

EXTERNAL EVALUATION



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June 2013

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List of Abbreviations

ATCB	Awareness, Training and Capacity Building
CMA	Conservation Management Area
CMU	Central Marketing Unit
DEC	Department of Environment and Conservation
EF	Extension Forester
EFF	Eco-Forestry Forum
FORCERT	Forest Management and Product Certification Service
FSC	Forest Stewardship Council
GCSN	Group Certification Services Network
ILG	Integrated Land Group
LUP	Land Use Plan
MGCTF	Mama Graun Conservation Trust Fund
MoU	Memorandum of Understanding
MRV	Measurement, Reporting and Verification
NGO	Non Government Organisation
OCCD	Office of Climate Change Development
PES	Payment for Environmental Services
PNG	Papua New Guinea
PNGFA	Papua New Guinea Forest Authority
PNGFC	Papua New Guinea Forest Certification
PPP	Public / Private Partnerships
REDD	Reduced Emissions from Deforestation and forest Degradation
SME	Small and Medium Enterprise
UNDP-GEF	United Nations Development Program Global Environment Fund
UNFAO	United Nations Food and Agriculture Organisation
WMA	Wildlife Management Area

Introduction

Background

Creation of a Group Certification Services Network (GCSN) allowing access to Forest Stewardship Council (FSC) certification for small to medium timber milling operations owned and run by local landholders has, since 2003, been the foundation of all FORCERT's activities. FORCERT's mission and goal both describe the GCSN as the primary means by which FORCERT will achieve its objective of "environmentally responsible, socially beneficial and economically viable resource management" (FORCERT 2013:1).

In the external evaluation conducted in 2010, the Terms of Reference required the evaluators to seek ways to strengthen the development of the GCSN. The foundation of FORCERT in the GCSN was not questioned. Nevertheless, that evaluation saw the need to take the organisation in a new direction. In a strongly worded recommendation, it was said that FORCERT must develop

an effective approach to working with communities. The evaluation team strongly suggests that unless FORCERT now prioritises building its capacity in community development there is little point in it continuing with its work (Rosenbaum et al 2010:5).

Today, FORCERT has arrived at a position where the original concept of the organisation needs to be "critically assessed in its entirety...as it is now clear that the original concept has not worked out as expected" (FORCERT 2013:1). This makes it clear that FORCERT is at a crucial stage in its evolution as an organisation.

Focus

Under the Terms of Reference, the evaluation examines four critical areas:

- a) Changes made by FORCERT in their way of working in 2010-2013 period and their results;
- b) Long term financial security, income earning and self financial options;
- c) Location of focus areas, location of motivated communities (current and potential), location of FORCERT staff and resources;
- d) The need for adjustment of mission, goal, purposes and objectives if the original GCSN concept is changed.

The Terms of Reference propose a total of eight specific questions relating to these areas. These will be introduced in the relevant sections below.

Methodology

The evaluation team conducted a one-day reflection with the Manager and Technical Adviser of FORCERT on arrival at Walindi Nature Centre. This exercise served to both widen and to refine the Terms of Reference for the evaluation.¹

The team was then able to visit one FORCERT member community to assist with developing a set of questions to guide information collection. Following this visit, the team prepared sets of guiding questions for communities, extension foresters, business development officers and institutional stakeholders and partners. These questions formed the basis of semi-structured interviews undertaken by the team.² The team also discussed a uniform approach to the collection of field notes.

Information was collected under three main themes:

- a) Conservation and Forest Management;
- b) Social and Economic Benefit;
- c) The Role of FORCERT.

The first theme looked at the progress in conservation and forest management as a result of the work of FORCERT. The second theme looked at what benefits have come to people from managing their resources since 2010. Finally, the third theme looked at how people in communities and elsewhere see the role of FORCERT in what they do. In this way, instead of starting from the mission and goal of FORCERT and assessing its implementation in communities, the evaluation looked first at what communities and others think about FORCERT, working from there to its potential future roles. The evaluation questions were then addressed using information collected under these themes.

Team members conducted field visits to 10 communities³ selected by FORCERT as being representative of their operations. These included a spectrum of communities from current member communities committed to conservation, through to expelled member communities. Extension Foresters (EF) accompanied team members on these visits allowing time for direct interaction and observation of the EFs. Team members also met with FORCERT Business Development Officers, representatives of Central Marketing Units (CMU) and institutional stakeholders and partners.⁴

Desktop review was undertaken of information relating to world markets for FSC products (Bun et al 2004; FSC 2012); the national and international policy context of the United Nations Reduced Emissions from Deforestation and forest Degradation (REDD) and the later REDD+ scheme (Babon 2011; Skutsch 2011);

¹ These Terms underwent considerable change as a result of this process, in particular moving the focus away from maintenance of the GCSN to allow a broader analysis of FORCERT's achievements. They are attached at Appendix 1.

² Some uniformity was necessary, as the team later split up in order to cover the geographical spread of FORCERT operations.

³ Out of a total of 21.

⁴ See Appendix 2: "Contact List".

international literature on the operation of Payment for Environmental Services (PES) schemes (Wunder 2005; Dam 2011; Skutsch and Trines 2011), FORCERT internal documentation including the results of internal reviews, position descriptions for all staff, previous evaluations, annual reports, business plans, the FORCERT Constitution, FORCERT memoranda of understanding; and the external evaluation of the Foundation for People and Community Development Certified Community Forestry project (Diave-Nerius et al 2011). Contact was also made with the Natural Resource Development Foundation in Solomon Islands to provide some comparison with the FORCERT experience.

Structure of the Report

This report is divided into six sections. Four of these address the central topics identified in the Terms of Reference. The fifth deals with FORCERT's Payment for Environmental Services (PES) project, also identified in the Terms of Reference. At the request of the FORCERT Board, there is a final section to tie the information and recommendations in the report to some whole-of-organisation options for FORCERT to consider.

Each section begins with an introductory statement to provide context, followed by the specific questions raised in the Terms of Reference. The response to each of the questions based on the information collected is presented. Where appropriate, the evaluation team has made specific recommendations in response to each question.

Changes in 2010-2013 period

Changes in the period 2010 – 2013 must be viewed in the context of two things: financial constraints placed on FORCERT after 2010; and trends in member numbers and production volumes 2004 - 2013.

Financial restrictions prevented FORCERT from implementing the business aspects of the plan it proposed in response to the 2010 evaluation recommendations. To achieve the “proactive and responsive business approach” (Rosenbaum et al 2010:5) called for by that evaluation FORCERT proposed re-organisation and budgetary separation of a GCSN Branch with appointment of four timber production supervisor positions and an additional co-ordinator position to oversee the timber production and income generation side of the overall program.⁵ The current manager was to take on the additional responsibility of co-ordination of the Awareness, Training and Capacity Building (ATCB) division.

FORCERT envisaged that it would be able to attract three donors to support this expansion. This did not come about. Only two donors were found to support the program, and one of these ultimately reduced its financial commitment to the program. Consequently, FORCERT was not able to implement the proposed plan. This may have been the last opportunity to fully test the viability of the GCSN.

⁵ See Appendix 3: “Staff Structure: Proposed Business Plan 2011-2013”.

The trends in membership and timber volumes are shown in Figure 1 and 2.⁶ These show a decline in member numbers and production volumes beginning from 2008. FORCERT staff report that this was due to two main factors. The decline in member numbers was due primarily to some tough decisions that were made to remove long-term, non-functioning members from the register of members. The evidence from this evaluation suggests that this may have been due to communities not being able to purchase a mill, or having one and not using it to produce for the GCSN. The decline in production, on the other hand, came about when productive groups reached a point of receiving income. Issues of trust with CMUs, and the failure of producer groups to equitably and effectively distribute the proceeds of sale led to a drop in participation and hence production. Since then, a natural attrition rate of 2-3 members per year has contributed to the trend of continuing decline.

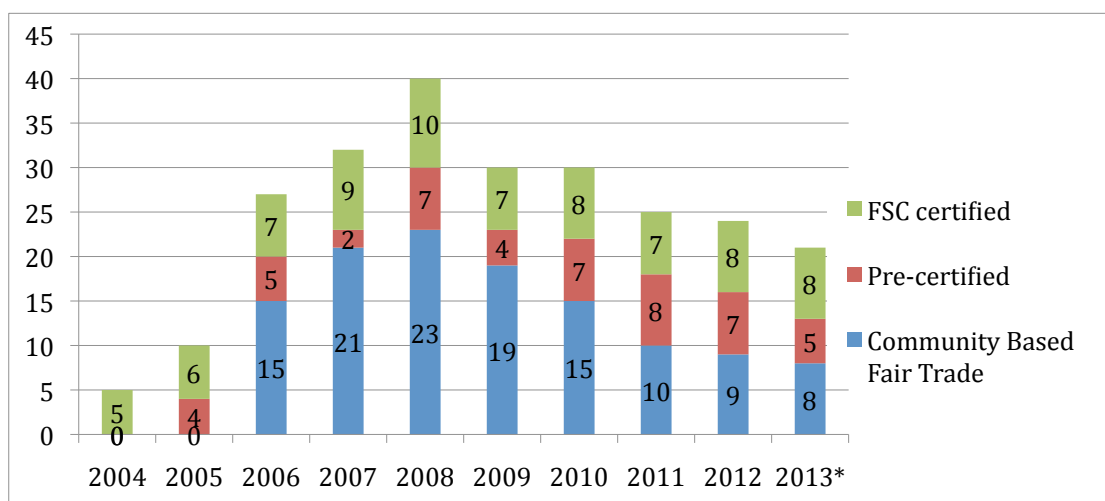


Figure 1: Producer membership number development 2004 – 2013. * expected at end 2013

