1.3   Consultation process followed while

2.0   Summary of the Situation Analysis on Forests and Tree-dominated Landscapes[3]

2.1   Current State of the World's Forests

Forest ecosystems play multiple roles at global as well as local levels and provide a range of important economic, social and environmental goods and services that impact on the well being of poor rural communities, local and national economies and global environmental health. It is estimated that at the global level, forestry formally contributes some 2 per cent to world GDP or more than US$ 600 billion per annum.[4] However, the actual contribution of forests to the world economy is considered to be much higher, though extremely difficult to quantify. Forests – and especially tropical forests – also figure prominently in efforts to conserve biological diversity. According to the UN, between 60 to 90 percent of all species are found in tropical forests. Consequently, conservation of forest ecosystems and biological diversity has tremendous importance for both human and ecosystem wellbeing.

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degradation in previously inaccessible and untouched forest areas. Multiple examples from Central Africa and South America graphically demonstrate the key role new road networks can play in opening up areas of undisturbed, mature forests to pioneer settlements, logging, and clearance for agriculture. That said, many of the areas where new road networks pose a threat to forest are also some of the poorest, and have some of the lowest road densities in the world.

- <u>Wood Harvesting and Extraction:</u> Poorly planned and executed timber harvesting and extraction for commercial industrial roundwood, fuelwood and charcoal continues to degrade large areas of natural forests, much of it in the developing world. Failure to enforce national and stand level technical guidelines means that illegal logging practices now costs forest country governments at least US$10-15 billion a year – an amount greater than total annual development assistance for public education and health. Regions particularly vulnerable are the Amazon Basin, Central Africa, Southeast Asia, Eastern Europe and the Russian Federation, and in the case of woodfuel and charcoal, some localized areas of South Asia and sub-Saharan Africa.

- <u>Forest Fires:</u> Fires are a natural phenomenon. However, over 90 percent of all wildland fires in forests and savannas today are due to human action and cause significant forest loss. On average, fires burn between 614 million hectares of forest per year worldwide leading to enormous economic losses, damage to environmental, recreational and amenity values, and even loss of life. Australia, South East Asia, West Africa, Europe, North America and the Russian Federation, have all faced serious fires in recent years. Equally in fire-dependant forest types, deliberate fire exclusion can be as big a problem as too much unwanted fire in fire sensitive biomes.

- <u>Alien Invasive Species:</u> Although most of the economically important tree species grown in plantation and agroforestry systems are non-native, they pose little if any threat to the integrity of native ecosystems. However, in some cases, introduced flora and fauna can have devastating impacts on the viability of local biota. In West Africa, a noxious pioneer shrub, *Chromolaena odorata*, introduced to suppress woody regrowth under electricity lines, has been the principle agent in sustaining out-of-control wild fires which have destroyed 29% of Ghana's forest. Equally, stoats and possums are among the introduced agents that are pushing many of New Zealand's unique bird life towards extinction while red deer have decimated the understorey flora in many of the country's Nothofagus forests. Efforts related to both biodiversity conservation and sustainable forest management therefore need to recognize and address this issue clearly.

- <u>Climate Change:</u> According to the IPCC, though forests have proved relatively resilient to climate change in the past, up to 30% of the world's forests are likely to be negatively impacted through climate change by 2050, and forest managers will increasingly need to pay more attention to incorporating adaptation to climate change into their management planning processes.

Forest related land use change is seldom straightforward, often being driven through a complex mix of socio-economic, cultural and political elements. Such elements in turn result from the combined actions, decisions and behaviour of multiple agents from national governments to international financiers to impoverished landless people. Key *underlying drivers* include, but are not limited to:

- <u>Poverty:</u> Poverty is popularly cited as a principal driver of forest loss and degradation. In reality, however, the evidence for such a straight-forward relationship is weak and sometimes conflicting. The empirical evidence for the historical relationship between economic growth, growing middle class consumption and forest decline is perhaps a little better understood but also remains weak and fragmented. What is evident however is that there is indeed a causal relationship, or more accurately several relationships, that need to be better understood. More reassuringly, there is some, yet again fragmented, evidence that no single trajectory is necessarily predetermined and that forest resources, under a range of circumstances, can be managed and utilized in such a way as to contribute to poverty reduction while keeping future options open to retain more and lose less forest biodiversity.

