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**THE WORLD BANK'S  
FOREST POLICY:  
AN OXFAM RESPONSE**

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## SUMMARY

This paper is a response to the World Bank's new Forest Policy. It reflects Oxfam's view that unless the needs of traditional forest dwellers and the rural poor are urgently addressed by the Bank the environmental objectives of the Forest Policy will not be achieved. Oxfam points to the pivotal role of the debt burden in the degradation of tropical forests and calls for a creative approach by the Bank to the issue of debt reduction. Drawing on its field experience in developing countries, Oxfam presents examples of the difficulties the World Bank has had in ensuring that its policies, designed to alleviate poverty, are implemented at the project level.

Oxfam points out that even if one accepts the principle that tropical timber can be sustainably logged there are few examples of this being successfully achieved. In countries with weak institutions it is hard to see how effective controls can be maintained. The paper warns that care must be taken to ensure that apparent success in halting deforestation rates in one place does not simply lead to the problem being transferred to a neighbouring country.

The new Forest Policy should make an unequivocal recommendation that indigenous populations should never be displaced. Governments should be encouraged to take positive steps to demarcate the lands of indigenous populations and uphold their customary rights.

The paper concludes that without the Bank's determined support for agrarian reform the pressures which lead settled farmers to move into the forest to practice "slash-and-burn" farming to the detriment of indigenous minorities will continue.

## Recommendations

### 1. Debt Reduction

Oxfam believes that any attempt to conserve forests in developing countries must include some creative approaches to the issue of debt reduction. More attention should be paid by the Bank to reducing the external debt, where appropriate, by methods ranging from writing off the debt for low-income countries, to restructuring debt for middle income countries. The Bank should explore extending debt-for-nature swaps provided that such deals involve the direct participation of forest dwellers.

### 2. Targeting the Poor

Oxfam believes that forests will continue to be degraded and that attempts at conservation will be doomed unless the Bank targets as a priority the needs of the rural poor.

In particular the Forest Policy needs to address the underlying causes of in-migration into fragile lands and to develop programmes to assist migrant farmers.

### 3. Local Participation

The Policy Paper calls for the Bank to collaborate with NGOs in forestry activities for local participation in project design and implementation. More precision is needed on how, institutionally, to promote popular participation. This requires the drawing up of clear operational guidelines, details of how operational staff are to be trained and the institutional steps that need to be taken so that the client population can genuinely participate in key processes affecting the project such as its design and monitoring procedures.

For local participation to become a reality the following points should be borne in mind by the Bank:

- planning should be decentralised;
- any assessment of a project's progress should be based on the level of involvement of local people, and particularly women, in the project;
- planning should be done locally to allow people to express their views;
- incentive systems within forestry departments should not be linked to whether they have managed to allocate their budgets but rather should include a dimension regarding successful social performance;
- social welfare objectives should receive priority attention;
- more effective identification of local needs for fuel, fodder, fruit etc. is required before new projects are started;
- the role that women play in many rural communities as gatherers of fuelwood and fodder and their potential strengths as protectors of the forest merit careful analysis;

- mechanisms for effective participation in the protection of forest resources and for the equitable distribution of the resources generated need to be developed;
- voluntary organisations should be given a role in working out effective measures for communal participation and distribution of the benefits;
- project targets need to be revised to reflect the social priorities;
- subsidised inputs for farm forestry and advice and support should be more clearly targeted to genuinely small and marginal farmers;
- mechanisms should be explored for involving the landless in social forest projects.

#### 4. Plantations and Forest Reserves

Great care should be taken by the Bank to ensure that the creation of plantations and of forest reserves does not simply displace landless peasant families offering them little alternative but to encroach on other forest land. Furthermore commercial plantations have often failed to address local needs and local conditions.

#### 5. Land Rights

Stemming the tendency of in-migration into fragile lands will require determined efforts of agrarian reform. Oxfam believes it would be appropriate to consider a special programme on debt reduction for governments who pursue such reform. Savings on debt service would finance the land transfer and other costs involved. Debt reduction might in some cases also reduce the need to export primary commodities, and so again help reduce pressure on marginal lands.

#### 6. Indigenous People

The Bank should uphold the principle that it will not fund conservation or other projects which cause the involuntary displacement of indigenous people or traditional forest dwelling communities. Their role as "guardians of the forest" should be recognised by policy makers and suitably recompensed.

