



Extracting value from the forest

Lessons for landscapes and livelihoods from
the Acre landscape, Brazil



LIVELIHOODS AND LANDSCAPES STRATEGY - Landscape paper n°2



The designation of geographical entities in this book, and the presentation of the material, do not imply the expression of any opinion whatsoever on the part of IUCN or the Ministry of Foreign Affairs of the Netherlands concerning the legal status of any country, territory, or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

The views expressed in this publication do not necessarily reflect those of IUCN or the Ministry of Foreign Affairs of the Netherlands.

This publication has been made possible by funding from the Ministry of Foreign Affairs of the Netherlands.

Published by: IUCN, Gland, Switzerland

Copyright: © 2012 International Union for Conservation of Nature and Natural Resources

Reproduction of this publication for educational or other non-commercial purposes is authorized without prior written permission from the copyright holder provided the source is fully acknowledged.

Reproduction of this publication for resale or other commercial purposes is prohibited without prior written permission of the copyright holder.

Citation: Frederico Machado and Jamie Gordon (2012). *Extracting Value from the Forest: Lessons learned in the Acre landscape, Brazil*. Gland, Switzerland: IUCN.

Cover photo: © IUCN/Julie Griffin

ISBN: 978-2-8317-1500-1

Available from: IUCN (International Union for Conservation of Nature)
Publications Services
Rue Mauverney 28
1196 Gland
Switzerland
Tel +41 22 999 0000
Fax +41 22 999 0020
books@iucn.org
www.iucn.org/publications

Executive summary

This paper focuses on efforts to create value from non-timber forest products in the Acre region in the north-western part of the Amazon region in Brazil.

Originally important in the 19th century as a source of latex rubber, the region subsequently lost out following the rise of the Malaysian rubber industry. As a result, large swathes of the region's forests were converted for farming and cattle ranching resulting in a loss of forest cover and related biodiversity. In the 20th century, following campaigns led by environmental activist, the late Chico Mendes, large areas were designated Extractive Reserves. Although this resulted in protection of the remaining forest, it did little to enhance the livelihoods of many of the forest-dwelling communities who remained very poor, largely because their land-tenure rights remained ill-defined and the small scale of their forestry-related activities meant that they were mainly confined to subsistence activities.

IUCN's LLS project, which was initiated in 2007, sought to assist the forest-dwelling communities to create value from the extraction of non-timber forest products, specifically from wood, rubber, and Brazil nuts to enhance their livelihoods. It was also intended to demonstrate that values from extractive products could be a viable alternative to activities such as cattle ranching and farming.

Working with two local cooperatives, COOPERACRE and COOPERFLORESTA, to ensure optimum stakeholder engagement, the LLS project sought to:

- Support the development of community and local cooperatives that support the commercialization of timber and non-timber forest products, through enhanced communication, improved access to markets and better administration, and through the application of best practices (including different certification schemes).
- Improve participation of civil society in decision-making fora such as: i) Tripartite State Councils for forests, environment, science and technology and household production, and ii) multi-stakeholder dialogues for value chains (Brazil nut, rubber and timber).
- Support landscape restoration through the programme to Increase Value of Forest Activities (Programa de Valorización de los Activos Forestales), an innovation of the state government of Acre.

Using a series of interventions developed through careful multi-stakeholder engagement, including communication and awareness-raising, the project has already succeeded in improving extractive activities in the forest reserves; enhancing the incomes and livelihoods of the forest-dependent communities through good practices that have resulted in surplus products that can be sold in the market place; and contributing to the conservation of the forest reserves.

The lessons learned from this project include:

- The importance of securing stakeholder engagement by working through already established groups, in this case COOPERFLORESTA and COOPERACRE;
- The need to distinguish between governance and governability to secure buy-in from local and national government authorities;
- The importance of designing multi-stakeholder goals and processes tailored to prevailing conditions and resources to define common goals and outcomes;
- The vital need for open dialogue, transparency and stakeholder inclusion at every stage of the project;
- The importance of designing good communications and information-sharing; and
- The importance of conflict-solving to ensure engagement and sustainability of the interventions.

About LLS

The Livelihoods and Landscapes Strategy (LLS) is a global project of IUCN's Forest Conservation Programme funded by the Directorate General for International Cooperation (DGIS) of the Netherlands Ministry of Foreign Affairs. Its first phase ran from 2007-2011. Its overall goal has been *"the effective implementation of national and local policies and programmes that leverage real and meaningful change in the lives of rural poor, enhance long-term and equitable conservation of biodiversity and ensure the sustainable supply of forest-related goods and services in line with nationally-defined priorities"*.

LLS was intended as a direct response to two of the major challenges facing sustainable development at the time of its design in 2006:

- How to find practical ways to support governments and donors in ensuring that the benefits of national poverty reduction strategies reach the rural poor, and in particular those who are highly dependent on natural resources including forests and trees.
- How to reverse the current lack of momentum in implementing international commitments on sustainable forest use and conservation and therefore address the slippage of forest-related issues within international development.

