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Organizing farmers for effective training and capacitation for tree-based enterprises

Summary

Since the adoption of a nationwide community-based forest management strategy 25 years ago, people's organizations (POs) have been the Philippine Government's key partners in programs and projects in upland communities, including the Natural Resources Management Program (NRMP), the Environment and Natural Resources Sectoral Adjustment Loan Program (ENR-SECAL), and the Community-Based Resource Management Program (CBRMP). These programs have provided important lessons that have served as the foundation for recent Government initiatives. In 2018, a PO accreditation system was pioneered through the Integrated Natural Resources and Environmental Management Project (INREMP). This innovative mechanism to improve disbursement and increase POs' capacity to facilitate high-quality sub-projects has, however, been confronted with implementation challenges. This brief suggests concrete actions to increase the capacity of the Department of Environment and Natural Resources (DENR) and POs and to simplify the complex process for POs to support their transformation into small, community-based enterprises.

Key messages

- DENR's PO accreditation assessment is a valuable system that should be mainstreamed to support PO transformation into recognized legal enterprises. It further provides confidence to POs as equal partners in forest restoration projects, leading to improved management of open-access forests and restoration of degraded forestlands.

- A dedicated PO accreditation assessment unit within DENR should be prioritized to ensure timely implementation, periodic review and process enhancement in line with international standards, develop activities for POs to become small-to-medium-sized enterprises (SMEs) and mainstream the process across DENR's portfolio.

- Similarly, PO capacity assessment and development are keys in values formation, community organizing, financial management, and organizational strengthening. This can be built from previously issued guidelines of the Forestland Management Project and should be aligned to international standards, such as pillars of the Impact, Learning, Knowledge and Accountability Framework (ILKA) of the United Nations Development Programme.

- The current PO assessment system should be simplified to ensure the sustainability of the process for DENR and the POs. The process can be fast-tracked, selection criteria can be revised, and Forest Stewardship Council's (FSC) smallholder certification scheme can be adopted as a pilot to better fit the standards for small Community-Based Timber Enterprises (CBTEs).

Introduction

License Agreement (TLA) approach to forest management towards a Community-Based Forest Management (CBFM) system

CBFM was adopted by the Philippine Government as the 'national strategy to ensure the sustainable development of the country's forestland resources and providing mechanisms for its implementation'.

Key lessons have been learned from several programs under this umbrella strategy. For example, the NRMP encouraged continued partnerships between Government and non-governmental institutions. The ENR-SECAL, on the other hand, reiterated the strengthening of institutional capacity of local government units (LGUs) and their involvement in regular monitoring work to address immediate community concerns. The CBRMP, while focusing on LGUs as managers in development- and environment-related projects, also emphasized the need to create more efficient processing of, and approvals for, community proposal documents.

DENR engages with upland communities, usually through contractual arrangements with POs. A PO is defined as a group of people, which may be an association, cooperative federation or other legal entity, established by the community to undertake collective action to address community concerns and needs and mutually shared benefits from the endeavor (DENR Administrative Order 2018-22).

The Philippine General Appropriations Act FY 2019 Section 71 (Official Gazette April 29, 2019, p. 941 General Provisions) regulates the conditions under which Government agencies can transfer public funds to civil society organizations (CSOs). One of the requirements is that the CSO must be accredited by the Government agency.

In 2018, DENR introduced an accreditation scheme for POs under INREMP. The new scheme is a complex process based on FSC's ten principles, 35 criteria and 70 indicators, and introduces Corrective Action Requests and annual audits during the process. A group that undergoes the assessment successfully will be certified by DENR as an accredited PO, qualifying them as a legitimate partner for current and future programs and projects. Poorly performing POs or Indigenous People's Organizations (IPOs) will be further capacitated before they are provided with INREMP grants (DENR 2018).

The PO accreditation system is an innovative mechanism to shift the payment schedule from the old method — whereby POs were paid only for work completed — to

Table 1. Key differences between PO/IPO approaches to accreditation assessment and DTI criteria to select POs

