# Annex 1

## MEETING AGENDA

**TUESDAY 21 MAY**

**Moderator:** Christine Holding Anyonge

- **8:30-8:45** Welcoming speech (Ken MacDicken, CIFOR)
- **8:45-9:30** Participation introduction, and brief on meeting objectives, prepared and expected outcomes (Facilitation Team: C. Holding Anyonge and A. Nawir)
- **9:30-10:00** FAO Study and recent developments in Australia/New Zealand (Digby Race, The Australian National University)
- **10:00-10:15** Coffee break

**Moderator:** Sonja Vermeulen

- **10:15-10:45** Finnantara Intiga/Enso Presentation – Indonesian experiences (Syamsul Fikar)
- **10:45-11:15** CIFOR Presentation – Indonesian experience (Ani Adiwinata Nawir)
- **11:15-11:45** NGOs’ perspectives – Indonesian experiences (Arif Aliadi, LATIN)
- **11:45-13:00** Lunch

**Moderator:** Digby Race

- **13:00-13:30** IIED Presentation (Sonja Vermeulen)
- **13:30-14:00** Presentation on African experiences – Government Perspective (Graeme Harrison, DWAF)
- **14:00-14:30** Presentation on African experiences – Private Perspective (Dutliff Smith, Sappi Forest Products)
- **14:30-14:45** Coffee break
- **14:45-15:15** Introduction to the framework of principles and indicators to assess forestry outgrower schemes/to implement outgrower schemes based on best practices (Facilitation Team: A. Nawir, C. Holding Anyonge, D. Race)

**Moderator:** Sonja Vermeulen

- **15:15-17:00** Interactive Plenary session drawing in experiences from all presentations and participants
- **17:30** CIFOR hosted: Barbecue by the pool in the CIFOR sports complex
WEDNESDAY 22 MAY  

**Moderator:** Sonja Vermeulen  
8:30-9:00  
Reviews of Day I’s synthesis  

**Moderator:** Christine Holding Anyonge  
9:00-11:00  
Group work to discuss application and development of principles and criteria of mutually beneficial contracts  
10:00-10:15  
Coffee break (during group session)  
11:00-12:00  
Group work presentation to Plenary (four groups, 15 minutes each)  
12:00-13:00  
Lunch  

**Moderator:** Digby Race  
13:00-13:30  
Wrap up/synthesis of group outputs (Facilitation Team)  
Introduction to action research and programme development concepts  
(Ken MacDicken)  
13:30-13:45  
Introduction to group assignment  
13:45-16:00  
Group work on scooping of direction of future collaboration and partnerships, and joint programme conceptualization:  
How best to work together (partners’ contribution, roles, locations, timelines, resources)  
Commitment by individuals and organizations, specific tasks for the future (e.g. coordinating team, timeline for specific action)  
14:30-14:45  
Coffee break (during group work session)  
16:00-16:30  
Group work finalization  
16:30-17:15  
Group work presentation to Plenary (three groups, 15 minutes each)  
18:00  
FAO hosted: Dinner at Indonesian restaurant in Bogor  

THURSDAY 23 MAY  

**DAY III**  
8:30-9:30  
Synthesis on topics, issues, priorities and programme components, raised in the previous day (Facilitation Team)  
9:30-10:30  
A way forward: proposals of collaborative programmes (Facilitation Team)  
10:30-10:45  
Coffee break  
10:45-11:45  
Feedback on the proposals of collaborative programmes (Ken MacDicken)  
11:45-12:15  
Official closing (FAO Indonesia Representation)  
12:15  
Lunch and departure
## Annex 2

### PARTICIPANTS

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Annex 3

THE FACILITATION PROCESS AND OUTPUTS OF THE WORKSHOP

Meeting facilitation

With reference to Chapter 2, and the concepts of:

- Symmetric reciprocity – mutual respect of knowledge
- Recognition of contribution of key stakeholders
- Facilitation of equitable access to platforms of negotiation – assisting weaker stakeholders to participate effectively
- Negotiations in the framework of sustainable plantation forest management

There were eight components of the meeting.

- The introductory session, including the presentation of the FAO-commissioned study on outgrower schemes, and recent developments in Australia/New Zealand
- A group of Indonesian presentations, including CIFOR’s presentation on mutually beneficial outgrower arrangements
- A group of South African experiences
- Presentation of IIED’s company-community forestry partnerships: from raw deals to mutual gains
- Introduction to framework of principles and indicators to assess forestry outgrower schemes to implement outgrower schemes based on best practice
- Group work based on stakeholder groups
- Group work on participatory action research based on countries
- Wrap-up session and synthesis

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19 Workshop facilitation process outputs were compiled by Christine Holding Anyonge.

20 In reading this Chapter, please refer to Annex 1 (Meeting agenda).
The conceptual framework of the meeting was in several steps:

Prior to the meeting all participants had received the background document prepared by Ms Månsson summarizing four key research inputs to the meeting, outlining the basic principles, criteria and indicators of sustainable plantation forestry management, and attempting to place them in the context of the latter.