The strategy is predicated on the belief that although these two challenges are inextricably linked, natural resource management and conservation organizations have yet to make a convincing case, on a large enough geographic or institutional scale, as to how improved resource use and conservation can make a difference to the livelihood security of the rural poor. It is hardly surprising therefore that ministries responsible for finance and economic planning have tended to be unaware that forest goods and services remain as important as ever for many poor people and could be better harnessed to contribute to rural poverty reduction, as well as the national economy.

LLS has contributed to shaping a bold new vision of forests as multifunctional assets that can make a real difference to rural poverty, economic growth, environmental quality, human well-being as well as biodiversity conservation. It has promoted this vision among both the forest sector and decision makers in other sectors whose own goals and targets impact, or are impacted by, the state and integrity of forest resources.

The strategy has four key thematic components, each addressed in a mutually integrated manner:

- i) forests and poverty reduction,
- ii) markets and incentives,
- iii) governance, and
- iv) transforming landscapes.

Targeted geographic interventions in nearly 30 landscapes across 23 countries in Africa, Asia and Latin America looked at the linkages between the four themes thereby avoiding their treatment as stand-alone issues.

This paper is one of a series of case studies, exploring and reporting on the experiences from particular LLS landscapes, collectively contributing a host of lessons and insights. The diversity in the landscapes is reflected in the Landscape Papers themselves, whose structures, purposes and outcomes vary depending on each respective case and context in question.

What is a landscape?

A landscape is a mosaic of different types of land use such as agriculture, forests, pasture and conservation areas. Managed as a whole, a landscape serves a variety of needs for various stakeholders. The LLS vision of a landscape is of multiple and complementary land uses based on negotiation rather than centralized planning. Landscapes do not exist in a vacuum, but are influenced by a wide range of external factors including policies and economic conditions generated far outside it, land use in adjacent landscapes and perhaps remote physical features such as dams. Addressing landscape management issues always requires interventions outside as well as inside the landscape.

The papers draw on data and information generated over the last 5 years and in most cases, at the time of publication, successes on the ground have continued into 2012, when the first phase of the project officially closes. With sustainability integral to the LLS project design, the work of LLS will in effect live on in each landscape and often much more widely than that, influencing local, regional and international practice and policy in the manner already detailed and reported in the LLS Landscape Papers, Thematic Papers, Thematic Briefs and Research Papers.

Table of contents

Executive summary.....	iii
About LLS	iv
Introduction	1
Location	1
Origins of Extractive Reserves (RESEX).....	1
Initiation of LLS in Acre	2
The people	3
Cooperative management of forest resources	3
Challenges.....	4
Landscape definition.....	4
General objectives of LLS in the state of Acre	6
Specific objectives.....	6
What has changed inside the landscape?	7
What has changed outside the landscape?.....	9
Horizontal impacts.....	9
Vertical Impacts	9
Key steps in the success of LLS in Acre.....	10
General.....	10
Rubber (FDL) production	10
Timber production	10
Brazil nut	11
Lessons.....	12
Stakeholder recognition through already established groups	12
Interpreting governance and distinguishing it from governability.....	12
Designing MSD goals and process according to prevailing conditions and resources	12
Open dialogue, transparency and stakeholder inclusion at every stage and step.....	12
Communication to share information	13
Defining the common goals and outcomes.....	13
Differences in responses from stakeholders.....	13
Coping with conflicts	13
Communication improvements	13
Indicators, baselines and changes	14
Number of households targeted by LLS	14
Change in household incomes from each forest product supported by LLS.....	14
Income generated from Brazil nuts	14
Income generated from timber	14
Income generated from FDL – a kind of high-quality rubber.....	14

Volume of processed forest products commercialized by cooperatives and prices of the forest products.....	15
Brazil nut	15
Timber	15
FDL	16
Rate of deforestation, Alto Acre Valley	16
Other indicators	16
Brazil nuts.....	16
Timber	16

Introduction

Location

The state of Acre is located in the extreme north-western part of the Brazilian Amazon region. To the west and southeast it borders the states of Amazonas and Rondonia, while in the south it shares borders with Peru and Bolivia. With an area of 16,422,136 ha, Acre today retains around 90% of its original forest cover, composed of 11 different forest types. Almost half (45.6%) of its territory has been designated as some type of protected area: 9.52% consists of Strict Protected Conservation Units (national and state parks and ecological stations); 21.6% is protected as Sustainable Use Conservation Units, including Extractive Reserves and State forests; and 14% is indigenous land. Acre has a population of 669,736 inhabitants, mainly concentrated in the urban centres; with almost half of the population located in the capital, Rio Branco. Despite 90% forest coverage of the territory, only 35% of the population lives in rural areas. The forest in the LLS implementation area consists of generally well-conserved closed-canopy forest. Forest coverage in the Reserva Extrativista Chico Mendes is over 90%. Although precise figures are not available, forest coverage in the surrounding settled areas rarely falls below 80%; this complies with federal law which allows for no more than 20% forest conversion in Amazonia.



