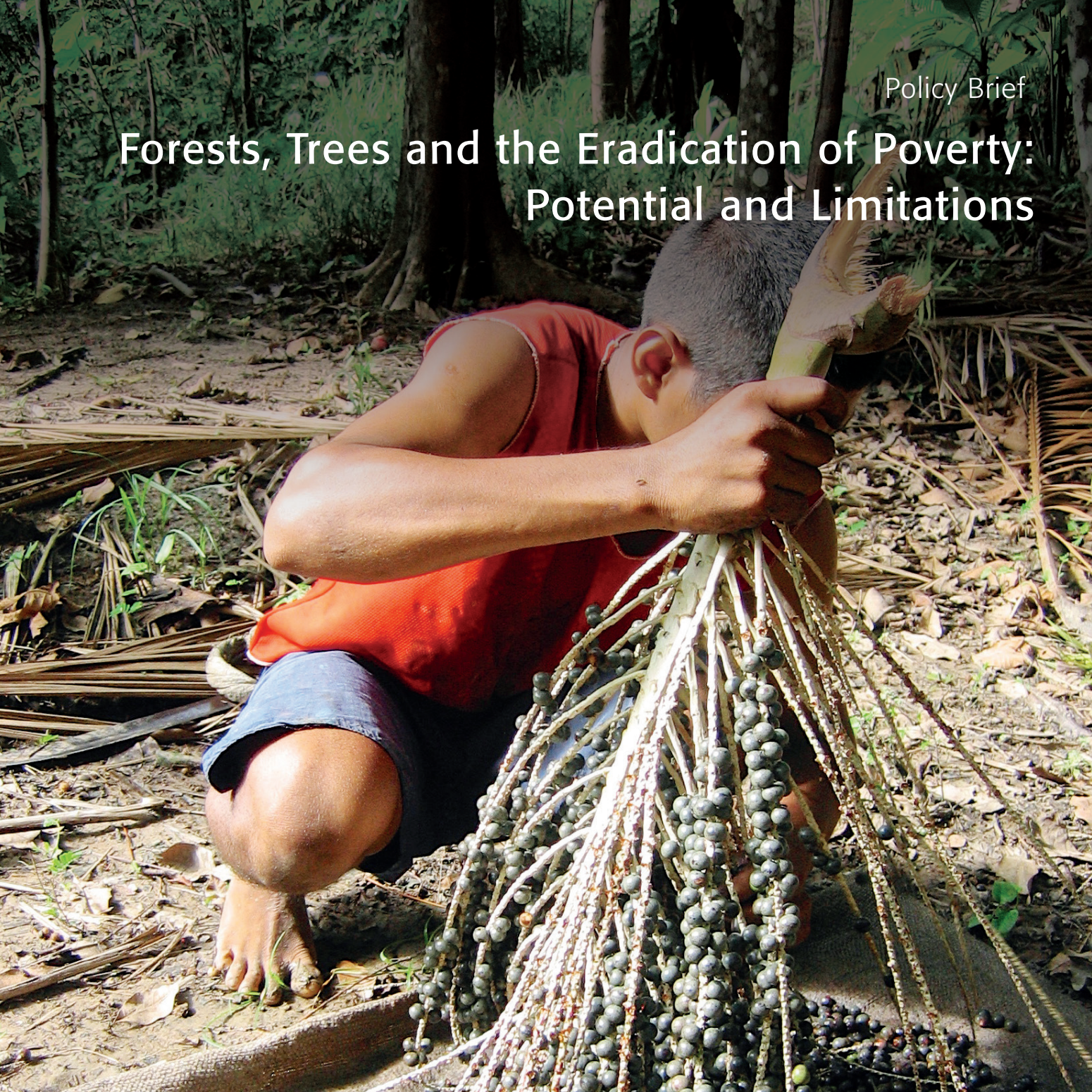
Policy Brief

Forests, Trees and the Eradication of Poverty: Potential and Limitations



This publication is based on the report
"Forests, Trees and the Eradication of Poverty: Potential and Limitations"
published as IUFRO World Series Volume 39.

Editors
Nelson Grima
Magdalena Lackner
Stephanie Mansourian
Daniel C. Miller
Christoph Wildburger

Layout
Eugénie Hadinoto

Cover picture
Harvesting acai *(Euterpe oleracea)* in the state of Amapá, Brazil © Reem Hajjar

Published by
International Union of Forest Research Organizations

ISBN 978-3-903345-07-2

Printed by
Eigner Druck
3040 Neulengbach
Austria

Contents

Foreword

The novel coronavirus (COVID-19) which spread across the globe in 2020, caused not only major health problems and hundreds of thousands of deaths, but also a tremendous economic slowdown that threatens to further impoverish millions of people around the world. This pandemic has also exacerbated the yawning gap between the richest and the poorest, both globally and within countries.