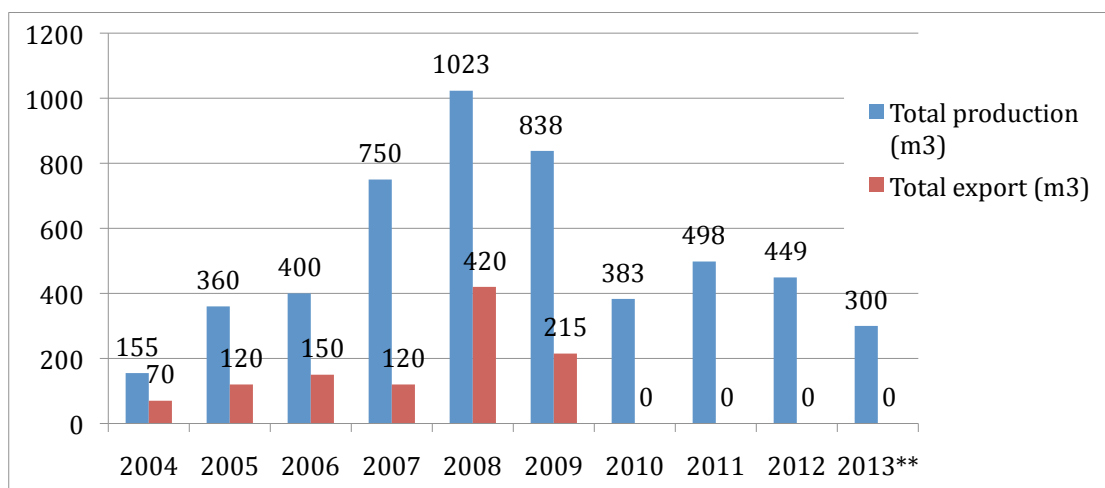


Figure 2: Timber volume development 2004 – 2013. ** estimated & extrapolated at end 2013

From FORCERT’s own monitoring, it is evident that the GCSN concept has not shown progress since 2009. Failure to adequately fund its activities is almost

⁶ Source: FORCERT in numbers 2004-2013.xls

certainly one cause of this. It is important to keep this background in mind in making judgements about the changes that have occurred in the period 2010 – 2013.

What has changed in the way FORCERT works in the period 2010-2013

- What worked and why?
- What did not work and why?

Key Findings

Communities

- **Group sawmilling businesses are not viable;**
- **Sawmills are family operated;**
- **Social benefits of sawmilling are substantial;**
- **LUPs and community work plans help communities organise.**

Extension Staff

- **Have built trust with communities;**
- **Show flexibility in their support for communities;**
- **Need more understanding of community development;**
- **Need more extension staff and a team approach.**

In general, the evaluation team found that little has changed on the ground since 2010. As Figure 1 shows, there has been a gradual decline in the membership of FORCERT, and there is reason to believe that this will continue unless there is change. Overall, the communities visited by the team expressed frustration, disappointment and some hopelessness that income did not materialise from their participation in the GCSN.

Communities

It is the business aspects of the sawmilling export enterprise that have not succeeded. In those communities where there is an operating mill, it is not being used to serve the export market. Even in communities that are well organised and are operating other business enterprises, the sawmill is not being used to generate income.

The main reasons are:

- the cost of transport and other overheads is high;
- the amount of time mills are not working is high as parts are slow and hard to obtain;
- the effort required to operate a group business is large, with many disputes and difficulty with decision making. Most mills are operated by a single family.

In addition, the issues identified in relation to Central Marketing Units (CMU) in 2010 persist. There is no trust between producers and the CMUs. The overheads of CMUs to export FSC timber were higher than projected. CMUs passed additional costs on to producers, who were then unsatisfied.

However, in communities where there is an operating mill, there have been social benefits from operating the sawmill. Communities have built aid posts, hospitals, guest houses, staff housing, churches and family houses using timber sourced sustainably from their own forests. This community benefit has been achieved on a break-even basis, purchase price just covering the costs of production. There has also been some sale into the local market⁷.

It is clear that an operating sawmill in a community yields benefits. The prior development of a Land Use Plan (LUP) and training by FORCERT has meant that this benefit is derived sustainably and with a higher degree of skill and safety. The work to develop LUPs and to assist communities to implement these through work plans are appreciated. When communities do work together, there is a clear plan to work to and this does contribute to better levels of community organisation. This effect is more likely to be present in communities that have good leadership. It is key individuals who drive effective plans. Communities lacking clear leadership are likely to struggle in any circumstances. This is a risk that must be effectively managed in FORCERT's program, either through a strategy of attempting to mediate leadership succession and growth,⁸ or through withdrawal.

In communities where there is not an operating mill, there is no change. There appears little interest in generating a business, and people have sought to obtain a mill through application to Local Level Government or elsewhere for grant funds to purchase a mill rather than seek to raise capital themselves. The existence of an LUP, awareness of the requirements of sustainability and the presence of FORCERT to conduct training lends credibility to an application.

Those communities that are presently members of FORCERT want to retain their membership. The reasons for this appear to be:

- Hope that eventually some financial benefit may come from the relationship with FORCERT;
- FORCERT extension staff provide a bridge to the outside, able to assist with matters not directly related to forestry (eg. court disputes over LUP areas, proposal writing and preparation, first aid training);
- Over time, FORCERT staff have formed a relationship with communities and a bond of trust exists.
- There is a strongly held view that communities need to benefit financially from conservation of their natural resources, as opposed to large scale logging and destruction of their natural heritage.

The evidence suggests that the continuing contact with FORCERT staff and the link they provide to the outside world is a greater factor in communities

⁷ The "local market" refers to the immediate market of families, clans and nearby villages. It is differentiated from the "national market", discussed under the question regarding the viability of the GCSN concept.

⁸ Mediating leadership renewal has been an important strategy for the Social Empowerment Education Program in Fiji. Their experience shows that the engagement of women is essential in this process.

retaining membership than having an effective sawmilling business or an operational trading network.

Staff

Extension Foresters

The work of the extension foresters has achieved results, even if these were not related to the GCSN. The communities that remain members of FORCERT appear to have a strong commitment to conservation. The Extension Foresters have supported people's conservation conviction, and help confirm that the concerns they have about the threat from industrial scale logging are justified. The frequency with which EFs are able to visit communities, at about four times per year, appears to be enough. However, the evaluation team are concerned that EFs should be able to work in a closer team environment that fosters exchange of skills, reflection, and greater engagement with women.

The training that has been provided in communities by FORCERT staff is appreciated, even when it has not been put into practice.⁹ The continued contact with FORCERT staff through training delivery and other visits has kept people's attention on conservation, and at least the potential that they may eventually find a way to derive a financial benefit from sustainable management of their resources.

EFs have assisted communities with proposal writing, including small administrative services such as photocopying, and help maintain a bridge to connect people to other services. This effort appears to have been enough to continue to sustain conservation commitment and maintain a relationship of trust in these communities.

However, it does not appear that EFs have internalised the idea of FORCERT as having a community development aspect.¹⁰ The EFs did not report that they had adopted a new approach to their work, or that much had changed in their work apart from new reporting requirements.¹¹ While they have been trained in using tools such as the Timeline or Moni Stori, it is not clear that they understand how these are to be applied in the context of ways to help communities move forward.

PES Foresters

The work of the two extension officers working on the Payment for Environmental Services (PES) appears to be proceeding well. It is the view of these officers that the PES project is suitable as a supplement to FORCERT's activities in promoting the GCSN. They have the view that PES will "stand on top

⁹ E.g. where there is no operating sawmill, people have not implemented any aspects of a plan.

¹⁰ Senior staff reported that there has been a substantial change in approach to delivery of Land Use Planning and High Conservation Value assessment, using an extended, participatory process. As well as observation, this finding is based on the fact that staff did not report this as a major change in their work.

¹¹ It is noticeable that the various checklists and guide questions being used to prompt EFs in their activities tend to reinforce the technical aspects of their job at the expense of a CD focus.

of the sawmill business". With the small number of PES trial communities, they have been able to maintain adequate contact. They expressed the need for the relevant EFs to return to suspended communities to clarify the reasons for suspension and work with these communities to re-integrate them with FORCERT's broader goals.¹²

Business Development Officers

Both of the Business Development Officers (BDO) reported that their touring program permits them to visit each member community once per year, because the area they cover is so large. Their touring schedules appeared well planned, and so the infrequency of visits is a concern. Regardless of the quality of the work done by the BDO in a community, little or no result would be anticipated from an annual visit. They continue to regard the GCSN as "a good business idea". Like the EFs, the BDOs have supported communities with a range of activities including proposal writing to secure grant funds.¹³

Has this led to the intended results, and does this indicate the GCSN concept may still be viable

For the reasons stated above,¹⁴ the idea of providing a continuous supply of certified timber for the export market through a Group Certification Services Network was never likely to succeed in the view of the evaluation team. There is no evidence that FORCERT is any closer to this goal. In fact, the reverse is true.

This does not mean that the idea of certified timber is entirely dead. The process communities have been through with FORCERT does provide a framework for sustainable forest management. This sits well with the conservation commitment expressed by communities, and the process seems to make sense for them even without the export component.¹⁵ In addition to the social benefits that have been derived, sawmilling operations have taken advantage of sale into their local market.

Furthermore, other conservation NGOs and Government express continued support for the FSC concept. They see continuing potential for the sale of ethically produced timber in the national market.¹⁶ While this market does not exist at present, an organisation known as PNG Forest Certification Inc. (PNG FC Inc.) has been established to promote FSC certification nationally. Although it appears to have got off to a slow start, there is potential support from this

¹² This is reported on and discussed at greater length in the section relating to PES.

¹³ The evaluation team recommend the book "Ripples for the Zambezi" by Ernesto Sirotti as a guide to enterprise development. His video on TED, "Want to help someone? Shut up and listen!" is also an instructive talk on entrepreneurship.

¹⁴ High overheads, high downtime, group business.

¹⁵ In fact, it remains the case that the general understanding of FSC and the GCSN remains poor in communities. It appears that it is the management tools that are attractive, alongside the hope of one day achieving a financial outcome.