The Bank should encourage governments to demarcate the ancestral lands of indigenous people and uphold their customary rights to natural resources.

#### 7. Staffing Implications

Oxfam is well aware of World Bank staff's heavy workload and of the danger of the new forest policy being simply bolted on to the present work of the Bank. To avoid this it is essential that workloads be adjusted so as to give more room for work on forest conservation strategies which place the needs of the rural poor at their centre.

World Bank Operational Evaluations Department reports reveal that a major cause of project failure is poor planning regarding, or a lack of understanding of, the intended beneficiaries' relationship to the project. To avoid this the World Bank needs to employ

more staff with skills and practical work experience which relate specifically to community participation in social forestry. There should be very substantial training programmes for other operational staff in the practical implications of the forest policy. In addition careful guidelines must be issued to staff detailing how they are to carry forward the new strategy.

The incentives and rewards Bank management typically gives to staff tends to emphasise the rate of disbursement. For the new policy to be effective the quality of disbursement will be critically important.

#### 8. Primary Environmental Care

Oxfam believes that the Bank should consider integrating the concept of Primary Environmental Care - PEC - into its forest policy: to meet people's basic needs; to protect and care for the environment; and to empower local communities to become more effective stewards of their environment.

## Oxfam's Response to the World Bank's Draft Forest Policy

### Introduction

This paper has been produced in response to a request from the Agricultural and Rural Development Department for Oxfam's comments on the World Bank's draft paper, Forest Policy. Oxfam welcomes having the opportunity of participating in the current debate, which seems to have been prompted by a realization that past projects undertaken in forest lands have frequently had serious environmental consequences and have conflicted with the rights and needs of traditional forest dwellers and the rural poor. This paper, which is based on Oxfam's field experience in developing countries, reflects the organization's concern that the new policy, if it is to be successful, will have to address the needs of these people and involve them more directly in the design and implementation of national plans for the sustainable use of natural resources.

The Policy Paper recognises the importance of three main factors which affect the forest sector. Governments have to balance sound environmental practices against increasing pressure on land; the need for food, timber and fuel; and the necessity of raising revenue to support national development.

The Policy Paper makes a number of positive general statements:

- (i) it focuses on the need to study key policy areas both in the forest and non-forest sector;
- (ii) it recognises that the long-term viability of forest extraction is dependent on the extent to which indigenous people and other communities living in or near forest lands are involved in the control and use of these natural resources;
- (iii) it recommends that the Bank should avoid the financing of commercial logging in primary tropical forests and assist in the conservation of forests by encouraging national plans which meet the needs of the local population;
- (iv) it recommends that the Bank should refrain from financing any operations that result in wasteful deforestation;
- (v) it suggests that the displacement of indigenous peoples should be avoided except in "exceptional circumstances".

All of these statements are welcomed by Oxfam. However, past experience has revealed the difficulty the World Bank often has in making sure that its policies are implemented at the project level.

### 1. Non-Forest Factors Affecting Deforestation

The Policy Paper acknowledges the impact on forests of large-scale development projects, and the overriding influence of policies applied to non-forest sectors such as

agriculture, energy, transport and industry on the determination of land use. It recognises the need for future cross-sectoral integration to ensure that forest policy objectives - conservation of primary tropical moist forest, sustainable development in forest lands and the encouragement of popular participation in these strategies - are not undermined by, for example, road-building or other infrastructural development.

The impact of the Greater Carajas Project on deforestation in the Eastern Amazon has been well documented. According to official figures over the last 15 years 14,036,600 hectares of primary forest in the state of Pará and 8,846,600 hectares in the state of Maranhão have been deforested or burnt. It was the approval by the Bank of a \$US 304.5 million for the Carajas Iron Ore Project in 1982 which made possible the environmentally damaging Greater Carajas Project: for it was the Iron-Ore Project which provided the economic and transport infrastructure necessary to attract the other mining, metallurgical, timber and food-processing companies into the region. Pig Iron furnaces were set up along the 890 km long Carajas railway which links the mines in Pará to the deep sea port of São Luis in the state of Maranhão. These furnaces, which are fuelled by charcoal, are expected to consume 10.3 million cubic metres or 300,000 hectares of forest per annum by 1991. Environmental Impact Assessments, required under Brazilian law, were not carried out for any of these pig-iron plants. In a 1990 Report the European Parliament noted that the industrial scale production of pig iron using charcoal was only economically viable if the economic, social and environmental costs of deforestation were not included in the calculation. The report claimed that World Bank funds intended for environmental protection were used instead by the state mining company, the Companhia Vale do Rio Doce (CVRD), on public relations, including the establishment of a wild life park and botanic gardens.

