



# Good governance: what can we learn from the forest sector?

David Brown, Kathrin Schreckenber, Gill Shepherd and Adrian Wells, with Cecilia Luttrell and Neil Bird <sup>1</sup>

---

## Abstract

Achieving good governance dominates today's development agenda. But what does this mean in practice? This paper examines some of the key elements of good governance, including transparent and equitable relationships between stakeholders, public accountability and participatory decision-making. It takes as an example the forest sector, which has made surprising gains in its application of good governance ideas. Forestry's inclusive focus, linking the global to the national and local; the centrality of issues of tenure and collective rights; and its importance in rural livelihoods, all reinforce the linkages between good governance, public accountability and poverty alleviation. The impact of improving governance is evident at several levels: decentralization has changed the balance of power and decision-making between central government and the periphery; relationships between government and civil society have benefited as donor-promoted participation has created significant space for civil society voices to be heard; and new models are being developed for relationships within civil society and particularly within communities.

Forestry's experience shows that both 'bottom up' and 'top down' pressures may be needed to build public accountability. The transfer of rights over resources is important for turning 'participation' into citizenship. Forestry offers experience with a wide variety of pro-poor growth strategies, and the legal, institutional and policy reforms necessary to secure these. Pro-poor regulatory reform is a challenging but essential aspect of better governance in the forest sector, for instance. Similarly, the national resolution of conflicts related to international policies is essential including, for example, debates about whether forest conservation can best be achieved through the protection or sustainable use routes.

---

## Introduction: What is good governance?

Achieving 'good governance' dominates today's development agenda. Donors are particularly preoccupied with good governance as a pre-condition for poverty reduction. Influential publications such as the World Bank report *What Works, What Doesn't and Why?* (1998) argue that poverty reduction depends on improvements in institutions and policies, based on a vision which goes beyond the role of government to include an active civil society. Good governance is similarly highlighted in the DFID/ EC/ UNDP/ World Bank publication *Linking poverty reduction and environmental management. Policy Challenges and Opportunities* (2002). The Millennium Declaration (2000) and the Johannesburg Plan of Implementation (2002) both affirm the importance of good governance at national and international levels.

But what does this mean in practice? Good governance is a powerful concept but it could easily become no more than trendy jargon if steps are not taken to tie down its meaning. In this paper, therefore, we aim to set out some of the key elements of good governance including transparent and equitable relationships between stakeholders, public accountability and participatory decision-making. We will do this by drawing on lessons from the forest sector<sup>2</sup>.

## Forests and good governance

Linking, as it does, the local to the national and international, the forest sector illustrates many governance issues, both positive and negative. The early focus of donor-supported forestry was mainly on rebuilding depleted tree-stocks through plantations, village woodlots and on-farm tree-planting. This shifted to a desire to safeguard the goods and services which forests provided to the forest-dependent poor. After the Earth Summit at Rio (1992), interest broadened to incorporate concerns for biodiversity and forest environmental services as well as sustainable forest management. Finally, in the last 2-3 years, the focus has shifted to forest issues as one dimension of the management of global and national public goods, and the theme of forest governance has come to the fore.

Forests have a number of characteristics, which make them problematic from a governance perspective:

### 1. *The nature of the resource*

- Trees, particularly the highest value hardwoods, are slow growing;
- Forests offer multiple benefits which are not necessarily compatible and may accrue to different people;
- Forest resources provide a long-term repository of value, but they are easily liquidated.

### 2. *The nature of the rights*

- Forest resources are subject to competing *de facto* and *de jure* claims of ownership;
- Rights of access to forest resources are often unclear or insecure, particularly for the poor, for whom they are most critical.

### 3. *The value of forest resources*

- Forests offer both market and non-market benefits, which concern subsistence needs, commercial production, and environmental services;

- These benefits are enjoyed by users at local, national, international and global levels;
- While forests have important global public goods values, they are managed as sovereign territories;
- By and large, public goods values from forests are uncompensated; this creates a disequilibrium between the costs and benefits of their management;
- Forest resources may have very high market values, and engage the interests of powerful stakeholders; in such cases, there are likely to be strong pressures for governments to centralise their control, and to manage them non-transparently, in alliance with industrial interests;
- Forests are open to abuse and may be a focus for illegality; as recent experience shows (Cambodia, Congo, Liberia), forest exploitation may be a means of sustaining illegality and lawlessness in fragile states.

In spite of these challenges, the forest sector provides examples of improved governance at three distinct levels: the local, the national and the global.

## Achieving participation at the local level

A key element of good governance is the concept of subsidiarity, meaning that decisions should be taken at the most appropriate level. This is closely linked to the idea of ensuring 'participation' of all relevant stakeholders in decision-making. In practice this means that many decisions about the management of specific forests should be taken by the people living in and around them and is one of the key arguments underlying the advance of community forestry. Subsidiarity is also important within government, supporting the decentralisation of many powers (and the resources to go with them) from central to local government.

The forest sector has learned many lessons about both participation and decentralisation. Until recently, 'participation' was the watchword in people-oriented forestry projects. A useful neutral word, it skirted round notions of political empowerment. Though mere participation may no longer be enough in a pro-democracy climate, it did give local people the experience first of being consulted, and then of greater responsibility for local resources, and proved to be a way of channelling grassroots demand for local resource rights. Impacts have been seen in the following areas:

- Donor-promoted participation has created significant space for civil society voices to be heard, which governments have found it impossible to reclaim.
- By emphasising the gap between the interests of local people and those of national forest sector authorities, and the inadequacies of forest policy and law to address it, field-project managers and researchers have helped the poor to make their case for change.
- Many tropical countries rewrote their forest policies in the 1990s in response to the groundswell from below. Most of these now define the function of forests in terms of local as well as national needs, and some have made moves to pass responsibility for parts of the forest estate to local people.