Location of the five regions of Acre state, with Alto Acre highlighted

Origins of Extractive Reserves (RESEX)

The history of Acre is intimately related to the history of extractive forest activities in the Brazilian Amazon region. Acre was first colonized during the second half of the 19th century because of the presence of an important export latex harvesting industry. However, the emergence of Malaysian plantation rubber in international markets devastated the Amazon rubber industry, forcing the region into a deep crisis that lasted an entire century.

During the national economic boom that occurred under the military regime in the 1970s, the Federal Government implemented a policy of territorial integration through the construction of highways linking

the rich industrialized southern region of the country with the poor and isolated northern region. Thanks to strong subsidies, agriculture and cattle were introduced into the Amazon region, attracting thousands of immigrants in search of cheap and extensive lands. This resulted in the conversion of millions of forest hectares to pasture and cattle ranches.

Contrary to the official narrative, the forest was already occupied by rubber tappers, although most had no official title deeds or access rights. It was in this period that the movement led by Chico Mendes emerged. It organized the rubber tappers to peacefully oppose both their expulsion from the forest and the subsequent replacement of the forest by cattle farms. At the heart of their activities was a proposal to regulate the situation for forest people, giving them the right to live in and to base their livelihoods on products from the forests. This proposal was the preface for the creation of Extractive Reserves in the territories that farmers and big companies laid claim to.

Chico Mendes was killed in December 1988. It is estimated that his movement saved around 200,000 ha of forest. A year after his death, the first Extractive Reserve was created. Today, the total area of land protected under this system amounts to more than 12 million ha of the national territory. Since 1999, as part of the legacy of Chico Mendes, the state of Acre has been governed by an administration known as 'The Government of the Forest', which to this day continues to implement pioneering sustainable development policies based on the promotion of a forest-based economy.

Extractive reserves

Extractive Reserves (RESEX) are conservation units that define an area for use by traditional extractive populations, whose livelihoods are based on harvesting and sustainable use of forest resources, complemented by subsistence agriculture and small-scale livestock rearing. The dual objective of a RESEX is to protect the livelihoods and cultures of the people that live in it and to ensure the sustainable use of its natural resources.



©IUCN/James Gordon

Forest converted to pasture, Acre

Initiation of LLS in Acre

In 2007, IUCN's Amazon Project Office, in Rio Branco, Acre, Brazil, conducted a situation analysis on the feasibility of the Alto Acre region as a landscape for LLS implementation. Based on this, four of the LLS strategic objectives (SOs 2, 3, 4, & 6)¹ were identified as relevant to the approximately 2,000 forest-dependent families in the region; subsequently, specific objectives and activities were defined and formulated.

Following completion of the situation analysis, and a period of revision and realignment, implementation began in earnest in mid-2008 following the appointment of a project officer.

¹ STRATEGIC OUTCOME 2: "Household incomes, including those of the poorer social clusters, increased by 50% in one-third of the areas where the Strategy has programmatic activities."

STRATEGIC OUTCOME 3: "Arrangements that facilitate sustainable local trade in forest products for the poor available in at least three countries where the Strategy is active."

STRATEGIC OUTCOME 4: "At least one set of best practice guidelines for the investment in, and management of a forest-related commodity adopted by a major multinational corporation or other investor and promoted as a recognised industry standard or investment criteria."

STRATEGIC OUTCOME 6: "National and sub-national tripartite activities on law enforcement and governance demonstrably reduce by one-third the estimated rates of illegal logging in at least three rural areas where the Strategy has programmatic activities."

The people

The 2,000-plus families involved in the LLS landscape live in forested areas (Amazonian lowland rainforest). Tenure patterns vary among the large number of families within the landscape, but all tenure is legally recognized. All families living within the Extractive Reserve are authorized to do so, and their use rights are recognized by law. Extractive Reserves were created especially to protect biodiversity and livelihoods. The area usage is family-based rather than communal and each family has a designated area; within this area up to 5% of forest



© COOPERFLORESTA

Cooperative control of timber harvest, Acre.

can be converted to other uses. In the resettlement areas outside the reserve, forest is also publically-owned but families have a 'concession' document that defines the area which they can use for productive purposes.

The principal economic activities in these areas consist of traditional farming, beef ranching and other smaller-scale livestock and forest extraction. The most commonly used agricultural system is a variant of 'slash-and-burn' called 'coivara'. Under this system, understory trees are cut, and larger trees are felled in May, June and July and burned during the drier months of August to October in preparation for planting from September to November. Under this system, crops are rotated, usually for two to three years after which the land is allowed to recover under natural regeneration. This is therefore a shifting agricultural system.