The global spread of zoonotic diseases is not the only challenge that the world is facing in its efforts to achieve the first of the United Nations' Sustainable Development Goals, "End poverty in all its forms everywhere". More extreme weather events associated with climate change, deforestation and land degradation, among others, are making an already insecure situation much worse for the world's poor.

Poor and vulnerable people often depend on the use of natural resources and, in many regions, they are able to harness forest goods and services to manage and mitigate risk, especially in the face of crises. To secure and improve this vital function of forests, we need to adequately protect, manage and restore forests and duly consider forests and trees in policy and management measures. It is therefore essential to review the role that forests play in development in general, and in achieving poverty eradication, in particular.

The Global Forest Expert Panel (GFEP) on Forests and Poverty, a Collaborative Partnership on Forests (CPF) joint initiative, led by the International Union of Forest Research Organizations (IUFRO), addressed these essential questions in a comprehensive global scientific assessment. Its report consolidates available scientific evidence on the wide range of contributions of forests and trees to curbing poverty and on the effectiveness of diverse forest management policies, programmes, technologies and strategies.

This policy brief and the associated scientific review are thus important tools for informing policy-makers and stakeholders in their ambition to fight poverty and achieve the goals of the 2030 Agenda for Sustainable Development. In the year 2020, we should reaffirm our global commitment and its target year 2030, and accelerate our action together for forests and nature.

Hiroto Mitsugi

Assistant Director-General, FAO

Chairperson, Collaborative Partnership on Forests

Photo: Woman carrying goods to the market in Ethiopia – © xxx: Reem Hajjar

Introduction

Poverty is one of the greatest challenges facing humanity. It remains pervasive despite major progress in recent decades. Globally, one out of every 10 people lives in extreme poverty on less than 1.90 dollars per day[1], and two-thirds of the world's population live on less than 10 dollars per day. Poverty has long been measured using a monetary lens. Today, a more refined understanding of poverty considers the multiple dimensions of human well-being, including health, safety, food, and education, amongst others. In this context, forests take on particular importance for enhancing human well-being by reducing poverty and bringing more widespread prosperity, but also for doing so in a way that is sustained over time.

Given the persistence of poverty in many parts of the world, the 193 Members States of the United Nations have set themselves the goal to "End poverty in all its forms everywhere" by the year 2030 as the first of 17 **S**ustainable **D**evelopment **G**oals (SDGs). SDG 1 includes five main targets covering many aspects of poverty, from a focus on extreme poverty measured in monetary terms to nationally-determined definitions of multi-dimensional poverty. The natural environment is embedded explicitly in two of these targets, which concern the rights to land and natural resources (target 4) and the resilience of the poor in the face of multiple shocks and disasters (target 5).

Understanding the role of forests in sustainable land use approaches, which balance poverty alleviation with other management goals, is essential for the implementation of SDG 1 and related international commitments. Globally, around 40 percent of the extreme poor – or some 250 million people – are estimated to live in forest and savannah areas, and frequently, the rural areas where the world's poorest live have high tree cover and high levels of biodiversity. Poor and vulnerable populations often rely heavily on natural resources and ecosystem services to support their livelihoods, both for subsistence and income generation. Evidence shows that forests and tree-based systems[2] can support rural livelihoods, provide a buffer function in maintaining livelihoods,

1 This figure is in international dollars, a hypothetical currency used to enable comparisons across country contexts

2 Forests and tree based systems include the spectrum from natural old-growth forests, to those managed to optimise resource yields, to a broad range of agroforestry practices, and to single-species tree crop management.

and represent natural insurance against external and global shocks such as climate change impacts or infectious diseases.

Nevertheless, deforestation has increased across much of the tropics, and old-growth forests – characterised by stable dynamics – have seen major declines across the globe. Today, climate change not only jeopardises gains made in addressing global poverty, but also threatens some of the world's poorest and most vulnerable people, whose basic necessities and livelihoods often derive directly from forests and tree-based systems. Together, climate change, biodiversity loss and other environmental challenges push planetary boundaries and threaten the sustainability of progress made to date to reduce poverty globally.

Governmental policies to alleviate poverty typically tend to focus on agriculture, infrastructure, and cash transfers, among others, while neglecting the role of forests. This approach threatens not only to undermine efforts to conserve, restore and sustainably manage forests but also to lessen gains made in alleviating poverty. At the same time, government actions to protect forests sometimes exclude the poor and people living in or near forests.

Against this background, the Collaborative Partnership on Forests (CPF) tasked the Global Forest Expert Panel (GFEP) on Forests and Poverty to carry out a comprehensive assessment of available scientific information on synergies and potential trade-offs concerning poverty alleviation and forests, trees, and related land use. The Panel's report analyses and synthesises the current evidence while highlighting areas where further research is needed. This policy brief summarises the key messages distilled from the assessment results.