The social costs of the Carajas development have been severe: Indian lands have been degraded and rural peasants dispossessed. In a recent report to Oxfam Iara Ferraz, who works with CEPASP (an environmental organisation, which advises rural trade unionists in the area), commented:

About 200 kms around Marabá, for instance, and even within the "Brazil-nut tree zone", there are many areas which are being leased to third parties in order to produce charcoal. The gatos or labour contractors, who have come mainly from Minas Gerais, Espírito Santo and Bahiá, are bringing in manual labourers who are familiar with the rudimentary technology of charcoal production and live under a regime of semi-slavery. The boss provides essential goods for subsistence, which are deducted in the end from the individual's earnings. Men, women and children now constitute a miserable army of charcoal suppliers in that region.

## 2. The Debt Burden

The Policy Paper mentions a number of non-forest factors that influence deforestation, such as large scale development projects. However, there are few explicit references to the link between deforestation and a country's need to earn hard currency to service its debt. Many of the countries with remaining tropical moist forests are heavily indebted and, as the table below shows, they have an all but impossible task given their debt-service ratio in trying to make repayments.

COUNTRY	TROPICAL FOREST COVER (in sq.km)	DEBT (in \$ bn)	% GNP	% XGS	POP. (in mn)
Brazil	2,200,000	111	24.1	301.6	150
Indonesia	860,000	53	59.8	210.6	175
Zaire	1,000,000	8.8	96.6	370.1	33.5

[Figures from the World Bank World Debt Tables 1990-91; estimates of Tropical Forest Cover from a 1989 Report on Deforestation Rates in Tropical Forests by Norman Myers for FoE.]

While there is no simple correlation between indebtedness and deforestation, revenue from timber exports or processed woods is of undoubted importance to many of the countries with primary tropical moist forest. In 1989 Indonesia exports totalled \$22,159 mn, \$3,633mn (16.4%) of which was from timber related exports. Forests represent one of Indonesia's most important economic assets. But weak administrative capacity has meant that the revenue obtained does not necessarily find its way into the national exchequer. A comparable process has occurred in the Philippines. Between 1972 and 1988 the profits derived from exporting timber were estimated at \$40 billion - more than the national debt. This would seem to suggest that most of the money had left the country and that about half the timber had been smuggled abroad. According to Inday Ofreneo of the Freedom from Debt Coalition: "Only one-fifth of Philippine forests are left, due partly to massive exportation and smuggling of logs and other forest products for the sake of generating scarce foreign exchange".

The Ghanaian government was found to be owed \$49 mn in unpaid taxes by timber companies, which were engaging in various sophisticated methods of fraud. Given that the forestry sector accounted for 4.5 % of Ghana's GDP in 1988, the export of logs from that country is currently the third largest earner of foreign exchange.

A similar pressure to obtain revenue by logging tropical forests appears to underlie Zaire's National Forest Plan, which anticipates a tenfold increase to 6 million cubic metres annually. John Beauclerk, Oxfam's former regional representative in Kigali, Rwanda, recently undertook a study of Hunter Gatherers in Central Africa. His report notes that Zaire's Plan includes a 5-year US\$1,500,000 project to supply 20% of Kinshasa's charcoal needs with fuel from the forests of Bandundu and Equateur. He notes that:

In Zaire attempts to rationalise logging operations have done little to ensure better financial administration. The reforestation tax of 25 Zaires (4.5 US cents) per cubic metre rarely returns to the region to pay the local forestry service's costs. The Zairean government itself acknowledges that it receives 1/27th of the fiscal revenue it expects from wood exports. Since in Zaire the forestry industry generates only 15,000 unskilled jobs it could well be accused of selling the family silver for a pittance.

[from Hunters and Gatherers in Central Africa: On the Margins of Development, a report for Oxfam by John Beauclerk, February 1991]



The impact of increased pressure on the forests on the hunter-gatherers is discussed below.

