

Annual Meeting of

Mega Florestais

in China



PUBLIC FOREST REFORM AND
GREEN GROWTH POST-PARIS

APRIL 19-22, 2016,

XISHUANGBANNA,
YUNNAN PROVINCE, P.R. CHINA

• BACKGROUND •

MegaFlorestais is a truly unique forum: this informal network brings together leaders from forest agencies of the 12 most forested countries in the world and helps them to improve forest governance and find solutions to the challenges they encounter. Over its 10+ years of existence, it has quickly become an effective tool to accelerate learning, innovation, and implementation of a common suite of new policy decisions among forest agencies in three ways:

• INFORMS

It creates a framework enabling forest leaders to exchange experiences and ideas in informal setting, influence their vision of the world, and come away with new information, concepts, approaches or policies that are useful in addressing the challenges they are facing.

• INFLUENCES

It promotes the implementation of new practices and policies for strengthened forest governance and agencies. It enables forest leaders to be better informed and equipped for national and international negotiations.

• LEADS TO IMPACT

It reinforces leaders' ability to anticipate emerging issues and helps generate and disseminate lessons and best practices that can be used by other countries. It accelerates innovation and implementation of actions that support key policy objectives.

• BACKGROUND •



MegaFlorestais was created in 2005 by a small group of forest agency leaders that met at a conference in Beijing, China, convened by Rights and Resources Initiative (RRI), the State Forestry Administration (SFA) of China and the Chinese Center for Agriculture Policy (CCAP) to discuss public forest tenure reform. These leaders from Brazil, China, Mexico, and the US reflected on the few opportunities they had to discuss the real issues facing forests in their respective countries, problems like climate change and forest fires; volatile forest products markets and their impact on forest management; deforestation; new demands and pressures on forest lands; and the decline in support for forest agencies within their own governments. The group has been meeting annually ever since and has been growing to include the most forested countries, collectively managing half of the world's forests.¹

During this eleventh meeting of MegaFlorestais, held in Jinghong, Xishuangbanna, in the Yunnan province of China, leaders of public forest and land affairs agencies of 10 countries (Brazil, Canada, China, DRC, Indonesia, Kenya, Mexico, Peru, Sweden, and the USA) gathered to discuss the implications of the Paris Climate Agreement, the challenges of public forest reform, and the opportunities provided by green growth for the forestry sector. Eight international experts participated in the meeting to share their expertise and stimulate thinking. As always, the meeting was held under the Chatham House rule, which ensures that all participants can speak freely, without the pressure of politics.

¹ For more information, visit www.megaflorestais.org.

• DAY 01 •

WELCOMING SESSION

On behalf of the SFA of China, Vice Minister Chen Fengxue wished a hearty welcome to the group and reiterated the importance of this MegaFlorestais meeting, held in a context that brings new momentum for forest and climate governance with the recent adoption of the Sustainable Development Goals and the Paris Climate Agreement. He hoped the week's discussions would help develop the forest agenda further at the global level.

Mr. Zhang Dengliang, Vice-governor of the Yunnan province, expressed his joy to be hosting the meeting in Yunnan where forests are such an important asset and represent around 17% of the provincial GDP. He said that the main goal of his office was to promote sustainability, which links economic prosperity and respect for the environment.

Ms. Sally Collins, former Associate Chief of the US Forest Service, and Mr. Glenn Mason, Assistant Deputy Minister of the Canadian Forest Service-Natural Resources Canada, the two current co-chairs of the MegaFlorestais network, [highlighted](#) the originality of the network, which allows leaders to discuss informally critical issues facing the world's forests today, share ideas and innovations, and identify collective ways to better manage forests.

Mr. Andy White, Coordinator of the Rights and Resources Initiative—which co-hosts the meeting and acts as the Secretariat of the MegaFlorestais network—emphasized that managing forests is an evermore more difficult task given current global challenges such as climate change and increasing demand from various stakeholders. Maybe more than ever, forums like MegaFlorestais will be key to accelerate learning and sharing, and help converting upcoming challenges into opportunities.

He also expressed his appreciation for Yunnan as the site of this year's meeting. He highlighted its long history of trade with neighboring Myanmar, Lao PDR, and Vietnam and the transition its forests went through with a high deforestation rate in the 1990's and current tensions between conversion to plantations and biodiversity preservation. He also noted the tremendous ethnic diversity in Yunnan, with 26 minority groups.

