

7. COLLABORATION BETWEEN UNIVERSITY RESEARCHERS AND THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO IMPROVE THE APPROVALS FRAMEWORK FOR TREE REGISTRATION

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BACKGROUND

The Philippines Department of Natural Resources and Environment (DENR) as the national regulatory agency for production forestry – through its Forest Management Bureau – and lead agency responsible for protection of native forests and watershed protection – will be an active participant ACIAR Project ASEM/2003/052 – *Improving Financial Returns to Smallholder Tree Farmers in the Philippines*. Objective 1 of the ACIAR project is to ‘Assist DENR to overcome policy implementation constraints to tree registration and log transport currently restricting access to markets’, hence research in this project is designed to produce information relevant for policy development and reform.

The DENR is a signatory to the project memorandum of understanding, as a Partner Country Collaborating Organisation. Dir. Edilberto Nasayao, Regional Technical Director, Research, of DENR Region 8, is a Collaborating Scientist and Ms Emma Germano is seconded part-time to the LSU College of Forestry to participate in project research. Dir. Felipe Calub, Regional Technical Director, Operations, and Mr Elpidio Simoun, CENRO in Region 8, will also be links between the DENR and university researchers. The DENR will also be a user (and a target for transfer) of findings from the project, in relation to plantation forest policy, research and extension. The project document sets out a number of activities in which collaboration of UQ and LSU researchers with DENR officers is to take place.

Weak property rights for smallholders in relation to forestry is recognized as a global phenomenon. Scherr *et al.* (2004, p. iii) referred to the potential benefits of ‘removing present policy barriers to local market participation, in particular securing forest use and ownership rights, reducing excessive regulatory burdens, ‘leveling the playing field’ for local producers in forest markets, and involving local producers in forest policy negotiations’. Previous research has identified impediments to smallholder forestry associated with the property rights system and regulatory regime for smallholder forestry operations. Findings of ACIAR project ASEM/2000/088 identified the need to examine policies in relation to tree registration and harvest and transport approval, including information exchange between national and local governments (Emtage *et al.* 2004).

The ACIAR project can be expected to be most effective in achieving its objectives if there is close cooperation between all collaborating groups, i.e. Australian team members (from The University of Queensland, the Queensland Department of Primary Industries, and Southern Cross University), Leyte Statue University, and the DENR. There are various reasons why the collaboration is advantageous, relating to synergies in interaction between participants, reality checks on policy recommendations, facilitation of adoption, and ACIAR expectations.

The DENR has great experience with forest policy, and in supporting community forestry projects (Harrison *et al.* 2004), and of the problems facing forest protection and reforestation. DENR officers are aware of the constraints under which the agency operates, and the challenges of balancing support for reforestation with protection of native forests. The university project members bring the research skills and project organizing capabilities to generate information to feed into the policy process. Project work will involve a two-way flow of information between university researchers and the DENR. ACIAR program manager (Dr Ken Menz) has promoted inclusion of the DENR as a Partner Country Collaborating Organisation, on the grounds that this will maximize opportunities for the project to 'make a difference' to the livelihoods of low-income smallholders.

This paper focuses in particular on the collaboration between the Australian and LSU team members and the DENR. The objective of this paper is to inform the research group about planned cooperation arrangements, and to examine ways in which the effectiveness of cooperation can be maintained or (hopefully) increased. A variety of issues of collaboration between the Australian (mainly university¹) and LSU researchers in the ACIAR project, and the institution and individual officers of the DENR, particularly within Region 8, are examined. Given this focus, the paper does not discuss a planned piece of research, but rather institutional arrangements and informal cooperative activities.

SOME OBJECTIVES OR QUESTIONS TO BE ADDRESSED

This paper examines inter-institutional arrangements, and draws on concepts of institutional economics, regulatory theory and environmental policy. In the context of planned cooperation measures, some of the relevant questions are:

- What formal links will be established between university researchers and the DENR?
- What will be the roles of DENR officers seconded to LSU to support the project, in relation to project communication, fieldwork, workshops and collection of secondary data?
- What informal links will be established between university researchers and the DENR, and how can these be enhanced?
- What are forest policy areas where reform may be appropriate?
- What accessible information is currently available in the DENR relevant to forest policy?
- What information is needed by the DENR to assist in the evaluation of forest policies, and support their policy development?
- What areas of DENR activity are addressed in the planned project activities?
- What steps are necessary to inform researchers involved in the various activities in Project ASEM/2003/052 about data needs for the policy component of the project?
- To whom does the information need to be presented, and in what form, for it to be useful in policy formulation?
- What policy implementation constraints – in relation to tree registration and log transport restricting access to markets – are currently faced by the DENR?
- What obstacles could arise concerning the adoption of project findings by the DENR, and what actions if any can be taken by the project team to eliminate or minimize these obstacles?