Smaller livestock (chickens, pigs and sheep) are raised primarily for subsistence, while cattle ranching is one of the major drivers of the local economy. Cattle are often likened to a 'living savings account' that has high liquidity and can thus realize a cash income for the family finances when necessary. The expansion of cattle ranching is the principal threat to local forests; cattle ranching techniques and procedures are basic with low investments in infrastructure and technology.

Harvesting of goods from the forest is fundamental to meet the basic needs of households. Products commonly extracted from the forest include wood for housing and other buildings, food, medicines, utensils and others. Forest uses can be simply categorized into four types – fishing, hunting, timber, and non-timber forest products (NTFPs) of plant origin. Fishing and hunting are primarily for subsistence (commercial hunting is outlawed). Timber and NTFP-harvesting are gaining in prominence as important contributors to family income generation.

Cooperative management of forest resources

The history of cooperative management in Acre and across Amazonia has been riddled with failures, resulting principally from poor organization and management and corruption. In the last decade, however, this has begun to change in Acre thanks primarily to the work of two cooperatives: COOPERACRE and COOPERFLORESTA.

COOPERACRE is dedicated to the production, processing and commercialization of NTFPs. To date it has assisted over 2,000 families and is now the largest producer of Brazil nut in the country. It is also the

largest extractive cooperative of any sort in the Amazon region and since 2003 has gained increasing recognition within Acre and beyond as a model of good cooperative management.

COOPERFLORESTA is dedicated to the sustainable community management of timber to FSC standards. It began operations in 2005 and since then its administrative procedures and the transparency of its processes have improved markedly. It has a growing number of producers, which today number 136. It is one of three principal timber cooperatives in the Amazon region and is noted for its careful approach to working with communities and the environment.

The parameters within which Extractive Reserves operate vary. Two distinct situations exist, one for timber, the other for NTFPs. In the case of timber, a regulatory framework clearly defines the management system and the maximum volume of timber that can be removed. The management, supported by LLS, is certified to FSC standards and is being used as a pilot site for testing dual certification – FSC-FLO. Brazil still lacks a sound regulatory framework for NTFPs. Since 2008, LLS has been supporting Federal Government efforts to create appropriate legislation. At the time of writing, the Ministry of Environment has developed an outline proposal for a legal framework that is ready for public consultation. LLS also works on the certification of Brazil nut and FDL (rubber). Research suggests that NTFP extraction does not have a significant impact on populations of the species being managed.

Challenges

The absence of sustainable alternatives has led to the expansion of pasture for cattle ranching over the past two decades in the Alto Acre valley. This expansion has, inevitably, been at the expense of the forest. The government of Acre has taken the view that the most effective way to maintain standing forest in the state is through increasing the value of forest cover in the local economy; its approach is to convert forest resources into forest assets. Since 1998, the government, in partnership with a number of regional, national and international institutions, has struggled to strengthen and increase the value-added of the value chains for wood, rubber and Brazil nut. LLS interventions, therefore, began by identifying some of the weaknesses and constraints in components of these value chains, in particular: community organization, processing, quality of production, sales volumes, management practices, communication, marketing and governance.



©Frederico Machado

Landscape definition

- a. Based on the situation analysis, secondary data and stakeholder interviews in Acre (government agencies and representative NGOs), the Reserva Extractivista Chico Mendes was defined as the intervention landscape.
- b. Next, based on broader discussion in the state during the first months of implementation, broad institutional weaknesses and a lack of leadership in the responsible environmental bodies of the Reserva Extractivista Chico Mendes were identified as factors likely to impede achievement of strategic objectives. It was thus concluded that the focus of work should be on three value chains for products derived from natural forest (rubber, Brazil nut and timber) throughout the wider Vale do Acre.
- c. During implementation, the 'landscape' was further extended to include those communities located outside of the Vale do Acre, but nonetheless involved in these value chains. It was also decided that the governance component of the work would involve Tripartite State Councils as

important fora in which public policy could be created or refined. As a result, part of the focus of LLS work was directed at the state level.

- d. Ultimately, the strategy for Acre was much more focused on achievement of objectives than the need to adhere to any strict definition of the landscape concept. The outcomes of the intervention, outlined below, suggest that this evolution of the definition of landscape was appropriate to adapt LLS to the local context.
- e. The concept of the landscape remains of central importance to the actions of LLS in Acre. Value-chain improvement is intended as a means to realize greater value from the forest in comparison to pasture and cropland and to demonstrate that deforestation and forest conversion are not necessarily a requirement for the development of these landscapes.

General objectives of LLS in the state of Acre

The overriding goal of LLS in the state of Acre is to improve livelihoods and the conservation of Amazonian forest by strengthening the value chains for forest products and enhancing forest governance.

