

“Last chance for the mossy forests”

A case in strategic environmental management

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This teaching case is based on a field mission and expert report by the authors of the case in October 2016. In the case the persons and organizations directly involved in the project described have been fictionalized, as well as their decision-making situation. The rest (the field situation, the actors and policies in the field, the project design) reflect the situation and its strategic issues as they were studied, understood and assessed by the authors. The way in which the facts are presented and assessed in the case is the sole responsibility of the authors.

This case was produced as part of the GAMES project (Governance and Accounting for Management of Ecological Systems), which is developing new approaches and tools for the sound governance of nature. The GAMES project is a partnership of the Luc Hoffmann Institute, WWF, University of Cambridge and AgroParisTech. More information on the GAMES project is available here: <http://luchoffmanninstitute.org/research/governance-and-accounting-for-the-management-of-ecological-systems/>

This draft version of the case was prepared for use at the Natural Capital Symposium 2017 in conjunction with a specific teaching note drafted for that occasion, with a report on a new context diagnostic tool for conservation and the use of natural capital assessment tools, and videos for training on these methodologies.

Beyond that, the case is designed to be used in other natural capital, environmental management and conservation trainings and capacity building events, and will be accompanied by a teaching note with a wider scope.

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Prologue

The four-wheel drive was racing downhill on the dirt road, passing by small cornfields and precarious bamboo huts. The few *Carribean* pine trees growing among the burnt stumps of much larger trees reminded the three passengers sitting in the back of the vehicle of the challenging deforestation that they were here to address. In the car were Reggie, 65, the local forester who served as a guide; Katie, 38, in charge of biodiversity projects at the European Sustainable Development Bank; Thomas, 27, representative for the Philippines and Indonesia department of WEC, a well-known international environmental NGO and Peter, 55, the creator and president of the MindaForest trust (MFT), a trusted local organization, engaged since the 1990s in the fight against deforestation

Katie had come to the Philippines for a ten days mission to assess whether to support RELIEF, a \$30 million reforestation project initiated by MFT. She had taken Thomas along because of his commitment to effective environmental protection, his expertise in the region, and his knowledge of the project. Peter had organized part of the mission with the hope of convincing Katie to fund RELIEF, which he and his organisation thought was the last chance to stop the spiral of deforestation and poverty that threatened to take away the area's last remaining forests. RELIEF's theory of action was that providing support and funds to mountain communities to improve their agriculture would draw them away from forest cutting and burning and support them in replanting already-deforested areas. This would in turn result in improved social and environmental conditions.

However, as they considered the landscape of residual forest, human encroachment, eroded steep slopes, useless cogon grass growing fast on depleted soil, and poor households, the team discussed the social and political complexities and were discouraged. "In such a mess, how can one think the project's theory of action will work?", Thomas sighed. "There is no limit to imagination!" retorted Reggie. They all laughed at his joke, as it poked straight at the heart of the complex environmental management problem they to address, but quickly fell into a moment of silent reflection.

Katie knew that, in a couple of days, she would have to work her way to a decision on whether and how the RELIEF project should proceed. She had enough experience to know that to overcome the confusion she was presently feeling and the complexity of the situation, she would then have to take up the file once again for the basics, recapitulate the strong points of the interviews and field trips in their ten days mission, and from there, reason in a methodical and systematic way to reach a well-founded recommendation.

The file: context, problem, project

Severe deforestation in a poor region of the Philippines

Mindanao is the southernmost island of the Philippines. It is the second largest island in the country, both by size (97,530 km²) and by population (21.6 million). The landscape is mountainous, with ten main mountain ranges. The island plays a central role in Philippine agricultural production, providing 40% of food production in the country. 8 of the top 10 agri-commodities exported from the Philippines come from