There are other important connections between debt and deforestation which maybe summarised as follows:

#### Extraction

In addition to extracting timber resources, the clearing of forests for ranches or plantations amounts to a tragic despoiling of precious habitats for short-sighted and usually unsustainable economic purposes, driven perhaps by the need to service debts.

#### Neglect

Governments who are propelled by their debt burden to implement austerity programmes may have to cut back on their programmes of environmental protection and restoration; the commitments made towards international conventions and the like mean little if there are no resources available to implement them.

#### Encroachment

Economic crisis, perhaps aggravated by government austerity programmes, often has a devastating effect on small farmers - such that they can no longer survive through their traditional occupations. This "trickle down of poverty" propels such farmers into unsustainable practices such as turning to "slash-and-burn" practices in adjacent forests.

In the above ways forest resources are plundered directly or indirectly because of the debt burden. The economic debt of today becomes an ecological debt forever. Oxfam believes that any attempt to conserve forests in developing countries must include some creative approaches to the issue of debt reduction. Both Oxfam and its partners in the Philippines, for example, have called on the North to offer debt reduction as a resource to finance agrarian reform (to ease the encroachment pressure) and environmental protection.

### 3. Structural Adjustment Policies

Oxfam believes that it is important for the Bank to consider the ways in which Structural Adjustment programmes may have also played a part in accelerating deforestation.

In 1987 the World Bank provided a loan to Ghana of US\$ 115 million for a structural adjustment programme; a further loan of US\$ 120 million was approved in 1989. The objectives of the Ghanaian Economic Recovery Programme were, among other things, a decrease in the fiscal deficit and inflation, and, in the long term, a recovery of agricultural production. One component of the recovery programme was the reactivation of the wood industry, which in 1986 the Bank had already boosted with US\$24 mn timber sector rehabilitation credit to finance imports of logging equipment. The export rehabilitation focus led to an increase in earnings: between 1984 and 1988 the timber sector received \$350 million of "visible and invisible expenditure" and in return contributed \$280.2 million to the Ghanaian economy. But Ghana, which had

limited access to external borrowing in the 1970s, saw its debt-service ratio go from under 18% in 1981, to 47% by 1986 and an estimated 70% level in 1988.

The Ghana Forest Resource Management Project, separately supported by the Bank, authorized an extremely high rate of logging and paid scant attention to biodiversity or wood protection or to the needs of subsistence farmers. All these factors would seem to suggest that new policies which attempt to conserve forestry in Ghana will be subject to enormous pressures.

#### 4. Sustainable Management

Oxfam is concerned that while conservation measures are being proposed for some countries the Bank still appears willing to promote "sustainable management" of tropical forests in others like Brazil and Zaire - presumably because of the need of those countries to realise the commercial value of the timber. Even if one accepts the principle that tropical timber can be sustainably logged there are few examples of this being successfully achieved. In countries with weak institutions it is hard to see how effective controls can be maintained.

Sustainable management of the forests in Ghana has been obstructed by the confusion that exists over tree tenure. Although trees belong to the government, in practice the only fully recognised rights to trees within the forest zone are those held by local chiefs in the form of allodial rights. Collusion between chiefs and timber contractors is a major factor undermining any sustainable forest management practices. Farmers with trees on their land do not benefit from the timber. Furthermore when timber extraction has entailed the use of mechanised equipment it has led to destruction of their crops. Local farmers and village communities are powerless to stop contractors and have been unable to obtain compensation for crop damage.

In Brazil's Carajas region, too, according to Iara Ferraz of CEPASP, ways are being found to circumvent the required government licences for sustainable forestry and deforestation. She claims that:

Despite the assertion by company managers that they only buy charcoal with IBAMA [the Brazilian Institute for the Environment and Renewable Natural Resources] licences and approval, beyond the factory gate the situation is quite different. In reality little attention is paid to the charcoal's origin.

The Bank must also take care to ensure that apparent success in halting deforestation rates in one place does not simply lead to the problem being transferred to a neighbouring country. In 1990, according to the Brazilian Government, the rate of deforestation showed a 27% reduction over the previous year. However, in Paraguay local agencies have reported a dramatic increase in deforestation in the Alto Parana region, where Brazilian logging companies have moved in and devastated the territory of the Mbya Guarani Indians. Similarly, in 1988 in the Himalayas, Oxfam field staff reported that, in the wake of the success of the Chipko Movement, many Indian timber contractors crossed over into Nepal, where unrestricted tree felling began destroying forests at an alarming rate.

