Consensus with Local Communities: Experiences and Challenges in Philippine Forestry Relevant to CDM Implementation

Juan M. Pulhin[1]

College of Forestry and Natural Resources
University of the Philippines Los Baños
College, Laguna 4031 Philippines

Abstract

The recent ratification of the Kyoto Protocol by the Philippine Congress signals that forest carbon projects will soon be a popular strategy to help rehabilitate the country's millions of degraded forestlands. While skepticism from some sectors exists concerning the potential of Clean Development Mechanism (CDM) under the Kyoto Protocol, this paper contends that CDM offers great promise to the upland poor, who continue to be relegated to the margins of forest products market, to benefit economically from good stewardship of their forest resources within the framework of Community-Based Forest Management (CBFM). It asserts that at the heart of successful implementation of CDM forestry projects is a meaningful and lasting consensus with the local communities in all phases of the project cycle, being the de facto resource managers of most of the country's forestlands. This is considering that the bulk of these projects are likely to be implemented under the CBFM Program, having been officially adopted by the Philippine Government as the national strategy to achieve sustainable forestry and social justice in upland areas. Specifically, the paper highlights the need for appropriate preparation prior to a full-scale implementation of forest carbon projects to ensure that they will meet the CDM criteria for emission offsets and sustainable development. It also argues that CDM projects should build on previous lessons from CBFM implementation to meet the challenges associated with their implementation and contribute to the goal of sustainable forest management.

Keywords

Consensus building, Clean Development Mechanism, Community-Based Forest Management, Philippine forestry, sustainable forest management

1. Introduction

The Philippine Congress has recently ratified the Kyoto Protocol. This provides the legal mechanism to the different sectors to participate in the Clean Development Mechanism (CDM) including the forestry sector. Through the CDM, the Philippines can now engage in mutually beneficial carbon trade with Annex I parties or industrialized countries like Japan. Such an arrangement would allow the country to generate financial assistance from the Annex 1 parties to support its afforestation or reforestation projects (A/R) as part of its overall strategy towards sustainable forest management. In exchange, the concerned developed country could use the Philippines' certified emission reductions (CERs) from these projects to contribute to its achievement of compliance levels of greenhouse gas (GHG) emissions.

---

[1] Tel: (63-49) 536-2342, Fax: (63-49) 536-3206, E-mail: jpulhin@laguna.net

While no forest carbon project has yet been initiated in the Philippines, it is anticipated that projects of this nature will soon be popular as international guidelines and procedures for implementation become clearer and as market for carbon trade further develops. One can also expect that the bulk of these projects will be implemented under the Community-Based Forest Management (CBFM) Program, having been officially adopted by the Philippine Government as the national strategy to achieve sustainable forestry and social justice in upland areas. This follows that at the heart of successful implementation of CDM forestry projects would be a meaningful and lasting consensus with the local communities in all phases of the project cycle, being the *de facto resource managers* of most of the country's forestlands.

The paper is divided into five parts. Following this brief introduction, a historical overview of the Philippine forestry is presented to provide the overall context of the succeeding discussions. The next section summarizes some lessons relevant to consensus building with local communities as distilled from the implementation of recent participatory forest management projects. Section four highlights some of the challenges on consensus building in relation to the anticipated full implementation of forest carbon projects under CDM. Finally, the last section concludes that in order to meet the identified challenges, forest carbon projects should build on current CBFM initiatives, adopt a learning process approach to project implementation, and be able to address the unequal power relations that exists in the forestry sector.

2. Historical Overview of Philippine Forestry

When the Spanish colonizers first landed in the archipelago in 1521, about 27 M hectares out of 30 M total land area (90%) of the Philippines were believed to be covered with forest vegetation. By the latter part of the Spanish period in 1863, 70 percent (21 M hectares) of the country's forest cover remained. Forest destruction continued during the American and Japanese occupations such that by 1950, only about 49 percent of the total area was left with forest cover. The exploitative practice accelerated in the post-independence era following the Second World War, with records showing an annual rate of deforestation as high as 172,000 hectares from 1950s through 1973 (Boado, 1988). However, it was most blatant during the

Table 1 Changes in forest land area in the Philippines (in M hectares)

YEAR	FOREST COVER	PERCENT OF TOTAL AREA
1575	27.5	92.0
1863	20.9	70.0
1920	18.9	64.0
1934	17.8	57.3
1970	10.9	36.3
1980	7.4	24.7
1990	6.7	20.7
2001	5.4	18.0

Source: Forest Management Bureau, 2003

Marcos regime, particularly from 1970 to 1980, putting the Philippines in the top list of countries with the worst deforestation rates in the Asia-Pacific region (Vitug, 2000). During this period, annual deforestation rate was believed to have peaked to as high as 300,000 hectares. Table 1 presents the declining trend of forest cover in the country from 1575 to 2001.