Mr. Wan Yong, Deputy Director General of the Yunnan forestry department, highlighted the rich biodiversity of the province, known as the “kingdom of fauna and flora”. It has been identified as an ecological priority, and investment in forestry has reached US\$5.2 M annually over the last 5 years. More than 4 million hectares (Mha) are under forestry management and 28 million trees were planted. As witnessed by participants during the field trip, the national policy objective to obtain both economic and ecological benefits is being accomplished by promoting initiatives like multi-layered planting in rubber plantations. This initiative in particular can help address the importance of these plantations for the economic vitality of communities.

• DAY 02 •

FIELD TRIP



The first stop of the field visit was the **Environment-friendly Rubber Plantation Experimental Demonstration Base of the Yunnan Institute of Tropical Crops**, located 1 km north of Jinghong City on 80 hectares. The purpose of the base is to provide a platform for rubber plantation research and demonstration, and pilot a new model aiming at generating high economic values, and increasing biodiversity and local farmers' income. Rubber plantations historically have suffered from insect and disease problems. New planting modes, especially multi-layering, are used on the site to enhance the efficiency of land use. About 70% of the land was planted with 2 superior varieties of rubber trees, while the rest was planted with 40 valuable tree species, including fruit trees. Green biological control methods were adopted to prevent diseases and pests, as well as scientific fertilizing methods. Rubber is also collected more sustainably: trees are only harvested once every 4 days, instead of every day like in most plantations in South East Asia.

The group then visited the **Wild Elephant Valley**, which covers an area of 369 ha, 36 km north of

the city in the heart of the Mengyang national nature reserve. With the aim of “becoming an international top wildlife conservation area,” the Valley includes an Asian elephant breeding center (which has rescued 8 elephants from the wild), a national theme park and an international ecotourism district.

The last stop was **Manzhang Village**, located on the edge of the Xishuangbanna national nature reserve. “Manzhang” (or “Elephant Village” in Dai language) was a base for training war elephants for the local commanders several hundred years ago. The village is a heritage site celebrating the Dai culture and draws most of its resources from its cultural and ecotourism activities.

In addition to promoting exchanges between participants, the field trip showcased different ways of promoting biodiversity and highlighted the importance of supporting scientific research and innovation in the forest sector, as well as enabling good conditions for people and wildlife to coexist—topics that are all essential for a path forwards a green economy.

• DAY 03 •

SESSION 1:

Post-Paris Global Scan: The future of forests, forest industry, and trade

First, Mr. Andy White presented [his views on the implications and opportunities of the Paris Climate Agreement](#) for forest agencies, which is an historic yet inadequate agreement recognizing the role forests can play in mitigating climate change. Forests have a key role in terms of protection and restoration, and were mentioned in many Intended Nationally Determined Contributions (INDCs, nationally-based pledges to reduce CO₂ emissions). However, current INDCs will likely limit temperature rises to about 3 degrees—far beyond the 1.5C goal. If civil society was hoping for more ambitious pledges and guarantees for human rights, the text still included major social commitments (such as respect for indigenous and community rights) in its preamble and was accompanied by numerous initiatives and unprecedented commitments by the private sector, sub-national governments, cities and communities around the world. Despite this new momentum, the global context will be challenging for the forest sector: with climate change continuing and increasing pressures on forests, forests might become a source of emission rather than a sink. Forest management will be increasingly costly (to handle fires, pests, restoration, etc.) and complicated (more demands, actors and sectors involved). His central message was that today’s forest institutions, property rights, markets and technologies are not sorted for the “new normal” of dramatically different forest situations because of climate change. The ability of countries to keep forests depends on their willingness to reorganize their institution and take advantage of the growing number of new, and more powerful, constituencies with an interest in forests.



Mr. Don Roberts, CEO of the Nawitka Capital Advisors Ltd., emphasized that the [Paris Agreement does not include concrete measures or solid funding to address climate change](#). However, it promotes a bottom-up approach, which, coupled with falling cost of clean energy technologies, is inspiring more confidence in a possible low-carbon future. On forests specifically, article 5 of the Agreement does encourage conserving and enhancing forests, with no “country-specific” obligations. In many ways, climate change offers great opportunities for forests as the forest sector can help mitigate its effects by offering alternatives to fossil fuel-based electricity, transportation, chemicals, and building materials. In this context, governments should help by making investments in bioenergy projects more attractive and taking measures to mitigate risks. It will be critical for forest agencies to promote biomass transformation, and work with other sectors to design and implement bioenergy strategies and harmonized policies and regulations.