## 5. Land Rights

The Policy Paper does not address adequately the question of land reform and tenure rights, which is undoubtedly a major factor on encroachment of primary forests by the rural poor. In Mindoro, in the Philippines, 800,000 people are farmers, but 70 per cent of the rural workforce do not own the land they work but are employed on large plantations growing cash crops for export. The wages of more than two plantation workers are needed to meet a family's cost of living. This, of course, assumes that they are working in the formal sector and are paid the minimum wage.

Professor Southgate's paper "Policies contributing to Agricultural Colonization of Latin America's Tropical Forests" maintains that no Latin American country has had much success in directing "agricultural colonization toward areas where soils are suitable for crop or livestock production and where the opportunity costs of land use conversion are limited. To the contrary, spontaneous migration to the agricultural frontier is the norm in Latin America. Furthermore, farmers' and ranchers' encroachment onto tree-covered land is excessive because of inappropriate tenurial arrangements, [and] direct and indirect subsidies for agricultural land clearing...". Inday Ofreneo, who has made a study for Oxfam of the impact of the debt burden on the poor in the Philippines, warns that, "the landless poor try to eke out a living by encroaching further and further into forest lands. If trends continue, Philippine forests will completely disappear within this decade, which means ever more disastrous floods, droughts and landslides".

Even the limited land reforms which have been announced in countries like the Philippines and Brazil have never been implemented and have made little impact on the problem of the rural poor. Estimates of the landless rural workers in Brazil vary from the government figure of two million to the seven million suggested by the Movimento dos Trabalhadores Rurais Sem Terra (MST). What is not in doubt is that inequality of income distribution is increasing in the agricultural sector.

In the World Development Report there is a recognition of the effectiveness of large-scale land redistribution in reducing poverty. Though there are political obstacles to this the growing concern for the environment indicates the need for a more determined effort for agrarian reform so that small farmers are able to survive without having to resort to exploiting the fragile ecosystems. Oxfam has argued elsewhere that if the World Bank wishes to encourage policies that facilitate out-migration from environmentally vulnerable areas it needs to examine and address the reasons for deforestation. These include the increase in timber exports as well as the economic pressures which lead settled farmers and landless rural people to move into the forests to practise slash-and-burn farming to the detriment of indigenous minorities.

Stemming this tendency requires policies that discourage in-migration into fragile lands. This must, again, include determined efforts of agrarian reform. Oxfam believes it would be appropriate to consider a special programme of debt reduction for governments who pursue such reform. Savings on debt service would finance the land transfer and other costs involved. Debt reduction would also reduce the need to export primary commodities, and so again help reduce pressure on marginal lands. Similar arguments are made by our project partners in the Philippines.

## 6. Social Forestry

The Policy Paper places emphasis on the role of social forestry in its new approach and of the need to involve local communities in the conservation and sustainable management of natural resources. A useful definition of the concept of social forestry is given in Michael Cernea's Paper "User Groups as Producers in Participatory Afforestation Strategies". Social forestry, he argues, comprises projects which:

- (a) motivate large numbers of people to plant trees,
- (b) promote the kind of tree growing that will best supply fuelwood, small timber, grasses and income to the small producers themselves, and
- (c) provide increased benefits to the poorer strata.

Social forestry programs are primarily aimed at involving the farmers and the landless.

Despite such promising aims it is generally recognised that the results of social forestry projects in South Asia and elsewhere have been somewhat mixed. In the past some projects led to the eviction of landless peasants from common lands to make way for plantations. Land formerly used for growing subsistence food crops was given over to the cultivation of commercial trees.

A 1989 report on the World Bank/ODA funded Karnataka Social Forestry Project in India by Oxfam's regional representative, David Mosse, concluded that:

1. The project continues to suffer from a lack of clarity and compatibility in its objectives, which appear to have included environmental (to increase forest cover), production (to meet urban and industrial demands for wood products) and social (to meet local tree product needs) components. The project's achievement of the social and poverty alleviating objectives continues to be disappointing. Increased effort needs to be made in attempting to meet the rural need for subsistence supplies of fuel, fodder, fruit and other requirements, both through farm forestry and common land plantations.
2. Despite significant efforts in this direction evidence ... indicates that there has been very little participation of village people, and limited consultation about their needs.
3. Even with the efforts of the motivators, the Forest Department's extension has failed to adequately provide technical support for poorer farmers and landless people interested in growing trees.
4. As a result the immediate benefits of the project appear disproportionately to be going to the better off; and the forest resources created to be meeting urban and industrial demands rather than rural needs for subsistence supplies.

