There is an inherent tension between consumption of forest natural resources and the conservation of ecosystems that produce them. Individuals must make economic decisions surrounding natural resource use that translate into livelihood choices, which in turn translate into landscape and ecosystem impacts. The Tambopata National Reserve buffer zone in Madre De Dios, Peru, is an example of where such forest livelihood-resource tradeoff decisions occur. In contexts of weak governance, lack of proper land-use planning, population growth, and the presence of high-value natural resources, communities – both migrant and indigenous alike – face the dilemma of how to generate income from natural resources in the area.

Using a multi-method approach, we explored whether there are economic scenarios in which forest-friendly livelihoods can, other things equal, provide economic returns on par or above those of extractive livelihoods. Specifically, we examined the potential livelihood returns from small-scale and artisanal mining and two existing forest-based livelihood choices – brazil nut harvesting and fish farming – to explore whether an individual actor might be able to pursue his/her economic needs with fewer negative environmental impacts. Our field work had three main goals: First, to map the supply chain for each of the two alternative livelihoods considered in a desk study. Second, to gather practitioner level-data, including on costs of inputs, prices and profits, and market sizes, sufficient to evaluate the alternative livelihoods as economically viable options. Third, to understand the barriers to entry and other contextual factors preventing alternative livelihoods from being more prevalent.

The results of our pilot study demonstrate that there are scenarios in which a portfolio of forest-friendly livelihoods can be potentially as lucrative or more than extractive based ones. Outside of mining and logging, the most profitable economic activities in the buffer zone of the Tambopata National Reserve are agroforestry-based cacao production, brazil nut harvesting, and fish farms. Strong potential markets exist for each, but these have yet to achieve their full potential. The question that follows is how to create enabling conditions required to incentivize people around the reserve to turn these potential scenarios into actual development and conservation outcomes.