¹⁶ The Natural Resource Development Foundation in Solomon Islands has successfully negotiated for Ausaid funded projects in that country to source only certified timber, and there is no reason why organisations such as the Eco-Forestry Forum (EFF) could not negotiate similar agreements in PNG. This could also include construction by government agencies.

organisation in promoting a national FSC market. If this is successful, local demand for FSC timber for construction and furniture in provincial locations may provide a future market possibility for small producers.

So, while the concept of the GCSN selling into the export market appears dead for now, there is still merit in maintaining standards of sustainable forest management. At the local level, people appreciate the management tool.

Promotion of FSC nationally may contribute to increased demand in future, and if so, this may encourage increased production. If this were to be the case, then *once production volumes are re-established* it may be again worth considering the export market. This should be primarily determined by business operators and the market, supported through business facilitation.

Recommendations

- 1. Continue regular contact with member communities to maintain trust and provide support for their conservation endeavours.**
- 2. Continue to help communities organise sustainably through developing LUPs, work plans, maintaining forest management standards, providing training and extending networking opportunities.**
- 3. As resources allow, expand the extension workforce to include land management, community development and business skills in a team presence that includes women.**
- 4. Shift the focus of enterprise development to families, continuing to enhance local skills in production, marketing and financial management.**
- 5. Network with partner organisation to continue to promote FSC certification at the national level.**

Financial security

Key Findings

- A diversity of funding sources is more secure. These can include:**
 - Donors' funds**
 - Production levies and member fees**
 - Fees for services such as training**
 - Environmental Consultancies**
 - Public/Private partnership contracts**
 - PES administrative charges**

It has always been intended that FORCERT would, at least to some extent, become self-financing. It appears that many donors now consider development of organisational business plans a necessity, as if community organisations should somehow also develop entrepreneurial skills and act like businesses. While it is understandable that donors would seek to discourage groups from regarding their largess as bottomless, it is also arguable that the types of outcomes donors expect are not compatible with a business approach. However, as an alternative to donor funds, there are at present income flows to the PNG government that may present opportunities for organisations in the environment sector.

Media reports suggest that the Department of Environment & Conservation (DEC) is seeking to be pro-active in sourcing funding support for conservation efforts in PNG (Saiyama 2013). Yus Conservation Area is the first area in PNG to be declared under the Conservation Areas Act, Managalas Conservation Area in Oro Province will most likely be the second, and DEC last year started an ambitious project with a target of conserving 1,000,000ha under this Act. Apart from areas linked to the Kokoda Trail, the project is targeting areas on New Britain Island.

As part of the UNREDD PNG Program, it has also been reported that the United Nations Food and Agriculture Organisation (UNFAO) has signed an agreement with the PNG Office of Climate Change Development (OCCD) to set up “its own credible system for the measurement, reporting and verification (MRV) of REDD+ activities” in PNG (Martin 2013). While they have responsibility for a wide range of land management issues, neither DEC nor OCCD have any extension staff on the ground in the provinces. At present, OCCD consists of 15 staff only in its Port Moresby office.

The PNG Forest Authority (PNGFA) is also developing programs that respond to REDD+, and is considering how to approach re-training of its extension staff in sustainable forest management. It has developed a number of pilot projects of its own relating to development options for forest management. It is involved in the April-Salumei project in East Sepik Province and has developed its own REDD+ pilot project in Central Suau in the Milne Bay Province. All of these government departments recognise their lack of capacity to get information and services on the ground in village communities, and are seeking to fill this capacity gap with public/private partnerships (PPP).

What would be the best strategy for FORCERT to obtain long-term financial security

The Terms of Reference ask the evaluation team to consider two perspectives on financial security. One is to look at “long-term financial security” and the other is to look at “self-funding” options. While related, these are not the same. Long-term financial security presents difficulty for analysis. How long is “long”? Does long-term mean becoming independent of donor funding? To what extent should finding means of self-funding be a goal of the organisation? How does such a goal affect its overall work?

FORCERT has taken a pro-active approach to raising its own funds, charging membership fees to communities, imposing a levy on export volumes, is considering including fee-for-service training in its work,¹⁷ and undertaking consultancies. At present, with declining membership and declining export volumes¹⁸, FORCERT's strategy of using community business development as the engine of its own sustainability has been unsuccessful. However, as indicated above, there are emerging sources of funding from within the PNG government that may help support the alternative strategies that FORCERT has trialled.

The evaluation team found that DEC, OCCD, and the PNGFA regard FORCERT as a credible partner. At interview, DEC directly suggested the possibility of engaging FORCERT on a contract basis to undertake preliminary work on establishment of a conservation area in Nakanai and Whiteman Ranges.¹⁹ With respect to OCCD, FORCERT is in a strong negotiating position to leverage funds made available to government for conservation and REDD+ activities. OCCD regard FORCERT as a test bed for REDD+ activities in PNG. FORCERT has an existing and substantial Memorandum of Understanding (MoU) with OCCD in relation to the Payment for Environmental Services (PES) project, and a further MoU with Mama Graun Conservation Trust Fund in relation to the same activity. It is clear from discussions with senior representatives of both the OCCD and DEC that they regard FORCERT as potentially an important future partner. The OCCD went so far as to describe FORCERT as "our lead partner in developing REDD+"²⁰ in PNG, and this is borne out by the substance of the MoU.

Furthermore, in the previous section, it was found that FSC timber sales do have a future on the national market in PNG. For an effective financial strategy, FORCERT should not abandon the concept of collecting a levy on production volumes, and, as long as it continues to provide a credible service, membership fees remain an option, even if difficult to collect. In addition, the system for PES that is currently under development does provide for FORCERT to charge an administration fee for the service it provides in assisting communities with training, planning, monitoring and reporting.²¹

All of these are options that FORCERT is in a position to exploit with its current level of expertise. It has a presence in six regions of PNG²², but as suggested above (Recommendation 3), needs to expand its extension presence in these areas if it is to increase its range of activity. However, it should not be expected that any of these potential sources of funds will follow a smooth growth curve²³ without FORCERT adopting an aggressive business approach. The evaluation team regard such an approach as incompatible with FORCERT's objectives in

¹⁷ For example, becoming a licensed trainer for the Little Fish "Moni Stori".

¹⁸ As shown in Figures 1 and 2.

¹⁹ While it seems likely that this relates to PES, it was not clear to the evaluators what specific roles DEC envisages for FORCERT.

²⁰ Source: quote from evaluation interview.

²¹ Note caveats in relation to this in section on PES, below.

²² West New Britain, East New Britain, New Ireland, Morobe, Madang, East Sepik.

²³ This is why diversity is important. As one source declines, hopefully, another will present a growth opportunity.

communities, as it is likely to take too much effort away from its mission of promoting environmentally responsible, socially beneficial and economically viable resource management in village communities. Long-term, therefore, FORCERT will continue to rely on donor funds to support its core operations. However, the lesson FORCERT can take away from business is the need to be flexible in the way it generates income.

Recommendations

- 6. Maintain options to collect levies on production and membership fees.**
- 7. Continue to develop the PES project as an income source.**
- 8. Investigate the needs of the Department of Environment and Conservation, and where appropriate, develop an MoU and contract agreements.**
- 9. Develop contract agreements with OCCD for provision of extension services relating to management of terrestrial ecosystems and REDD+ activities.**
- 10. Seek fee-for-service training opportunities within FORCERT's fields of expertise.**
- 11. That donors provide for FORCERT to trial a 5-year program of developing a diversity of self-generated income sources, followed by a review of funding levels.**

Location of focus areas

Key Findings

- **FORCERT should maintain its existing area of coverage as far as resources permit;**
- **FORCERT needs to direct its staff and resources in a way more tailored to the needs of individual member communities, and more carefully consider the step process it employs in each community.**

Is there a need for FORCERT to change its current focus areas

The areas and communities where FORCERT currently operates were not of its choosing.²⁴ It was due primarily to financial constraints that it reduced its area of

²⁴ See historical note under this heading in the Terms of Reference. It has already been noted that FORCERT is considered a valuable organisation in PNG. This is in spite of the fact that the GCSN has not worked out as planned. Stakeholders do not blame FORCERT for this lack of progress, but rather the circumstances of FORCERT's evolution as an organisation.

operation. The evaluation team see no pressing need for FORCERT to reduce or change its areas of operation, subject to finance to sustain the current effort being available. In fact, the evaluation is recommending expansion of FORCERT's field workforce.²⁵ This will depend on FORCERT's ability to develop self-generated income and the extent of donor support.

However, FORCERT needs to move from a one-size-fits-all approach directed towards the growth of the GCSN. It should more carefully consider the step-by-step processes it employs in communities, and more carefully tailor its approach to the circumstances of different communities.²⁶ A number of criteria are immediately obvious. For example:

- **Market Access:** in areas where there is lower cost access to markets, a business approach has a higher likelihood of being successful. Lessons learned from development of business models²⁷ in these areas may be able to be usefully applied elsewhere. To be successful business must be flexible and creative in how it generates profit. One model alone, such as the GCSN, is unlikely to succeed.
- **High Conservation Value:** as these are likely to be more remote areas, an emphasis on terrestrial management, development of robust LUPs²⁸, land management training and the introduction of PES may take priority.
- **High Threat Areas:** where logging has already taken place, conservation commitment tends to be high. Sustaining a conservation message and working with communities to support any effort they make towards self-reliance is worthwhile. Rehabilitation and nursery based on seed resources from standing forest may be another option.²⁹
- **High Motivation:** Occasionally there are communities with exceptional leadership or highly motivated individuals that can achieve much with only a moderate level of support. Where these can be identified, encourage and support their self-reliance and conservation effort with training and links to other resources.

²⁵ See Recommendations 3, 7 and 8.

²⁶ The work developed by the Bismark Ramu Group in its ICAD phase may be useful in this regard, as it describes one process developed to assist communities with the decision making processes on conservation options.