Specific objectives

1. To support the development of community and local cooperatives that support the commercialization of timber and non-timber forest products, through enhanced communication, improved access to markets and better administration, and through the application of best practices (including different certification schemes).
2. Improve participation of civil society in decision-making fora such as: i) Tripartite State Councils for forests, environment, science and technology and household production, and ii) multi-stakeholder dialogues for value chains (Brazil nut, rubber and timber).
3. Support landscape restoration through the programme to Increase Value of Forest Activities (Programa de Valorización de los Activos Forestales), an innovation of the state government of Acre.

Tripartite State Councils

Tripartite State Councils are part of the national political infrastructure for public policy making. They may or may not have binding and legally established powers in the formulation and implementation of government policies in their area of interest. For civil society they represent important fora for discussing and advocating policy positions. For community-based organizations such as cooperatives, they can provide a space for dialogue on a 'level playing field', particularly with the private sector, on issues such as producer incentives. The choice of institutions making up the councils dates from their foundation; attempts are made to achieve a balance among government (state and national), civil society and private sector representation. Members are chosen by their institutions and serve on a rolling two-year basis.

CEMACT (State Council for Environment, Science and Technology) had a pioneering role in advising on natural resource management in Acre. Created in 1992, it began operating in November 1993. It has 19 members, with the presidency held by the Ministry of Environment - SEMA. Eleven of the seats are occupied by public authorities, three by civil society, three by the private sector and two by research and education organizations.

The CFE (State Forest Council) was created through the 2001 Forest Law but its first official meeting took place in 2004. It has 24 members, 12 representing state bodies, five from the private sector, three from NGOs, two drawn from forestry-related professional bodies, and two from financial agencies. The presidency of the CFE is held by the State Secretariat for Forests.

What has changed inside the landscape?

The LLS programme has succeeded in achieving the strategic objectives set for the landscape of Alto Acre (see indicators, below).

This is less a result of the financial resources supplied by LLS, or even of the quality of its personnel, but rather thanks to the implementation of a sound strategy and collaboration among a group of engaged and articulate stakeholders working within each value chain.

Among the principal achievements include:

- a. Identification of a common vision for the future governance of each of the three value chains, the definition of responsibilities and activities for each stakeholder in reaching the initial objectives and the key factors required. This was largely achieved through periodic meetings between stakeholders which were not allowed to become too formal. The basis of LLS work was to support community-based organizations in different ways to work towards social and financial transparency, improvements in market communication and agreements, and reduction of environmental impacts. Achieving these aims was generally the responsibility of the relevant stakeholders, and hence the top-down imposition of actions was avoided.



©Frederico Machado

FDL - a type of processed sheet rubber with high value-added produced within the community through a process that involves smoking the raw latex.

- b. Direct community benefits and other advances were monitored through different indicators which in themselves created a stimulus for the work. These indicators included: the number of families involved in each of the value chains; household income; quantity of product produced; the adoption of improved practices; certification; rates of deforestation; improvements in administration; establishment of means of communication (between the cooperatives and their producers, and between cooperatives and markets); and signed supplier agreements with large companies.

The role of IUCN in supporting value chains was always defined through consultation and communication with the institutions supporting the work. The role of IUCN as facilitator for many of these discussions was recognized and appreciated by the other stakeholders. The practice of listening and articulating understanding prior to implementation was acknowledged and adopted by other regional institutions.

- c. Significant institutional changes were seen during the LLS implementation in both stakeholder behaviour and decision-making structures, namely, participation in governance and decision making became understood as essential for the achievement of better results. This was demonstrated by the strengthening of multi-stakeholder dialogues (MSD) in value chains and the restructuring of Tripartite State Councils.

Among those changes included:

- The MSD platform for FDL (see box) has negotiated a signed agreement between the FDL support group, a community association and an international company to invest in further improvements in production and the expansion of the number of families involved.

- The MSD platform for Brazil nut is about to be converted into a committee with formal links to federal and state programmes working on improving the value chain; COOPERACRE recently decided to become the leader of all activities of the platform.
- The creation of a MSD platform for community timber production has led to the initiation of discussions for its formal recognition as a Consultant Body of the cooperative COOPERFLORESTA.

Restructuring of the Tripartite State Councils was supported by two state secretaries who, in collaboration with LLS, have produced guidelines for their councillors explaining how to improve the value of their participation and how government action can respond to the tripartite decision-making processes:

- Restructuring of the State Forest Council (CFE) was supported by the State Secretary for Forests to ensure greater participation of councillors in policy formulation. One of its major achievements has been the development of new legislation for the licensing of timber extraction.
- The State Council for Environment, Science and Technology (CEMACT) is, at the time of writing, undergoing restructuring which LLS is supporting through i) councillors' guidelines, ii) the review of its history and the challenges it faces, and iii) recommendations for possible improvements with examples drawn from successful documented cases elsewhere in Brazil.

