requirements under the principal 1968 Enactment.

The National Forestry Act 1984, which provides for the administration and management of forests and forest development in Peninsular Malaysia, does not recognise Orang Asli (indigenous peoples of Peninsular Malaysia) ownership of forest produce on their customary lands under Section 40(3) and 62(2)(b). The Act also does not confer express

rights to Orang Asli for taking or removal of forest produce from their customary lands.

In addition to challenges with implementation of federal and local laws, one of the main underlying causes of conflict over forests and natural resources is the overlap between indigenous peoples' and forest-dependent communities' development plans and priorities and ASEAN member states' national land use and spatial plans.

4. Establishment and expansion of national parks and conservation areas in territories of indigenous peoples and forest dependent communities without their FPIC

Largely in response to internationally agreed targets, many ASEAN member states are striving to increase the size of their terrestrial protected areas to 17 percent of the total land area. State-designated and managed protected areas often overlap with forest areas that communities have been preserving for generations and have been established without the FPIC of the concerned communities and without recognition of their traditional and communal tenure systems. Such an imposition restricts or denies access and tenure rights; communities have been evicted from many state protected areas, for example, in Thailand, Malaysia, Indonesia, and Laos.

However, there are several international provisions and targets that require indigenous peoples and local communities to be involved in the governance and management of protected areas, and others that require recognition and support of territories and areas conserved by indigenous peoples and local communities themselves, including outside of state protected area systems. There are many examples from around the world and within ASEAN of communities designating and effectively governing and managing forest-based territories and areas. ASEAN member states should ensure they fulfill these international obligations and targets.

While there are issues and challenges, it is also noteworthy to mention important progress on forest tenure and access rights, particularly the adoption of the voluntary guidelines on the responsible governance of tenure of land, fisheries and forests. In May 2012, the Committee on World Food Security endorsed these guidelines in the context of National Food Security. The Guidelines underscore that the state has the responsibility to recognize and protect legitimate tenure rights of indigenous peoples and forest dependent communities and to consider adapting their policy, legal and organizational frameworks to recognize tenure systems of indigenous peoples. The Guidelines contain a specific section on "Indigenous Peoples and other communities with customary tenure systems". This speaks against the forced eviction of indigenous peoples from their ancestral lands and stress that the state and other parties should respect indigenous peoples' right to provide or withhold FPIC, as enshrined in the UN Declaration on the Rights of Indigenous Peoples (UNDRIP). Despite certain limitations, the Guidelines are a major reference and minimum standard for responsible governance of tenure, alongside other relevant international instruments such as UNDRIP and ILO C169 (Fering 2013).

Certain gains have also been made in recognition of indigenous peoples' rights to

customary forests, particularly in Indonesia. In 2011, the Indigenous Peoples Alliance of the Archipelago (AMAN) and the National Land Authority signed a memorandum of understanding to allow indigenous peoples to demarcate and register their land and territories through community participatory mapping. In November 2012, AMAN officially handed over 265 maps of ancestral domains covering 2,402,222 hectares to the relevant government authorities. Based on a petition filed by AMAN, the Constitutional Court of Indonesia made a landmark ruling recognizing indigenous peoples' rights to their customary forests on 16 May 2013. The decision recognizes that customary forests are forests located in indigenous territories and should no longer be considered as state forests.

Gaps in policy and practice

There are some gaps that need to be addressed with tenure. For one, customary lands and community hunting areas have not been excised from forest reserves or commercial logging areas, despite expressed policies to do so in some countries.

State and community forests alike are converted into large-scale and industrial projects such as oil palm, aquaculture, and tree plantations. An example is the degazetting of forest reserves and fast-tracked issuance of communal titles for joint-ventures with oil palm plantations in Sabah, Malaysia.

Unfortunately, administrative procedures and practices are not aligned with judicial precedents recognising access and tenure rights, such as in the case of the landmark ruling in Indonesia.

Priorities for Engagement with ASEAN

ASEAN Member States shall respect and provide legal recognition and protection of indigenous peoples' customary territories and forest-dependent communities' lands and resources. The ASOF strategies to adopt FPIC as a minimum standard requirement should be applied to engagement with communities in relation to their forest tenure and access rights.