²⁷ For example, the difficulty in operating group business. Family level business coupled with benefit sharing either directly in construction of community facilities or through employment has become the default business model in communities.

²⁸ The evaluation found that the LUPs developed to date have been rushed and are vulnerable to challenge. A more thorough approach based on the voluntary efforts of motivated landowners, coupled with mediation and conflict resolution techniques is required.

²⁹ Discussed further under PES.

Recommendations

12. Always be asking the question: “What should we be doing next in this community?” Consider context, community leadership (formal and informal), coherence and motivation, existing enterprises (rather than just sawmilling) as well as geographic factors.

Mission, goal, purposes and objectives

Key Findings

- **The exclusive focus on the GCSN as the means to achieve FORCERT’s mission restricts the organisation’s options;**
- **Strong, lasting organisations are adaptive;**
- **FORCERT has no stated vision for PNG or its landowners and village communities, who make up 80% of the population.**

Currently the mission, goal, purposes and objectives of FORCERT are stated as:

Mission statement

We promote environmentally responsible, socially beneficial and economically viable resource management by providing a group certification service network and an awareness, training & capacity building service to small and medium scale community based & owned forestry enterprises, using product & service certification as a management, networking and marketing tool.

We believe in a fair and transparent independently certified product trade & service provision, which recognise the important role of local landholders and ensures the different values of their resources are appreciated and maintained.

Goal

To facilitate the responsible management and maintenance of forest resources that maximizes the social and economic benefits for local landholders through a viable group certification service network.

Purposes

- To provide an appropriate and cost effective group certification service network for small- and medium-scale community based & owned forestry enterprises.
- To assist producer and central marketing unit members in marketing their products and services.
- To promote the development of Forest Stewardship Council certified forestry and Fair Trade product certification.
- To promote the development of Payment for Environmental Services.
- To work in close collaboration with all stakeholders in developing the

FORCERT group certification service network.

Objectives

- Fully develop FORCERT as a service providing company for small- and medium-scale forestry enterprises, and Central Marketing Units.
- Fully develop and strengthen the group certification service network to become financially self-supporting, with maximum use of existing external capacity and services.
- Provide awareness, training and capacity building on community and business organisation, forest management and product certification.
- Support the establishment and management of viable village based forestry enterprises and Central Marketing Units.
- Strengthen market access of certified products & services for members.
- Facilitate participative community resource use and planning, which provides for agreed integral community needs for producer members.

How should FORCERT's mission, goal, purpose and objectives be adjusted if the original GCSN concept is changed

In the material provided to the evaluation team, there was no statement of FORCERT's guiding vision for PNG and its communities. If the GCSN ceases to be the focus of FORCERT's activities, this will be essential to developing its new statements of purpose.

Having sawmilling enterprise and development of the FSC export market through the GCSN as almost the only means through which FORCERT will achieve its mission has unnecessarily hampered the organisation's ability to respond adaptively to new opportunities. It is noticeable, for example, that PES does not appear to sit comfortably with the remainder of the statements, which place a strong emphasis on enterprise development.

Strong, lasting organisations need to be flexible and responsive to changing circumstances.³⁰ FORCERT has an excellent foundation in its extension network, competent management and technical expertise. It should broaden its vision to make better and more adaptive use of these strengths. The final section of this report proposes some options for FORCERT's future. These options can be used to help focus this vision into specific statements of mission and objectives that will be FORCERT's specific contribution towards achieving that vision.

How could national and international development trends be considered in reformulation of purposes and objectives

National

Partnership: the most noticeable trend in PNG is the increasingly open recognition on the part of government that it lacks on-ground capacity to deliver services. To close this capacity gap, government is seeking to develop Public/Private Partnership with churches and the NGO sector. This trend is

³⁰ The Solomon Islands Development Trust, which recently celebrated 30 years of operation is one example of this. It's unifying vision, "Strong Village, Strong Nation", serves it well in adapting to changing circumstances, and in being able to attract a range of donor and other support.

evident in the health and education sectors as well as the environment and enterprise.

Enterprise: recent media attention in PNG has focussed attention on the so-called “Dutch Disease”, or two-speed economy, where high levels of mineral and gas exports drive the currency up, damaging other sectors of the economy. In this context, there are calls for renewed investment in the agricultural sector. A recent conference held in Madang and attended by the Prime Minister has drawn attention to the need to put increased effort into the Small and Medium Enterprise (SME) sector, what in international development circles is sometimes called the “missing middle”. These appear to be favourable circumstances in which to continue to promote the FSC market and community-based forestry nationally. FORCERT’s expertise in certification and Fair Trade may also be applicable to other products commonly produced by communities, such as cocoa.

Climate change: Papua New Guinea has advocated for the inclusion of REDD+ under the United Nations Framework Convention on Climate Change. The present proposal calls for a phased approach to REDD+, in which Phase I would “primarily use new and additional Overseas Development Assistance to strengthen capacity and support demonstration activities” (Babon 2011).

Conservation: The declaration of the first conservation area under the PNG Conservation Areas Act at YUS is another significant milestone that may lead to substantial sums becoming available to establish a PNG Biodiversity Trust Fund. As discussed above, DEC has ambitious targets for growth of conservation areas.

While it is possible to be optimistic about the future of conservation initiatives in PNG, the road is not easy. While some donors are providing support for conservation activities, these initiatives will face obstacles and delays. Capacity and resource constraints within government agencies, a lack of interagency coordination, corruption and political interference, limited ability to effectively engage landholders and communities, and the persistent unwillingness to tackle the drivers of deforestation all suggest that effective terrestrial management in Papua New Guinea is still a long way off.

International

Enterprise: with regard to the market for FSC timber, there are indications that the Chinese market, while stable, is becoming more sensitive to sources of supply (Bun et al 2004; Thomas Paka – evaluation interview). The PNG Forest Authority may be working towards an increasing commitment to sustainability as a result.³¹ On the other hand, there is increasing global competition in the FSC market, in particular from Brazil and Indonesia. Hardwood plantation sources are expanding in developed countries, however these are primarily for kraft pulp stocks (FSC 2012).

Experience in FSC products from Cameroon suggests that the problems experienced in PNG relating to high overheads and a lack of understanding of the

³¹ As reported by Thomas Paka, a PNGFA board member, at interview.

technical requirements of certification are not unique. Pressure from industrial loggers and the need for high levels of external support are other common issues. This experience suggests that sustained levels of donor support are necessary to enterprise facilitation (De Blas et al 2009).

In the Solomon Islands, the Natural Resource Development Foundation has had some success with community-based FSC production. However, this is limited to two communities, the local buyer provides transport and pays cash, and sawmilling is one of a number of local initiatives contributing to village livelihoods. The developed tourism market in Western Province, where these enterprises are located, also provides eco-tour opportunities. While the comparisons are limited, this does suggest that diversity of opportunities is an important factor when working with communities (NRDF pers.comm).

Climate Change: the FORCERT PES trial has no international precedents. While there have been limited trials in Costa Rica, Bolivia and Vietnam, these have taken place in quite different circumstances in terms of land ownership, existing land use, legislative frameworks and government capacity (Wunder 2005). PNG is unique among countries pursuing REDD+ activities in its recognition of customary land ownership (Babon 2011). While there are important principles for the operation of PES systems, these exist more as theoretical constructs than the results of experience. FORCERT has the opportunity to be influential internationally in reporting on the MRV and benefit sharing mechanisms it develops with village communities, as “community monitoring has been specifically identified as an important component within REDD+” (Skutsch and Trines 2011:58).

Recommendations

- 13. That FORCERT commence its next strategic planning process by developing a vision statement, and employ this to extend its statements of its mission, objectives and purpose.**
- 14. That FORCERT examine the means by which it hopes to achieve that vision and include sources of community livelihood and well-being other than only sawmilling enterprise.**

Payment for Environmental Services (PES)

Key Findings

- **The form of presentation of PES to communities risks raising expectations that may not be met. FORCERT must take great care not to increase confusion or raise expectation in how it moves forward in its member communities;**
- **The design of the community benefit sharing mechanism is good.**

PES schemes differ in the way they try to achieve an effect. There are three basic types. The most common is a contract-based payment that stipulates a land use and defines that use over an agreed number of land units (eg. amount of timber extracted per hectare, or in a plantation, carbon stored per hectare). Secondly, there are product-based schemes, where a premium is paid on top of the general market price to support a production process that is certified environmentally friendly (eg. the premium paid for FSC timber is a type of PES). Finally, there are use-restricting schemes which reward providers for fully setting aside areas that would otherwise be environmentally degraded. The PES is a payment for the opportunity cost, but can also be a reward for active protection efforts against a threat (Wunder 2005). It is essential for PES schemes that the payment contributes to *additionality*, that is, the effect of the payment is to increase the amount of the service being provided.

However, in the process of developing REDD+, it has been argued that that in many tropical countries deforestation occurs as a means of driving development. This implies a declining baseline as shown in Figure 3. A halt or even slow-down in deforestation ('avoided deforestation') would then qualify for additionality and carbon credits, as has been instituted under REDD+.

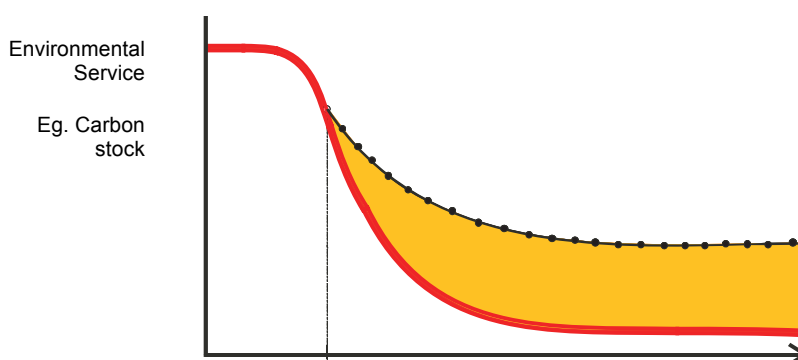


Figure 3: Application of PES to a declining baseline (Wunder 2005)

Two other concepts are important to understanding a PES framework: *leakage* and *permanence*. If a carbon PES scheme finances reforestation in a certain area, but this directly causes deforestation pressures in a neighboring area, then the PES scheme had a high leakage: it achieved high additionality only for the project

area, but not for the broader, global goal. If after the scheme's termination all the reforested trees are cut down immediately for firewood, the scheme's permanence would be lower than if the trees were left standing.

