



# Have the needs of local communities or indigenous peoples been addressed?

Excerpts from the report: *Sustainable Procurement of Wood and Paper-based Products: Guide and Resource Kit* ([www.SustainableForestProducts.org](http://www.SustainableForestProducts.org))

Protecting and respecting the rights of local communities, indigenous peoples, and workers in the forests is an important part of sustainable procurement. Along with environment and economics, social well-being is one of the three pillars of sustainability (Brack, 2010). If poorly managed, social aspects can lead to conflict between forest companies, communities, and governments with negative effects for all. Bad publicity surrounding a conflict can damage a company's reputation, and disruptions or delays in production can increase investment costs and cause loss of market share. Governments can face civil instability, loss of forest-sector revenues, and loss of investment opportunities (Wilson, 2009).

Initial processing of wood often occurs in remote and sparsely populated areas with limited job opportunities, social support systems, access to education, and infrastructure. These remote areas are sometimes beyond the control of government authorities. As a result, the leadership role in addressing social and governance issues can fall to forest companies. Values such as fair pay, employment benefits, job training, health and safety, and interaction with local communities are part of the social contract between employers and the communities in which they operate. Social issues involve a variety of topics, highlighted in Table 1.

## **Recognition of the rights of indigenous peoples and local communities**

The rights of indigenous peoples and local communities to access forest resources, use forests, and receive direct benefits from development of forest resources are recognized by many international agreements. However, the extent to which these rights are recognized at the national level varies. Some countries have laws that explicitly recognize the legal rights of indigenous peoples to access, use, and own forests; some retain national ownership of forested land while allowing access and management by indigenous peoples; and others do not recognize any rights of indigenous peoples. The rights of local communities and indigenous peoples are recognized in definitions of sustainable forest management within certification systems.

## **Property, land tenure, and access and use rights**

Tenure security is lacking when land tenure rights of local or indigenous communities are not recognized or are not afforded the same level of recognition as private property rights. In some areas, governments grant forest concessions where communities have long-standing claims to the land, leading to clashes between logging companies and local and indigenous communities. Many of these clashes have threatened livelihoods and human rights. Even in cases where land tenure is recognized, there can be distributional inequities regarding gender and ethnicity within the community.

## **Protection of workers' rights and employment conditions**

The forest sector employs an estimated 13.7 million workers worldwide, representing 1% of the global workforce. Forests and forest-products manufacturing facilities are potentially dangerous work environments, characterized by high degrees of informality, illegality, low wages, and hazardous working conditions (ILO, 2011). Poor health and safety standards and violations of workers' rights can lead to unsafe work conditions, work-related accidents, reduced productivity, reduction of local benefits, discriminatory behavior, low wages, and an increase in the use of migrant and informal labor.

## **Participation and access to information**

Forest operations should include meaningful consultation with local communities and indigenous peoples. National laws sometimes require access to information and participation in decision making in environmental impact assessments and in the permitting and concession processes. Public participation is essential when there are major changes in land use, especially if tenure or access to the resource is insecure. Communities and business alike can benefit from engagement that is inclusive, mindful of the legal situation; includes monitoring, evaluation, and capacity building; and offers meaningful information distributed through appropriate channels (Anderson, 2011).

Table 1. Social issues relevant to sustainable procurement of wood and paper-based products