But although there has been some improvement in the design and implementation of social forestry projects, the fact remains that little is known about how to establish collaborative management systems which bring foresters and communities together; few individuals have the experience needed to train agency staff in such approaches. When such initiatives have worked it has usually been due to the commitment of the local community to the project.

Oxfam has had some positive experience of encouraging community forestry. For a number of years Oxfam has supported a rural NGO in Puri district in Orissa called Friends of the Trees and Living Beings, which is committed to the cause of environmental protection. It was formed by a small group of retired people who sought to awaken village people to the dangers of the deforestation going on around them. Villagers agreed that they would work to keep the forests free from private exploitation, and to plant more trees. Quarrying in the hills would be stopped, and goats and sheep would no longer be allowed to roam free. Villagers would be helped to maintain supplies of firewood, and alternative means of cooking would be explored. Over the past eight years they have replanted more than 745 acres with trees and streams have reappeared where they had dried up, providing the villagers with year-round water supplies.

#### 7. Forest Peoples

Oxfam believes that the new Policy Paper should make an unequivocal recommendation that indigenous people should never be displaced. Governments should be encouraged to take positive steps to demarcate the lands of indigenous people and uphold their customary rights.

The problems of the Yanomami Indians of Brazil is a particularly telling example. There is an urgent need for their territory to be officially demarcated to provide them with greater legal protection from incursions by gold panners, who tend to bring devastation and contagion. Last December, President Fernando Collor de Mello began the process by revoking the Sarney decrees, which had broken up their lands into 19 separate islands. But since then there has been no further move to regularize the situation of the Yanomami's land. Although the Brazilian Government claims that it has cleared the garimpeiros - gold panners - out of the area, the Commission for the Creation of the Yanomami Park (CCPY) (an organisation with which Oxfam works) reports that many have returned and are continuing to extract gold. The Federal Attorney General has recently accused the Governor of Roraima of obstructing efforts by the Federal Police to remove the garimpeiros.

The medical programme for the Yanomami does not appear to be progressing smoothly. Health treatment for the Indians is still precarious. The CCPY has been pressing for a permanent Yanomami Health Project and is critical of the current sporadic care being offered to the Indians. They argue that, in the absence of any scheme of comprehensive permanent health coverage throughout the whole Yanomami area, emergencies in isolated communities will soon run out of control before medical help arrives. Villages

located far from mission stations or FUNAI (the Brazilian Indian Bureau) posts do not receive doctors' visits on a regular basis, with the result that epidemics can reach tragic proportions in the remoter areas before the news of the outbreak reaches a post.

While attitudes within the Bank towards the rights of indigenous peoples to their ancestral lands have been changing, the Policy Paper does not go far enough in suggesting positive steps that can be taken to ensure their informed participation in any forest management schemes. Oxfam believes that enforced exclusion of indigenous populations from their ancestral lands within forest reserves is completely unacceptable. In Zaire the Okapi national park, which was part funded by the Bank, originally excluded all hunting within its boundaries. But it was forced to condone the foraging of the Mbuti Pygmies through inability to control them and now employs them to track and capture okapi.

However, pressure on forested indigenous land remains intense whether it is from official government colonisation policies or from spontaneous migration by the landless rural poor.

Hunter-gatherers depend for their well-being on access to the forest; on this crucial strategic need hangs their ability to control their own development process and to determine their own relations with local farmers, with the state and with other intermediaries. In the Zaire basin the Kivu region offers the clearest example of a process that is becoming increasingly common throughout central Africa. In the study he wrote for Oxfam John Beauclerk explains that:

The concentration of land in Kivu has become an important factor in driving displaced farmers to the Ituri forest. Roads from the north and south Kivu funnel displaced subsistence farmers down from the highlands onto the main westward leading thoroughfare, the Zaire link of the Trans-African Highway passing Bunia and Mambasa. As elsewhere, the Mbuti Pygmies are increasingly drawn into the exciting new world of the immigrants, serving initially as hunters before being reduced to dependent day-labourers and eventually being dispossessed altogether.