To date, the official government statistics indicates that the country is barely left with 5.4 M hectares of forest cover comprising about 18 percent of the country's total land area. Of these, 66 percent (3.5 M hectares) were classified as dipterocarp, of which 27 percent (0.805 M hectares) were old growth and 77 percent (2.7 M hectares) were residual. Moreover, pine forests were estimated at 0.228 M hectares, whereas submarginal, mossy and mangrove composed 0.475 M, 1.04 M and 0.112 M hectares, respectively (Forest Management Bureau, 2001).

The dark past of forest use in the Philippines haunt the country to this day. From a major exporter of tropical logs in the world market in the late 1950s until 1960s, the country is now a major importer of wood and wood products. Also, it is a recipient of one of the highest environmental loan to rehabilitate what had been destroyed during the early years of forest plunder (Korten, 1994). To make matters worst, more than 20 M Filipinos occupy the uplands, and nearly half of them are totally dependent on the forest resources. These groups are characterized by a high population growth rate at 2.8 percent annually (Sajise, 1998) which is 0.5 percent higher the country's average of 2.3 percent. In the absence of additional sources of livelihood this ever-increasing population is likely to create more pressure to the already fragile forest ecosystems. Indeed, the ability of the forests to provide environmental services has already been compromised. Recent catastrophic floods and landslides that claimed hundreds of lives and destroyed millions of pesos worth of properties have been associated with forest denudation.

The onslaught of the country's forest resources has benefited more the privileged few instead of the millions of people living in the uplands who depend on forest resources for survival. During the period of Martial Law from 1972 to 1982, around 8-12 M hectares of the country's forest lands or around 1/3 of the country's total land area were under the control of about 450-470 holders of timber license agreement (Pulhin, 1996). Conversely, millions of forest occupants including the Indigenous Peoples who resided in forest areas prior to Spanish colonization were regarded as squatters in their own ancestral lands. They were treated as the culprits in forest destruction and evicted from these areas to give way to reforestation and other development projects.

The inability of the Philippine Government to address the double-edged crisis of forest destruction and upland poverty paved the way for policy reforms especially after the 1986 EDSA Revolution. With the increasing recognition that forest destruction is rooted on the elite
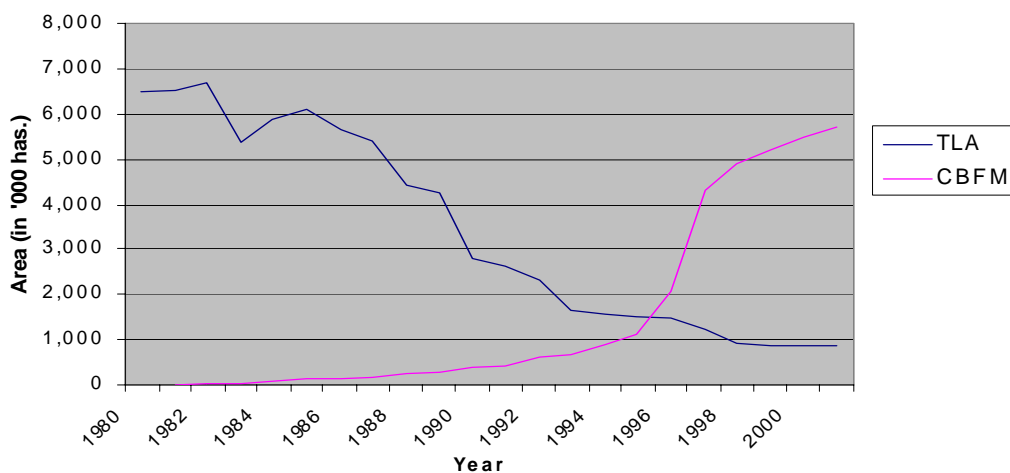

Fig. 1 Change in the allocation of Philippine forest lands (1980-2001)

dominated socio-political structure (Kummer, 1992), policy reform was geared towards breaking the TLAs' monopolistic control over the country's forest benefits in favor of millions of forest-dependent upland communities. At the heart of such a reform was the suspension or cancellation of the erring TLAs and the non-renewal of the expiring ones. To avoid the problem of *open access* in areas previously operated by TLAs, various forms of land tenure instruments were issued to thousands of forest communities who are given a new role of forest protection and management. In return, upland communities are bestowed with certain rights and privileges to enjoy forest benefits within the framework of sustainable resource management.

Consequently, access to forest resources was democratized through time. From 261 TLAs covering an aggregate area of about 8 M hectares in 1980, only 20 TLAs are now remaining with a total area of 910,000 hectares. On the other hand, from nil in 1980, total area covered by CBFM is now around 5.7 M hectares with 4.3 M under various forms of land tenure instruments. Under the government strategic plan for CBFM, a total of 9M hectares have been targeted to be placed under CBFM by the year 2008. Figure 1 shows the declining trend of TLAs and increasing coverage of CBFM over the last two decades.