At the meeting, various experiences of different stakeholders from the two countries including NGOs, private companies and government were presented on the first day. Three major research inputs were also presented from FAO, CIFOR and IIED.

The principles of sustainable plantation forestry management were presented in plenary and participants requested to prepare cards with ideas of criteria and indicators to enrich the content of these principles, based on their own experience and the presentations made during the day. From this exercise a rich list of issues to consider in the effective implementation of the principles, and indicators of the same were generated. This list formed the basis of discussion in the next days’ stakeholder groups.

On the second day the participants were divided into stakeholder groups of research; government; NGO and private sector.

Each group reviewed the list generated the previous day according to their needs, views and context. The results of these stakeholder discussions contributed the richest input to the results of this meeting – both in content and in the experience generated from the intra- and intergroup perceptions and interactions. The results of these stakeholder groups discussions are presented in brief in plenary, and are fully documented and annotated here.

After introduction to the concepts of participatory action research, participants were placed in their two country groups. The assignment was to develop a list of tools, research and policy to be able to apply the principles of mutually beneficial outgrower schemes to country specific experiences. The South Africa group and the Indonesia group were joined by CIFOR and ICRAF; IIED and ANU had been assigned to work the South Africa group but opted not to join them, therefore the output from South Africa is entirely generated by private enterprise, NGOs and government. The different perspective this created however was beneficial, as:

- it provided an indication of the range and prioritization of tools, research and policy issues that would arise without the perspective of an external research input; and
- the difference in the richness of the presentation between Indonesia and South Africa, however, reflects the potential role of research organizations in enhancing joint learning activities.
Plenary brainstorming output on principles and criteria

Cards added in plenary to suitable plantation forest management (SPFM) principles:

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<th>MANAGEMENT</th>
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<td><strong>Need for clear objectives</strong></td>
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<td>• clear prioritized objectives</td>
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<td>• common objectives among stakeholders</td>
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<tr>
<td>• all people in community obey terms of the agreement</td>
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<td>• agreement signed by everyone in community</td>
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<td>• good functioning of grassroots organizations</td>
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<td>• special unit in company to deal with community</td>
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<tr>
<td>• strong institutional frameworks devised and implemented</td>
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<td>• agreement among key stakeholders</td>
</tr>
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<td>• clear rights and obligations</td>
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<td>• clear management plan</td>
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<tr>
<td>• management must deliver on promises</td>
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<tr>
<td>• well-documented project plan (implementation dates, responsibilities of stakeholders, project leader)</td>
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<td>• ease of interpretation of management plan to both parties</td>
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<td>• more local adaptation of contracts and plans (reliant on autonomy of company field staff)</td>
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<th>Strong organization</th>
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<td>• systems to enhance transparency and accountability within community and between partners</td>
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<tr>
<td>• clear social objectives and monitoring objectives</td>
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<td>• local socio-economic needs, e.g. for religious purposes, fulfilled or at least considered</td>
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Information systems

- technical information available to all stakeholders
- market information accessible to stakeholders
- species match site and market
- indigenous knowledge recognized and adopted
- farmers provided with technical backstopping
- rules and guidance for good practice available
- silviculture BOPs (best operational practices) part of contract

Promote capacity

- mechanisms for transfer of technology, information and skills from stronger to weaker partner
- private extension opportunities captured
- fair organizational capacities of both parties
- company staff improve skills and performance (backed up by career opportunities)
- both parties understand criteria and indicators of sustainable forest management

Technology

- germplasm available
- technological innovations give rise to new partnership arrangements
- species match site and market

ECONOMICS

Principle one: long-term viability

Valuation

- adequate definition and identification of community needs
- adequate definition and identification of community costs, especially opportunity costs

Diversification

- diversified income streams for farmers
- contingency plans – diversifying products to reduce risk
- community members have access to associated money-making options, e.g. secondary processing and service industries

Information and analysis

- economic risks are anticipated and forecasted
- growers have absolute clarity on economic implications
- mechanisms for information distribution are controlled and clear

Monitoring

- measurement of economic improvement at micro and regional levels
- companies improve market standing
- research results needed

Market access

- realistic choice of products and activities
- accessible markets
- scheme is commercially viable for key stakeholders
**Principle two: returns reflect inputs**

**Valuation**
- fair valuation of stakeholders’ inputs
- economics measured in not just money terms
- "sweat equity" versus "financial equity"

**Process mechanisms**
- mechanism for economic power sharing
- systems for determining shares within stakeholder groups

**Information**
- both parties are transparent with financial records and information
- farmers have access to market information

**Risk**
- risk shared not equally, but equitably
- both parties prepared to accept risk
### Change
- benefit sharing can change with changing inputs
- possibility to review
- changes in estimation of returns possible
- both growers and companies benefit
- fair and equitable benefits
- outgrower may not attract to the results of original estimation of economic returns

### SOCIO-ECONOMIC

#### Power balance
- mechanisms to balance power among stakeholders
- collective bargaining is institutionalized
- resources for capacity building
- principles of learning partnerships/flexibility
- fair and equitable distribution of benefits
- not entrenching the status quo
- local livelihoods are secure (buffered from risk)
- community development support
- going beyond direct benefits of scheme
- simple, effective and efficient contract mechanisms
- institutional development in communities beyond community and other stakeholders

