



Trends in Forest Governance: Reality and Perception of Forest Agencies

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Ownership and Governance One of Many Transitions Underway

Not only climate is changing:

- **Markets:** e.g. growing demand, exploration around bioenergy, etc;
- **Roles, and relative power, of governments, communities, “civil society”:**
- **Structure of the industry** (logs or lumber, or pulp, or NTFPs, or tourism etc – large or small) and who government privileges with support and subsidies
- **Conservation:** how, where, who does it, who pays for it – and how prominent a player it is in the forest sector
- **Ownership and governance** – who owns the land, the trees, the carbon, the water, etc. ; who has what power to “govern” - to decide the direction and set the rules,

Trends in Governance Globally – Including Forestry

1. Past-Present: National – level:

1. Increasing “democratization” – “global political awakening”
2. Increasing decentralization (mostly rhetoric, but really happening in others)
3. Rise of non-state regulation (certification, independent monitoring, etc)
4. Trends away from “command and control” forest regulation
5. More transparency, and mechanisms for accountability (due to greater connectivity)

2. Past – Present: Global level:

1. Many of the same – but the rules and regimes increasingly shaped by IP and CSO, as well as the BRICs
2. Increasing focus on “legality” - EU VPA and US Lacey act establishing legal/treaty-based trading regimes
3. Increasing “contestation”, “pushback” by communities

Yet, the prevalent conditions in developing countries remain abysmal

Weak governance common

		Transparency International rating ¹	Freedom House index ²	Current conflicts ³	World Bank "Doing Business" ranking ⁴
<i>n</i>		1-10; top score: Denmark, 9.3.	1 = Free, 7 = Not free.	<i>Tenure-related / total conflicts.</i>	<i>Ease of doing business ranking, of 181 total.</i>
9	UNREDD	2.6 of 10	3.5 of 7	3 / 3	119
37	FCPF	2.9	3.6	9 / 13	115
38	Both	2.9	3.6	12 / 16	116

Sources:

- 1 Transparency International. 2008. Corruption Perceptions Index. http://www.transparency.org/policy_research/surveys_indices/cpi
- 2 Freedom House. 2008. Freedom in the World. Combined Average Ratings, <http://www.freedomhouse.org/template.cfm?page=410&year=2008>
- 3 Wily, Liz A. 2008. Current conflicts around the world. Unpublished.
- 4 Doing Business 2009, <http://www.doingbusiness.org/economyrankings/?direction=Desc&sort=1>

Forest Agencies – Losing Influence

1. Loss of economic influence:

1. Forestry contribution to national GDP declining
2. Per ha contribution to GDP from the real estate managed by forest agencies is lower by several degrees compared to the per ha contribution of extractive industry, plantation industry or industrial estates - not a fair comparison but that is how finance ministries and political leadership view the forest sector in a rapidly changing world
3. The net result is a loss of political influence and political interlocutors in the corridors of power (last ditch attempts to add value to forests through eco-system services and carbon sequestration {REDD} have not changed this scenario)

2. Loss of real political constituency:

1. In most developing (and quite a few developed) countries the fate of forests is intricately linked with Indigenous Peoples and local communities. Ranging from basic livelihoods to identity as a citizen to lifestyle choices the forests have been fundamental to the lives of some 1.2 billion people across the world
2. This vast constituency, crucial in democracies and a major source of insurgencies and conflicts (where they are unable to exercise their democratic rights) has also been lost by the forest agencies due to non-recognition of their rights, and suppression through onerous set of rules and regulations
3. As a result the forest agencies have increasingly lost their political, economic, and social legitimacy

Real test of leadership will be to regain this constituency