- Imperfect Local, National and International Markets;

landscape level, rather than solely promoting increased tree cover at any particular site. However, tools and methods are needed to help decision makers and forest practitioners to start implementing this approach in forest land use decision making, particularly with the growing urgency to ensure that forest and tree-dominated landscapes are better able to adapt to climate change.

- Sustainable Management of Production Forests:

<u>At the Local level:</u> These are the primary stakeholders – those most directly dependent on forest resources and ecosystems for livelihoods and who are likely to be ultimately affected, positively or negatively, by any intervention – and comprise local forest-dwelling and forest-dependent communities, forest businesses and enterprises, field offices of the forest department and other government agencies, community-based organizations, local NGOs, etc. Though they are often low in terms of the influence they have in shaping forest conservation policies and programmes, their importance to the successful implementation of such policies and programmes is absolutely critical, especially in those areas where the level of dependence of local communities on forests is significant.

3.0   The IUCN Forest Conservation Programme's response: Our niche

3.1 Defining the boundaries
As outlined in the summary of the Global Situational Analysis above, forest and tree-dominated landscapes cover almost one third of the world's terrestrial surface. They are perhaps the richest repository of biological diversity and a source of livelihood sustenance to billions of people. In every respect, in terms of status, threats and opportunities, the figures associated with forests are huge: so where can a small forest programme with 8 staff and an annual budget that seldom exceeds 1.8 million Swiss Francs best direct its efforts? Given that IUCN neither owns nor controls any forests it must build its engagement strategy on encouraging key stakeholders to modify their behaviour in such a way as to deliver long-term and equitable conservation.

The Forest Conservation Programme, like the rest of IUCN, defines the boundaries of its strategic intervention on the basis of:

- Generating and disseminating reliable and science-based forest and land-use related knowledge and learning
- Assisting key stakeholders, both at the local and international level, to strengthen their capacity in forest management and conservation.
- Influencing forest-related decision-making structures and governance processes so that they better deliver environmentally responsible and socially just outcomes

However, the boundaries of the FCP niche are not only defined by strategic considerations but also operational ones. What has made IUCN particularly adept as an agent of positive forest conservation change is the integrated approach to addressing forests issues right across the IUCN Secretariat. The Forest Conservation Programme operates not only vertically (as a discrete Headquarters-based thematic programme) but also, as noted in the 2003 External Review, horizontally as a co-ordination, support and leadership service to all those working on forests issues within the IUCN secretariat. Concomitantly, it is regional perspectives that significantly shape the FCP's programmatic and policy activities ensuring that the programme is rooted in "ground-truthed" reality. It has been this operational approach that has helped IUCN to attain respect, authority, credibility and influence in regional and international forest-related dialogues and, in collaboration with partners such as WWF, successfully to promote issues such as forest quality, forest protected areas and forest landscape restoration: issues that had previously garnered little, if any, attention in forest dialogues.

The final, and perhaps most important, element that helps define the boundaries to our niche is IUCN members and its expert commissions. While other conservation organizations define their niche on similar strategic and/or operational basis, it is our membership basis that makes IUCN truly unique. For many years the Forest Conservation Programme has successfully worked with large international NGO members such as the members of the WWF family, Birdlife International, TNC (The Nature Conservancy) and Conservation International. More recently, and given strengthened "regional-to-headquarters" joint programming, FCP has become more active in working directly with national and regional, government and NGO members, especially in developing countries. The benefits of active engagement with members flow both ways and have,