Mr. Xu Jintao, Director of the China Center for Energy and Development, also presented on [the domestic environmental concerns and new green growth development pathway taken in China](#). He emphasized that new public policies and mea-

asures have produced expected results, in terms of air quality and environment; however, these efforts will have to continue with stricter measures, both locally and regionally, especially on transfer of pollutants. **Without such actions, it will be impossible to deliver on commitments made in Paris; and the challenge will be to accelerate the transition to a cleaner economic development.** The forest sector will undoubtedly have a strong role to play and will likely benefit from investments over the next 5 years. Increased forest productivity and use as construction material is expected, and a stronger push for bioenergy is being evaluated.

“Forest agencies should act less like forest managers and more like land managers.”

Don Roberts,
CEO, Nawitka Capital Advisors Ltd.

The following discussion highlighted that one solution can't fit all, and each country has to find the right combination of measures and technologies to reduce their CO2 emissions and adopt a new path towards a green economy. Of course, the market will remain a powerful force, but governments can push the private sector and promote incentives, especially through their tax policies.

After this conversation, public forest agencies leaders discussed **their most urgent challenges and opportunities, including new regulations' implementation, the importance of including communities in decision making and forest management, and women,** who constitute an important part of the workforce in forested areas. **Clarification of land and tenure rights** was also presented as a key element for land planning and proper implementation of laws and regulations. Leaders mentioned several positive initiatives undertaken in their countries, including partnerships with the private sector to promote investment in watershed services in the US, the consultation process on new forest regulations completed in Peru with civil society and indigenous organizations, the development of a solid rural environmental cadaster in Brazil, and the support to bioenergy systems in First Nations



communities in Canada through the aboriginal forestry program.

At the end of the day, MegaFlorestais leaders signed a “Forest Agency Leaders’ Statement” emphasizing the “important role [played by MegaFlorestais] in accelerating learning and innovation among public forest agency leaders for more than a decade.” Through this official document, they also expressed their “continued support for the work of the MegaFlorestais network.”

“Proper land management is not only effective economically, but it is also a source of peace.”

H.E. Gustave Booloko,
Minister of Land Affairs, DRC

SESSION 2:

Challenges and lessons on rethinking public forests and engaging local communities

Mr. Kundan Kumar, Director of the Asia Program at the Rights and Resources Initiative (RRI), opened the session with a [global overview of public forest reforms](#) highlighting that even if these reforms can take different forms, such as legal (Peru), judicial (Canada) or administrative (India), they mainly fall in 3 categories: 1. Decentralization or shift of forest governance responsibilities to lower level of governments; 2. Collaborative/participatory community forest management, with the transfer of management or access rights to local communities; and 3. Devolution, with the transfer of forest land ownership to local communities, Indigenous Peoples, households or firms. Experience shows that **clear legal frameworks and regulatory systems, political will across ministries, and multi-stakeholder monitoring are essential components of a successful implementation of the reforms.**

Ms. Wei Guihong, Professor at the Beijing Forestry University, updated the group on the [state forest reform process in China](#). Next step stemming from the collective forest reform have already been completed and some rights have been devolved to households. Initiated in 2003, this new reform is a huge undertaking: it will impact almost 5,000 **state forest farms** (public institutions managed like enterprises) spread over 31 provinces and employing 750,000 people. Similarly, **state forest regions** are also under review. Overall, the reform aims at increasing revenue from state forest lands, while improving local infrastructures, forest management and the livelihoods of workers and local people. The state forest reform plan passed in 2015 and pilot projects are currently underway.

“Foresters advocating for forestry is not enough anymore. Forest agencies have to broaden their scope and see how they can impact and contribute to other sectors and larger policy objectives.”