Typology	Issue	Description
<b>Rights of ownership</b>	Explicit respect for the rights of indigenous peoples	Includes the recognition and support of the identity, culture, and rights of indigenous peoples. Legal land ownership can also be included in this category. Some countries recognize the legal land ownership by indigenous peoples under national law, some retain state ownership while allowing access and management by indigenous peoples, and others do not recognize any rights of indigenous peoples.
	Rights of local communities	May or may not include indigenous peoples. Refers to the rights of forest communities to own and access forests. Communities may have access to and manage forests that they do not own.
	Property, land tenure, access, and use rights	Refers to the definition and protection of property rights, and land tenure and use of the forests by communities, governments, and forest enterprises. It can be especially contentious in countries where communities have historical claims to land ownership.
	Recognition of customary rights	Refers to indigenous peoples' rights to regulate their access to and management of forests based on their customary laws and institutions. Although international human rights laws recognize these rights, the extent to which they are recognized in national contexts varies. Customary rights may be in conflict with the civil or common law.
<b>Protection of workers' rights and conditions</b>	Health and safety	Includes health and safety standards in international conventions and national laws.
	Other employment conditions	Includes levels of pay, minimum wages, security of employment, and access to training, medical care, housing, and welfare benefits. These aspects might not be covered by international conventions such as those of the International Labour Organization (ILO).
<b>Rights of communities</b>	Needs of local population, sharing costs and benefits	Refers to the extent to which the needs of the local population, including sharing the costs and benefits from forestry activities, are taken into account in pursuing sustainable forestry management (SFM).
	Compensation	Commercial logging can have major negative impacts on livelihoods and quality of life in local communities. Companies can help compensate communities by providing employment, education and training, health care, and improved infrastructure.
<b>Cultural, spiritual, and recreational issues</b>	Maintenance of recreational and educational uses	Includes cultural, spiritual, and recreational uses of the forests.
	Protection of cultural and spiritual sites and values	Forests fulfill many cultural and spiritual roles for forest communities; particular sites are often of specific cultural and archaeological value.
<b>Process issues: participation in decision-making and access to dispute resolution</b>	Participation	Refers to the right of relevant stakeholders to participate in decision-making processes that affect the management of forests, or in dispute-resolution mechanisms. Relevant stakeholders may include local communities, indigenous peoples, workers and their unions, and, in some cases, interested civil society organizations and individuals.
	Access to information	Refers to two rights: the right to demand government-held information (and some private information), and the right to proactively receive information. Access to information is an enabling right to public participation.
	Dispute-resolution mechanisms	Access to fair and equitable mechanisms to resolve disputes among stakeholders, for instance, a dispute over access to the forest resources between the company and the local community.
<b>Law enforcement</b>	Law enforcement	Similar to governance. Failure to enforce the law can undermine other rights.
	Conflict timber	Occurs when revenue from timber sales or concessions is used to finance the purchase of weapons and fuel armed conflicts.

Sources: Based on Brack, 2010

## Addressing Social Issues

Some companies address social issues and manage social conflict through their overall policy and management systems. Emerging best practices (compiled from Wilson, 2009) include:

- Forging effective, equitable, and meaningful partnerships with other players, including the communities, civil society organizations, research organizations, and government.
- Promoting constructive multi-stakeholder dialogue and capacity building to build a shared understanding of the rights and responsibilities of communities, government, and industry.
- Promoting meaningful dialogue, beginning with the provision of on-time information using the appropriate channels.
- Building company and community capacities to develop and implement effective conflict management procedures and processes within the company, and empower local communities to effectively understand and exercise their rights.

Although forest certification systems address social issues differently, requesting certified wood is a pragmatic way for buyers to purchase products that are produced in a socially responsible manner. Certification requirements often involve a social impact assessment. Social impact assessments are seen as good practice to address social issues because they evaluate and highlight issues that may also affect the sustainability and profitability of projects (IFC, 2003). These assessments are commonly conduct-



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ed in a number of industries, including mining and energy, and for public sector projects. Assessments identify both the positive and negative impacts of a project on local communities.

Numerous guidance documents and manuals provide instruction for how to complete social impact assessments (Table 2). These publications focus on specific industries or purposes, but include common themes. Some questions that social impact assessments answer include:

- Will the operation increase or decrease employment and income for local communities?
- Will the skills and knowledge of locals be enhanced?
- Will the operation affect land tenure security?
- Will the operation prevent the local community from accessing and using forest resources and botanical medicines?

Table 2. Guidance on social impact assessments

Selected guidance publications	Author	Focus
Good Practice Note: Addressing the Social Dimensions of Private Sector Projects	International Finance Corporation	Private sector projects
Social and Biodiversity Impact Assessment Manual for REDD+ Projects: Part 2- Social Impact Assessment Toolbox	Climate, Community & Biodiversity Alliance (CCBA)	REDD+ projects
Database of Tools and Resources for Assessing Social Impact	Foundation Center	Private sector projects
Social Impact Assessment of Resource Projects	International Mining for Development Centre	Mining and energy sector projects
A Comprehensive Guide for Social Impact Assessment	UN Public Administration Network	Development projects
Manual for Social Impact Assessment of Land-based Carbon Projects	Forest Trends, CCBA, Fauna and Flora International and Rainforest Alliance	Land-based carbon projects
Good Practice Guide: Indigenous Peoples and Mining	International Council on Mining and Metals	Mining sector projects
Akwé: Kon. Voluntary Guidelines for the Conduct of Cultural, Environmental and Social Impact Assessments	Secretariat of the Convention on Biological Diversity	Development projects; impacts on sacred sites or areas traditionally used by indigenous peoples

