

DFID KNOW-FOR Costed Extension (2016-2017)

[Small and medium-size enterprises (SMEs) and informal sectors]

What is the objective of the proposed action? Is this a continuation of a previous KnowFOR 1 action?

CIFOR aims to improve the integration of smallholders and SMEs in timber, furniture and wood energy value chains in Cameroon, Peru, Zambia, and Indonesia, thus increasing the operators and key players' chances to access new markets and capture more value from existing ones. Recent research on smallholder and SMEs production and market dynamics in local and national value chains has generated much knowledge on the supply side of lesser-known edge of the forest sectors.¹ The objective of the proposed action is twofold. 1) To compile current knowledge and generate a better understanding of the demand side with specific attention on trader's perspectives, trader's behaviours to legalize timber and woodfuel (charcoal and firewood), incentives and market opportunities for green furniture and company-community partnerships. To that aim, CIFOR will review and build on an extensive body of knowledge and fill existing knowledge gaps to produce policy recommendations to improve the potential of smallholders and SMEs to operate in the legal markets and to be able to capture more value from existing markets. 2) To identify practical options and best practices to develop mechanisms and partnerships between government, industry, and civil society that favour the production and trade of legal timber and woodfuel. To that aim, specific market niches and monitoring/traceability solutions will be identified (e.g. public markets and procurement policies in tropical timber producing countries and dry forest countries where woodfuel is a major product) and active engagement will be sought with ministries of industry and forestry, timber associations and traders in select countries (also leveraging on selected countries' current engagements, such as signed Voluntary Partnership Agreements with the European Union).

What are the linkages and how will you address to the following DFID Themes: Women and girls: transformational change for women and girls; Green growth; and Resilience

In timber value chains, including wooden furniture and energy wood, women play a key role along several nodes. For example, the majority of furniture workers in Indonesia are women and girls, while women sell processed timber in many city markets in Central Africa and equally active in the woodfuel value chains in Zambia. Furthermore, women comprise a major segment of wood consumers involved in the purchase of furniture, housing material and woodfuel. To date, little systematic quantitative data exists on the participation of women in timber and woodfuel value chains. However, evidence from case studies indicates that gender - often in combination with other socioeconomic factors - strongly influences how women and men engage with forest value chains, and how benefits are distributed. Frequently, activities with the highest potential to add value (e.g. design and marketing of furniture and processing of timber, and charcoal production/firewood cutting) are controlled by men. To further clarify these issues this research action will include a gender analysis of selected value chains to systematically gather information for unraveling the ways in which gender influences value chain participation. This analysis will shed light on gender inequalities in participation and benefit distribution along the timber and woodfuel value chains. Policy options and recommendations, trainings and targeted knowledge products for women and girls will then be delivered with the aim of promoting more equal and inclusive timber value chains.

Smallholder forestry contributes in important ways to inclusive green growth by providing livelihoods for a significant number of people living in or near forestlands, and by securing the maintenance of forests often in complex mosaic lands that ensure the provision of ecosystem services. However, smallholders face different threats to preserve their forest resources. This action, therefore, will contribute to supporting smallholder initiatives to manage their forest resources in more sustainable ways by helping to improve the business environment in which they operate, and options to improve the capture of benefits from markets. Furthermore, governance mechanisms, such as certification and eco-labelling (e.g., eco-charcoal) processes may contribute to this purpose. This action will also analyse the role that SME certification, both voluntary

(e.g. FSC and PEFC) and mandatory (e.g. timber legality assurance system such as TLAS/SVLK in Indonesia), or locally driven eco-labelling of charcoal products by local chiefs, play in enhancing the demand for sustainable forest management and legal trade. As forest and agricultural product markets are demand driven, the findings from this research could incentivise green development of forestry sectors at large and small scales. High demand to community and small-scale forestry will improve the resilience of communities.

What are the expected knowledge products?

- A document discussing market and consumers' behaviour towards the supply and trade of green furniture, and presenting options for empowering SMEs and greening furniture trade in Indonesia through science/policy dialogues;
- A document listing and discussing policy options for a better integration of SMEs and informal markets in the legal frameworks, including through the development of public procurement policies, a detailed assessment of current legality constraints to the development of "legal" markets in selected countries, and available options for SMEs' traceability and monitoring systems;
- A document outlining woodfuel movement and markets in Zambia's urban areas, including the role of informal markets within the existing policy and institutional arrangements. Further, the transitioning of woodfuel from a rural product to a marketable commodity not subject to natural resources regulation in Zambia and the associated policy implications will be presented to and discussed with policy makers;
- A document outlining the process for arriving at a chiefdom-level voluntary scheme for producing "green" charcoal for approval by central government linked to the recently passed forestry policy of 2014 and Forest Act of 2015.

The knowledge products on timber, furniture and woodfuel value chains will link closely to PROFOR funded work on domestic market opportunities in 5 African countries and will be relevant for IUCN's theme on zero deforestation and green economy, as well as linking to IUCN's and PROFOR's work on women and girls and PROFOR funded work on wood energy.

What are the expected outcomes?