The next step is to re-evaluate the legislative framework which determines the councils' work.

What has changed outside the landscape?

Horizontal impacts

- IUCN and the Brazilian Forest Service have developed a US\$300 million World Bank-funded project to begin development of NTFP marketing chains in conservation areas in three Amazonian states. The project began in 2010 and concluded in 2011. It is expected to form the initial step in building a longer-term relationship between IUCN and the Brazilian Forest Service.
- The best practice guidelines developed in Acre for Brazil nut have been recognized by different stakeholders outside the state of Acre (Amapá y Pará) and are being adopted and adapted for other species (*Astrocaryum murumuru*).
- The Federal Government has invited IUCN to assist in the elaboration of national guidelines for the community management of NTFPs.

Vertical Impacts

- The lessons of cooperative and community strengthening gained through work with COOPERACRE have been used to inform state policy development aimed at improving FDL production in the rest of Acre.
- IUCN was invited by the state government of Acre to contribute to the elaboration of state legislation on REDD; this work is still in progress.
- IUCN continues to support the working group on the federal legal framework for NTFP production.
- The results of analyses carried out by IUCN and subsequent related activities have supported the restructuring of the state councils for forests, for environment and for science and technology (CFE & CEMACT). This is helping to reform their regulations and work, principally through improved internal procedures, better guidelines for working practices, improved public policy and legal frameworks.

Key steps in the success of LLS in Acre

General

Coordination and responsiveness of COOPERFLORESTA and COOPERACRE were improved by better communications and transparency resulting in increased and effective participation.

The role of LLS here was to identify problems and facilitate the elaboration of a shared vision by investing resources in the establishment of communication strategies and instruments. The stakeholders themselves solved the communications and transparency issues. In particular, LLS gave financial support to four monthly bulletins for producers and to the development of websites for the cooperatives to improve communication with the wider public (www.cooperfloresta.com and www.cooperacre.com).

Significant institutional changes were seen during the LLS implementation in both stakeholder behaviour and decision-making structures; participation in governance and decision making became understood as essential for the achievement of better results.

Active participation by community members in decision making in the cooperatives has improved – more assemblies have been called and greater numbers of participants have attended. In the case of COOPERACRE, courses were organized to improve participation. The MSD platform for Brazil nut, established in 2007, is about to be converted into a committee with formal links to federal and state programmes working to improve the value chain; COOPERACRE recently became the lead organization for the platform.

Other state councils were also assisted in diagnostic surveys, the production of publications explaining the legal frameworks under which the councils operate, and the creation of a Councillors' Handbook (Manual del Consejero) to clarify the role of councillor participation.

Rubber (FDL) production

In Acre, IUCN and its NGO and private sector partners worked on a package of measures to improve the FDL value chain. These include improving administrative and financial capacity of producer groups, development of a good practice manual for community production, improving quality control and certification, and facilitating the supply agreement with French shoe company Veja through the MSP. Concrete results of this have included a 56% increase in returns on rubber production to families involved and a 114% increase in the number of families benefiting from COOPERACHE activities. FDL production at the end of 2010 was almost five times greater than in 2007.

Timber production

At a higher level, LLS has assisted the State Forest Council (CFE) with restructuring to ensure greater participation of councillors in policy formulation. One of its major achievements has been the development of new legislation for the licensing of timber extraction.

The creation of a MSD platform for community timber production at the beginning of 2010 has led to the opening of discussions for its formal recognition as a Consultant Body of the cooperative COOPERFLORESTA.

Other activities supported by LLS include technical support to COOPERFLORESTA and timber-producing families to ensure FSC standards are met and subsequent marketing advantages are maintained. Two publications were elaborated about dual timber certification by FSC and Fairtrade. COOPERFLORESTA will possibly become the first international pilot for timber products under this initiative.

The combined direct and indirect effects of LLS interventions include a 410% increase (from 1,205 m³ to 6,178 m³) in the total volume of timber commercialized, average family returns on timber increased by 73% and numbers of families engaging with COOPERFLORESTA increased by 63%.

Brazil nut

The principal aim of activities in the Brazil nut value chain was to improve collection and storage processes and facilities. LLS activities to improve these included production of posters, a bulletin and four radio programmes for communities promoting improved practice. The good practice guidelines elaborated by IUCN and its partners and target communities were accepted as standards for the certifier ECOCERT, and IUCN facilitated the certification of 136 family producers.

From the initiation of the LLS interventions up to the time of writing, the number of families engaged with COOPERACRE in Brazil nut production increased by over 50%, overall production increased by 153% and returns to involved families increased by 50%.

Lessons

Stakeholder recognition through already established groups

- One way to identify key stakeholders is by starting with most evident stakeholders, who then engage others. The fact that the project coordinator had already established strong working relationships in the area was a relative advantage in stakeholder identification.
- When there are already institutions working together and their leaders have a good knowledge of the context, it is easier to identify the main opportunities and threats with stakeholders, as long as those institutions do not add their own biases. A situation analysis requires skill.
- The situation analysis must avoid creating expectations among stakeholders that can be frustrated later on.