for example, recently been directly responsible for the recruitment of two new members (one Government Agency and one NGO) in Ghana. How FCP will further our engagement with members will in the next intersessional period will be further explored in the accompanying
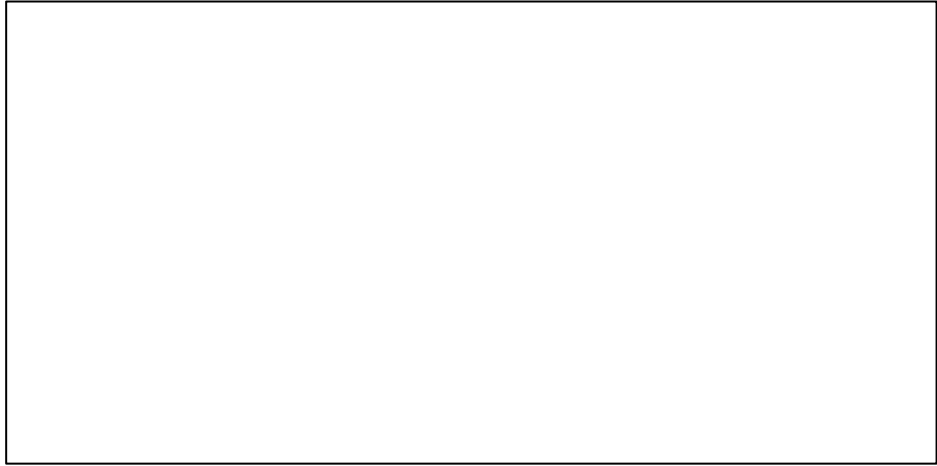
OBJECTIVES: In order to progress towards this goal over the 4 year intersessional period, the FCP has proposed 5 programmatic objectives, each of which is in alignment with the Key Result Areas (KRAs 1-5) of the global IUCN Intersessional Programme. to.25a 0 TD -0.00h

IUCN Forest Conservation Programme Intersessional Results for 2005-2008	Link to IUCN Intersessional Programme
26. Annual work programmes planned and implemented on the basis of specific and jointly programmed activities with IUCN members, commissions and regional and thematic programmes.	6.4
27. IUCN members, partners and other key stakeholders regularly receive, or have access to, products that effectively communicate the lessons learnt and knowledge generated by the FCP and regional forest component programmes.	6.5

Potential partners for implementing each of these intersessional results are shown in Annex III and Annex IV contains a list of indicative annual results. These are however for illustrative purposes only and will not be included in the consolidated IUCN Intersessional Programme that will be submitted to the IUCN Congress in Bangkok. Annual work plans for 2005 will be developed in late 2004 and the precise annual results and partners will be decided at that point.

6.0 Monitoring and Evaluation Plan

The monitoring and evaluation plan is an important constituent of the component programme planning process as it provides the programme with a sound and reliable basis to systematically and regularly track its progress in meeting intersessional results and objectives. For the FCP, the monitoring of intersessional results will be done on two fronts. First, the key underlying assumptions on which each result is based will be monitored to establish their continued validity over time. In parallel, the progress in delivering the actual results themselves will be tracked through a set of objective and verifiable monitoring indicators. This system, 7.2, the

FCP Intersessional Results for 2005-2008	Key Underlying Assumption	Possible Monitoring Indicators
3. Practical and reliable toolkits available at site and landscape level to assess changes in forest biodiversity and habitat quality. (1.2K)	Lack of practical and reliable tools to assess site and landscape level changes in forest biodiversity and habitat quality accurately is hampering forest biodiversity conservation.	At least 15 government agencies, NGOs and private sector companies utilize *Wellbeing of Forests* or other forest quality/SIS-based toolkits in landscape level pilots.
4. Decision makers, particularly outside the environment and forest sector, have fuller understanding of the interdependent nature between conservation of forest biodiversity and the livelihoods of the rural poor. (2.1K)	Forest biodiversity conservation can make a significant and positive contribution to the livelihoods of the poor.	At least 5 developing country governments integrate forest conservation related indicators into their PRSPs/ iPRSPs At least 5 developing country governments explicitly address poverty-conservation linkages in NFPs
5. Decision makers, particularly outside the environment and forest sector, have fuller understanding of the role forests play in helping vulnerable communities to adapt to long-term and short-term physical and economic shocks. (2.1K)	Forests play a critical role in helping vulnerable communities adapt to long-term and short-term physical and economic shocks.	At least 5 developing country governments incorporate forest conservation in their national disaster planning and management systems and their national climate change adaptation strategies.
6. Decision makers, local communities and civil society actors have improved understanding of the potential, and limits, of decentralized and devolved forest conservation arrangements in delivering socially equitable outcomes. (2.1K)	Decentralized and devolved forest conservation arrangements increase the likelihood of delivering socially equitable and environmentally sound outcomes.	Government agencies in at least 10 countries review and strengthen decentralized and devolved forest conservation arrangements.
7. Approaches and tools to measure the livelihood impacts of forest conservation and sustainable use policies and practice, including in areas of local and transboundary conflict developed and made available. (2.2K)	Governments do not pay sufficient attention to forest conservation and sustainable use since their livelihood contribution is not adequately measured.	At least 5 governments and NGOs pilot conservation and livelihood assessment toolkits in 10 landscapes.
8. Improved knowledge available to decision makers of how market and policy based incentives, disincentives and reforms shape forest related land use change. (3.1K)	Governments and decision makers do not have sufficient understanding of the ways in which market and policy based incentives, disincentives and reforms impact on forest related land use change.	At least 1 economic, financial and/or policy incentive that contributes to forest loss and/or degradation reformed.