- Governments in select countries take up the knowledge and use it to make steps to simplify regulations and support value chains that promote legal and/or certified timber and wood energy (e.g. public procurement policies, fiscal incentives, tariffs). For example, in Zambia this will provide a model for addressing legal issues vis-a-vis the local-level of production of green charcoal;
- Smallholders and SMEs are aware of new market niches that have been identified and promoted, and they actively seek to conduct their activities within existing or, where needed, improved legal frameworks, including through the adoption of innovative monitoring systems for their activities.

What is the approach to implementation?

- Stock taking at CIFOR (resulting in a synthesis document) on the status of knowledge on timber, furniture and energy wood value chains in selected countries;
- Generation of new knowledge on the demand side in selected countries (possible public markets and procurement policies, gaps/overlaps in current legal frameworks, potential monitoring/traceability systems discussed and agreed upon by gov't and SMEs, etc.);
- A series of workshops with relevant ministries and operators in selected countries, presenting available knowledge on the selected value chains, current problems, and discussing roadmaps to improvements and implementation (with PROFOR and IUCN);
- Make use of publications, blogs, multimedia, media and targeted events in order to disseminate findings to target audiences throughout the entire duration of the project (see more details below).

Describe your outreach/communication/engagement strategy (coordinate with ICG)

Link with national policy dialogues:

- Identify policy processes and associated channels or networks (boundary partners) to inform actors in those processes, and design and disseminate knowledge products accordingly;
- Identify existing forums/events where target audiences are expected, and facilitate a presence there by CIFOR and/or its partners; this may include events under the Global Landscapes Forum brand and associated communications;
- Working with partners, convene targeted workshops with relevant ministries and operators in selected countries; gather feedback from target audiences on their information needs and use that information to tailor further seminars and knowledge products. Leverage CIFOR's and partners' communications infrastructure to amplify the reach of messages and learning shared in the events by video-recording and disseminating talks, panel discussions or interviews.

Release communications materials tailored to specific audiences:

- Develop tailored briefs, fact files/primers, infographics, blogs, multimedia materials (documentary videos, blogs, podcasts, etc.) webinars and/or interactive tools that address key policy-oriented questions in an accessible, practical manner, drawing on a range of research output. These will be disseminated and promoted through CIFOR's digital channels and extensive networks (e.g. [Forests News blog](#), social media, CIFOR TV) and used at seminars, workshops and other events.

Link with international and national media:

- Monitor developments in policy processes and respond rapidly to current discourses through media outreach (direct engagement with targeted journalists/editors, dissemination of media packages and releases, pitching op-eds to target publications) and aim to set media agendas; media training workshops and field trips may be organised in specific contexts.

Describe your MEIA strategy (coordinate with Daniel/Brian)

We will make use of our existing relationships with relevant policymakers and practitioners in these countries, in order to: i) further refine the target audience in each country and topic; (ii) determine an engagement strategy to influence them; (iii) define progress markers. These three steps will result in the project theory of change, explicitly linking our knowledge products and the end of program outcomes. We will also define the future impacts that the outcomes are likely to produce, completing the theory of change. We will then determine a set of monitoring tools to track the outcomes of the project.

Given that we will invest most of our resources on engaging policymakers rather than generating new knowledge, we also plan an outcome assessment based on the theory of change. We will implement the assessment in the second year of the project. If we achieve policy or practice change, an impact assessment will be designed and implemented.

Estimated budget (2 years, USD)

COST CATEGORIES	Year 1	Year 2	Total
Personnel	177,723	180,078	357,801
Partnership	30,000	30,000	60,000
Travel	28,000	28,000	56,000
Equipment	165	3,000	3,165
Outreach/Communication	30,000	41,000	71,000
Research Support	61,999	59,519	121,518
Monitoring, Evaluation & Impact Assessment	-	-	-
Total Direct Cost	327,887	341,597	669,484
CIFOR Overhead (14%)			-
CSP (2%)	0	0	-
Total	327,887	341,597	669,484

*)

*) Please see the detail, this is for publication, translation and research workshops - ICG budget is already excluded

Table 1. Staff time (Yr1=Oct2015/Sep2016, Yr2=Oct2016/Sep2017)

Staff	Months Yr1	Months Yr2
Bayuni Shantiko	3.0	3.0
Davison Gumbo	2.5	3.0
Edouard Essiane Mendoula	3.0	3.0
Guillaume Lescuyer	2.0	1.0
Herry Purnomo	3.0	3.0
Kaala Moombe	2.0	2.0
Markus Ihalainen	1.0	2.0
Paolo Omar Cerutti	3.0	3.0
Peter Cronkleton	1.0	
Raphael Tsanga	3.0	2.0
Rogier Klaver	1.0	1.0
Steven Lawry	0.5	1.0

Background documentation and pathway to impact

This section includes the background documentation (i.e. already published or in the process of being published) on which the engagement and communication/dissemination plans in each country will be based.