#### Integration among stakeholders
- forestry better integrated in local development plans (suite of options)
- open for third party involvement (if needed)
- formalizing links with other key stakeholders, e.g. local and national government

#### Local people form local and broader alliances for action
- representative structures for all outgrowers for effective lobbying of government and markets
- memorandum of understanding between parties drawn up and reviewed periodically
### Defining and monitoring objectives
- social objectives recognized and met
- robust, recognized, representative structures at community level
- systems to enhance transparency and accountability within community and between partners
- clear social objectives and monitoring objectives
- local socio-economic needs, e.g. for religious purposes, fulfilled or at least considered
- local ethics and traditions acknowledged (may be trade-offs)

#### Ungrouped
- Sufficient knowledge and awareness of the community members

### ECOLOGICAL/ENVIRONMENT

#### Integrity
- unused and wasteland reclaimed
- ecological integrity increased
- ecosystem function maintained, or enhanced
- ecological risks minimized
- involve the community to minimize fire damage
- provisions for the prevention of disease outbreak
- subsistence living may hamper the consideration of ecological integrity (balance between social and ecological)
  - rules and guidelines of good practice

#### Diversification
- species/landscape diversity increases
- freedom for outgrowers to combine multiple land uses

#### Non-forestry resources
- environmental disturbance, e.g. roads for logging, decreases (roads should also be considered in social and economic assessment)
- positive and negative impacts on wildlife taken into account
- downstream water use considered

#### Planning and monitoring
- environmental management plan jointly compiled and implemented
- ecological parameters identified and met before initiation of project
- mitigate impacts through proper planning, risk analysis and monitoring
- enforce and ensure environmental accountability, e.g. via certification
- sufficient knowledge and awareness among community members

#### Ungrouped
- contract mechanism should be simple, effective and efficient

### POLICY

#### Government commitment
- bureaucratic processes/requirements simplified
- coherent intersectoral policies
- precautionary policies
- institutionalizing the role of mediator/facilitator ("champion agency")
- cater to different product development needs
- supportive local and national government
- no policy disincentives to growing and harvesting
- government departments improve in capacity, relevance and coordination
- government sorts out facilitator versus regulator role
- legislation and certification accessible for smaller companies
- enabling government policy for all stakeholders
- no conflicting policy between central and local authorities
- enforcement, not just policy statement
- appropriate but not artificial government incentives, e.g. soft loans and tax breaks

**Land tenure policy**
- property rights/land boundaries secured
- clear land status
### Transparency and broad understanding

- companies and communities better able to understand and utilize policy
- extension aspects covered in terms of information distribution on laws, policies
- all parties must work to same policy
- systems to enhance transparency and accountability within community and between partners

### Ungrouped

- conducive tax policy is preferred
- downstream water use considered
- both sides predict and plan for policy, market, social (e.g. AIDS) and environmental change
- conducive policy on land tenure
Session 1: Stakeholder Group work to discuss application and development of principles and criteria of mutually beneficial contracts

GROUP ON GOVERNMENT POLICY

Sonja Vermeulen (IIED); Graeme Harrison (DWAF, South Africa); Benni Sormin (FAO Indonesia)

ROLES OF GOVERNMENT

KEY OBJECTIVE

To work for the public good (more broadly than the direct participants in the joint venture) through improving:

- Local livelihoods
- National economy
- Environment

Diagram 1. Various roles for government in company-outgrower joint ventures
The government group discussed in detail (i) the role of government in joint ventures and (ii) a framework for criteria and indicators to evaluate joint ventures.
Role of government

Government aims for returns to the public good over and above benefits to the immediate participants in a joint venture. Therefore the criteria and indicators for success chosen by government to assess schemes would include broader outcomes to local communities and to the country as a whole (or district/province in the case of local government). Diagram 1 shows the various routes by which government can be involved in company-outgrower joint ventures in order to achieve government objectives with respect to local livelihoods, the national economy and the environment:

Route 1: Where there is a market for the products of company-outgrower joint ventures, government can set basic rules of engagement, but essentially be hands-off. Social and environmental responsibility will, ideally, be built into the private sector market system (e.g. via certification).

Route 2: If there are some problems with the system at the market, community or policy level (e.g. the private sector goes elsewhere because rules are too restrictive) then government can tackle these problems via policy change, or else through direct support: by mediating between the parties or providing precautionary backups (e.g. checks on environmental impacts).

Route 3: Where the private sector is not interested in investing in company-outgrower joint ventures, the government needs to support alternative local development pathways.

Framework to evaluate joint ventures

Rather than a detailed examination of individual criteria and indicators, the government group took a broad look at the principles under which the criteria were clustered. The clusters appeared to fall into a sequence of outcomes, mechanisms and prerequisites, which are illustrated in Diagram 2 and explained below.