CBFM/SFM (DENR)	IPRA/FPIC Certificate of Pre-Condition (NCIP)	DTI criteria to select POs
Community-based organization. Beneficiaries can be both POs and IPOs. FPIC Certificate of Pre-Condition required for renewal of CBFMAs.	Recognizes the rights of ICCs/IPs to claim ancestral domain lands. Risks of land claims being sold to migrants.	Four prioritized agricultural value chains, viz. coffee, cocoa, abaca, and bamboo.
Tenurial instrument, EO 263. Privilege to occupy and develop the area may lead to an increase in forest cover. Risks of selling rights to migrants and external businesses.	Issuance of tenurial rights (CADTs) but no funding for AD lands.	Harvest-ready crops/NTFPs.
Access to natural resources in public lands. Lack of clear policy on timber harvesting.	FPIC/Certificate of Pre-Condition for any intervention and renewal of CBFMAs. Complex and cumbersome FPIC process.	Legally recognized and active PO.
POs considered as forest managers.	No expiry of CADT (cf. 25 years for CBFMA).	Located within a prioritized INREMP watershed area.
Access to livelihood activities including partnerships with private entities. Encourages investors to engage in contract development.	Access to natural resources as traditional use. Risk of conflicts of interest between tribal leaders and/or emergence of unrecognized tribal leaders.	To date, DTI has validated 52 POs of which 10 (19%) are working with bamboo (e.g. Balubal Integrated Social Forestry Farmers Association) focusing on institutional and enterprise strengthening, and production development, including value-added processing, packaging and labeling and improving market links.
Access to State-backed projects.	Provision of prior rights. Risk of abuse of rights/powers over a particular project.	
Assistance in the preparation of CBFMA, RUPs, and AWPs.	Assistance in the preparation of ADSDPPs.	

upfront payments, enabling them to implement high-quality subprojects.

The accreditation system process, even though it was welcomed as one of the most innovative measures of INREMP, has been confronted with several implementation challenges. Large differences exist between POs/IPOs in terms of their histories, technical and financial capacities, leadership, and engagement in earlier and on-going tree-planting projects (for example, FSP I, FSP II, NGP etc.). Similarly, the capabilities of site management officers reporting to City Environment and Natural Resources Offices (CENROs), as well as other DENR/INREMP project staff, are extremely variable. Facilitation skills are, in general, weak. The full transaction costs of the PO/IPO accreditation system process have not been assessed but there is a general agreement that the process should be simplified. The Government is also looking forward to its mainstreaming for all its projects.

Methodology

Data and information were collected through key informant interviews and stakeholder meetings with Government agencies, LGUs, and various POs and IPOs in the Bukidnon Upper River Basin (BURB) in Region X, Chico Upper River Basin in the Cordillera Administrative Region, and Butuan City, Agusan del Sur in Region XIII. A joint DENR-World Agroforestry (ICRAF) workshop was conducted in Cagayan de Oro, Region X, 1–2 October 2019 to identify opportunities to simplify the PO/IPO accreditation process.

Results and conclusions

DENR staff genuinely agree that the accreditation system process has been hugely successful in improving the disbursement and monitoring of Natural Resource Management (NRM) and Livelihood Enhancement Support Type 1 (LES-1) grants to rural communities in the four INREMP regions. The former 'progress billing' payment system was based on a Contract of Agreement with POs which involved an initial payment of 15% mobilization fee followed by up to 12 tranches of payments. This system had been in force since 2016 and is still used by the National Greening Program. This was replaced with a simpler three-tranche 'milestone trigger' (50%:25%:25%) system.

During the early implementation of the PO/IPO accreditation system process, significant delays occurred in writing, submitting, reviewing and revising (sometimes up to three times) the PO accreditation system reports as the newly-formed accreditation system teams had to familiarize themselves with the process, attendance reporting and approval requirements. In Bukidnon, where five accreditation

Table 2. Summarized overview of original times targeted to complete tasks, actual time spent during 2019 and recommended time to undertake the enhanced PO/IPO accreditation system process in 2020

Task	Responsibility	Original time planned	Actual time 2019	Recommended time 2020	Notes
PO scoping	WMPCO	2	1	2	accreditation system teams created/trained late comprising PENRO, CENRO, and SMO
Enhancement of scoping report	WMPCO	2	7	1	
PO accreditation system process	Accreditation system team/ selected staff from PPMO	7	14	1	
PO accreditation system report preparation	accreditation system team (selected PPMO and WMPCO staff), SMOs	15	45	15	Limited manpower. Changing guidelines. Shortened to 7–10 days as more experience gained by accreditation system teams.
Corrective action(s) – Minor	PO	7	30	7	Travel times. Multiple revisions. Late compliance by POs/IPOs
Corrective action(s) – Major	WMPCO/PO	14	90	30	
Endorsement by RPCO	Accreditation system reports are endorsed to RPCO from the PENROs	1	14	1	Submit clusters of PO accreditation system reports.
RPCO review	RPCO	1	7	1	Non-availability of signatories at regional level.
Finalization of reviewed/revised report	WMPCO	2	2	2	
Issuance of PO certificate	PENRO	2	2	2	Only 3% of POs issued with certificates in Bukid-non in 2018 (but completed by December 2019).
Annual audits		n/a	n/a	2	To be started in 2020.
Total no. of days		39–53	140–200	34–55	

Source: DENR-ICRAF Workshop Report, Cagayan de Oro, Region X, 1–2 October 2019

system teams conducted PO document reviews, interviews and consultations with representatives and members of POs and checks of financial records, only three accreditation certificates out of 91 POs (3% of the total number of POs) had been issued as of 2018. Nevertheless, updated data from BURB as of 30 December 2019 showed that all 91 POs had been issued a certificate, meeting 100% of NRM targets set in 2017 and 2018.