Interpreting governance and distinguishing it from governability

Stakeholders in government may be resistant to governance reform processes, believing that governance is their business, not that of others. When government institutions see governance and governability as the same thing they will not be interested in governance reform processes as they appear to threaten their right to govern. When they understand that working on governance structures can enhance governability, they are more likely to be open to governance reform. A discussion of the concept of governability helped to create consensus and cooperation among stakeholders around specific problems. In this way, governance was seen as a process for creating governability – a shared concern.

Designing MSD goals and process according to prevailing conditions and resources

- When stakeholders are identified as a starting point for the multi-stakeholder dialogue (MSD) process, it is important to understand the needs, expectations, fears and capacities of those stakeholders. Power relations between stakeholders must be analysed at all levels, and all must agree to their monitoring and adjustment during the process in order to ensure shared responsibility and the legitimacy of leaders and representatives.
- MSD goals, strategy and activities must be designed and adapted by the stakeholders, according to their needs (which will guarantee their involvement), capacities (which will make possible their participation and contribution), expectations (which will make explicit hopes), and fears (which will increase their resistance).

Open dialogue, transparency and stakeholder inclusion at every stage and step

- The MSD structure and functioning must create efficient strategies for participation in order to guarantee horizontal and vertical decision making and legitimacy appropriate to adaptive development and implementation.
- Stakeholder participation could be guaranteed through involvement at all stages and activities of the process. However, it is important to consider the different levels of participation – from access to information and consultation to deciding and acting together. Optimum levels must be defined according to the situation and related to stakeholder interests, capacities and needs in relation to participation.

Communication to share information

A good communication strategy is important to strengthen the flow of information, keep members interested, attract new partners and donors, and inform wider society about the initiative. Weak flow of information between stakeholders decreases mutual trust and can make the process moribund. Strengthening stakeholders' voices implies information-sharing both horizontally within each stakeholder area of influence and vertically.

Defining the common goals and outcomes

Defining common goals and outcomes is a negotiation process based on transparency, where different goals and agendas (including IUCN's) must be brought up, recognized, discussed and reconciled. Agreeing on goals and outcomes generates mobilization and co-responsibility.

Goals and outcomes must be based on agreed priorities that create mutually beneficial outcomes. The priorities are the initial focus, but once achieved other demands can be brought up.

Participatory monitoring and evaluation mechanisms must also be negotiated.

Differences in responses from stakeholders

Differences in understanding are inevitable. It is therefore important to create a shared basic understanding of core issues before implementing activities. This can be time-consuming, but it is very necessary.

Coping with conflicts

It is important to be prepared for conflicts between some stakeholders, especially while building the initial agreements and during implementation. It is necessary to identify early the hidden and open causes of conflict (their origins and the issues, institutions and people involved) in order to avoid them escalating. One solution is to use bilateral dialogues between the stakeholders in conflict; another is to gradually create a constructive and trusting atmosphere during the MSD process until the parties feel that they can air their differences.

Communication improvements

The following improvements have been made to communication methods and tools:

1. Workshops on communication strategy carried out with each cooperative.
2. The two cooperatives' websites are up and running and their newsletters are being circulated to 2,000 families.
3. Cooperative staff trained to update the websites and prepare the newsletter.
4. A publication based partly on the LLS experience in governing value chains of Brazil nut and FDL (in association with GTZ, WWF, Nucleo Maturi and the Brazilian Ministry of the Environment).
5. A publication of an analysis of a recent proposal for dual community timber certification (FSC and Fairtrade) is available in English and Portuguese².

² Also in English and Portuguese at <http://www.iucn.org/forest/lis>

Indicators, baselines and changes

Number of households targeted by LLS

Baseline (2007):

- Brazil nuts: 1,300 families
- Timber: 50 families
- FDL: 28 families

February 2010:

- Brazil nuts: more than 2,000 families were supported (increase >50% in the number of households).
- Timber: 136 families (increase of 63% in the number of households).
- FDL: 259 families. Of these, 60 are assisted by one association located in LLS landscape (number of households increased by 825% in Acre state and by 114% inside the LLS landscape).

Change in household incomes from each forest product supported by LLS.