¹ The term 'university researchers' will be used, although it is noted that some Australian team members will not be university staff (e.g. Jack Baynes from QDPI, and Melissa Gordon as an Australian Youth Ambassador for Development or AYAD scholarship holder), and some community and LGU officers who provide input to the project will be associated with the LSU team.

GENERAL RESEARCH APPROACH AND JUSTIFICATION

The focus of this paper is facilitation of research collaboration, not outlining planned research. The observations made here draw on experience in international research projects, inter-institutional collaboration, undertaking consultancy contracts, monitoring consultancy contracts, and economic theory relating to institutions and regulations. Each of these areas provides some insights into the principles and practice of effective cooperation.

The Roles of the Researcher and Public Agency in Generation and Utilization of Decision-support Information

It is relevant in this discussion to consider the role of the researcher in providing information to decision-makers. It is the task of the researcher to come up with ideas, within the research paradigm of the discipline. The researcher has a high level of freedom to do this, without the constraints of existing institutional policies and norms, and generally with sufficient time and funding to see a specific research project through to completion. University researchers are expected to have bright and inquiring minds, and be capable of lateral thinking, and coming up with new ideas.

Research is in general designed to identify policy or action alternatives, and to evaluate the consequences of adoption of these policies or actions. A feasible set of actions is defined conditional on the resource and other constraints. Then using quantitative and qualitative research methods, the consequences of these actions – in terms of financial and economic outcomes as well as social and ecological outcomes – are judged. This leads to recommendations, which take a *conditional normative* form: *if* this is the management objective, *then* this policy should be adopted. Conditional on the desired policy outcomes, policy prescriptions are devised and documented.

Decision-makers in public agencies have substantial information, experience, intuition and judgment, and in general have views on desired policy directions. They have the task of policy reform, and must 'own' the reforms, in terms of living with the consequences, whether these are favourable or not. The research outputs, and the 'technology transfer' in the broad sense of conveying these the outputs to officers in public agencies, *augment* prior information and intuition, and confirm or challenge existing action preferences, and in this way provide *decision-support*.

In the situation where DENR officers are partners in the research project, their role becomes more than that of recipient of the technology package. They can add an agency perspective on the ideas presented by researchers, and provide a 'reality check' in terms of identifying any obvious flaws in terms of practical applicability, based on their experience of policy implementation. That is, they have roles of:

- providing input to research planning;
- participation in research activities;
- involvement in review of research findings or output; and
- playing an active role in formulation of 'technology packages'.

after which there can be expected to be modification of policy recommendations can be expected to be modified within the agency, and implementation decisions and actions taken.

THE ROLE AND LIMITATIONS OF DENR IN RELATION TO FOREST MANAGEMENT

The DENR has a brief to encourage plantation forestry (under the Master Forestry Plan), and a presence in the regional office as well as through the PENROs and CENROs, and through liaison with local government. At the same time, the DENR has severe resource limitations in terms of funds, support for travel, and staff (particularly for fieldwork).

Problems of continuity in policies and in policy formulation can arise through agency decision making 'on the run' and when staff transfers take place. Frequency policy changes, or 'instability in the policies and regulations relating to forestry' (Emtage 2004, p. 332), can confuse forestry stakeholders and have a disincentive effect on tree planting.

As with any public agency, a certain amount of regulatory failure can be expected in relation to plantation forest policy and its implementation (Harrison *et al.* 2004). By providing improved information, the ACIAR project is likely to assist in preventing introduction of legislation and regulations based on incorrect premises, and so assist in formulating policies which encourage forest production and efficient operation.

Challenges arise with regard to the way in which new policies are implemented. Governments often favour command-and-control (CAC) measures including bans and standards because these are relatively easy to design, implement and monitor; economists favour market-based instruments (MBI) because these often provide improved incentive systems and greater economic efficiency.