The proposed five clusters that formed the basis of our working framework during the workshop are policy, management, environment, sociocultural and economics. These clusters differ in terms of the extent to which participants in a company-outgrower joint venture are able to make direct changes. Companies and outgrowers can make direct changes to management and lobby for changes in policy. These changes will then have indirect environmental, sociocultural and economic outcomes.

Company-outgrower joint ventures will be judged as successful or not depending on their outcomes. This suggests that the first point of assessment should in fact be the environment, sociocultural and economics clusters, which describe the full set of desired (and undesired) outcomes of the joint ventures. Next companies or outgrowers would want to assess why they were or were not succeeding in achieving desired outcomes. To do this they would assess their management of the joint venture, in particular the institutional mechanisms they have in place for decision-making and accountability. These are the mechanisms of the venture, which they are able to change directly.

Supportive government policy is a prerequisite for joint ventures, and would not need to be assessed separately for all individual schemes, unless participants identified specific problems with the policy environment. Another prerequisite for joint ventures is a set of objectives – every scheme has slightly different objectives and schemes can only be assessed in terms of what they set out to achieve.

GROUP ON RESEARCH

James M. Roshetko (ICRAF); Ani Adiwinata Nawir (CIFOR);
Digby Race (ANU)
- Clarifying overlapping topics
- Criteria in conflicts (environment versus economic) ➔ the diagram reflects how to conceptualise the interrelating uses (which can be controlled by company or cannot)
- Third parties roles important in different aspects to influence company management aspect (different players have different roles: government, NGOs)
- Diagram reflects the overlapping

Monitoring and Evaluation, based on the principles, criteria and indicators was discussed as an overarching topic:

- Participatory Monitoring and Evaluation (PM&E)
- Independent
- Periodic

The umbrella for implementation is: Participatory Monitoring and Evaluation

INTERRELATED GROUPING OF PRINCIPLES, CRITERIA, AND INDICATORS
SOCIOCULTURAL

Defining objectives:

- Comprehensive sociocultural objectives understood, accepted and met
- Balancing power ... for fair and equitable distribution of benefit
- Effective mechanisms to balance power among stakeholders identified (e.g. collective bargaining; independent/third parties; transparent and accountable processes)
- Capacity building so that communities can take an active role in the development processes (e.g. learning partnerships; institutional development).

Integration

- Working relationships between partners
- Biomass production with wider commitment development agenda

The research group consisted of CIFOR, ICRAF and ANU. The group concluded that many of the listed bullet points were either complemented, redundant, and could be integrated for developing a more cohesive set of mutually beneficial partnership under outgrower schemes. The group also agreed that the applicability of the set is very useful as the tool for Participatory Monitoring and Evaluation, which could be conducted by independent parties periodically.

The group observed most of the management aspect principles, criteria and indicators are the ones that the initiator of the outgrower scheme (usually private company) can control and manage internally, while the other aspects depend on other key stakeholders actions (tree growers, government, NGOs). Therefore, the diagram describes the management aspect as being in the centre. Also described in the diagram, the five different aspects are also interrelated.

NGO STAKEHOLDER GROUP

Rory Mack (LRDF); Arif Aliadi (LATIN);
Christine Holding Anyonge (FAO)

The NGO group had some substantive changes and recommendations to make to the original listing generated the previous evening.

Social principle and criteria

Considerable discussions had taken place in the meeting already about the power balance between companies and communities – however, the NGO group felt that more attention should also be paid to the power balance within communities. Transparency and accountability within communities and between parties should be addressed by different mechanisms.

Within communities, discussions had often been held between the company and the formal leaders of the community. These discussions and contractual details are not shared throughout the community, although community members are committed by contract. Difficulties inevitably arise on both sides in terms of returns to community members, and implementing management plans. These difficulties can be resolved to a certain extent by companies recognizing that communities are not homogenous entities, but are made up of individual households with different requirements and needs. Two suggestions were:

- that informal leaders are party to the contractual negotiation and witnesses to the agreement; and
- that the contents of the agreement are widely disseminated, by means of posters and radio. As many of people who live in outgrower areas are migrant workers, meetings are not effective means of information dissemination.
Contracts are also discussed between government officers and company employees. Often these staff are transferred and negotiations have to start afresh. Memoranda of Understanding (MOU) between the parties means that incoming officers and staff can start from what is written in their files – this means momentum and objective of purpose is maintained.

**Management principle and criteria**

The group said that the agreement should be negotiated, documented and disseminated in a transparent manner.

Social, cultural, economic and ecological parameters should be identified and met before the institution of the agreement and monitored for the duration of the agreement.

The original items on the management list entitled information systems and promote capacity should be combined into one entitled knowledge systems.

**Recognition of validity of all forms of knowledge.**

Basically all stakeholders have different forms of knowledge, each equally valid. The original list talks of transfer of technology, information and skills from the stronger to the weaker partner; this conventional concept does not encourage recognition or incorporation of knowledge from participating stakeholders. Companies transfer technology (BOPs) and market information; equally indigenous knowledge (e.g. soil fertility and pests) can be recognized and incorporated into management plans.