Income generated from Brazil nuts

Year	Income	Comment
2007	No data	Result: Increase of 50% in income among the households assisted
2008	Average of R\$ 1,573.08 for each family per harvesting season (per year)	
2009	Average of R\$ 2,328.00 for each family per harvesting season (per year)	

Income generated from timber

Year	Income	Comment
2007	Average of R\$ 3,000 for each family per harvesting season (per year)	Result: Increase of 73% in income among the households assisted
2009	Average of R\$ 5,200 for each family per harvesting season (per year)	

Income generated from FDL – a kind of high-quality rubber

Year	Income	Comment
2007	No data	Result: Increase of 56% in income among the households assisted
2008	Average of R\$ 1,250 for each family per harvesting season (per year)	
2009	Average of R\$ 1,950 for each family per harvesting season (per year)	

Volume of processed forest products commercialized by cooperatives and prices of the forest products

Brazil nut

Year	Total volume commercialized (in natura and processed) ³	In natura (volume commercialized and price)	Processed (volume commercialized and price) ¹	Comment
2007	1,500 tons (bought in natura from the producers) and 980 commercialized between in natura and processed	800 tons (53 %) for R\$ 16 per can (about 10kg)	180 tons (47 %) for R\$ 12/kg	Increase of 153% (from 1,500 to 3,800 tons) in the total volume bought from producers; Increase of 88% (from 800 to 1,500 tons) in volume in natura and commercialized;
2008	2,600 tons (bought in natura from the producers) and 1,400 commercialized between in natura and processed	800 tons (31 %) for R\$ 17 per can (about 10kg)	600 tons (69 %) for R\$ 11.50/kg	Increase of 289% (from 180 to 700 tons) in the volume processed and commercialized; The cooperative was able to maintain the average selling price (to the producers) despite the decrease in the market price.
2009	3,800 tons (bought in natura from the producers) and 2,200 commercialized between in natura and processed	1,500 tons (39 %) for R\$ 15 per can (about 10kg)	700 tons (61 %) for R\$ 10/kg. Obs.: because of the global economic crisis they still have about 180 tons from 2009 for sale in 2010.	

Timber

Year	Total Volume (m ³) ⁴	Total income per year (USD) ²	Medium price per m ³	Observations	Comment
2007	1,205.45	13,0711.24	108.43	More than 50% sold as processed timber.	Increase of 410% (from 1,205m ³ to 6,178m ³) in the total volume commercialized;
2008	1,460.56	19,1107.25	130.85	More than 80% sold as processed timber.	

³ When the Brazil nut is processed there is a loss of about 3.0 to 3.8 times of the original (in natura) weight.

⁴ We are trying to get more specific data, at least separating raw and processed timber, but unfortunately Cooperfloresta still does not have that kind of information.

2009	6,177.99	286,195.76	46.33	Almost all of the production sold as raw timber ² .	Increase of 120% (from US\$130,711.24 to 286,195.76) in the total financial income per year. Decrease of 43% in the medium price, justified by the last market strategy ⁵
------	----------	------------	-------	--	---

FDL

Year	Volume commercialized and price	Comment
2007	3.5 tons (imprecise, the AMOPREAB ex-president indicates something between 3 and 4 tons) for US\$ 1.95/kg	Increase of 77% (from 3,5 tons to 6.2 tons) in the total volume commercialized; Increase of 120% (from US\$1.95 to 4.30) in the price per kg of FDL.
2008	5.9 tons for US\$ 2.80/kg	
2009	6.2 tons for US\$ 4.30/kg	

Rate of deforestation, Alto Acre Valley

Year	Forest lost	Comment
2007	11,017.01 ha	Decrease of 21% in the annual deforestation rate in the Vale do Alto Acre Landscape.
2008	10,810.03 ha	
2009	8,654.22 ha	

Other indicators

Brazil nuts

1. An increase in the total amount of working capital of COOPERACRE (from US\$ 900,000 in 2007 to a total amount of US\$ 3,000,000 in 2010), giving the cooperative better production and commercialization conditions;
2. The certification of 162 Brazil nut producers through ECOCERT, opening new market opportunities.

COOPERACRE has become the single largest of all producers (cooperative or private sector) of NTFPs in Brazil.

Timber

⁵ In 2009 because of administrative difficulties and infra-structure constraints as well as opportunity costs and the advantageous price of raw timber (75% higher in comparison to 2008), the cooperative decided to sell most of the production as raw timber. Observation: from 2007 to 2009 there was a 73% rise in the income of those households assisted.

1. An increase in the total amount of Cooperfloresta's working capital (from US\$ 40,000 before 2007 to a total amount of US\$ 230,000 in 2010), giving the cooperative better production and commercialization conditions;
2. An increase in the level of participation of associated families in the cooperative's planning and decision-making processes;
3. Maintenance of FSC certification standards by all families and by the cooperative (reached through the implementation of best practices for production);
4. Initiation of a negotiation process with Fairtrade with view to COOPERFLORESTA becoming its first international pilot for timber products.



**INTERNATIONAL UNION
FOR CONSERVATION OF NATURE**

WORLD HEADQUARTERS
Rue Mauverney 28
1196 Gland, Switzerland
daniel.shaw@iucn.org
forests@iucn.org
Tel +41 22 999 0000
Fax +41 22 999 0002

www.iucn.org/forest