In terms of introducing new policies for plantation forestry, individual DENR regions have limited ability to work alone. As well, policy reform can be a slow process. Once desirable reforms are identified, these must be clearly defined and drafted as legislation or regulations, and undergo consultation and review procedures before promulgation². Reform of policy by one agency can have considerable impact on the activities of other agencies, so that wide consultation typically is required. As noted in reviews of the project proposal for ACIAR Project ASEM/2003/052, any new forest policies may not be implemented until after the end of the three-year project research period.

RESEARCH METHODS AND SAMPLING STRATEGY

In that collaboration between agencies is not a research activity, no formal research methodology is involved. However, a sequence of steps can be suggested, as well as a range of measures to enhance cooperation. The suggested steps are:

- Identify forest policy areas and issues addressed by the project, of relevance to DENR policy formulation.
- Review policy options available the DENR.
- Review forest policy lessons from other countries, particularly in relation to smallholder property rights.
- Gain an appreciation of the constraints faced by the DENR in policy reform.
- Develop specific policy recommendations.

² As and indication of time lags, the Management Plan for the Wet Tropics of Queensland took over 10 years to formulate and gazette, while both the code of practice for private forestry and the coastal zone management plan for Queensland have been under preparation for about a decade without yet being released.

Identify Forest Policy Areas and Issues Addressed by the Project

The main expected project outputs in relation to Objective 1 relevant to the DENR are:

- 1.1 Understanding of key factors affecting the rates of tree registration applications from the perspective of smallholders
- 1.2a Increased rates of tree registration
- 1.2b Increased rates of log transport approvals and harvest approvals where appropriate
- 1.2c Greater access to timber markets and increased prices
- 1.3 Improved regulatory framework for tree registration and transport approvals

Findings of research activities under other objectives will also be of relevance and interest to the DENR. For example, it was suggested at the August 2004 PAC meeting that DENR is interested in financial analysis of smallholder forestry, which may assist in promoting smallholder forestry. In fact, expected outputs under Objective 3, namely:

- 3.1 Recommendations on smallholder tree farming systems matched to livelihood strategies
- 3.2 Recommendations on policy reforms based on project findings

are relevant to DENR policy.

The policy formulation area concerns increasing the rate of tree registration, and harvest and log transport approval. In particular, the focus is on regulatory reform so as to strengthen the property rights of smallholders, in the form of strengthened incentives or reduced impediments, so as to increase these rates.

Review Policy Options for the DENR

Clearly, it will be necessary to identify policy options which are feasible and potentially acceptable to the DENR, and to determine which can be implemented at a regional level, cf. requiring national adoption. In broad terms, some forest policy options in relation to DENR might relate to:

Liberalisation of approval processes for timber harvesting and transport

More rapid processing of approval requests (already in train).

Liberalisation of processes for obtaining chainsaws and other timber milling and value-adding equipment

Recinding existing approval processes and developing new and more streamlined approvals.

Buffer zone forestry, around national parks, where some logging is allowed.

Support for CBFM groups in detecting and prosecuting timber thieves.

Provision of high-quality germplasm through an expanded seedling nursery program and clonal propagation.

New measures to support smallholder forestry.

Support for industrial forestry.

Establishment of government-owned plantations.

Providing assistance to smallholders in timber marketing.

Producing IEC packages in relation to other national agencies LGUs

Traditionally, legislation and regulations are progressively amended over time in an incremental fashion. A radical alternative sometimes advocated is to remove all existing regulations, and formulate forestry policy from a 'clean slate' initial situation.

Policy reform can be a slow process. Should finding of research activities be in conflict with the DENR culture or beliefs – e.g. it were advocated that timber transport permits be abolished – then acceptance may be slow or never. Protection of native forests has been a major activity of the DENR, and support for plantation forestry and logging must be viewed against a background of concern with preventing illegal logging.

Review Forest Policy Lessons from Other Countries, Particularly in Relation to Smallholder Property Rights

Smallholder forestry has been observed to face many constraints, including timber market access difficulties, and often be of marginal financial viability, hence a favourable regulatory environment is critical to promoting tree planting. The property rights issues facing smallholder forestry in the Philippines are by no means unique to this country. It can be expected that published and grey literature on forest policy in various countries will provide valuable insights into the potential for forest policy reform in the Philippines. These will be explored in relation to forest policy areas and issues addressed by the project, e.g. balancing forest conservation and production forestry objectives, forestry benefits and priority relative to other land uses, smallholder property rights, forestry support for smallholders (silvicultural extension, improving the property rights).