Photo: Handmade cart used for wood transport in Chile – © Jennifer Zavaleta Cheek

KEY MESSAGES

01 Forests and trees support human well-being and contribute to global efforts to end poverty

Forests and tree-based systems[3] are essential to global efforts aiming to alleviate and ultimately eradicate poverty, which is the first of the United Nations Sustainable Development Goals (SDGs). Close to one quarter of the global population live in the immediate vicinity of a forest, most of them inhabitants of low- and middle-income countries. They often rely directly on the goods and services that forests and trees provide, in particular in tropical regions, where forests contribute up to 25 percent of the rural household income. Forests and tree-based systems such as agroforestry contribute substantially to incomes, supporting the well-being of people in rural communities and even allowing them to move out of poverty under some circumstances. This can be achieved not only directly through the sale of forest and tree products but also indirectly by enhancing soil fertility, water regulation and other ecosystem services that support productive agriculture or provide the basis to fulfil cultural or spiritual needs.

Due to the ability of forests and trees to deliver goods and services across seasons and years, they also play a crucial role in risk management, preventing the poor from sinking even deeper into poverty, and helping the non-poor to avoid impoverishment. Goods and services such as food, fodder, fuel and other products that may be consumed at home or sold are of particular importance to the rural poor because they often do not have access to other forms of insurance, and they often rely on livelihood activities that are subject to external events such as crop-raiding or variable weather. The manifold contributions of forests and trees often occur outside formal markets and are therefore excluded from national income accounts. As a result, they are frequently overlooked in development policy discussions. Risk management is becoming even more critical in the face of the growing impact of climate change and other global disruptions such as COVID-19.

3 Forests and tree based systems include the spectrum from natural old-growth forests, to those managed to optimise resource yields, to a broad range of agroforestry practices, and to single-species tree crop management.

Benefits from forests and trees to human well-being are unevenly distributed

02

The relationship between forests and tree-based systems and poverty is a dynamic one, and varies according to time, geography, and socio-economic and political context. These factors may either constrain or enable the ability of forests and tree-based systems to address poverty in a way that is effective, just and sustainable.

Time, space and context will impact on who benefits from forests, when and how. Forests and trees in the landscape have different socio-ecological effects at different stages of the economic growth and development of a region. Yet, decisions are often made considering only the present context, while neglecting how the relationships between forests and poverty evolve in the long-term. Likely, there are trade-offs between near-term poverty alleviation goals and long-term poverty eradication. Attention must be paid to promote sustainable management, so that forests and tree-based systems are able to provide ecosystem goods and services in the long run.

The contribution of forests and tree-based systems also varies across space. For example, while the overall contribution of forests and trees on farms to household income or well-being may be relatively small at a national scale, it can be quite important to households in rural areas within the same country. By contrast, in countries where timber or wildlife tourism are major contributors to the national economy, local communities may bear the cost of these activities due to environmental degradation or restricted access to forests. Similar inequalities across space are present also between countries, in particular between economically wealthier and poorer countries.

Besides time and geography, socio-economic and political differences also influence the distribution of benefits and costs from forests and tree-based systems. For example, gender or economic status may define how people use forests and trees, and forest-related policies and measures vary among countries with different political systems. Governance factors play a decisive role in forest-poverty dynamics and the effectiveness of interventions related to forests and tree-based systems with regards to poverty alleviation. Tenure and property rights are especially relevant since securing them offers a much higher probability of capturing the benefits to those holding the rights.

03 Forests and trees can contribute to the well-being of the poor as they face profound global changes

Profound changes are currently taking place from local to global scale, challenging the world's human population, but affecting most harshly the vulnerable and poorest members of society. More extreme and frequent weather events associated with climate change, combined with widening inequality, concentration of political power in fewer hands, discrimination and the spread of infectious diseases, among others, exacerbate an already fragile situation for the poor. Given these threats, forests and trees can help to secure or stabilise well-being by providing the most vulnerable with access to goods and services, thereby contributing to manage uncertainty, particularly in those places where market access and public service provision are limited. Forests and trees may play an important role in strategies to mitigate risk and improve conditions that would allow poor households to move out of poverty. As such, they merit special attention from policymakers concerned with poverty alleviation.

Different approaches already exist to enhance the use of forests and trees for risk management. For example, financing reforms in the commodity supply chain can help to improve access to basic goods, thus tackling inequality. Investments in climate change adaptation can contribute to reducing exposure to natural disasters. Strengthening rights to land and political participation, particularly of indigenous peoples, can provide the starting point for further socio-economic development. There are also opportunities to implement integrative strategies aimed at addressing health issues and environmental change, such as buffer areas between agriculture and forests, wildlife and human disease surveillance, or alternatives to wildlife trade.