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FCP Intersessional Results for 2005-2008	Key Underlying Assumption	Possible Monitoring Indicators
19. IUCN regions and members have enhanced capacity to support national and sub-national level stakeholders negotiating processes that seek to balance forest biodiversity conservation and human development needs. (5.3E)	Building the capacity of national and sub-national level stakeholders is crucial for achieving long-term success in both forest conservation and poverty reduction.	Protected area authorities in at least 5 countries promote "negotiated-outcome" type approaches to enhance the connectivity and management effectiveness of forest protected areas across the landscape.
20. IUCN regions and members have enhanced capacity to influence relevant national and sub-national institutions and legal and regulatory frameworks aimed at halting and reversing forest loss and degradation and improving the livelihoods of the forest-dependent poor. (5.4G)	Halting and reversing forest loss and degradation and improving livelihoods of the forest-dependent poor depend on the creation of appropriate national and sub-national institutions and legal and regulatory frameworks.	At least 5 developing country governments undertake to review their national and sub-national institutions and legal and regulatory arrangements to **equitably** decrease illegal logging and enhance PA management effectiveness.
21. IUCN regions and members have enhanced capacity to shape those national and sub-national political, legal and regulatory arrangements that empower poor forest dependent communities to meaningfully participate in forest land use decision making and benefit from the sustainable use of forest goods and services. (5.5G)	Political empowerment and meaningful participation of poor forest dependent communities in forest land use decision making can make a significant contribution to the sustainable use of forest goods and services and poverty reduction.	At least 1 new example of enhanced community use rights on forest resources and/or improved market access in 4 IUCN regions.

For monitoring objective 6 – *effective and efficient programme delivery.* A programme review, in consultation with the IUCN Monitoring and Evaluation Initiative, is planned for 2006 i.e. in the second year of the intersessional programme. For practical convenience, some indicators used for monitoring programme delivery results will be **output-based** rather than outcome-based. A set of illustrative indicators are shown in the table below:

FCP Intersessional Results for 2005-2008

FCP Intersessional Results for 2005-2008	Possible Monitoring Indicators for FCP Programme Delivery
23. FCP budget-tracking, donor reporting, record-keeping and contract management procedures maintained, strengthened and consistent with IUCN standards and guidelines. (6.2)	• Monthly budget-tracking system maintained and improved. • Tracking-system for systematic donor reporting established and delays in financial reporting reduced by at least 10% annually.
24. Skills profile of FCP staff and consultants systematically and annually reviewed on basis of ongoing programme delivery. (6.3)	• Systematic annual performance appraisals conducted and FCP skills profile reviewed.
25. Programme exposure to annual and intersessional financial risk is adequately controlled and spread over a diverse funding base. (6.3)	• At least 5 concept notes and proposals developed to expand donor base annually. • FCP income earnings from projects (staff-time and overheads) increased by at least 10% annually.
26. Annual work programmes planned and implemented on the basis of specific and jointly programmed activities with IUCN members, commissions and regional and thematic programmes. (6.4)	• Internal FCP bulletin generated at least six-monthly to strengthen internal joint programming, knowledge sharing and communications.
27. IUCN members, partners and other key stakeholders regularly receive, or have access to, products that effectively communicate the lessons learnt and knowledge generated by the FCP and regional forest component programmes. (6.5)	• No. of hits and downloads made from the new FCP website increased by at least 15% annually. • Regular issues of Arborvitae and Arborvitae Specials published and made available to a targeted audience of at least 60 key stakeholders and donors. • All IUCN forest-related publications from either HQ or regional offices follow common branding or formats and are distributed globally and regionally. • At least 50% of any print run of IUCN forest publications are distributed to a targeted audience with