Illegal logging is extremely difficult to control in developing countries. Experience in the Vietnam ACIAR forestry project reveals that illegal logging is common, even in that tightly controlled country with a communist government. Scherr *et al.* (2004) noted the prevalence of barriers to timber market participation by smallholder tree growers in developing countries, and suggested various measures to encourage local forest enterprises and remove these barriers.

There is a wide literature on forest policy and constraints in relation to reforestation, in both developed and developing countries. A major focus is on property rights of smallholders (e.g. Schwindt 1992, Harrison 2003, Herbohn *et al.* 2004), and it is often argued that 'we must get the property rights regime right' to facilitate forestry development. Difficulties in formulating government policy to control undesirable logging but not discourage plantation forestry can be observed in various countries. Impediments to harvesting plantation timber arise in both developed and developing countries, and create disincentives for reforestation. Difficulties in obtaining permits for transport of timber have been reported in India, where smallholders have been forced to rely on agents for sale of their timber, with consequent low log prices (Deweese and Saxena 1997). Research in the wet tropics of Queensland reveals distrust of government regulations and a perception of high sovereign risk (that government will change regulations to the disadvantage of tree growers) is ranked high in the list of forestry impediments, as revealed in farm surveys.

Gain an Appreciation of the Constraints Faced by the DENR in Policy Reform

The perspective of the DENR in relation to policy reform can only be appreciated if the constraints under which the agency operates are recognized. An effort will be made to gain a greater understanding of these constraints. The impediments faced by DENR may include: lack of information about reasons for low registration or variations in registration rates between CENRO districts; lack of resources to implement new policies; constraints imposed by the national forest policy including Master Forest Plan.

Develop Specific Policy Options

This will be very much a cooperative action between researchers and DENR officers. The initial and follow-up project workshops will provide a platform for discussing options and developing policy reform proposals.

SOME AVENUES FOR ADVANCING COOPERATION BETWEEN UNIVERSITY RESEARCHERS AND THE DENR AND OTHER GOVERNMENT AGENCIES

As indicated in the following table, the project has formal links with the DENR, and there will likely also be some informal links. The project could also involve interaction with officers of local government units (LGUs). Other government agencies which are stakeholders for the research include the Philippines Council for Agriculture, Forestry and Natural Resources Research and Development (PCARRD), Department of Agriculture (DA), Department of Agrarian Reform (DAR), Department of Finance (through which the Community-based Resource Management Program is funded), the Philippines Coconut Authority (PCA).

Formal links	Informal links
Inclusion of the DENR as a Partner Country Collaborating Organisation.	Visits to DENR Tacloban office by university researchers.
Involvement in the project by Dr Edilberto Nasayao (Regional Technical Director, Region 8) as a Collaborating Scientist, Dr Felipe Calub, Regional Technical Director, Operations, and Mr Elpidio Simoun, CENRO Region 8.	Meetings with CENROs and PENROs.
Ms Emma Germano, a DENR officer from Region 8, as research team member seconded part-time to the LSU College of Forestry. (A second DENR secondment has been proposed.)	Visits to field sites with DENR officers, and informal discussions of forestry observations.
DENR representation on PAC, including and Regional Executive Director (RED) Dir. Leonardo Sibbaluca, CESO IV, For. Edilberto E. Nasayao, Regional Technical Director for Research, and For. Felipe Calub, RTD for Operations, and officers from the national DENR office in Quezon City	Study of DENR forest administration, research and extension literature.
Initial policy workshop (IPW) for researchers, DENR and other stakeholder groups, in April 2003.	Joint writing of papers with DENR officers.
Final policy workshop (FPW) for researchers, DENR and other stakeholder groups, in first year of project. ³	
A visit by For. Nasayao to Australia during the first year of the project, to gain impressions of smallholder forestry and forest policy in Australia.	

³ As indicated in the project document, 'a further policy workshop will be held towards the end of the project, probably mid to late 2007, to refine recommendations for policy reform based on the findings of the project. These policy recommendations will then be communicated to the DENR Secretary through the appropriate channels'.