Although there is much talk of power balance and benefit sharing in the section on social economics, a crucial element is not explicitly included in the original list: the requirement to empower communities before negotiations start to enable them to articulate their own perceptions and own demands prior to agreement. This would be another key element within knowledge systems.

**Policy principle and criteria**

The group felt that an enabling government policy environment that facilitated and encouraged multistakeholder dialogue is an essential prerequisite to the creation of equitable status among negotiating parties.

Creation of a forest industry forum, where all stakeholders have an equal voice, was suggested as one possible tool towards this.

**Land tenure**

With regard to land tenure, the group felt that there had been an overemphasis on defining boundaries (and the resultant preoccupation with “GPSing” boundaries). The more important issue is clarifying the status of the different types of land available for use by the communities and farm foresters: the long-term projected access, utilization and tenure thereof.

**Transparency**

Public dissemination of relevant government policies to the sector, in understandable and transparent media, such as radio and printed leaflets. Companies and communities to negotiate in the context of the relevant government policies. Communities, as part of the empowerment and capacity building facilitation, to be aware of implications of policy in decision-making processes.

**Environment principle and criteria**

The environmental plan of any scheme should be jointly compiled with stakeholders.

Practical implications of plans with regard to germplasm supply, site selection, and road routing to be considered.

**Economic principle and criteria**

The group had some overview comments on the economics section:
The discussions on markets as indicated on the lists appeared to consider only local markets, not national or international market trends, which are essential to long-term viability of any contractual undertaking by the communities or farm foresters.

The group agreed with the items listed under point 3 (defining and monitoring objectives).

GROUP ON PRIVATE SECTOR

Agus Pratomo (ARARA ABADI); Slamet Irianto (WKS); Markus Sudibyo (RAPP); Dutliff Smith/Carl van Loggerenberg (SAPPI Forest Products, South Africa); Syamsul Fikar (PT FINNANTARA INTIGA)

Policy: sliding scale of certification costs according to scale of operation of the company

- Government commitment
- Is there a government policy?
- Does project proposal fail within guidelines of government policy?
- No relevant government policy – continue discussion with local community and local government
- Fiscal policy must be conducive to assisting small companies – government (soft loans, tax incentives)

Environment - incoherence policy on different sectors (agriculture, etc.)

- Assess all government legislation
- Environmental impact assessment
- Basis for Environmental Management Plan: social environment, political environment, biophysical (animals, plant, water), economic
- Auditing and monitoring

Economics

- Marketing plan, possible different market
- Promotion of independent economic entities within the localities (SME)

Management

- Clear objectives:
  Disagreement to item 1.4
  Participatory rural appraisal

- Strong organization:
  To merge point on “organization” with point on “promote capacity (staff training)”
  Extension and training to the local community (company contribution for sharing local knowledge)
  Promotion of small and medium business
  Establishment of local nursery/ seedling

- Information system:
Results and observations of stakeholder group discussions

Several issues emerged from the presentations of the group work:

- The Government group did not discuss the list of principles as a whole, but focused on policy issues and the role of government: prerequisites for such schemes to be created, and the role of government in supporting, and creating an enabling environment. Focusing on policy, and the role of government, the presentation did not tackle the everyday processes of negotiations and implementing outgrower arrangements.

- The Research group indicated that they had discussed in great detail and that they found the experience of discussing together extremely useful. They focused on conflicts between criteria, and the role of third parties in outgrower schemes. They did not get beyond discussing the sociocultural list. Though they indicated their discussions were rich, the content of their presentation was less detailed than that of the other stakeholder groups.

- The NGO groups’ foci were on the sociocultural and management dimensions, and they made concrete suggestions for adaptation and representation of content, particularly in the management section to greater encourage language of equity and mutual respect of knowledge. The economic section was recognized as being currently weak.

- The Private sector group focused first on policy issues. The maze of environmental legislation also caught their attention. Management and economic sections were discussed briefly and obviously felt they could handle. The social checklist was discussed last, but other than policy it was the one discussed in most detail. The synergy between what the NGOs are proposing and what companies are proposing as necessary for sustainable outgrower arrangements is startling. The private sector group emphasized the need for trust between parties.

- The ways in which the different stakeholder groups applied themselves to the task reflected the nature and differing perceptions of the stakeholder groups. The private sector for example, was open and willing to find ways forward to address the difficulties they are having in working with diverse farmers groups and communities. It is evident that all stakeholders have a crucial and complementary role to play. It is also evident, that each has differing incentives for engagement, different forms of knowledge, held and expressed in different ways. Incremental adjustments and trust between the stakeholders, along with organizational and facilitation skills are required if these groups are to negotiate on a basis of mutual trust and respect.

- Owing to budget constraints the meeting lacked a professional facilitator, and relied instead on a four-team group drawn primarily from the research group. This in hindsight was not an effective mechanism for facilitation, and a professional facilitator would have greatly assisted in resolving emerging issues. In another situation where a professional facilitator was not available, it is recommended that the facilitation team would be drawn from each stakeholder group.

