

FOREST GOVERNANCE FROM BALI TO INTERLAKEN: A PROFOR PERSPECTIVE

Nalin Kishor, PROFOR and Juergen Blaser, HAFL
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THE COSTS OF POOR FOREST GOVERNANCE (WHY DO WE CARE ABOUT GOOD GOVERNANCE?)

- **Ecological:** Unplanned and inappropriate deforestation, depletion of resources important to rural livelihoods and loss of biodiversity and ecosystem services
- **Economic:** Loss of billions of dollars annually in evaded taxes, illegal logging and other forest crimes
- **Social:** Human displacement, conflicts and violence and compromising the traditional rights and beliefs of forest dependent communities
- **Political:** Corruption contagion, erosion of public institutions and loss of credibility of governments

FOREST GOVERNANCE AND FOREST GOVERNMENT

- Forest governance comprises processes, and institutions (formal and informal) through which government agencies, citizens and other groups articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences. It is geared to the management of the resources of the sector to sustain and improve the welfare and quality of life for those whose livelihood depends on the sector.
- Responsibility for fostering good forest governance lies collectively with the *Government + Relevant Stakeholders*.



FLEG DECLARATIONS & THEIR ACHIEVEMENTS

- Seek to create the political “space” and technical means for governments to address illegal logging.
- Co-organized by both producer and consumer countries, recognizing a shared responsibility to address a common problem.
- In partnership with major stakeholders from civil society and the private sector.
- They seek strong alignment with existing regional institutions.

Region	Declaration	Regional Partner
East Asia	Bali, 2001	ASEAN
Africa	Yaounde, 2003	COMIFAC, EAC
Europe and North Asia	St. Petersburg, 2005	MCPFE
Latin America	Draft Declaration	OTCA, CCAD



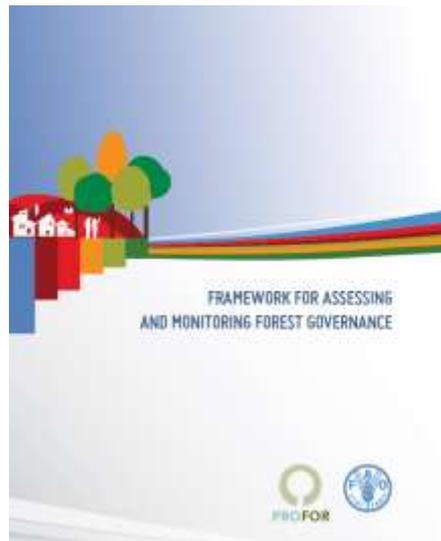
AFTER THE FLEG DECLARATIONS....

- THERE WAS A MUSHROOMING OF INITIATIVES AIMED TO CONTROL ILLEGAL LOGGING AND TRADE
- AND OPPORTUNITIES TO GO BEYOND ILLEGAL LOGGING, TO BROADER FOREST GOVERNANCE MATTERS, WERE RECOGNIZED.
 - One such opportunity led to the production of the FAO-PROFOR Forest Governance Framework



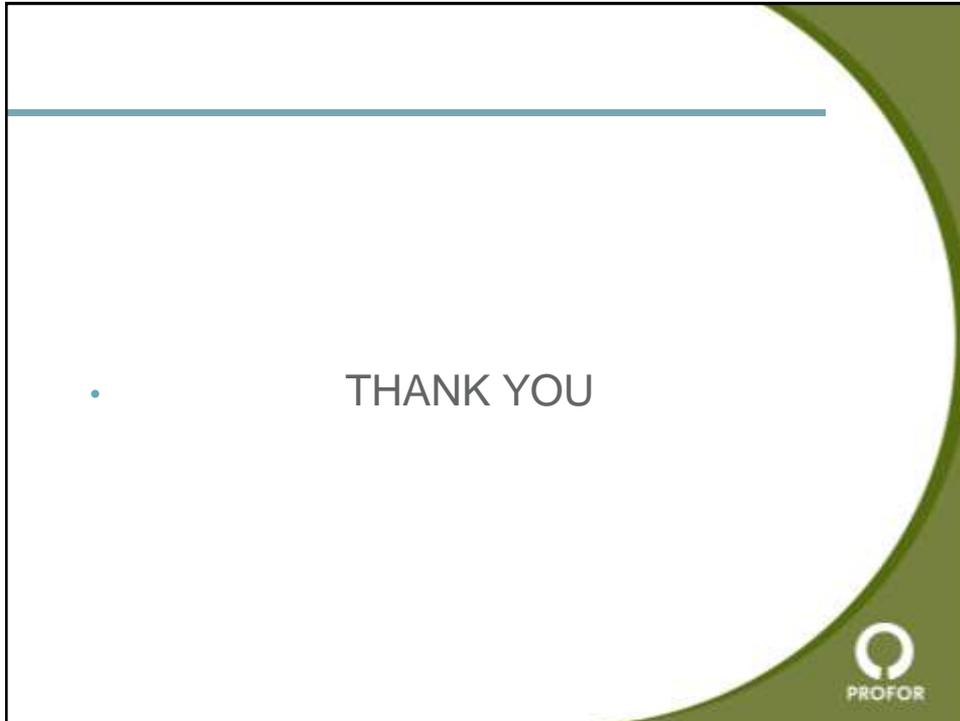
- **The Stockholm symposium brought together representatives of NGOs, development partners, and forested countries.**
- **The symposium produced four points of consensus, including a call for the Bank and FAO to shepherd a process to devise a common framework for governance indicators.**
- **The Bank and FAO convened an expert group that proposed a common framework for forest governance indicator development.**

ONE SUCH OPPORTUNITY LED TO THE DEVELOPMENT OF THE FAO-PROFOR FOREST GOVERNANCE FRAMEWORK.



Growing interest in forest governance

- For REDD+ (Reduced Emissions from Deforestation and Forest Degradation)
- For Forest Investment Programs (FIP)
- For FLEGT
- EU Timber Regulation and US Lacey Act
- EU ENPI East Countries and Russia – FLEG
- International processes e.g. UNFF.
- For private investors, corporate responsibility
- For civil-society participation



Forests: Many challenges to sustainable use

- **Biophysical:** Multiple benefits/uses and trade-offs among these. Irreversibility. Long recovery periods. Poor accessibility to forest areas.
- **Social:** Multiple users (from indigenous peoples, to small and medium forest owners, to multi-national corporations, to international NGOs). with competing interests.
- **Legal:** Unclear, overlapping or unenforceable rights to ownership and access, and conflicts between customary and “formal” legal rights.
- **Economic:** Need to balance the supply of *public* and *private* goods and services. Missing or incomplete markets. *Significant rents* and incentives for corruption. Heavy dependence of the rural poor for food, fuel and fodder. Both, monetary and non-monetary, benefits are important and need to be balanced.
- **Inter-sectoral competition:** Land under forests come into direct competition with demand for agriculture, infrastructure (e.g., roads and highways) and energy (e.g., hydropower).
- **Agency:** Organizations tasked to oversee forest management suffer financial and capacity constraints. Weak oversight over forest estates.
- **State:** In many countries, forests take low priority and the state fosters “extractive political institutions” (Acemoglu and Robinson) which allow for the “looting” and ultimate extinction of the resource.