3. Lessons Learned on CBFM Relevant to Consensus Building

Historically, the Philippine forest bureaucracy had antagonistic relationship with the upland communities, then considered as the major culprits in forest destruction. With the recent shift in forest management paradigm that recognizes these communities as key partners in sustainable forest management, building a meaningful and lasting consensus with them become vital for the successful implementation of CBFM Program. Over the last two decades or so, significant lessons could be gleaned from the implementation of various CBFM projects relevant to forging meaningful and lasting consensus with local communities that promotes sustainable forest management. Some of these, which are also useful in the implementation of CDM forestry projects using the CBFM strategy, are as follows:

3.1. Know the key stakeholders and their respective interests and involve them in decision making-process

The presence of different stakeholders from local to global level representing different forest-related interests makes CBFM implementation a complicated one. It is therefore necessary to know these stakeholders and their respective interests at the very start of the project and involve them, especially the principal ones, in decision-making process. Specifically, the more important and influential stakeholders have to be identified and characterized to determine the appropriate groups in the community who should be involved and enjoy the benefits from the project. In this regard, the use of stakeholder analysis as management tool becomes important and an essential tool for building meaningful and lasting consensus especially among the more legitimate community members.[2]

---

[2] For detailed discussion on stakeholder analysis in relation to natural resources management, please refer to Grimble and Chan (1995), Grimble and K. Wellard (1996), CIFOR (1998), and Pulhin (2000).

3.2. Organize the community and build their technical and social/organizational and managerial capacity

Experiences on CBFM implementation shows that many of the felt and seen successes are attributable to the strong community organizing (CO) activities that served as a prelude to build the local communities' technical and managerial capacity as stewards of CBFM areas (DENR, 1996). Through the CO process, members of the local communities are mobilized, unified and orchestrated to achieve meaningful consensus towards the achievement of CBFM objectives. CO also enables the building, development, or enhancement of People's Organizations (PO) with structures and systems that serve the needs and aspirations of the community. Under a strong PO, the various forms of capital (natural, human, financial, physical and social) could be properly managed, long and short-term problems easily resolved, and the goal of sustainable forest management likely to be achieved.

3.3. Provide legal access for the local communities to benefit from the forests

An important strategy pursued by the government to achieve a workable consensus with the local communities in the implementation of CBFM projects is the provision of legal access to these communities through the issuance of various land tenure instruments. Before the CBFM policy on the provision of land tenure security, local communities were hesitant to join the program due to their mistrust of the government. Through the issuance of land tenure instruments, organized communities started to trust to the government as they gained legal access to forest resources and to the associate financial benefits from these resources. The instruments also create strong incentives for upland residents to implement forest conservation, establish multi-use forest management by participating communities, and to optimize forest resource utilization and management (De Guzman 1993). On the other hand, the recent frequent changes in the government policy regarding forest utilization in CBFM areas creates disincentives to participating communities and casts doubt on the political will of the government to promote genuine reform in the distribution of forest benefits in favor of millions of smallholders.

3.4. Link forestry activities with sustainable livelihood

Experiences in the last two decades of CBFM implementation clearly show that the key to building a meaningful and long-term consensus with the local communities in forest management is the establishment of an effective linkage between forestry activities and sustainable livelihood. Considering the deprived state of most upland communities, everything they invest in project implementation such as knowledge, time, skills, energy, social capital, etc., should contribute to the promotion of sustainable livelihood. A major requisite to this is the development of the entrepreneurial capacity of the local communities to venture and successfully manage viable community-based livelihood enterprises. Moreover, promotion of sustainable livelihood would require sufficient capital, marketing support, and infrastructure development like farm to market roads, which are not usually provided by most forestry projects.

3.5. Build on existing social capital

Social capital refers to the social bonds that facilitate cooperation among community members; the bundles of common rules, norms and sanctions for behavior; reciprocity and exchanges; connectedness and social institutions (Pretty and Hine, 2000). Recent literature in forest

management in the Philippines reveals that a successful forest management can only be achieved in the presence of a strong social capital within the communities and across the communities and the other sectors such as the state and civil society institutions (Contreras, 2003). In general, social capital is strong among IPs compared to migrant upland population because the former share a common history, identity, culture, and territory. On the other hand, social capital is relatively weak among the different sectors particularly the civil society and the state institutions involved in participatory forest management. To enhance meaningful partnership and consensus within the local communities and across the different sectors, participatory forest management initiatives like CBFM should therefore keep stock of the level of existing social capital and strengthen it in process of project implementation.