- Research, has its own objectives, agendas and expected outputs. If activities are to be operationally focused, research may not be the most appropriate leader of joint stakeholder activities. In this context the research agenda, to be effective and have a sustainable impact should be accountable to the other stakeholders.
Session 2: Country Group - Group work on scoping of direction, future collaboration and partnership, and joint programme conceptualization

INDONESIA GROUP

Problems/challenges

- Wood price low (compared with other commodities) – economics/market
- Long rotation/time frame – economics/management
- Outgrowers widely dispersed (size, distance) – management/economics
- Land status (more than tenure) – policy, sociocultural
- Community capacity needs (skills, knowledge) – management, sociocultural
- Community finance – policy, economics, sociocultural
- Short-term income (tumpangsari only for one year) – management, economics, sociocultural
- Develop trust between partners – sociocultural, management
- Recognize/use local knowledge/system – sociocultural, management
- Government support/action – policy
- Non-formal actors (irregular, illegal, invisible) – policy
- Infrastructure – poor (market/management/policy/economics)
- Partner (community) representation (all subgroups represented) – sociocultural, management
### IDENTIFICATION AND FOCUS OF FUTURE PROGRAMMING

<table>
<thead>
<tr>
<th>Problem Problem</th>
<th>Tools</th>
<th>Research</th>
<th>Policy</th>
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</table>
| Wood price      | Transparent market/price system  
Information on price (newspaper, radio)  
Guidelines explaining outgrower scheme  
Guidelines about market channels and options | Comparative study price/location/scheme/company, etc.  
Alternative use of wood-producing species | |
| Rotation age/time frame (one short-term income) | AF/diversification of crop  
Employment opportunities (with company/other off-farm)  
Training/ awareness of BOP (best operational practices) | Analysis of land use/crop options  
Minimum livelihoods requirement/household  
Improved farmer-level silviculture guidelines: best operational practices (BOPs)  
Other crops which are feasible | |
| Outgrowers widely dispersed | Fact sheet about economic returns by tree farm size and distance from factory  
Minimum scale of operation | |
| Land status | Clarification/verification of land status (ownership, use rights, tree rights) | Identify traditional land classification and regulations  
Identify sacred/ historically/ culturally important site | |
| Community capacity, skills knowledge | Training  
Farmer appropriate documents  
Cross visits | Training needs assessment  
Looking at appropriate existing (PAR) social institution | |
| Community finance | Local social-economic infrastructure | Try cooperatives/loan programmes (PAR)  
Looking at appropriate existing (PAR) social institution | Community financial capacity empowerment options |
| Develop trust between partners | Regular dialogue  
Newsletter  
Advertise CD programmes  
Agreement document  
Cultural sensitivity  
Training conflict resolution | Analysis of community perception  
Existing customary laws/ community institution  
PAR of traditional NRM (natural resource management) –medicinal plans, fruits, spices, rattan  
Integrate (tested) in scheme | Partnership: government – private sector – civil society |
| Use of local knowledge | | | |
| Government support | Socialization, fact sheet about government policy regulations  
Maintaining good interpersonal relationships  
Forum to discuss the impact of policy to different parties | Research on effectiveness governance/government supports  
Research on effectiveness of government funding | Regional autonomy needs to be more effective/more locally specific legislation |
| Non-formal actors (irregular, illegal, invisible) | Mobilize judicial system/law enforcement | | |
| Infrastructure (poor) | Regional development plan | Local government annual development plan forum (from village up to district level) | Priority scale in support to spatial development |
| Partner representation | | | |
Scoping of direction and future participatory action research

PRIORITY ONE
Developing trust between partners/partners representation (conflict resolution mechanism)

PARTIES CONTRIBUTION
- LATIN (NGO roles): facilitator and trainer (for cases in outer island)
- Companies
- Research

ACTION
- Dialogue between NGOs and companies (to identify type of activities and budget requirements)
- Meeting with broader stakeholders (to identify type of activities and budget requirements)
- Research institution to identify different mechanism for conflict resolution (practical applications of conflict resolution issues and identify root of problems)

PRIORITY TWO

PARTIES CONTRIBUTION
- LATIN: through the local institutions, to empower capacity in having dialogue with governments
- Companies
- Research (CIFOR)

STEPS
- Making an inventory of issues and related other parties
- Forum exchange information on related problems in different provinces (WKS, Arara, Finnantara, RAPP)
- Informal dialogue with NGO (Latin) and CIFOR to plan on initiating dialogue with government and privates
- Formal dialogue with government
- Formal dialogue for action
- Activities to address the problem
- Developing trusts b/w partners/partners representation
- conflict resolution mechanism
- Parties contributed:
  - LATIN roles: facilitator and trainer (for cases in outer islands)
  - Companies
  - Research

STEPS
- Dialogue between NGOs and companies – to identify type of activities and budget requirements
- Meeting with broader stakeholders – to identify type of activities and budget requirements
- Research institution to identify different mechanisms for conflict resolution (practical application of issues and identify root of problems) – identify activities and budget requirements conflict resolution
SOUTH AFRICAN GROUP