The study concludes with the warning:

On the evidence presented there is a major effort to "open up" Africa's equatorial forest. The motives have to do with profits to meet debt repayments and to fuel further development. The environmental and social costs are foreseeable; as in Amazonia and south-east Asia the destruction of the forest will cause an increase in poverty rather than its resolution. The poorest of the poor will suffer the most and if unchecked the "opening up" of the Zaire basin will inevitably result in the destruction of the Pygmies.

There are few examples of governments addressing in any meaningful way the factors leading to encroachment of forest reserves by migrant rural poor. Instead of seeking to involve communities directly through the promotion of sustainable land use systems, the Ghanaian Government has most frequently resorted to forced eviction of farmers

from forest reserves. Unless adequate incentives are found such measures are unlikely to prove to be durable solutions. A Ghanaian partner gave Oxfam the following example:

Juabeso-bia is located in the Sefwi district of the western region of Ghana. It is a leading cocoa producing district in the country and has the largest forest encroachment in the region. In July 1989 1000 farmers were to be evicted from a forest reserve following a ban on all farming activity. Consequently, a special task force was to be set up to destroy all farms in the reserves and to conserve the forests. In February 1991 it was reported that irate farmers were killing trees which had been planted in the reserves, others were trying to raise money to bribe officials to prevent their eviction.

## 8. Plantations

The Policy Paper also points to the role that plantations which have been set up largely for commercial reasons may play in the regeneration of degraded forest lands. Oxfam is concerned that many plantations have not paid sufficient attention to local conditions or local needs. Recently the Brazilian Government announced plans to set up eucalyptus plantations along the Carajas railway. Oxfam fears that this may have the immediate consequence of displacing families of peasant squatters, who have been cultivating small plots beside the track. CEPASP has expressed its fears as follows about the future of the plantations in this area:

All along the Carajas railway, especially between Marabá in the state of Para and Santa Luzia in the state of Maranhão, hundreds of land occupations and violent conflicts have occurred as squatter peasant families have tried to stake claim to plots of land. These families face forced eviction if the government planned "reforestation" goes ahead. CVRD intends to reproduce reforestation models based on eucalyptus plantations for paper and cellulose - the initial purpose of this plan would be the reforestation of an area of about 10.000 sq. km with fiscal incentives which, it is believed, would largely benefit about 350 landowners who would diversify into commercial tree production.

Leading authorities on the Amazonian eco-system have also expressed fears that neither the CVRD nor ESMAP, which is funding the project, appears to have spent sufficient time conducting trials in order to select an appropriate species for the area.

Furthermore plantations in other states such as Espirito Santo have been criticised by Brazilian environmentalists for polluting rivers and for drying out water courses, thus causing desertification. A higher incidence of glaucoma has also been reported among workers living near some of these plantations.

Last year Oxfam submitted a report to the Environment Select Committee of the British Parliament which highlighted the dangers of privately owned "ecological reserves" in the Carajas area. The Alubras Aluminium plant near Belém has fenced off an "ecological reserve". This is an area of forest from which a whole community of local people was evicted. These people now live in a slum of a town called Conde

without access to land to grow food. Their lives have been totally destroyed by this development yet Alubras have produced a glossy brochure in English to convince the visitor of its environmental credentials. Another example of this is with CVRD itself which has also fenced off a vast area of forest "to preserve the environment". Outside the fence the shanty towns start.

In other parts of the world commercial plantations have dispossessed indigenous peoples of their customary land rights. In 1990 the Indonesian environmental organisation, WALHI, reported the imprisonment of ten elderly women from the village of Sugapa, North Tapanuli, North Sumatra. They had been found guilty of destroying land owned by PT Inti Indorayon Utama Company (IIU). In fact, the women were defending their customary land rights. The government had acquired the land by methods which a substantial number of clan members regarded as illegal: signatures had allegedly been forged.

When their protests were ignored, the ten women uprooted a number of eucalyptus trees planted by IIU. They were charged with obstructing national development by destroying another's property, whole or in parts, causing the property to be rendered useless.