The plan of action proposed below is in support of and in addition to the ASFN CSO proposal on Forest Tenure and Access Rights endorsed in 2013. The Civil Society Forum recommends to:

- Establish a platform within ASEAN for sustained dialogues and consultations with indigenous peoples and forest-dependent communities on land and forest tenure and access rights, including for sharing of experiences and good practices.
- Extend the use of the ASEAN Trust Fund for Social Forestry (ASOF 2013) to support the proposed actions of the Civil Society Forum for all proposed themes.

Specifically, this entails that ASEAN and civil society will:

- Organize regional dialogues with indigenous peoples' organizations, forest dependent communities' organisations and civil society organizations on land and forest tenure and access rights;
- Jointly prepare briefing paper on indigenous peoples' customary tenure and forest dependent communities' tenure in ASEAN member states;
- Use a multiple evidence-based approach to policy development supported by research and development, including through traditional and local knowledge systems and indicators; and
- Conduct a cross-learning program across ASEAN on sustainable community forest utilization and access rights.

Concrete actions include:

- Conduct participatory research on the status of land and forest tenure of indigenous peoples and forest-dependent communities (2014);
- Promote and implement harmonised laws and policies that appropriately recognize and support communities' access and tenure rights;
- Support capacity building and awareness raising on laws and policies concerning indigenous peoples' and forest dependent communities' rights and community forestry (2014-2015);
- Train indigenous peoples and forest dependent communities in ASEAN on participatory mapping/demarcation of their territories and lands (2015);
- Document protocols and good practices of customary and community forest governance and management (2015);
- Recognise and harmonize indigenous peoples' and forest dependent communities' forest land use plans with local state forestry plans; and in case of overlaps, precedence should be given to plans that prioritize livelihoods and community conservation areas, in line with ASEAN's people-centred approach;
- Develop tenureship of community forestry with more foresight and long-term planning, prioritising timeframes that enable life-sustaining approaches to guarantee sustainability and well-being of future generations;
- Simplify tenure application and approval requirements and procedures;
- Respect and uphold obligations under all international law as minimum norms and standards; and
- Establish an ASEAN-wide mechanism for monitoring and enforcement of legal cross-border trade, for example, based on the UN Guiding Principles on Business and Human Rights.

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ASFN CSO Forum
Working Paper Series 4 of 4:

COMMUNITY ECONOMY AND LIVELIHOODS

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For the **ASEAN Social Forestry Network Conference 2014**



Background

The forests and natural resources of Southeast Asia have fueled much of the recent economic boom over the last few decades. The high rates of GDP growth and accompanying rapid land-use changes have not brought equal prosperity for all, particularly for the indigenous peoples and forest dependent communities who rely on forests and natural resources for their daily subsistence needs and livelihoods. Economic development pathways in rural areas in ASEAN have been focused on plantation development and natural resource extraction, often times marginalizing community forestry and community forestry livelihoods. This exists despite research suggesting that small and medium forestry enterprises (SMFEs) in the developing world make up 80–90% of forestry enterprises and over 50% of forest sector employment (Macqueen and Mayers, in prep.; Mayers, 2006a; Kozak, 2007). Unlike large-scale commercial forestry which shows little evidence in reducing poverty, SMFEs offer better prospects – especially when they work together in associations (Macqueen, 2008).

Research in Indonesia shows that around 50% of Indonesia's population is living under the poverty line - 70% of them are living in the rural areas which include forest-dependent people (IFAD, 2012). Similar statistics are found in other ASEAN countries. It is a paradox when rich, valuable forests cannot sufficiently elevate communities out of poverty. Research shows that though decades of community forestry experience have generally led to lower deforestation rates (Porter –Bolland et al. 2011, Shyamsundar and Ghate , 2014), large scale improvements in the livelihoods of forest communities are still wanting (Nawir 2012, Purnomo et al, 2012). There are quite a number of success stories (Dolom and Serrano, 2005; Pinto, 2010; JMHS, 2014), however, which show the immense impact of social forestry, largely because of access to forest resources, collaboration across stakeholders, and effective marketing mechanisms. Unfortunately, barriers still exist that prevent many community forestry enterprises from larger gains.