Tools
- Project assessment/guidelines tool (FAO)
- Spatial information system for site selection, strategic planning using wide stakeholder input:
  - Environment
  - Geophysical
  - Social
  - Water
  - Infrastructure
- Centralized, on-line information database
- General process for facilitating contractors SMMEs
- Develop procedures for certification of small-scale growers

Research (PAR)
- Socio-economic impacts of existing projects
- Baseline economic studies in “new” project areas
- Hydrological studies in certain “oversubscribed” catchments
- Identify research priorities through consultative forum addressing key issues:
  - Interim livelihood (during plantation establishment and maturation phase)
  - Impact of HIV/AIDS on existing plantation schemes
- Benefit sharing – communal schemes
- Institutional
- Designs within communities
- Lambasi Project for PAR proposal
- Maputoland PAR (Sappi-linked)

Policy/support (local)
- Programme for capacity-building within stakeholder groups
- Overarching government policy statement of intent recording forestry outgrower programmes resulting in better cooperative governance
- Outgrower representation – how to handle
- Information dissemination (radio)
- Market information
- Legislation
- Technical
- Support programme for independent growers
- Marketing
- Certification
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<tr>
<th>Social</th>
<th>Economics</th>
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<td>Biophysical study</td>
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<td>Constitute project team</td>
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**Develop assessment guidelines**

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<th>Time frame/reassess</th>
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Annex 4

LIST OF DOCUMENTS ON CRITERIA AND INDICATORS FOR SUSTAINABLE FOREST MANAGEMENT ACCORDING TO PROCESS BY OR IN COLLABORATION WITH FAO

Near East Process

**FAO/UNEP.** 2000. Practical guidelines for the assessment and measuring of criteria and indicators for sustainable forest management in the Near East region. FAO Regional Office for the Near East. Cairo, Egypt; 2000 (E, A).


**FAO/UNEP.** 1996. Report of the expert meeting on criteria and indicators for sustainable forest management in the Near East. Cairo, Egypt; 15-17 October 1996. (E, A)

**DRY-ZONE AFRICA PROCESS**

**UNEP/FAO.** 2000. Practical guidelines for the assessment and measurement of criteria and indicators for sustainable forest management in dry-zone African countries. Rome. (E, F)


**UNEP/FAO.** 1998. National coordinator's meeting on criteria and indicators for sustainable forest management for SADC member countries; dry-zone Africa process. Lilongwe, Malawi; 15-18 December 1998. (E)


REGIONAL INITIATIVE - DRY FORESTS IN ASIA


LEPATERIQUE PROCESS OF CENTRAL AMERICA


OTHER FAO PUBLICATIONS


Equitable Partnerships between Corporate and Smallholder Partners – Bogor, Indonesia, 21-23 May 2002


Anon. 2001. Guidelines for field-level criteria and indicators for model forests. FAO/Government of Japan regional project on assistance for the implementation of the model forest approach for sustainable forest management in the Asia Pacific region (GCP/RAS/177/JPN). Working Paper No. 1. FAO Bangkok, Thailand.


Castañeda, F. 1999. Why national And forest management unit levels criteria and indicators for sustainable forest management of dry forests n Asia/South Asia FAO/UNEP/ITTO/IIFM Workshop on national level criteria and indicators for sustainable forest management of dry forests in Asia/South Asia. Bhopal, India; 30 November – 3 December 1999.

Castañeda, F. 1999. Collaborators in the implementation of national level criteria and indicators for sustainable management of dry forests in CILSS member countries, dry-zone Africa process. UNEP/FAO/CILSS workshop of national coordinator for criteria and indicators for sustainable forest management for CILSS member countries, dry-zone Africa process. Dakar, Senegal; 14 – 17, December 1999.

Castañeda, F. 1998. Facilitating the implementation of national level criteria and indicators for sustainable forest management in SADC member countries, dry-zone Africa process. UNEP/FAO/CILSS workshop of national coordinator for criteria and indicators for sustainable forest management for CILSS member countries, dry-zone Africa process. Lilongwe, Malawi; 15-18 December, 1998.

Castañeda, F. 1998. Accelerating the implementation of national level criteria and indicators for sustainable forest management in the Near East countries. FAO/UNEP national coordinators’ meeting on criteria and indicators for sustainable forest management for Near East countries. Damascus, Syria; 2 –4 December, 1998.


Annex 5

CIFOR DEFINITIONS

**Principle:** A fundamental truth or law as the basis of reasoning or action. Principles in the context of sustainable forest management are seen as providing the primary framework for managing forests in a sustainable fashion. They provide the justification for criteria, indicators and verifiers. Consider that principles embody human wisdom. Wisdom is defined as a small increment in knowledge created by a person's (group's) deductive ability after attaining a sufficient level of understanding of a knowledge area. Wisdom therefore depends on knowledge.

**Criterion:** A principle or standard from which something is judged. A criterion can therefore be seen as a “second order” principle, one that adds meaning and makes the principle operational without itself being a direct measure of performance. Criteria are the intermediate points to which the information provided by indicators can be integrated and where an interpretable assessment crystallizes. Principles form the final point of integration. In addition to considering criteria to be second-order principles, treat them also as reflections of knowledge. Knowledge is the accumulation of related information over a long period of time. It can be viewed as a large-scale selective combination or union of related pieces of information.