[from Environesia, April/August 1990]

## 9. Sustainable Development

The Policy Paper indicates that preconditions for a successful transition to conservation and sustainability include: (i) the involvement of local people in forest management and adoption of new values and practices in forest utilization; and (ii) the implementation of institutional reforms to ensure that forest products are priced at their scarcity value. The creation of extractive reserves in Brazil in 1990 was regarded by many as an important advance for the rational use of natural resources. But the future of the extractive reserves in Acre and Rondonia has been thrown into jeopardy by the fall in the world price of natural rubber. Rubber tappers are earning 30% less than the standard minimum wage and are being driven off the reserves through hunger. While the downturn trend in the market value of natural rubber is unlikely to be reversed, the rubber tappers should be given help to diversify into other natural forest products which can be harvested sustainably and which in time might prove more profitable. This would seem to be justified given the Bank's recognition that the tropical forest cannot be valued in narrow economic terms. There is a strong case to be made for rewarding the rubber tappers and other forest dwellers for their role as "guardians of the forest". The rubber tappers claim that the Brazilian Government has abandoned them and has failed to help them build up the infrastructure necessary to run the reserves successfully. They are calling for access to credit, for technical assistance and for the establishment of health and education programmes for their communities.



## 10. NGO Participation

The Policy Paper calls for the Bank to collaborate with NGOs in forestry activities for local participation in project design and implementation. There is widespread recognition within governments and international donor agencies that governmental technical departments and other public sector bodies have a limited capacity to undertake participatory planning, community mobilization and institution building, and that this is an area where NGOs can make an important contribution. The difficulty is that there is no proven mechanism for drawing on the experience of small NGOs and using it in the planning of large-scale programmes. The challenge for the Bank and the NGO community is to find appropriate mechanisms for the effective transfer of NGO experience into official development planning while not destroying the very basis of that knowledge - which is usually small scale and dependent on intimate contact with local communities.

An example of the difficulties which can arise when local NGOs take over responsibilities for particular components of larger projects is provided by the World Bank's Eastern Lowlands Project. This project was geared to the intensive cultivation of soya for export, which Oxfam partners in Santa Cruz claim has almost exclusively benefitted large landowners. The highly mechanized soya plantations have completely failed to provide employment for local people. Although, in an attempt to minimise deforestation, the Bank stipulated that credit would only be given to areas which had been cleared before 1989, local NGOs claim that this simply accelerated the process. Wealthy landowners around Santa Cruz rushed to meet the deadline and in two years, according to an anthropologist working in the region, about one million hectares of forest were lost. The Bank also made provision for an indigenous peoples' component to the project which, in an unprecedented move, was to have been coordinated by a small, local indigenous organisation, CIDOB. However, Oxfam has learnt that in February of this year local landowners, after a press campaign against CIDOB, managed to have the staff of CIDOB removed from their position as executors of the project. They had claimed that CIDOB did not represent the Indian communities. And so the reluctance of the rural landowning elite to accept measures intended to alleviate poverty among indigenous communities in the Eastern lowlands appears to have brought the Indian component to a standstill.

Oxfam has doubts as to whether the NGOs it works closely with would wish to abandon their traditional work with local communities in order to assist the implementation of large scale projects. A more appropriate role for them would perhaps be as policy advisers. It is unclear to what extent the Bank or governments should "contract out" responsibilities for the participatory and social components of forestry projects. In the case of the Western Ghats Conservation Project in India Oxfam has expressed concern to the British Government that such an approach could lead to an unhealthy separation of the social and technical aspects of the project, or diminish the Forest Department's sense of responsibility for the extent and quality of people's participation.

## 11. Primary Environmental Care

Oxfam believes that the Bank should consider integrating the concept of Primary Environmental Care - PEC - into its forest policy. The idea has been developed in the expert working groups of the OECD's Development Assistance Committee and in a subsequent workshop hosted by the Italian government. PEC is the local expression of sustainable development - a practical way of achieving sustainable development at a very local scale. PEC has three essential components: to meet people's basic needs; to protect and care for the environment; and to empower local communities to become more effective stewards of their environment.

PEC, which is partly modelled on Primary Health Care, endeavours to foster local control over projects. It seeks the deployment of local knowledge in project design and implementation. While environmental action is a key component of PEC, this is integrated with social and economic activities, for example health care, nutrition, shelter, and income generation. Other essential elements in a successful PEC approach would include effective support mechanisms, such as personnel training and institution building, and methods of providing communities with access to vital resources, such as land, credit, transport, marketing and appropriate technologies.