The most common barrier is unclear or contested land tenure. Clear land and resource use rights is an important pre-requisite for forestry investment, especially by communities with little financial assets. Other barriers include bureaucratic processing of permits for resource use, evidenced by community experiences in Indonesia (WARSI, 2014) and the Philippines (Razal and Guerrero, 2013), diminishing traditional knowledge on sustainable forest management in the younger generation, debt trap with local traders/financiers¹, government subsidies and promotion to less eco-friendly livelihood options², lack of business know-how, access to capital, access to and support facilities such as information, quality control practice, compliance to standards, appropriate technology and markets. The overall lack of connectivity to players in the value chain is a primary reason that community forestry has not resulted in better improvements in incomes and livelihoods as expected.

Despite these difficulties, markets are growing for products made of natural ingredients and those produced by small producers (Huet, 2013). The trend towards sustainable consumption is driving sustainable production in the developing nations as well. This trend can be capitalized by community forestry producers. The development agenda of most

1 Brokers come directly to Indonesian villages to collect the rubber/oil palm with a set price. Most farmers are locked into the "ijon" system: the broker provides for the farmer's daily needs (food, supplies, etc) at a usurious rate and they are forced to sell their product to him at a lower price. This system of indenture has become systemic in many villages.

2 The government encourages use of chemical products such as fertilizers, creating a situation of dependency on plantation crops, often without financial benefit

Southeast Asian countries do not maximize the contributions of the creative and cultural industries despite the growing evidence of this sector's contribution to GDP³. Large-scale development, in contrast, often results in dire social and environmental consequences and also has placed pressure on food security and access to traditional medicine in forest communities.

Sustainable community livelihood approaches have emerged through debate within a wide range of development agencies over the last decade. Although there are different interpretations among agencies, there is broad agreement on the principles on how to approach and integrated community economic and livelihoods, which include focusing on people, using participatory approaches to help them to manage their assets more effectively and facilitate linkages between micro-level livelihood systems and the policy environment, stressing outcomes rather than outputs, fostering interdisciplinary teamwork, and encouraging partnerships between government, communities and the private sector.

Recent policy practices

Government and CSO cooperation has improved with recognition of community forest management in various parts of Southeast Asia. In the Philippines this emerged in the early 1990s as community-based forest management programs (CBFM) which was later made the banner program of the Department of Environment and Natural Resources (DENR). In Indonesia this has come with the recognition of hutan kemasyarakatan (group-managed forestry), hutan desa (village forestry), and the recent clarification of hutan adat (customary forest management). In Cambodia, community forestry was launched in 2001⁴. The success of these initiatives are observed when they are coupled with rural development initiatives⁵, business development services, connectivity between upstream and downstream players and reduction in transaction costs.

Examples of successful support for community economy programs in the forestry sector are in Indonesia where the Ministry of Forestry, through the Directorate on Social Forestry, is implementing an ambitious program to link producer groups to traders and manufacturers to improve efficiency and equity in the value chain, especially for stakeholders of NTFP products. The Forestry Administration in Cambodia also provided incentives to forest honey producers by allowing an exemption of transport permit fees upon annual requests and renewals. Finally both Indonesian and Philippine forestry departments are engaging business development services to support community forestry enterprises in various parts of the country, increasing business analysis acumen, and strategic thinking on product selection and enterprise development.

Gaps in policy and practice

Though there are a few examples of progressive support to community forestry enterprise, there are still many avenues where Forestry Departments could assist in supporting the growth of the business. In the Philippines and Indonesia, for example, millions of tree seedlings are being distributed and planted but often these are not provided with other

3 The creative industry contributed a total of 7.2% to GDP and 9% of total export value in 2010. (Global Business Guide Indonesia, 2014).

4 Not all ASEAN countries are actively pursuing community forestry programs, however.

5 Some rural development initiatives include irrigation and micro-hydropower projects

economically preferred species (such as non-timber forest products) that can be integrated into forest areas to increase the value of these forests, earlier before timber stocks are mature. Monitoring of proper planting and survival rates is also lacking. Often times, forestry projects are interested in broad geographical reach, not tangible on-the-ground results in key areas. Community forestry enterprises in particular need sustained and focused support to achieve long term results. What may be lacking is a sincere effort to review policies that are deterrents and do not provide incentives for CFEs to flourish⁶. What is also lacking is connectivity between stakeholders where they can together analyze bottlenecks and provide interventions that would benefit all parties in the chain, particularly community forestry groups.