4. Challenges on Consensus Building *vis a vis* CDM

Future CDM forestry projects using the CBFM strategy should harness the wealth of experience and lessons gleaned from previous projects to forge meaningful and lasting consensus with the local communities throughout the course of their implementation. In addition, the following challenges relevant consensus building have to be hurdled by these projects to promote community participation in all aspects of the project cycle and meet the CDM criteria for emission offsets and sustainable development.

4.1. Satisfying multiple objectives

Forest carbon projects have to meet the varied objectives of the different stakeholders involved in CBFM Program. These objectives range from local to global and sometimes even contradict each other. They come in the form of providing for the local economic needs of the people, maintaining or enhancing biodiversity and environmental services of the area, and meeting the CDM criteria for emission. Balancing these objectives and ensuring that the local communities will optimize their benefits in the process is a major challenge to future CDM projects.

4.2. Clarifying roles and rules

The different key stakeholders, particularly the local communities, must have a clear understanding and appreciation of their particular functions in the CDM projects. These include among others consensus on specific responsibilities of each stakeholder in the project cycle (i.e., project development, implementation, monitoring, verification and certification, and CER issuance) as well as on the issue of who should bear the transaction costs involved. Moreover, stakeholders have to fashion a clear and appropriate guidelines, codes and procedures/systems to help maintain social order in the different phases of the project cycle.

4.3. Promoting sustainable livelihood

At the core of the challenges faced by forest carbon projects is their ability to contribute to the promotion of sustainable livelihood among participating communities. Achieving this major goal will depend on a combination of factors such as price of carbon, how much and who would bear the transaction costs, smooth and timely flow of payments, and the entrepreneurial capability of local communities to channel earnings to viable livelihood activities. Not unless sustainable livelihood is advanced, future forest carbon projects and other CBFM-related

projects for that matter are inclined to lose their credibility to local communities and hence, will never be successful in the long run.

4.4. Advancing equity in project benefits

Experience from past CBFM projects reveal that the more economically well off sector of the community are the ones that capture the benefits associated with development interventions. Because the economically deprived community members are powerless, they are normally relegated on the background and marginalized in the process of project development and implementation. Considering the elite-dominated socio-political structure of the Philippine society and the multiplicity of stakeholders representing varied interests, advancing social equity in CDM projects would be an uphill battle especially in the absence of a strategic and concerted effort to pursue it.

4.5. Ensuring good governance

To achieve success, CDM projects should adhere to the principles of good governance: namely, participation, transparency and equity. All the major stakeholders should be involved in the decision-making process in all the phases of the project cycle. Similarly, all the project-related transactions and information should be made transparent to all concerns. Clear accountability should likewise be established in the part of major decision makers for every major decision they made. Moreover, the principle of *subsidiarity*, that is, that decisions should be made at the lowest possible level where competencies exists (Anderson, 2000) – in this case, at the community level – should be adopted.

4.6. Using criteria and indicators to tract progress

To promote the overarching goal of sustainable development, it is crucial to harmonize the different CDM activities (e.g. afforestation and reforestation) with the different ecosystem conservation activities (e.g. biodiversity conservation and low impact harvesting) associated with sustainable forest management. This requires an appropriate monitoring and evaluation system to keep tract of the progress and ensure that CDM projects meet their objectives. The criteria and indicators (C & I) for sustainable forest management (SFM) will serve as a useful tool to bring this about. The Philippines has recently developed a C & I for SFM using the ITTO C & I as benchmark though a consensus building process involving the different stakeholders including people's organizations, TLA holders, non-government organizations, members of the academe, other government agencies and local government units (FMB, 2003). The challenge now is to institutionalize this C & I and use them to tract the progress of CDM projects in relation to sustainable forest management.

5. Conclusion

Historical records revealed the massive deforestation that pestered the once lush tropical rain forest of the Philippines. With the increasing recognition that forest destruction is rooted on the elite dominated socio-political structure, policy reform broke the TLAs' monopolistic control over the country's forest benefits to give way to a more people-oriented forest management approach otherwise known as CBFM. With the government's adoption of CBFM as the national forest management strategy, consensus with the local communities on forest management

initiatives becomes a necessary condition for success.

The CDM under the Kyoto Protocol offers great promise to the upland poor, who continue to be relegated to the margins of forest products market, to benefit economically from good stewardship of their forest resources. Just like any other new forestry initiatives, however, CDM projects face a number of challenges related to consensus building and sustainable forest management, in general. In order to meet these challenges, forest carbon projects should build on current CBFM initiatives and use the lessons learnt from the implementation of CBFM Program. They should also adopt a learning process approach that experiments and builds on the experience of the initial project site and gradually expands to other sites as capacity for implementation improved. Moreover, if meaningful and lasting partnership with local communities towards sustainable forest management is to be achieved, mechanisms have to be instituted to address the unequal power relations that exist in the forestry sector.