Doug Konkin

Former Deputy Minister, Ministry of Forests, Lands and Natural Resource Operation, British Columbia, Canada

As a concrete example of how to devolve land ownership to Indigenous Peoples, Mr. Doug Konkin, Former Deputy Minister of Forests, Lands and Natural Resource Operations, British Columbia (BC), Canada, [shared his recent experience as provincial chief negotiator on economic agreements with First Nations](#), following the 2014 Supreme Court decision that gave ownership of 1,750 km² to the Tsilhqot’in Nation. The most positive impact of the negotiation process between the BC government and the Tsilhqot’in Nation is that it initiated a **strategic shift with Indigenous Peoples no longer seen as adversaries but collaborators**. This paves the way for an even greater cooperation with them, that will hopefully lead to strengthened governance, social justice and economic development. Both the court decision and the agreement are ground breaking and will set a precedent for other land claims in Canada.

Questions and conversation:

This thought provoking session led many leaders to wonder about the challenges of dealing with local communities during reform processes, and specifically many **communities' common distrust towards government**. Some leaders also worried about the ability of Indigenous Peoples and local communities to manage their lands sustainably and protect them from the highest bidders since they are so often living in poverty. Resource advisors answered that rights recognition is a key factor in this discussion: research shows that when Indigenous Peoples and local communities have legally recognized and enforced rights, deforestation and carbon emissions tend to be significantly lower in community forests than areas outside of community forests,² and community forestry offers great opportunities to generate economic benefits while sustainably managing forests, as seen in Mexico or Guatemala. On the other hand, weak/unenforced community rights are associated with higher rates of deforestation, greenhouse gas emissions, conflict, risks for investors, and predatory land grabs. Hence, **governments could see community rights recognition as a low cost strategy to mitigate climate change and alleviate poverty**.

Following this discussion, Ms. Solange Bandiaky-Badji, Director of the Africa Program at RRI, presented a unique new institution incubated by RRI, the [International Land and Forest Tenure Facility](#) (“The Tenure Facility”).³ Exclusively focused on securing collective rights to land



and forests, it supports Indigenous Peoples, civil society organizations, and government institutions in 2 ways by: 1. Scaling up implementation of land and forest tenure reform policies and legislation, and; 2. Enabling governments and communities to test new models, strategies and approaches. Ms. Bandiaky-Badji showed how collaboration with governments was ongoing within the 6 pilot projects (Cameroon, Indonesia, Liberia, Mali, Peru, and Panama). In the current context, not many donors are willing to fund tenure reforms, so the Tenure Facility is being seen as a useful and low risk tool for governments to see progress. Forest agency leaders showed interest in this institution and many emphasized that land rights recognition and titling are key for natural resource management and promote socio-economic development.

Roundtable discussion on public forest reforms:

- Cited key reasons to reform were: social justice and transfer of rights to communities, economic development, attraction of private investors, reduction of deforestation and implementation of more efficient and flexible natural resources management models, etc.
- Key lessons learned put forward by resource advisors were: 1. No “one size fits all”, each country has to find the right formula; 2. Reforms are by nature episodic, lumpy, and often rely on a narrow political window of opportunity, unless other pressures come into play (e.g., judicial or trade decision, civil society, international community, private sector); 3. Successful reforms require a level playing field (e.g., multi-stakeholder participation and collaboration with other ministries/sectors) and a solid enforcer; 4. Proceeding through pilot projects and scale up is often the easiest and less costly way to proceed and get buy-in; and 5. Governments should not perceive decentralization or devolution as a loss of power, but a way to become more efficient and stronger. China is a great example of this. They have gone further than many countries by devolving rights to collective forest lands directly to households.

² WRI and RRI. 2014 Securing Rights, Combating Climate Change. World Resources Institute and Rights and Resources Initiative, Washington, D.C.

³ For more information, visit www.thetenurefacility.org.

“African countries want to attract investors and become emergent countries, that’s why they do land and tenure reforms. If rights are insecure, the risks are too high and investors don’t come.”

Solange Bandiaky-Badji,
Director of the Africa Program,
Rights and Resources Initiative

SESSION 3:

The role of forests and forest agencies in green growth, post-Paris

Mr. Don Roberts presented on [new developments in green growth around the world](#). If [investments in renewable energy](#) (mainly solar and wind) set new records last year thanks to developing countries, those in bioenergy are declining. However, bioenergy can represent great opportunities for developing countries where biomass is widely available, and represents one of the lowest cost sources of renewable electricity (e.g., smaller scale bio-electricity plants, cellulosic biofuel plants). Forest agencies should keep an eye on these opportunities, work with other ministries, and help create the right hosting conditions for good capital to invest.