Promoting better policy at the national level:

- In order to promote local sustainable livelihoods, the government must first accelerate the awarding of community forest areas to local communities. This must be accompanied by efforts to encourage conservation and economic activity. Without livelihood support, local people may not have enough incentive to continue sustainable forest management practices. Examples of livelihood support are substituting bio-gas for fuel wood consumption or encouraging NTFP collection as an alternative livelihood.
- Preference and priority support for community forestry initiated economic development versus large scale, externally led economic development projects with often adverse socio-cultural and ecological consequences.
- Improving community capacity, knowledge, and complementarity of forestry, agriculture, and livelihood activities. Access to capital and technology should supplement capacity building efforts towards community empowerment. Intergovernmental agencies should also be encouraged to develop appropriate technology, infrastructure, policies and standards that support community forestry enterprise activities.
- International and bilateral agencies, CSOs would do well to build partnerships with the private sector to develop national strategies on community forestry livelihoods. Local capacity in information collection, storage and dissemination will also need to be enhanced in order to bridge the gap between information providers and the market.
- Engaging the government to establish safeguards and protection measures so that equitable economic development can be practiced in community forestry livelihoods is important. Currently communities have weak bargaining power as they are not aware of their rights and lobbying power. Fair trade principles and practices should also be promoted. Organizing producers into cooperatives or associations or federations can assist them in reaching consumers as well as protecting them from less principled middlemen. Instruments to protect the intellectual property rights of community forestry groups through Geographic Indications, Trademark development and alternative certification should also be pursued.
- Work with the government towards a rural development policy that directly benefits rural communities with a long-term perspective is key. Growth may be slow, but the government must stay engaged to ensure that policies are fully implemented and make progress as years go by.

⁶ An example is the export moratorium of raw rattan materials from Indonesia which is causing a glut in supply and a downward spiral of prices at farmgate.

Priority Engagement with ASEAN

With the upcoming launch of the ASEAN Economic Community in 2015 which seeks to liberalize markets and the ASEAN labor force and increase intra-ASEAN trade from 24% to 30%, extra-effort is needed by the ASEAN member states to ensure that forestry populations benefit. This is especially relevant since the AEC is being built on principles of equitable development and sustainable forest management. The AEC has 12 priority integration sectors and one is wood and another is food, agriculture and forestry. If community forestry sectors are not targeted, community forestry enterprises are set to lose, along with the 65-99% of all micro-small-medium enterprises that have failed to benefit from previous Free Trade Agreements in ASEAN (Tambunan and Chandra, 2014).

The ASFN CSO Forum proposes the following priority actions for ASEAN complementing and following up on the Strategies and Mechanisms adopted by the ASFN during the meeting in Luang Prabang, Laos in June 2013 and endorsed by the ASOF during the meeting in Bandar Seri Begawan, Brunei in July 2013.

- Develop a comprehensive value chain management program for priority community forestry enterprises which maximizes community skills and resources, does not compete with food security objectives and provides immense employment for the rural poor
- Develop an incentive program for stakeholders such as the business community, technology developers and community forestry enterprises to work together in improving value chain benefits, especially for community producers
- Support an ASEAN-wide knowledge exchange program about community forestry and community economy and livelihood, especially learning about success stories and best practice cases of sustainable livelihood initiatives that exist in the region; such as progressive agroforestry in Jambi, smoked fish in the Kampar Peninsula, Riau, sustainable hand-woven rattan from East Kalimantan, forest honey in Cambodia, natural fiber based products in the Philippines, seed jewelry in Malaysia, etc.
- Initiating a serious and sustained consumer information campaign for green and fair community products and also by channeling products to strategic markets, supporting the upscaling of producers and the alignment of appropriate products to ASEAN market players. This intervention will enable the local producers to improve connectivity and competitiveness. It is important to provide as well ASEAN venues (exhibitions and trade fairs/ missions) to properly showcase products from the community forestry economy.
- Integrate downstream and upper stream industries by strengthening links between producers their facilitators, CSOs, and the private sector.
- Develop a model or champion of community forestry enterprises and livelihood to be a role model for other countries.

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