Finally, in community PES schemes, because the resource is owned communally, the payment scheme is accompanied by a benefit sharing mechanism, which is integral to the PES scheme overall.

How has the work on PES progressed and how could it be best continued

First, the PES scheme as currently devised by FORCERT resulted from participation in an international research project on community based monitoring, reporting and verification (MRV) systems for carbon storage. It is not limited to nor solely focussed on carbon sequestration and storage, although it is acknowledged as currently the environmental service with the highest potential to generate income. FORCERT is emphasising in all its PES work that it is not just about carbon credits or REDD, but that REDD is one particular form of PES. With the development of a Proposed PES System for PNG a national component was added and the scope widened to potentially include all forms of PES. FORCERT is trialling the practical implementation of the Proposed PES System for PNG through the establishment of a PES Trust Fund, which is the subject of an MoU with Mama Graun Conservation Trust.

FORCERT has some notable achievements in relation to PES. As well as effectively incorporating feedback from communities, the Expert Consultation Group has provided valuable input.³² These important contributions influenced the second draft of the Proposed PES System for PNG, which has obtained government recognition, contributing significantly to the credibility FORCERT now has with DEC, OCCD and PNGFA.

In communities, the evaluation team find that the work on the technical aspects of PES has progressed well. Effective training in the techniques of measuring dynamic processes in forest plots has been undertaken, and community monitoring is taking place.³³ Staff report that community feedback has already led to modification of the project to include biodiversity among the eligible PES criteria.

The attention of the team is therefore on why this work is taking place, and it is clear that almost the sole reason communities have agreed to take on these tasks is that they have been told that eventually a payment will come from their efforts. Community members are anxious now that their commitment to put aside forest areas and do the work of monitoring will yield a financial reward. With the failure of the GCSN to live up to community expectations, the future of the PES is now vital to the future of FORCERT. If community expectations are not met several communities will simply give up and allow in the loggers. It is the view of the evaluation team that FORCERT has with the PES trial repeated the

³² For example, in the design of the benefit sharing mechanism.

³³ It is beyond the technical expertise of the evaluation team to assess the effectiveness for assessing carbon storage of the parameters chosen for forest plot monitoring. We can only say that it is occurring.

error made with the GCSN – that of introducing an expectation³⁴ before there is any certainty in the capacity to deliver or clarity about the amount of reward that will come from people’s effort.

Communities do not appreciate the deeper implications of PES for their future, nor do they appreciate other opportunities that may exist for them to obtain a PES payment. As an example, the idea of increasing gardening intensity in order to reduce land clearing is seen by the evaluation team as inconsistent with community beliefs about wealth, which among other things can be expressed in having large garden areas. Acreage on its own is a more significant measure of wealth than production per square area of land. If, as predicted, the amount of money from a PES carbon scheme is small (Dam 2011:167), then other factors such as this kind of cultural perception will come into play.³⁵

Furthermore, the predicted pattern of distribution of national PES income on the basis of 10% national administration, 20% on-ground administration and 70% local benefit does not appear to have a clear justification, and like the CMU costs, may not be correctly estimated. Nevertheless, this message has been delivered to communities, and if the pledge fails, the consequences will be dire for FORCERT. Uncertainty also surrounds the need for PES insurance in the event that pilot areas are inundated by flood, landslide or other natural catastrophes.

With respect to the issues of leakage and permanence, the evaluation team find that the LUPs as currently developed by communities with FORCERT are not sufficiently robust to support PES. This is a further source of uncertainty. A mechanism must be developed to provide legal enforceability for landholder-developed LUPs. The Integrated Land Group (ILG) has been touted as the means to achieve this, but the Department of Lands does not have a sufficient track record to sustain confidence on the level that is likely to be required by PES investors. However, given the recent review of the ILG legislation and the need for re-registration of 18,000 existing ILGs, it is an opportune time for EFF, with FORCERT and OCCD support, to push for a secure form of tenure that honours the expectation of landowners. PES cannot proceed without this.

How does the PES work relate to and affect FORCERT’s work overall

At present, it would appear that FORCERT may envisage that the PES scheme will be coupled with the sawmill enterprises to push these over the line to profitability (Dam 2011:167). Our results show that the sawmill enterprises are in practice being run by families, even where the group business structure exists. It follows that a simple integration of PES, which is largely communally based, with sawmilling enterprise, which is not, will not be effective. This problem will be coupled with the additional problem of understanding why PES is about keeping trees, and sawmilling is about cutting them down. Although this may be resolved through the design of the LUP, it is still another hurdle.

³⁴ The “buai basket” used in describing the PES system to communities.

³⁵ The structure of the proposed benefit sharing mechanism may mitigate the factors discussed here, and this is considered further under the next question.

In this regard, the evaluation team are of the view that design of the proposed PES benefit sharing mechanism is positive, and shows the way forward. The inclusion of both a family account and a community benefit account in the mechanism is useful in a number of ways.

First, the family account is an opportunity for people to support whatever enterprise activity they are undertaking. The information collected by the team shows that other enterprises such as cocoa, copra or vanilla are not operated communally, although there may be accompanying mechanisms for sharing that have been developed by the group. FORCERT could desist from working only on the sawmill enterprise, and be responsive to whatever enterprise families are following.³⁶ Fair Trade cocoa may be one area where the expertise gained from the FSC experience can be applied. *Not* to set up a Fair Trade chocolate network, but to provide producers with support and information they may be able to act on themselves at a family level – that is, to guide producers in the effective use of PES family benefits as a means to increase profitability.

Secondly, planning expenditure of community benefit funds could include developing submissions that likewise grow the community benefit, for example by accessing dollar for dollar funds from Local Level Government and donors. Developing bigger projects in this way, including for example the purchase of a sawmill to supply a social benefit in the local market, may sit very well with a community's LUP.

Thirdly, the approach of having both a family and communal benefit is likely to reduce potential conflict. Families can feel satisfied that they have a share in the proceeds from PES, and this will take the heat out of arguments about communal uses, and individuals chasing money from the communal benefit fund.

Finally, PES has the useful aspect of having a high level of flexibility. Two examples come to mind. First, the efforts made by the community at Ainbul to stop mining potentially occurring in the upper catchments of a major river system provides a benefit to all downstream users. This benefit has been acknowledged by those downstream of Ainbul. This would appear to qualify for a PES payment. While normally it would be expected that the downstream users would foot the bill, there may be other ways to look at this. Secondly, in many areas where there is conservation commitment, this is a consequence of logging having already taken place. Natural regeneration can be limited by the complete loss of canopy. Communities may be able to undertake nursery and rehabilitation activities that would qualify for a PES payment. While the focus of the MoU with OCCD is on REDD+ activities (for which reforestation would qualify, if not catchment protection), FORCERT should adopt the general principle of seeking greater versatility in all the activities it undertakes.

³⁶ Through, for example, continuing to offer the Moni Stori and the Two Roads story as part of an enterprise training package.

Recommendations

- 15. FORCERT must build the narrative around PES from the ground up, a “PES Stori”, anchoring PES first in the maintenance of traditional life-ways, and simultaneously in the modern context of threats from climate change. In the team discussion, the slogan “Kaikai Moni?” seemed useful as a way to tie this together. The community must have belief in a narrative other than only money to justify their efforts, or the effort is unlikely to meet the requirements of permanence. The team thinks conservation commitment is there in communities. It must be strengthened in ways other than just the potential for financial reward for the standard of permanence required by a carbon-based PES.**
- 16. That FORCERT (or OCCD through the MoU) engage a suitably qualified business consultant to advise on the costs associated with PES administration and the scale of benefits likely to accrue to communities.**
- 17. Land Use Plans are the basis for PES, FSC, and any terrestrial management system. They must be carefully developed with communities, take account of future needs, and they must be robust. FORCERT must consider its process for preparation of LUPs more carefully, and work with partner organisations to ultimately ensure enforceability.**

Future Options

This final section aims to tie together the recommendations made above around four options or central themes for the future identity of FORCERT. These themes are:

- Natural Resource Management
- Sustainable Community Enterprise
- Community Wellbeing
- Financial Sustainability

While each of the general recommendations made in the report are all important, the choice of future direction places different emphasis on which recommendations should get priority. An attempt has been made to show this in the “additional core activities” under each theme. The options are presented in no particular order. The suggestions made here are the result of an evaluation team “brainstorm”.³⁷

³⁷ It is part of the brainstorm process that all suggestions are recorded without detailed assessment of each one. Note that this is the case with the options presented here.

Option 1: Make PES the focus of activity

Key Outcome: Natural Resource Management

Core business:

- Develop robust LUPs with communities
 - Living areas
 - Garden areas and gardening techniques
 - PES areas, WMAs and Conservation areas

Additional core activities from recommendations:

- Develop the “PES Stori”
- Network with government agencies and NGOs to strengthen LUPs

Self Financing:

- PES administration income
- DEC contract work
- OCCD contract work

Strengths:

- Technical capacity
- Influence national policy/legislation
- OCCD MoU in place
- MGCTF MoU in place

Risks:

- Lots of unknowns (PES income, new idea, hard to understand)
- Carrots for conservation – low community commitment
- Less opportunity to grow FSC market
- A lot of work to get the story right in communities
- Reason for change not clear to communities

Option 2: Make FSC the focus of activity

Key Outcome: Sustainable Community Enterprise

Core business:

- Develop local and national markets for FSC timber

Additional core activities from recommendations:

- Network with government agencies and NGOs to develop national market
- LUPs, training, proposal writing to get sawmills into communities
- Family focus with benefit sharing

Self Financing:

- Develop parts supply and mechanical services
- Levy
- Membership fees

Strengths:

- Skills already exist
- Organisation structure is there
- Donors support business
- Partners support FSC role for FORCERT
- SME conference likely to increase access to grants for communities
- Community social benefit even without business

Risks:

- Low flexibility for contract opportunities
- Record of failure due to high overheads
- FSC market not there right now
- Not really working at the moment
- Not very clear where PES fits in

Option 3: Make Resilient Communities the focus of activity

Key Outcome: Wellbeing of Communities

Core business:

- Develop LUPs
- Cash cropping and FSC certification
- PES

All these are regarded as management tools that can be chosen from, not objectives in their own right.