Ms. Doris Capistrano, Senior Advisor of the ASEAN-Swiss Partnership on Social Forestry and Climate Change, spoke about [green growth and the role of social forestry in the Association of Southeast Asian Nations \(ASEAN\)](#). **Economic growth in the region was done at the expense of the environment**; in fact, if the cost of biodiversity depletion was factored in, countries would see their national income go down by 19% in average. Green growth is very high in the political agenda, and countries are likely to change their practices in the next decade. Another significant contribution to climate change mitigation and

adaptation will be continued support to social forestry in the region.

“The budget of my agency has gone down but this has pushed us to be more creative and work with others. What we do is identify an issue faced by another ministry and connect it to the forest and see how we can help. For instance, we have successfully advocated to include the issue of titling within the Intergovernmental Council on Social Affairs, and the Ministry of Social Development and Inclusion now sees titling as a prerequisite condition to promote inclusion.”

Fabiola Muñoz Dodero, Executive Director,
National Forest and Wildlife Service, Peru

Roundtable discussion on green growth:

The following recommendations came out from the discussion:

- Create a positive environment for forestry development and take a broader land approach: connect forestry to other sectors (water, environment, agriculture, mining, land planning, etc.) and emphasize its current or possible contributions. This should lead to significant increases in revenue, but it will require some adjustments: more flexible and innovative forest agencies, more “hats” for their leaders to wear (including negotiator, politician...), and a different training for their staff.
- Invest in institutional capacity building: it will

be key for forest agencies to build the skills of their staff, at different levels, promote innovation, and support solid research in forestry to develop new competitive products and add value to the forest sector.

- **Scan the market/technologies for new opportunities, but watch out for biased information.** For instance, green bonds are exploding, but there is no clear definition of what they are, and to what extent they are referenced with renewables. Those should only be taken seriously once there is more clarity and attractive interest rates are put into place (which depends on governments).
- **Set up policy objectives** which will orient the market towards more sustainable practices/cleaner technologies (but focus on outcomes and let the market decide on specific actions).
- Create the right conditions to attract **long term and non-opportunistic investors** and keep them interested (by conserving trees, reducing the tenure risk, ensuring stable and predictive policies, etc.). Beware of regulatory barriers and see how to encourage social forestry/community forestry models.

• DAY 05 •

SESSION 4:

What future for forest agencies in the post-Paris world?

The last morning of the meeting was left open to allow for a broad discussion on the role of forest agencies in the post-Paris Agreement world: what are the new challenges and opportunities for their agencies, what were the lessons learned, and what actions leaders could to operate effectively moving forward?

Leaders and resource advisors identified several ways forest agencies could remain relevant, and operate more effectively:

- **Better articulate the uniqueness of the forest sector and its contributions to society** (e.g., clean water, food security, poverty alleviation, carbon sequestration, preservation of biodiversity, medicines, housing). All agreed that forestry's contributions were not properly evaluated, and one action would be to jointly push for a better recognition of its value within the entire value chain. FAO, for instance, underestimates the impact of the forest sector in the economy because it only takes into account direct jobs.
- **Embrace the changes and loss of power of more traditional structures to create a new, more flexible, mandate for forest agencies.** In many countries, forest agencies have lost power compared to other ministries, they have been impacted by budget cuts and seen their roles change. But this represents an opportunity to get rid of rigid frameworks, become nimbler, and work in different ways. Forest agencies' mandate going forward should be to **build bridges with other sectors/ministries and highlight how forestry can contribute to broader policy objectives to solve complex integrated problems that governments and society are**

“Forest agencies have to present themselves as co-managers of bigger forested landscapes, strengthen their social capital and be seen as an honest broker. It will be a great way to get ahead of the pack!”

Doris Capistrano,
Senior Advisor, ASEAN-Swiss
Partnership on Social Forestry
and Climate Change Network

facing as a whole (climate change, poverty, food security, natural disasters, water security, etc.). They need to constantly scan the environment and present themselves as problem solvers by bringing innovation, networks, ideas that could be adapted to other sectors (e.g., certification, sustainable forest management, the model forest network). This would enable forest agencies to **regain both power and influence.** With over half of the world's population living in urban areas, urban forestry would be a great place to start.