Along with issuance, the key challenges that the new accreditation system encountered were:

1. Large differences exist between POs/IPOs in terms of their histories, technical and financial capacities, leadership and engagement in earlier and on-going tree-planting projects (e.g. FSP I, FSP II, NGP etc.). Similarly, the capabilities and capacities of site management officers reporting to CENROs, as well as other DENR/ INREMP project staff, are extremely variable. Facilitation skills are, in general, weak, given the number of POs to assess and the limited time.
2. Differences in the mechanisms to be followed during the accreditation system process for POs and IPOs, all linked to the tenure arrangements for land.
3. The new accreditation system is inconsistent with the PO selection criteria used by the Department of Trade and Industry (DTI). The latter focuses on priority value chains and has a relatively simpler set of criteria in terms of who has access, location of applicants, and assistance with preparation (Table 3), which may be cause for comparison in terms of process efficiency.
4. On average, actual time needed to complete each task in the accreditation system process is three times greater than what was anticipated or required.

DENR and ICRAF held a joint workshop in Cagayan de Oro, Region X in October 2019 to identify potential opportunities to simplify the PO/IPO accreditation process. Table 2 presents a summarized overview of the outcomes of the workshop's deliberations, distinguishing between the original times targeted to complete each task, the actual time spent during 2019 in BURB, and the recommended time to undertake the enhanced PO/IPO accreditation assessment process in 2020. It is recommended to also look at data from the other river basins as well.

Recommendations

Both DENR and POs have made significant investment in the first round of accreditations. The DENR Forest Management Bureau should mainstream the accreditation system process to identify and register POs. It is a valuable system to provide legal status to POs and to support their transformation into recognized legal enterprises. It further provides confidence to POs as equal partners in forest restoration projects, improving their management of open-access forests and restoration of degraded forestland; forest restoration that is, specifically, being conducted through the more widespread adoption of agroforestry, conservation farming, and commercial tree plantations across the Philippines.

DENR needs a dedicated PO accreditation system unit with

a specific mandate and responsibilities. These can include 1) implementing the process in a timely fashion; 2) overseeing the periodic review and enhancement of the process, where needed, in line with international standards, such as FSC; 3) developing and overseeing capacity building to support POs in their endeavor to become small-to-medium-sized enterprises; and 4) ensuring that both the PO accreditation system and capacity building are mainstreamed across the entire DENR project portfolio.

DENR should develop guidelines for PO capacity assessment and development for 1) PO values formation; 2) community organizing; 3) financial management; and 4) organizational strengthening. The guidelines can be built from DENR Technical Bulletin 2014-01 on conducting an organizational assessment of target POs in the Forestland Management Project. Together with the PO accreditation system, this could have been a good complement and application of capacity-building instruments to INREMP if not for the limited duration of the project. The guidelines should be aligned with the international standard on capacity development and address the different pillars of the ILKA Framework (UNDP 2009): Institutional arrangements; Leadership; Knowledge and Accountability.

The current accreditation system is based on the FSC International Standard. The FSC's ten principles, 35 criteria, and 70 indicators for forest stewardship were developed for commercial timber plantations. They are not designed for small CBTEs such as POs. To ensure that the accreditation system is sustainable for DENR and the POs, the current system needs to be simplified. This can be done through:

1) Fast-tracking the current accreditation system process by making the steps of corrective action and reassessment independent from the endorsement. POs that are found at the scoping stage to require minor corrective actions should be recommended for endorsement. This allows the endorsement process to run in parallel with the corrective action and reassessment process.
2) Revising the current criteria and evaluating the feasibility of introducing simplified selection criteria for POs based on specific types of forestry and agroforestry activities and investments, similar to DTI's experience with agricultural value chains.
3) Adopting the new FSC smallholder certification scheme that is currently being tested. The new smallholder certification scheme is a response of FSC to the difficulties of transferring its international standards to a community-enterprise context. It is based on four objectives: a) improving forest management standards; b) improving international standards to be more accessible via the group certification standard revision process; c) testing new concepts including continuous improvement to certification, forestry contractors' certification and participation in group management; and d) establishing a simplified regional standard in the Asia-Pacific region.

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