Inadequate land use policies and programmes may lead to excessive costs being borne by the poor

04

Forest and land use policies and programmes can impose particular costs on the rural poor who may rely on forests and trees to support their well-being and mitigate risks. Over-exploitation of these natural assets can have negative impacts on the livelihoods of those most vulnerable. For example, timber extraction and forest-based tourism are huge contributors to national economies in many countries, but local communities may bear the cost of these activities through degradation of their environment and restricted access to valuable forest area (see key message 2).

Measures such as tenure reforms may help to secure access to forest resources for the poor. However, they may also increase conflicts and tension when they largely benefit a powerful minority. In some cases, policies may add pressure on smallholders, leading to an increase in their poverty levels. In general, the poor are rarely able to capture the bulk of benefits from forests even as forests and trees are vital to them in terms of subsistence and food security.

05 Policy and management measures that enable forests and trees to alleviate poverty need to be tailored to each specific context

A 'one size fits all' approach cannot be applied when considering the role of forests and trees in poverty alleviation. Instead, a range of forest sector policies, programmes, technologies and strategies can contribute to addressing poverty. Scientific evidence exists on the effect of different forest policy tools on poverty mitigation. For example, community forest management, small and medium scale forest enterprises, and payments for ecosystem services have led to particularly positive impacts. Moreover, interventions promoting stronger tenure and property rights over forest and tree resources are especially important for addressing different dimensions of poverty and supporting the effectiveness of other tools. However, measures have generally contributed to poverty alleviation due to the specific circumstances under which they were applied and because of key enabling factors, including synergies with other tools.

The implication is that decision-makers need to embrace complexity, adjusting their approaches to the specific context in which they work by paying special attention to inequalities, social and economic heterogeneity, and potential trade-offs. The design, funding, and implementation of policies and programmes related to forests and tree-based systems also need to consider other measures in place in the same region, which could potentially generate either synergies or conflicts with the measures to be implemented.

Major knowledge gaps

Major knowledge gaps on forest-poverty dynamics require urgent attention. Despite evidence on benefits that forests and trees provide to support well-being and alleviate poverty, there is still a need for further research and investigation on this topic. The most urgent priority is to further build our understanding of how and to what extent forests and trees can help the poor move out of poverty permanently, while at the same time supporting those who are not poor so they do not slip into poverty. Other key research priorities include:

- Assessment of the relationship between forests and poverty over the long term;
- Inclusion of under-represented regions and contexts into studies on forests, trees, and well-being;
- Greater focus on the value of non-market forest products and services, as well as the indirect effects of forests and trees in shaping well-being and poverty alleviation;
- Evaluation of the impacts of forest- and tree-related policies, programmes, and practices that address poverty alleviation, including synergies and discordances with other measures;
- Identification of key barriers to achieve more equitable, just, and sustainable use of forests and trees and how to overcome them.

Acknowledgements

This publication is based on the work of the Global Forest Expert Panel on Forests and Poverty and its report "Forests, Trees and the Eradication of Poverty: Potential and Limitations" published as IUFRO World Series Volume 39. We express our sincere gratitude to all panel members, authors and reviewers.

We also gratefully acknowledge the generous financial and in-kind support provided by the German Federal Ministry for Economic Cooperation and Development, the Ministry for Foreign Affairs of Finland, the United States Forest Service and the Austrian Federal Ministry of Agriculture, Regions and Tourism.

Furthermore, we would like to thank the member organisations of the Collaborative Partnership on Forests (CPF) for providing overall guidance to the Panel. Our special thanks go to the IUFRO Secretariat for providing indispensable administrative and technical support to the work of the Panel. We are particularly grateful also to the Food and Agriculture Organization of the United Nations (FAO) (Rome, Italy), the University of Michigan (Ann Arbor, USA), and the Center for International Forestry Research (CIFOR) and World Agroforestry (ICRAF) (Nairobi, Kenya) for hosting expert meetings.

A short publication such as this cannot do justice to all the complexities and controversies related to the linkages between forests, tree-based systems and the eradication of poverty. For a more comprehensive assessment, the reader is directed to the Panel's full report. Nevertheless, the central thread running through both the full report and this policy brief is the importance of a greater understanding of the role forests and trees can play in poverty alleviation, the management of landscapes to provide ecosystem goods and services in the long run and improved governance to address poverty in a way that is effective, just and sustainable. It is our sincere hope that this policy brief may effectively support policy- and decision-makers in tackling the challenge of eradicating poverty around the world.

Nelson Grima
Magdalena Lackner
Stephanie Mansourian
Daniel Miller
Christoph Wildburger

GFEP donors:

CPF members:

CPF
Collaborative Partnership on Forests

IUFRO
Interconnecting
Forests, Science and People