Indonesia

HERRY/BAYU/GUILLAUME

1. Background documents (references)
2. Short paragraph (max 300 words) with the “story” told in your documents (only one story for all documents). Please include the novelty of the story (possibly linked to the results listed in the documents) as compared to (previously) existing knowledge
3. Short paragraph listing (bullet points please) the 2/3 main “changes” that you want to see by September 2017 (please put each “change” in comparison with the existing situation and what you hope to attain as i) an intermediate outcome (Sep 2016), and an end-of-program outcome (Sep 2017), i.e. when that change will be real; please maintain the target/change as real as possible, e.g. a clearly targeted regulation instead of a general policy, or a clearly defined behaviour by a clearly defined group of people instead of general changes in an

entire sector or country – Please bear in mind that these are the bullet points on which Daniel and Rogier will help you build the Impact Evaluation, so please be as specific as possible)

4. Short paragraph indicating a clear pathway to impact, i.e. what is the plan of engagement (and with whom? and how?) for the next 2 years, in order to reach those “changes” (again, please be as specific as possible, if it is workshops/meeting, both formal and informal, how many? When? With whom?, if it is “lobbying”, how? When? With whom?, if it is activities on the ground, when? What? With whom?)
5. The Jepara story has a gender element in it. Please write a short paragraph (max 200 words) about the current status of the story (possibly based on existing documents), and add a couple of bullet points with “changes” that you would like to occur (this is the section that will help Markus better understand where we are and how we want to tackle the gender element in Indonesia).

Cameroon

RAPHAEL/ESSIANE/GUILLAUME/PAOLO

1. Background documents (references)
2. Short paragraph (max 300 words) with the “story” told in your documents (only one story for all documents). Please include the novelty of the story (possibly linked to the results listed in the documents) as compared to (previously) existing knowledge
3. Short paragraph listing (bullet points please) the 2/3 main “changes” that you want to see by September 2017 (please put each “change” in comparison with the existing situation and what you hope to attain as i) an intermediate outcome (Sep 2016), and an end-of-program outcome (Sep 2017), i.e. when that change will be real; please maintain the target/change as real as possible, e.g. a clearly targeted regulation instead of a general policy, or a clearly defined behaviour by a clearly defined group of people instead of general changes in an entire sector or country – Please bear in mind that these are the bullet points on which Daniel and Rogier will help you build the Impact Evaluation, so please be as specific as possible)
4. Short paragraph indicating a clear pathway to impact, i.e. what is the plan of engagement (and with whom? and how?) for the next 2 years, in order to reach those “changes” (again, please be as specific as possible, if it is workshops/meeting, both formal and informal, how many? When? With whom?, if it is “lobbying”, how? When? With whom?, if it is activities on the ground, when? What? With whom?)

Zambia

DAVISON/MOOMBE

1. Background documents (references)
2. Short paragraph (max 300 words) with the “story” told in your documents (only one story for all documents). Please include the novelty of the story (possibly linked to the results listed in the documents) as compared to (previously) existing knowledge
3. Short paragraph listing (bullet points please) the 2/3 main “changes” that you want to see by September 2017 (please put each “change” in comparison with the existing situation and what you hope to attain as i) an intermediate outcome (Sep 2016), and an end-of-program outcome (Sep 2017), i.e. when that change will be real; please maintain the target/change as real as possible, e.g. a clearly targeted regulation instead of a general policy, or a clearly defined behaviour by a clearly defined group of people instead of general changes in an entire sector or country – Please bear in mind that these are the bullet points on which Daniel and Rogier will help you build the Impact Evaluation, so please be as specific as possible)

4. Short paragraph indicating a clear pathway to impact, i.e. what is the plan of engagement (and with whom? and how?) for the next 2 years, in order to reach those “changes” (again, please be as specific as possible, if it is workshops/meeting, both formal and informal, how many? When? With whom?, if it is “lobbying”, how? When? With whom?, if it is activities on the ground, when? What? With whom?)
5. The charcoal story in Zambia has a gender element in it. Please write a short paragraph (max 200 words) about the current status of the story (possibly based on existing documents), and add a couple of bullet points with “changes” that you would like to occur (this is the section that will help Markus better understand where we are and how we want to tackle the gender element in Zambia).

Peru

PETER

1. Background documents (references)
2. Short paragraph (max 300 words) with the “story” told in your documents (only one story for all documents). Please include the novelty of the story (possibly linked to the results listed in the documents) as compared to (previously) existing knowledge
3. Short paragraph listing (bullet points please) the 2/3 main “changes” that you want to see by September 2017 (please put each “change” in comparison with the existing situation and what you hope to attain as i) an intermediate outcome (Sep 2016), and an end-of-program outcome (Sep 2017), i.e. when that change will be real; please maintain the target/change as real as possible, e.g. a clearly targeted regulation instead of a general policy, or a clearly defined behaviour by a clearly defined group of people instead of general changes in an entire sector or country – Please bear in mind that these are the bullet points on which Daniel and Rogier will help you build the Impact Evaluation, so please be as specific as possible)
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ⁱ In recent years, also with co-funding from the previous KnowFOR 1 action (e.g. Systematic Map on Wood Energy, Future of Tropical Production Forests project), much knowledge has been generated on the production and market dynamics from the supply side, e.g through such projects as Proformal, Furniture Value Chains, MAKALA, Emerging Economies as well as a number of small projects on community forestry in Indonesia, Latin America and Central Africa.