Additional core activities from recommendations:

- Networking for stronger LUPs
- Networking for National FSC market
- Networking for other certifiable crops (eg cocoa)
- Supporting family business
- Develop "PES Stori"
- Social side – leadership, community wellbeing

Self Financing:

- OCCD contracts
- DEC contracts
- Training services and consultancies
- Levy and memberships

Strengths:

- Versatility
- Holistic (see Appendix 5 for a definition of holistic development)
- Good for community
 - Different mixes of tools and options
 - Lots of planning tools
- Space to change with the situation

Risks:

- Too wide/too much to do/not enough time to do everything well
- Skill base must grow

- Resources spread too thin
- Finances not enough

Option 4: Make Financial Sustainability the focus

Key Outcome: FORCERT Business Enterprise

Core business:

- Securing contracts
- Conducting training
- REDD+ activities

Additional core activities from recommendations:

- Contract work using extension service
 - Terrestrial management
 - PES
- Training of government staff and in communities

Self-financing:

- Secure contracts with OCCD/DEC/PNGFA/others
- Seek licensing agreements for training
- Seek environmental consultancies

Strengths:

- Independence from donors
- Organisational survival
- Clear business orientation
- Influence government policy and direction

Risks:

- Lose contact with communities
- Lose focus on conservation
- Replace government as service provider
- Pulled in too many directions

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Appendices

Appendix 1: Terms of Reference

June 2013

1. BACKGROUND

FORCERT's mission statement is:

We promote environmentally responsible, socially beneficial and economically viable resource management by providing a group certification service network and an awareness, training & capacity building service to small and medium scale community based & owned forestry enterprises, using product & service certification as a management, networking and marketing tool.

We believe in a fair and transparent independently certified product trade & service provision, which recognise the important role of local landholders and ensures the different values of their resources are appreciated and maintained.

FORCERT's overall goal is:

To facilitate the responsible management and conservation of forest resources that maximizes the social and economic benefits for local landholders through a viable group certification service network.

FORCERT was established in 2003 as a not-for-profit service providing company to help allow access to FSC certification for small and medium scale eco-forestry enterprises and timber yards. FORCERT has been working closely with other service providers and stakeholders and have built an operating Group Certification Service Network.

2. PURPOSE OF THE ORGANISATIONAL EVALUATION & REVIEW

FORCERT started operating in January 2004, had its first external evaluation in 2007 and the second in 2010. FORCERT would like to conduct another external review of its work for the past 3 years, with a focus on assessing the functioning of its the Group Certification Service Network, the Payment for Environmental Services Project (PES) and the uptake of the 2010 recommendations. From the last evaluation it was recommended that the original concepts FORCERT operates under should be followed and further trialled for another 3 years however, we now want this to be critically assessed in its entirety and see whether or not there is a need to make radical changes.

FORCERT has taken on board the recommendations of the 2010 evaluation and has been working on them for the last 3 years. Some of the recommendations have been adjusted and or became obsolete or impossible to implement because of changing circumstances. FORCERT will provide a summary of the way it has dealt with the recommendations and the changes that have resulted from it and present these at the starting meeting of this external evaluation. FORCERT will complete an internal review prior to the external evaluation and the findings will be presented to the evaluation team at the starting meeting.

The results of this external evaluation will feed into FORCERT's planning process and will help it to develop a new three year business plan (2014-2016), and work plan for the next three years.

The emphasis of this evaluation will be on identifying problem areas, lessons learned, and possible solutions to assist FORCERT to improve the management and effectiveness of its Group Certification Service Network to achieve its goal and mission. Most important issues to be looked at are;

- i. community engagement & development processes and their results,
- ii. organisational functioning; activity focus, effectiveness, structure & management
- iii. long term financial security; income earning & self financing options, and
- iv. geographical location of focus areas.

Following the findings and recommendations from the last External Evaluation, FORCERT's intervention focus changed within the last 3 years from timber production & supply to markets to a more community oriented work and supporting of producer members in understanding & involvement of their community businesses. The CMUs who are the important partners have not had much activity because of the lack of supply of timber and their role and even very existence in the system also needs be checked in this evaluation. Furthermore, FORCERT's internal concept to self-funding part of its operation over time has not eventuated as planned, because of the situation with rising of value of the PNG Kina and the loss of the export market.

After initial involvement since 2008 in the Community Carbon Forestry project, FORCERT started a Payment for Environmental Services Project in 2010. A lot of time and effort has been put in this project, and it is creating considerable interest. Therefore it is essential for FORCERT to know how the Project affects its general work and whether or not PES should become part of FORCERT's overall activities.

3. METHODS

The evaluation team will work with FORCERT in an open and participatory manner that facilitates the building of staff capacity and maximizes opportunities for staff input. Staff will be available when different team members travel to different locations for interviews with Producers, CMUs, partners and stakeholders and will have chances of being interviewed by any of the Evaluation team members. The specific focus areas and questions the evaluation team will use to guide them in conducting the evaluation & review will be provided during the opening meeting. For this, information from the summary of how FORCERT has dealt with the recommendations of the first external evaluation and the (written) information from the internal evaluation will be used.

Working in this way will ensure the latest information and views from the management and staff of FORCERT is discussed with the evaluation team, before they go out to gather views from stakeholders.

The Evaluation team will gather all the information and feedback from GCSN members (Producers & CMUS) and FORCERT partners and other stakeholders and prepare a draft report directly after information collection.

This draft report will then be presented to and discussed with the FORCERT Manager and Technical Advisor. The evaluation team will work with the FORCERT Manager and Technical Advisor to develop solutions to issues identified through the evaluation. The emphasis will be on developing recommendations that can provide guidance and direction for FORCERT's strategic planning for the 2014-2016 period.

FORCERT will assist with all logistical arrangements including organizing meetings for the consultants with stakeholders and arranging community visits. Key informants for the evaluation will include:

- FORCERT staff
 - Cosmas Makamet – Manager
 - Peter Dam – Technical Advisor / PES Coordinator
 - Julie Warkaul – Finance Officer
 - Joshua Kialo – Extension Forester, WNB,
 - Martin Kikilia – Extension Forester, ENB, NIP
 - Leo Angkuru – Business Development Officer – Momase Region
 - Janet Tokupep – Business Development Officer Niugini Islands Region
 - Oscar Pileng – Extension Forester – Momase Region
 - Pamela Avusi – PES Forester
 - Daniel Savenat – PES Forester
 - Hayman Jiregari – Admin Officer
 - Ruben Taminza – Part-time PES Forester
 - Peter Tuka – Driver
- Board members
 - Katherine Yuave – Chairperson
 - Ted Mamu – Deputy Chairperson
 - Mary Theresa Boni – BoD member
 - Effrey Dademo – BoD member
 - Kenn Mondiai – BoD member
 - Gewa Gamoga – BoD member
 - Theresia Mukiu – BoD member
- FORCERT Partner organizations including donor agencies
 - PNG Eco-forestry Forum – Port Moresby – Mr. Thomas Paka
 - TNC - Port Moresby – Mr. Francis Hurahura
 - Bread for the World – Madang - Ulla Kroog
 - ICCO – Yoga Sofyar (phone/email)
 - Mama Graun – Port Moresby - Leo Bualia
 - UN-REDD – Gwen Maru/Arthur Neher
- FORCERT Shareholders
 - Greenpeace – Port Moresby - Sam Moko
 - CELCOR – Port Moresby Peter Bosip – Executive Director
 - WWF – Port Moresby – Ted Mamu

- Government Departments
OCCD – Port Moresby – Gwen Sissiou/Joe Pokana
PNGFA – Port Moresby - Goodwill Amos (Manager REDD & Climate Change)
& Ben Taupa (Manager-Field Services)
DEC – Port Moresby - James Sabi (Manager Terrestrial Eco-Systems)
- Other NGO's with experience of sustainable community development/forestry work:
BRG – John Chitua and/or Rosa Koian
- Consultants
Little Fish – skype – Hugh Lovesy
- The 3 Central Marketing Units:
Avecof Timbers - Alois Malori (MD) Kokopo, ENBP;
Pohonou Investments; John Gave (MD), Kimbe, WNBP
Ditib Eco-Timbers (DET); Sed Arey (MD) Madang

- Producer Members:

There are 21 producer members of the FORCERT Network and it is proposed that the evaluating team visit 10 of these members, from 4 different target areas, representing a range of circumstances and stages of certification. They are;

- i. Rapki Investments, Arabam Village, ENB (FSC certified)
- ii. Ainbul Tetewe Business Group, Ainbul Village, WNB (Pre-certified)
- iii. Tavolo Sawmill Business Group, Tavolo Village, ENBP (FSC Certified)
- iv. Bairaman Timbers, Bairaman Village, ENBP (FSC Certified)
- v. Gogomate Development Corporation, Lau Village, ENBP (FSC Certified – Suspended)
- vi. Atu Sawmill Business Group, Atu Village, ENBP (Pre-certified)
- vii. Lagasivi Business Group, Minda Village, ENBP (Pre-certified – Suspended)
- viii. Havo Timber Harvesters, Tuonmbe Village, ESP (CBFT)
- ix. Rainumbo Buisness Group, Rainumbo Village, ESP (CBFT)
- x. Muinir Sawmill & Timber Supplies, Muinir Village, Madang (CBFT)

4. EVALUATION TEAM

The Team will consist of

- Dr. Richard Barcham (Australian citizen – Community Development & Organisational management Consultant),
- Ms. Rebecca Nigints (PNG national), Community Development Consultant
- Mr. John Ericho (PNG national), Environmental & Organisational Management Consultant

Dr. Richard Barcham has been chosen because of his experience in PNG, especially in community development, organisational coordination, management, facilitation, and governance, programme & organizational reviews and environmental advocacy.