Some of the *measures* to attract DENR input into policy formulation will include:

- Identifying issues where smallholders report problems with property rights and approval procedures in relation to forestry.
- Identifying policy areas of particular interest to the DENR (and other government agencies).
- Seeking to identify agency views on these policy issues.
- Presenting evidence of where property rights and regulatory regime has negative implications for smallholder forestry, both verbally and in written form.
- Formulating possible reform measures to facilitate and encourage smallholder forestry, and sounding these out with the DENR (and other government agencies).
- Seeking suggestions from DENR officers on options for policy reform.
- Designing appropriate measures and protocols for close cooperation with the DENR (and other regulatory agencies in the Philippines)

The *steps* by which these measures are to be pursued include that the project team:

- actively seek views of DENR officers on forest policy issues.
- involve Ms Germano (and the other DENR officer seconded to the project) in project research activities, to the greatest extent possible.
- maintain regular communication, through visits to DENR officers in Tacloban and other locations in Leyte and email correspondence.
- keep the DENR officers informed of research being undertaken.
- convey research finding from the project to the DENR in a timely fashion.
- hold a number of PAC meetings during the project to provide information about project progress and directions, and seek attendance and review by DENR members.
- seek presentations by DENR (and LGU) officers at project workshops.
- involve the DENR in integrating research results with other findings.
- involve DENR officers as co-authors of reports arising from the project.
- provide copies of publications to the DENR.
- recognize areas of potential controversy or conflict, and treat these sensitivity.⁴

EXPECTED ACTIVITY OUTPUTS AND HOW THEY WILL BE USED

Outputs of this project activity, in the form of policy recommendation, will be in essence an input to policy by government. It is envisaged that property rights for smallholders in relation to tree farming will be strengthened, and hence tree planting accelerated.

LINKS WITH OTHER PROJECT ACTIVITIES

Collaboration between university researchers and the DENR will have implications for all research activities within the ACIAR project. At one level, all project researchers need to be aware that the DENR is a Collaborating Organization in the project, and needs to be consulted and kept informed about project activities. At another level, the findings of the various research activities need to be provided to the DENR on a timely basis, and validation of the findings for policy application sought. Of particular interest will be the documented

⁴ Government agencies are a sitting target for accusations of inefficiency, failure to communicate adequately, and corruption. While Philippine citizens can criticize their government because progress in particular directions is frustratingly slow, foreign researchers as guests in the country need to keep a highly objective and positive attitude to reform, and to recognize the job pressures on senior staff in government agencies and the constraints under which policy reform is made.

experience of tree farmers in obtaining tree registration and in some cases harvest and transport permits, as revealed by the survey of tree farmers. Findings of market research, financial analysis of tree growing enterprises and of modelling of livelihood system, and silvicultural research, as well as extension materials developed, also have potential for use by DENR.

RESOURCES REQUIREMENTS AND TIMETABLE

The main funding requirement is in relation to the policy workshops. Some project resources will be required for communication and liaison activities, e.g. for visits of university researchers to the DENR Tacloban office and to PENRO and CENRO offices, and perhaps for supporting visits of DENR staff to meetings. Further planning is needed before these resource requirements can be estimated.

In terms of timing, collaboration activities will be conducted throughout duration of the project, and follow-up activities – including project reporting and provision of further policy recommendations to the DENR – will possibly be needed after the conclusion of research activities.

DISCUSSION

Previous project work on Philippines forestry has highlighted the need for collaboration with the DENR in research aimed at promoting smallholder forestry. Tree growers appear to be frustrated with difficulties in approval processes, suggesting a need for policy reform. Reform proposals will need to be worked through carefully by the university researchers in close collaboration with the DENR.

Acceptance and implementation of research findings and incorporation of recommendations into policy is never automatic, and a number of obstacles can arise. Hence there is a need to plan joint research activities and communication and coordination. These will involve formal linkages, as well as informal communication between individuals, and the following of protocols for close cooperation between university researchers and the DENR (and other regulatory agencies in the Philippines)

Careful planning on how to maximize the effectiveness of cooperation can be expected to facilitate project activities where the DENR is involved, lead to a more harmonious and enjoyable research collaboration, and increase the extent and speed of adoption of project policy recommendations.

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