7.0 Business Plan for the Forest Conservation Programme

7.1 Introduction

conservation issue, but a worryingly large number of FCP publications still sit in storage at Gland or Cambridge.

The rest of this chapter will consider how FCP will operationalise its programme plan from 2005 to 2008 in the face of the constraints and challenges mentioned above. It is obvious that "doing more with less" is not a feasible option and that untapped or under-utilised resources will need to be more actively deployed.

7.2 Evolution and Projected Growth of the Programme

In the early 1990s, the Forest Conservation Programme tended to focus more on tropical forest ecosystems and on the generation and dissemination of the conservation knowledge necessary to build the capacity of government and non-government members, principally through its highly regarded technical publications such as the *IUCN Conservation Atlases*. The programme had a limited field presence and virtually no engagement in advocacy efforts at the international forest policy level. The mid-1990s were years of turbulence for the programme as it faced a growing number of challenges and threats, many from within IUCN itself. Under the very real risk that FCP may be closed down, the then Head of Programme recognized that in order to keep "forests" alive in IUCN it would be imperative to invest heavily in building a strong field base and oversaw a conscious shift towards greater *regionalization* and significant investments in practical field-based lesson-learning.

Although FCP subsequently survived as a global thematic programme it was faced with a different set of opportunities and challenges. There was now a network of somewhat unrelated regional forest activities and no clearly defined mechanism as to how to extract and disseminate any lessons learnt. In the late 1990s FCP began to implement an agreed strategy of "joint programming" with the regional forest programmes, which resulted in greater programmatic cohesion on forest issues at a Secretariat level (i.e. region to headquarters and region to region). Generation of knowledge was now less of a formal expert-driven process and rather more strongly rooted in capturing field-based lessons. The nature of the generated knowledge had also shifted from strongly technical to a broader mix of technical, social and institutional, reflecting a growing awareness of the Tw (may best) 7froa bdem. w (may be 4 45 0.   ) Tj 45 0 ecse( ) Tj 5.25-

strategy that strengthens existing capacity sufficiently so that FCP can live up to both internal and external expectations without assuming a high level of financial and/or reputational risk. It is important to eiterate that the purpose of undertaking such a "growth strategy" (the preferred option) would not be to expand FCP areas of activity, say third party certification or genetically modified trees, but rather to ensure that the programme has sufficient capacity and resources to adequately address current commitments and expectations. Furthermore, as support to the regions is, and will remain, one of the highest priorities for the FCP, any growth-based strategy will not be limited to strengthening Gland and Montreal-based capacity. Special attention will be given to helping those regional programmes with less well developed forest components increase their capacity in priority areas such as restoration.

Given the current conservation financing climate, a growth-based strategy can   can
                                                                                                    aited to seeese

valuable resource and support system for the FCP to draw on while planning the annual and longer-term development of the programme. Other support systems for programme operation, administration and management, such as the budget-tracking system, are also well in place to support current levels of programme demand. Nevertheless, these systems will need to be strengthened if the programme is to improve on its current level of performance in the next intersessional period. This may require both reappraising staff capacity and pursuing the development of more effective and streamlined programme management and administration systems and procedures, for which resources – both human and financial – will have to be set aside.