**Indicator:** An indicator is any variable or component of the forest ecosystem or management system used to infer the status of a particular criterion. Indicators should convey a “single meaningful message”. This “single message” is termed information. It represents an aggregate of one or more data elements with certain established relationships.

**Verifier:** Data or information that enhances the specificity or the ease of assessment of an indicator. The fourth level of specificity, verifiers provide specific details that would indicate or reflect a desired condition of an indicator. Verifiers add meaning, precision and usually also site-specificity to an indicator. They may define the limits of a hypothetical zone from which recovery can still safely take place (performance threshold/target). On the other hand, they may also be defined as procedures needed to determine satisfaction of the conditions postulated in the indicator concerned (means of verification).

Source: The CIFOR Criteria and Indicators, Toolbox Series No. 2.
Annex 6

PARTICIPATORY ACTION RESEARCH

PowerPoint presentation

Ken MacDicken
Participatory Action Research

Doing research that has immediate application as well as strategic value

Participatory Action Research

- What is this beast?
- An approach to structured learning by doing
- Experimentation that involves the following steps:
  - Reflection - what is the problem?
  - Planning - what do we do about the problem?
  - Action - taking steps to solve the problem
  - Observation - what effect did the action have?
  - Reflection - what next steps
- The goal is to experiment with solutions to agreed-upon problems and to learn through a structured, iterative process in ways that can be communicated to others
The process…

The challenge

• Pulling together a multi-location PAR study that:
  – identifies pragmatic constraints to outgrower schemes in each location
  – negotiates an initial action(s) to remove one or more constraints (can be unique to each study site)
  – monitors and reports on success, failure, etc. from the action taken
The needs

- Industry and outgrowers/outgrower groups who are committed to using the PAR approach to work on solving problems
- Researchers who are willing and able to work with these partners
- Coordinator(s) who can help with methods, analyses and cross-site coordination
Annex 7

RECENT OUTGROWERS EXPERIENCES, AUSTRALIA AND NEW ZEALAND

PowerPoint presentation

Digby Race
Links between small-scale growers & industry:

*Digby Race*

**ANU Forestry – The Australian National University**


Global Survey and Analytical Framework for Forestry Out-grower Arrangements (FAO, 2000), by Helen Desmond and Digby Race

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**The context in Australia**

- Increasing role of private industry in shaping forestry;
- Increasing focus on planted trees rather than native forests (1.5 million ha);
- Increasing role of small-scale growers (10-20% resource suppliers);
- Highly variable market prospects between in-country regions;
- Declining terms of trade across farm commodities;
- Strong socio-political push for “integrated” forestry;
- Increasing reliance on private sector for market and technical information;
- High use of market brokers by individuals in New Zealand;
- High popularity with annuity joint ventures in Australia;
- Exploration of private-public funding mix for fibre and environmental services.
Benefits of joint-ventures

For growers:
• Reduced market risk with an assured sale;
• Financial support with full/part-establishment costs;
• Stable, annual income with lease payments;
• Silvicultural advice;
• Physical support with tree establishment.

For industry:
• Increased supply of forest resources;
• Resource security without land purchase;
• Access to farmland close to processing;
• Add to resource supply mix;
• Good relations with regional communities.

Global survey of out-grower schemes (FAO)

• Broad overview of forestry out-grower schemes in operation around the world (17 schemes, 12 countries);

• Largely surveyed forest industry staff who manage out-grower schemes, via posted questionnaire.
Factors for successful schemes

- Partners have a reasonable likelihood of deriving benefits;
- Contributions (e.g. land tenure, business viability) and partnerships are secure;
- Production and market risks are accurately calculated and shared;
- Partners have the social and technical expertise to genuinely negotiate arrangements;
- Partners are informed of realistic prospects and opportunities (e.g. flexibility of options);
- Arrangements and forestry practices are consistent with sustainable forest management principles – at the local and regional levels;
- Arrangements contribute to wider community well-being.

Importance of local context

- Entering into outgrower arrangements out-weighs the opportunity costs for both partners;
- Partners are informed of the commercial prospects and wider implications;
- Regional markets provide positive commercial returns for both partners;
- Partners remain motivated to contribute to arrangements – reflecting the importance of schemes to the viability of the household/business;
- Government has the willingness and capacity to develop encouraging policies and procedures;
- Community perceptions of out-grower schemes and potential partners are favourable;
- Institutional support is available for providing market information and a fair negotiating context.
Challenges for joint-ventures (j-v’s)

- How useful are generic principles, criteria & indicators for gauging joint ventures in different locations?

- What is possible when “factors of success” are missing?

- What are possible approaches to enhance/modify existing joint ventures?

- What are the implications for growers (and prospective growers) & industry who operate outside joint ventures?

- What is the role of government when it is both the commercial grower and the provider of information for landholders?

- How can joint ventures contribute to goals of community development?