- An option might be to eliminate the historical forestry agency and to replace it with a more integrated one based on “land” and not only “forestry”, and **undertake a major organizational change.** In BC, for example, Doug Konkin led the way to create a natural resources ministry which includes land, forest, mining, wildlife, recreation, etc. **This consolidation of responsibility allowed for effective cross-cutting decision making.**

- **Become an honest broker/build convening power:** promote inclusive governance and more collaboration with legislators/parliamentarians, the private sector, civil society, and local communities, as well as with global processes like REDD+. Forest agencies have great contributions to make to improve land planning/harmonize legislation on land use, as well as recognize and protect the rights of Indigenous Peoples and local communities. These are responsibilities forest leaders must insert themselves into.

SESSION 5:

What future for forest agencies in the post-Paris world?

The day ended with a **private session for MegaFlorestais leaders** to discuss the future of the network. Leaders gave their feedback on the **draft strategy for the next 5 years** which was presented by the MegaFlorestais co-chairs and Mary Wagner, Associate Chief of the U.S. Forest Service, who had agreed at the 2015 meeting in Peru to lead a subgroup of leaders in charge of developing the strategy. Proposed new directions for the network included:

- More **co-ownership** of the network with a stronger engagement of forest agencies and their leaders (this includes high level participation (heads of agencies or their deputy), willingness to lead activities and cover some costs, etc.);
- Take more advantage of MegaFlorestais by **collaborating throughout the year**, and not only during meetings; and
- Increase MegaFlorestais' presence through publications (like the ones recently published on the [10 years of MegaFlorestais](#) and [Rethinking Forest Regulations](#), and [press releases](#) that can be disseminated at other international fora).

Leaders reaffirmed the value of the network in helping them deal with the challenges they are facing, and its role as catalyst of new ideas and collaboration. They emphasized that MegaFlorestais is now more useful than ever, especially in a post-Paris world. In this spirit, they agreed:

- On the proposed new directions and approach laid out in the 5-year strategy;
- To support the development of a new model of partnership and funding agreement in 2017 (e.g., agencies will cover their staff's travel whenever possible, MegaFlorestais seminars or workshops will follow a graduated tuition-based model, memorandum of understanding will be signed between RRI and interested forest agencies to promote further collaboration);
- To explore collaboration on specific topics of interests such as registry/cadaster, local communities and Indigenous Peoples' engagement, natural resources stewardship, promotion of best practices/changing bad practices through incentives, and increase women involvement more in forest management; and
- To be more active in communication throughout the year and see how to bring value to key international fora.

Working in that direction, the group identified the following next steps:

- The MegaFlorestais secretariat and co-chairs will finalize and circulate the 5-year strategy based on the leaders' feedback;
- The Canadian Forest Service and the MegaFlorestais secretariat will start preparations for the 2017 MegaFlorestais Meeting. Collaboration will start with the Swedish Forest Service, host of the 2018 Meeting;
- RRI, as the secretariat of MegaFlorestais, will propose bilateral memorandum of understanding for signature in order to increase collaboration and raise funds for MegaFlorestais;
- Participants will follow up on the different ideas of exchanges/collaborations that came up during the meeting, in cooperation with the MegaFlorestais Secretariat. These include (but are not limited to) an exchange between DRC and Brazil on rural cadaster, knowledge sharing between Kenya and Doug Konkina on the BC experience, and an expert visit of RRI in Peru to assess wood transportation processes;
- Collaboration between agencies or leaders to write papers on critical topics; and

- The MegaFlorestais secretariat will assess opportunities of collaboration with the Asia Pacific Forestry Network and the ASEAN-Swiss Partnership on Social Forestry and Climate Change Network.



At the closing of the meeting, leaders thanked the State Forestry Administration of China, Vice Minister Chen Fengxue and his team for their organization of the meeting and the opportunity to discover such a beautiful part of China. They also gave special thanks to MegaFlorestais co-chairs and RRI for their involvement and support of MegaFlorestais.

[Click here to download](#) the agenda of the event and list of participants.

More information about the meeting, presentations and resources can be found on the [MegaFlorestais website](#).

The views presented here are not necessarily shared by the agencies that have generously supported this work, or all of the Partners of the Coalition.