7.4   Membership Engagement Strategy and Partnership-building
It is the membership-based nature of IUCN that makes the union truly unique and valuable. Although there has been a recent increased emphasis on partnerships, especially around the World Summit on Sustainable Development, IUCN can be proud that its probably one of the most durable and extensive partnerships in the modern world. Nevertheless FCP recognizes that more could be done to service the needs of our members on forest conservation and, in turn, a more active engagement strategy could help the forest programme address shortfalls in delivery capacity, particularly in those countries that are important repositories of forest biodiversity but where IUCN does not have a strong Secretariat presence. In forest-rich countries where membership is not yet fully developed, FCP, in collaboration with the regional office, will actively seek out and recruit new members who bring with them the requisite skills profile. Such an approach has been use to "kick start" forest programme activities in Ghana, where BRAO and FCP have successfully recruited one government agency (Forest Research Institute of Ghana) and one NGO (Institute of Cultural Affairs) and are in the process of developing two large forest conservation projects with them.

At the global level FCP will seek to involve and work more actively with international members on programmatically aligned issues, as it has done recently with TNC on forest fires. As at a national level, FCP will actively seek out and, in collaboration with the Membership Relations Unit, recruit new members who can bring valuable and additional skills to the Union's forest conservation priorities. Again, this approach has been successfully deployed to secure the membership of Forest Trends (a Washington-based NGO with a strong interest in new and emerging markets for forest goods and services and community-based issues) and the Tropical Forest Trust (membership application pending).

The FCP will continue to build strategic partners with a limited number of non-members. These will fall into two categories i) non-members with whom we have had a long-standing, reliable and mutually beneficial relationship, such as WWF-International and the World Bank, whose statues preclude membership of bodies such as IUCN, and ii) non-members, including the private sector, who offer a unique set of skills that cannot be found within our membership. Partnerships of the second type will be time-limited, focused on a specific set of objectives and will not have been established at the expense of an equally competent and qualified member. The current collaboration with Unilever on the development of *Allanblackia* oil as a sustainably produced commodity or with FAO and UNEP on climate change capacity building in Latin America and Africa are two such examples.

It is anticipated that this approach outlined above will provide the programme with multiple entry points at the local, national and global levels and, in particular, enable members to meaningfully participate in, and influence, global and regional forest conservation arrangements and agreements. However it is also recognized that engagement with both members and partners requires a significant investment of time and resources. Therefore while the FCP will not cap the number of members / partners it works with, it will, with the collaboration of the Monitoring and Evaluation Initiative attempt to put in place a review mechanism to assess the efficacy of individual partnerships.

7.5   Financial Viability

The 2000 – 2004 intersessional period has witnessed a number of changes with major implications for the financial security of the FCP. In 2001 our Dutch donors lifted restrictions on their voluntary contribution which provided the largest single contribution to forest activities (both regional and headquarters) within the Secretariat. A number of large projects also drew to a close, most notably Forest Innovations (BMZ), Community Involvement in Forest Management (Ford / DFID) and the Facilitation of public consultations on the World Bank Forest Policy (WB), all of which had provided a significant amount of project income (staff time and overheads). The FCP reserve was also reduced significantly in 2001 in order to support the Emerging Ecosystems Programme (now Ecosystem Management Programme).