Mr. John Ericho & Ms. Rebecca Nigints will assist Dr. Barcham. Mr. John Ericho has extensive experience in PNG in conservation, forestry and environmental issues, and in organizational development and management, including conducting evaluations. Ms. Nigints has experience in community development work and gender issues. Mr. Ericho and Ms Nigints will together interview the FORCERT members in East & West New Britain Provinces.

5. REPORT

The Evaluation team is required to present a draft report covering the main areas of focus specified in section 2, and to discuss the recommendations with FORCERT at the end of the evaluation period (see 3. above). The final report must be submitted within one week of completing the evaluation. Dr. Barcham will coordinate the report writing and delivery.

6. WORK PLAN

ITINERARY EXTERNAL EVALUATION

June 2013

Date	Location	Activity	People involved
Mon 17-06	SYD-POM-HKN	Travel Sydney PoM - HKN	RB
Tue 18-06	Walindi	Reading of materials and preparation	RB
Wed-19-06	GKA-POM PX 961 POM-HKN PX 844 Walindi	Travel to FORCERT HQ Evening: start opening meeting	RN/JE RB/RN/JE/CM/PD
Thu 20-06	Walindi, WNB	Continuation opening meeting Methodology discussion & presentation of Internal review results	RB/RN/JE/CM/JW/ HJ/PD/PA
Fri 21-06	Walindi-Garu-Minda	Travel to Minda Meet with LAG (2 hours by road, 40 minutes by dinghy) (cv)	RB/JE/RN/JK
Sat 22-06	Minda - Walindi	Travel from Minda to Walindi Meet with BoD members Meet with Pohonou Invstmnts - Jgave Overnight	RB/RN/JE
Sun 23-06	Walindi	Discuss with BoD members	RB
	Walindi-Ainbul	Travel to Ainbul (2hrs by car) Meeting AIN (cv) overnight	RN/JE/JK
Mon 24-06	HKN - POM PX 841 (07.25- 08.55)	Travel Walindi - Hoskins - PoM Meetings (Boroko area): EFF - Thomas Paka TNC - Francis Hurahura Mama Graun Trust- Leo Bualia	RB
	Ainbul - Tavolo	Ainbul to Tavolo (2hrs by car 40mins by dinghy Meet with TAV (cv) overnight	RN/JE/JK
Tue 25-06	PoM	Meetings; CELCOR - Peter Bosip UNREDD - Gwen Maru/Arthur Neher Greenpeace - Sam Moko DEC - James Sabi	RB
	Tavolo - Bairaman (overnight)	Travel to Bairaman (3 hrs by dinghy) Meeting BAI (cv) overnight	JE/RN/JK

Wed 26-06	POM – MAG PX126 (09.30-10.30) Madang to Muinir	Travel Pom – Madang (overnight) Travel to Muinir (4hrs by car) Meeting with MUI (cv) overnight	RB RB/OP/LA
	Bairaman – Lau	Travel to Lau (40mins by Dinghy) Meeting with LAU (cv) (overnight)	JE/RN/JK
Thu 27-06	Muinir - Madang	Travel to Madang (4hrs by car) Meetings; Bread for the World/Donor – Ulla Kroog BRG – stakeholder – John Chitoo /Rosa Koian DET – CMU – Sed Arey	RB/OP/LA
	Lau – Atu	Travel Meeting with ATU (cv) overnight at Tavolo	JE/RN/JK
Fri 28-06	MAG –WWK PX126 (1025-1105)	Travel Madang – Wewak Wewak – Rainumbo 1hr by car Meeting with RAI (cv) overnight	RB/OP
	Tavolo – Walindi	Travel Tavolo – Walindi (overnight) 2hrs by dinghy, 4hrs by car	JE/RN/JK
Sat 29-06	Rainumbo - Tuonmbe	Travel to Tuonmbe (2hrs by car) Meeting – Havo (cv) overnight at Tuonmbe	RB/OP
	HKN-RAB PX846 (1235-1335)	Travel Walindi – Hoskins – Tokua - Kokopo (overnight) Meet with AVE – CMU	JE/RN JE/RN/PD/MK
Sun 30-06	Tuonmbe - Wewak	Travel Tuombe to Wewak (3 hrs by car) Overnight Wewak	RB/OP
	Kokopo –Arabam	Kokopo – Arabam 2hrs by car Meet RAP (cv) overnight Arabam	JE/RN/PD/MK
Mon 01-07	WWK-POM PX 121 (06.10-7.40)	Travel Wewak – Port Moresby Meetings: OCCD – Gwen Sissiou/Joe Pokana	RB
	POM-HKN PX 844 (15.00-16.10) RAB-HKN PX 847 (10.50-11.40)	Port Moresby – Hoskins – Kimbe - Walindi (overnight) Travel Arabam - Kokopo – Tokua – Hoskins - Walindi	JE/RN
Tue 02-07	Walindi	Little Fish – Hugh Lovesy – Skype ICCO – Yoga Sofyar – Phone call Start write up Discussion/ analysis/ write up	RB/JE/RN
Wed 03-07	Walindi	Discussion/analysis/write up/	RB/JE/RN
Thu 04-07	Walindi	Discussion/analysis/write up/	RB/JE/RN
Fri 05-07	Walindi	Write up	RB/JE/RN
Sat 06-07	Walindi	Write up PD Travel Kokopo – HKN	RB/JE/RN
	PD travel in		PD
Sun 07-07	Walindi	Write up and malolo	RB/JE/RN
Mon 08-07	Walindi	Presentation & discussion of draft report and recommendations	RB/JE/RN/CM/PD/
Tue 09-07	Walindi	Presentation & discussion of draft report and recommendations	RB/JE/RN/CM/PD
Wed 10-07	HKN-LAE PX847 1300-1415hrs	Walindi-Hkns-Lae	RB
	HKN-POM- PX843 0710-0820hrs	Walindi – Hkns-Pom	JE/RN
	POM – GKA PX962 1450-1600hrs	Pom – Goroka	

(cv) Community visit

RB Richard Barcham, Lead consultant
 JE John Ericho, Environmental & organisational management consultant
 RN Rebecca Nigints, Community development consultant
 CM Cosmas Makamet, Manager
 PD Peter Dam, Technical Advisor / Coordinator FORCERT-PES
 JW Julie Warkaul, Finance Officer
 JK Joshua Kialo, Extension Forester WNB & ARB
 MK Martin Kikilia, Extension Forester ENB & NIP
 OP Oscar Pileng, Extension Forester, East Sepik, Morobe, Madang
 LA Leo Angkuru, Business Development Officer – Momase Region
 JT Janet Tokupep, Business Development Officer, NGI Region
 HJ Hayman Jiregari, Admin Officer
 PA Pamela Avusi, PES Forester

Stakeholders

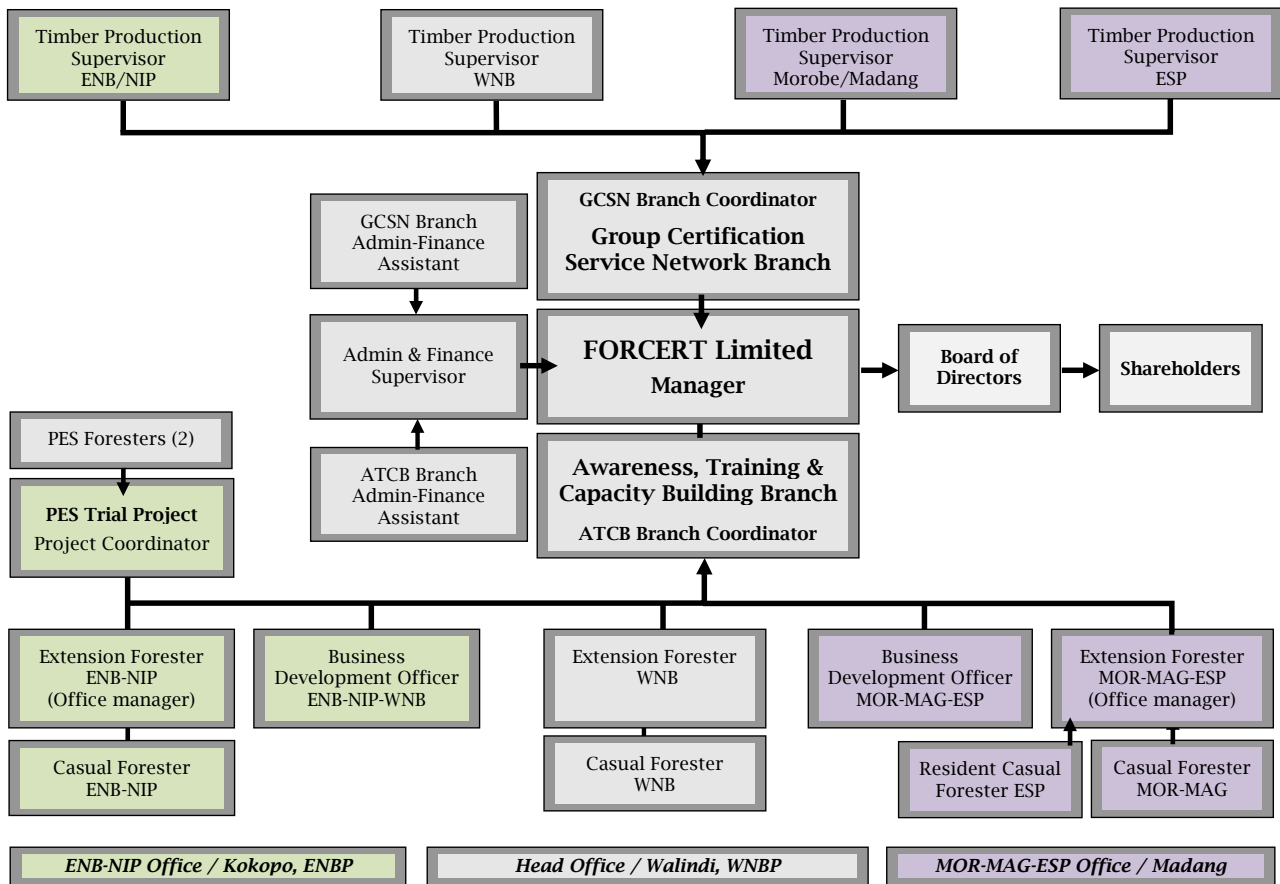
AIN Ainbul Teteve Business Group, Producer
 AVE Avecof Timbers, ENB Central Marketing Unit (CMU)
 BAI Bairaman Timbers – Producer
 BRG Bismark Ramu Group, Partner
 CELCOR Centre for Law & Community Rights, Shareholder
 DET Ditib Ec-Timbers – CMU, Madang
 EFF PNG Eco-forestry Forum, partner
 GOG Gogomate Development Corporation, Producer
 HAV Havo Timbers, CBFT producer, Kubalia LLG, ESP
 LAG Lagasivi Business Group, Producer
 MUI Muinir Sawmill & Timber Supplies, Producer
 OBS Obsil Business Group, Producer
 POH Pohonou Investments, CMU – status pending - WNBP
 RAI Rainbumbo Business Group, Producer
 RAP Rapki Investments, FSC producer, Sinivit LLG, ENBP
 TAV Tavolo Sawmill Business Group – Producer
 TNC The Nature Conservation, partner
 WWF World Wide Fund for Nature – shareholder