## Box 1. Community forest management and community forest enterprises

Community forest management involves efforts to include the people who live in and around forests in decisions about the forest's management. It devolves the decision-making power to the community and the members of the community benefit directly from the forest management. In principle, community forest management can create a source of stable income by providing incentives for local communities to keep their land forested, thus conserving biodiversity and ecosystem services and contributing to poverty reduction and economic development (Bowler et al., 2010). In some cases, community forest management involves collaborations with civil-society organizations, government, and donor agencies.

The number of community-based and smallholder enterprises is growing rapidly. These enterprises are important revenue generators, especially in countries where tenure and rights

are formally recognized by the government. Small- and medium-sized community forest enterprises are a significant majority of the forest industry in some countries, including Brazil (96%), India (95%) and Mexico (80%) (Vidal, 2005; Molnar et al., 2007). Companies looking for a sustainable source of timber might establish business agreements with community forest enterprises directly or through an intermediary (often an NGO). In these cases, communities gain stable employment and income, improved infrastructure, and increased commercial value of their forest products.

The main challenges to community forest management include some smallholders' lack of capacity and resources to operate a forest-harvesting operation or to manage a business, and the difficulty of keeping costs and prices low enough to compete in the timber market.

### For more information...

- Abrahams, D., and Y. Wyss. 2010. *Guide to human rights impact assessment and management (HRIAM)*. Washington DC: International Finance Corporation.
- Anderson, P. 2011. *Free, prior, and informed consent: Principles and approaches for policy and project development*. RECOFTC.
- Forest Peoples Programme. 2004. *Summary of some key intergovernmental commitments and international standards on the social and cultural aspects of forests*.
- The Climate, Community & Biodiversity Alliance (CCBA): <http://www.climate-standards.org/>
- IFC. 2003. *Addressing the social dimensions of private sector projects*. Good Practice Note, No. 3., Washington, DC: International Finance Corporation.
- OECD. 2011. *OECD Guidelines for multinational enterprises*. Organization for Economic Co-operation and Development Publishing.
- Rights and Resources Initiative: <http://www.rightsandresources.org>
- Forest Peoples Programme: <http://www.forestpeoples.org/>
- The Forest Dialogue: <http://tfd.yale.edu/>

### References

- Anderson, P. 2011. *Free, prior, and informed consent: Principles and approaches for policy and project development*. RECOFTC ; Bowler D., L. Buyung-Ali, J. R. Healey, J.P.G. Jones, T. Knight, and A. S. Pulling. 2010. *The evidence base for community forest management as a mechanism for supplying global environmental benefits and improving local welfare*. A Scientific and Technical Advisory Panel Document. Global Environment Facility; Brack, D. 2010. *Social issues in timber procurement policies*. London: Chatham House; Chao, S. 2012. *Forest peoples: numbers across the world*. Moreton-in-Marsh: Forest Peoples Programme. IFC. 2003. "Addressing the social dimensions of private sector projects." Good Practice Note, No. 3.; ILO. 2011. *International year of forests 2011: What about the labor aspects of forestry?* International Labour Organization; Molnar, et al. 2007. *Community-based forest enterprises in tropical forest countries: Status and potential*. Washington DC: International Tropical Timber Organization Rights and Resources Initiative and Forest Trends; Vidal, Natalia G. 2005. *Forest company-community agreements in Mexico: Identifying successful models*. Washington, DC: Forest Trends; Wilson, Emma. 2009. *Company-led approaches to conflict resolution in the forest sector*. New Haven: The Forest Dialogue.

For more information on climate issues and to download a copy of the guide, *Sustainable Procurement of Wood and Paper-based Products: Guide and Resource Kit*, visit [www.sustainableforestproducts.org](http://www.sustainableforestproducts.org).

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