FCP Financial Review (2001-2004)
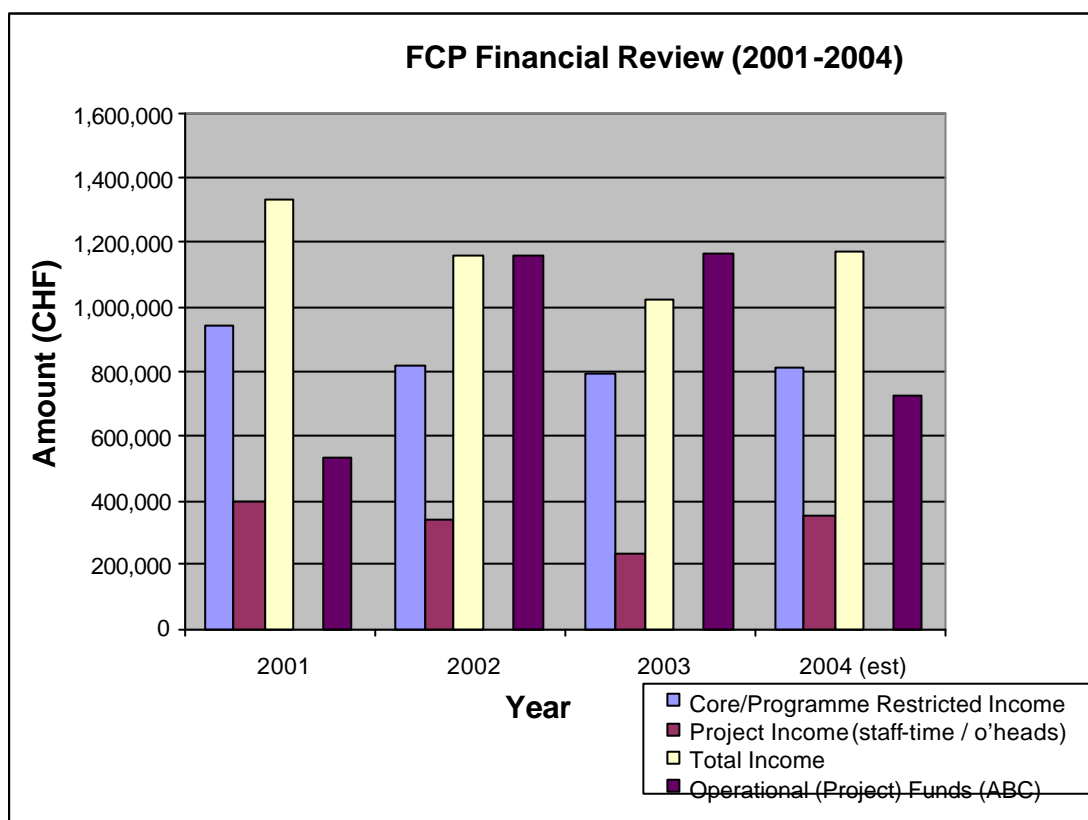
(all amounts in CHF)	*2001*	*2002*	*2003*	*2004 (est.)*
Core/Programme Restricted Income	941,750	812,746	791,514	812,503
Project Income	394,439	343,973	232,493	354,730
Total Income	**1,336,189**	**1,156,719**	**1,024,007**	**1,167,233**
% of Project to Total Income	*30%*	*30%*	*23%*	*30%*
Operational Funds (ABC)	531,816	1,158,550	1,161,029	720,649

Nevertheless, the core (unrestricted / programme) income of the Forest Conservation Programme has remained generally stable over the last four years, thanks in large part to IUCN covering the withdrawal of thematic restrictions on the Dutch voluntary contribution from core funds. Average project income has been relatively steady too; averaging at about CHF 330,000 per year, although the nature of projects has changed from "large (>750,000 CHF), long-term" to "small (<100,000 CHF), short-term. It is anticipated that the programme should now rise from 2003 with a major increase in earned staff time (up by almost 50%) and an expected rise in restricted

(project) operational income (note the table above shows only factored project operational funds – explaining the apparent 2004 decline. As these projects come on-stream their probability factor will rise to 100% and the total project operational funds will sharply increase.

Overall, the programme can best be described as "coping". It has managed to maintain fairly constant income streams but is overly dependant on core IUCN income and does not have the large reserves it use to possess at the start of the 2000- 2004 intersessional period. Although there is understandable concern at an over-reliance on small projects to provide additional income, it is important to realize that it has been small projects (all well programmatically aligned and many integrated into the regions) that have helped keep FCP operational. Management costs are significantly higher but, in the circumstances, this is the short term price that has to be paid.

Another challenge is that while core support from IUCN has remained constant staff numbers have increased,

- Streamlining the 2000+ mailing/distribution list for the Arborvitae and Arborvitae Special – newsletters which the IUCN Forest Conservation Programme brings out together with WWF – and developing new and innovative ways of reaching out to its global audiences;
- Using the FCP website as a knowledge management platform and using it to profile and communicate the FCP's global and regional work to key audiences across the world.

Annexes

Annex I: Detailed Global Situation Analysis of Forests and Tree-dominated Landscapes
(see Situation Analysis Folder in Knowledge Network)