Appendix 2: Contact List

Producer Group	Leaders	Region/Area	Number of Males/Females
Ainbul-Teteve	Francis	Central/WNB	22/9
Tavolo	Peter	Pomio	25/16
Bairiman	Jacob	Pomio	21/13
Lau		Pomio	10/15
Tounumbo		Wewak	5/3
Rainumbo		Wewak	8/9
Muinir	Paul	Bogia/Madang	6/4
Arabam	Nick Urban	Kokopo/ENB	8/5
Minda	Alois Barley	Talasea/WNB	30/20, 20/10
Atu	-	Pomio	-*
Central Marketing Units	Name	Region/Area	
Ditip CMU	Sed Sey	Madang	
Avecof	Alois Malori	Kokopo	
Stakeholder Representatives	Name	Organisation	
	Thomas Paka	EFF	
	Gwen Sissiou	OCCD	
	Joe Pokana	OCCD	
	James Sabi	DEC	
	Goodwill Amos	PNGFA	
	Leo Bualia	MGCTF	
FORCERT Staff	Name	Region/Area	
Manager	Cosmas Makamet	Walindi	
Technical Adviser	Peter Dam	Kokopo	
Extension Forester	Oscar	Madang	
BDO	Leo	Madang /Wewak	
Extension Forester	Joshua	ENB/WNB	
BDO	Janet Toku	NGI	

*Expelled member, logging currently going ahead. Nobody came to meet team, contact could not be made, no interest.

Appendix 3: Proposed Business Plan, 2011-2013 – Staff Structure



Appendix 4: Summary of Recommendations

1. Continue regular contact with member communities to maintain trust and provide support for their conservation endeavours.
2. Continue to help communities organise sustainably through developing LUPs, work plans, maintaining forest management standards, providing training and extending networking opportunities.
3. As resources allow, expand the extension workforce to include land management, community development and business skills in a team presence that includes women.
4. Shift the focus of enterprise development to families, continuing to enhance local skills in production, marketing and financial management.
5. Network with partner organisation to continue to promote FSC certification at the national level.
6. Maintain options to collect levies on production and membership fees.
7. Continue to develop the PES project as an income source.
8. Investigate the needs of the Department of Environment and Conservation, and where appropriate, develop an MoU and contract agreements.
9. Develop contract agreements with OCCD for provision of extension services relating to management of terrestrial eco-systems and REDD+ activities.
10. Seek fee-for-service training opportunities within FORCERT's fields of expertise.
11. That donors provide for FORCERT to trial a 5-year program of developing a diversity of self-generated income sources, followed by a review of funding levels.
12. Always be asking the question: "What should we be doing next in this community?". Consider context, community leadership (formal and informal), coherence and motivation, existing enterprises (rather than just sawmilling) as well as geographic factors.
13. That FORCERT commence its next strategic planning process by developing a vision statement, and employ this to extend its statements of its mission, objectives and purpose.
14. That FORCERT examine the means by which it hopes to achieve that vision and include sources of community livelihood and well-being other than only sawmilling enterprise.
15. FORCERT must build the narrative around PES from the ground up, a "PES Story", anchoring PES first in the maintenance of traditional life-ways, and simultaneously in the modern context of threats from climate change. In the team discussion, the slogan "Kaikai Moni?" seemed useful as a way to tie this together. The community must have belief in a narrative other than only money to justify their efforts, or the effort is unlikely to meet the requirements of permanence. The team thinks conservation commitment is there in communities. It must be

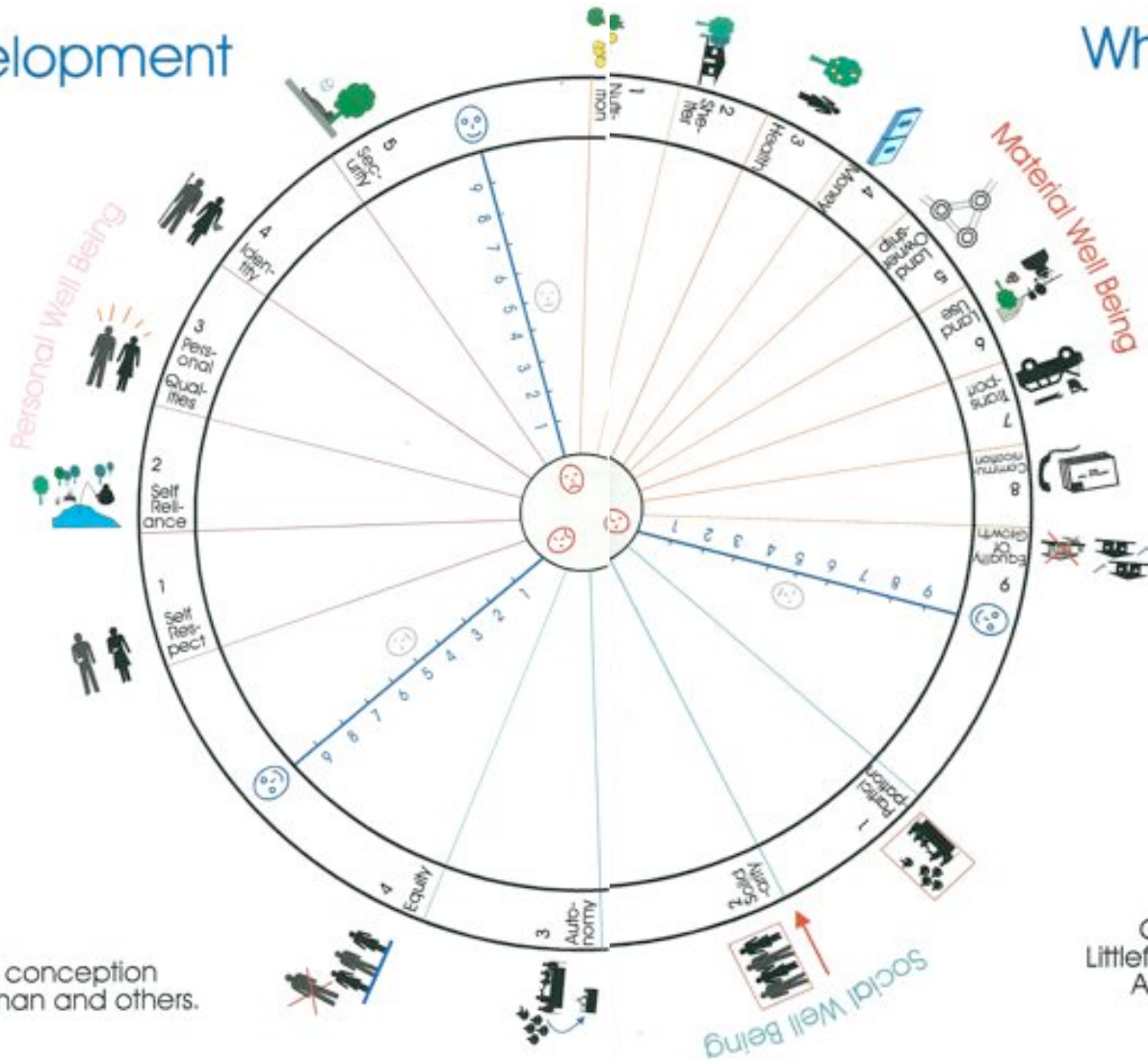
strengthened in ways other than just the potential for financial reward for the standard of permanence required by a carbon-based PES.

16. That FORCERT (or OCCD through the MoU) engage a suitably qualified business consultant to advise on the costs associated with PES administration and the scale of benefits likely to accrue to communities.
17. Land Use Plans are the basis for PES, FSC, and any terrestrial management system. They must be carefully developed with communities, take account of future needs, and they must be robust. FORCERT must consider its process for preparation of LUPs more carefully, and work with partner organisations to ultimately ensure enforceability.

Appendix 5: Holistic Development

Development

Wheel



Original conception John Roughan and others.

Graphics By Littlefish - Pangaea Alice Springs.

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