Local participation in forest management has found its strongest expression in the promotion of community forestry around the world (Brown et al. 2002). While a definition of 'successful' community forestry remains elusive, it is clear that governance issues are at the heart of ensuring wider uptake (Schreckenberget al. 2002). Problematic issues at the community level include how to define a 'community' and how to design equitable and transparent institutions for taking and implementing management decisions and for distributing benefits. Another difficulty lies in getting the balance of decision-making between communities and government right. This may be complicated in cases where government is decentralising some of its own decision-making to more local levels of government or other local institutions. As illustrated by Ribot (2002), the forest sector offers many examples of less than effective decentralisation, a key determinant of success being the choice of accountable and representative local institutions to which powers are transferred.

## **More transparent government at the national level**

At the national level, perhaps the single most important governance issue is the need for transparent government decision-making. This is highlighted in tropical countries, such as Cameroon or Indonesia, which have forests with high commercial value. On the one hand, the state agencies for forest management are often alleged to be in an alliance with the forest industry. On the other, forest-dependent people are typically widely dispersed and not well organised. Both political and civil society tend to be weak and divided, and highly dependent on the patronage of either the state or the donor community. Democracy, where it exists at all, may function only imperfectly and rarely in the interests of the poor.

Pioneering efforts have been made to secure greater transparency and accountability in public administration of forests. In both Cameroon and Cambodia, for instance, independent monitors now oversee concession management. This type of reform received further impetus from the Bali Forest Law Enforcement Conference in September 2001. Producer countries, donors and international NGOs are now working to link national-level reform with consumer country action.

But independent monitors are often foreigners, in part to guarantee independence to the funders and, in part, because of the usually small pool of local expertise. How, therefore, is national ownership of the reform process to be achieved? Experience from Cameroon suggests that:

- the policy development process benefits both from top-down pressures, from donors and others for policy reform, and from demand from below to build accountability.
- developing new institutional arrangements in an unsupportive environment and technically demanding field requires long-term commitment and flexibility.
- establishing tenurial rights over the resource at an early stage - even if only in intermediate form - and supporting an independent judiciary to enforce them, is an important step in giving people control over their livelihoods.

Forestry offers experience with a wide variety of pro-poor growth strategies. While high-growth approaches based on large-scale industrial investments, such as in Indonesia, do not always result in social development, innovative approaches to compensate the poor for their role in protecting forest environmental services in Costa Rica and Uganda appear promising. Going beyond the legal, institutional and policy reforms necessary to secure these strategies, the forest sector highlights pro-poor regulatory reform as a particularly challenging but essential aspect of better governance. Poorly designed and implemented regulations may act as a burden to the poor in their attempts to escape poverty through accessing forest resources. In Honduras over-regulation is one of the factors forcing many small-scale forest producers into illegality due to the excessive cost of licences, permits and limits on the volumes which can be harvested (del Gatto, forthcoming; Lazo 2001). In addition the forest sector is often characterised as being heavily and inconsistently regulated with regulations that appear to favour powerful economic interests.

## Clarifying roles and responsibilities at international level

It is perhaps at the global level that the governance problems of forest management are greatest. This is because although the global goods aspects of forests (such as climate and hydrology; climate change mitigation, biodiversity conservation; watershed management; etc.) are increasingly recognised and valued, almost all forests are managed within sovereign territories. Bringing forests under the control of multilateral environmental agreements (MEAs) has proven particularly difficult.

Nor can it be said that the thrust of international action has always helped to engender national responsibility. Mechanisms to compensate for the public goods values of forests are, as yet, underdeveloped, and many of those which are already operative pass little benefit to the forest-dependent poor. Likewise, the balance reached between conservation and development at international level has done little to further local ownership, with vast swathes of the tropical landscape being taken out of the productive economy by *fiat*, without reference to their historical owners or users, mainly to satisfy northern preoccupations with global biodiversity, at minimum cost to industrial societies.

The Earth Summit of 1992 was a key start-date in the attempt of international initiatives to improve the governance of the world's forests. This brought together two very different streams of experience. The 'forestry' stream was focused at the national level and concerned with achieving sustainable forest use. It was characterised by:

- the FAO 'Forestry for Local Community Development' programme (1978);
- the Tropical Forestry Action Programme (TFAP, 1985) - an attempt to persuade donors to fund forestry in developing countries more collaboratively and effectively;
- the creation of the International Tropical Timber Organisation (ITTO, 1983) to provide a joint discussion forum for timber producer and consumer countries.

The 'environment' stream was focused more on global concerns. Key milestones included:

- the 1972 Stockholm Human Environment Conference;
- the 1982 Brundtland Commission on Environment and Development;
- a series of Conventions drafted by IUCN during the 1970s, on Wetlands (Ramsar 1971), World Heritage (1972) and Trade in Endangered Species (CITES, 1973).

The result was that the Rio conference was dominated by protection rather than sustainable use concerns, largely because the actors who came into play at this juncture - IUCN, WWF, and many smaller conservation NGOs - had been dealing with tropical moist forests, while the TFAP had dealt more with drier countries and sustainable use issues. At the same time, the national and sub-national focus of the forestry stream was replaced by an almost exclusively global focus.

The sovereignty issue and a concern by many developing countries that the North was attempting to impose forms of hegemony over the South, meant that Rio and the ensuing Intergovernmental Forum on Forests did not lead to a Forest Convention. Three multilateral environmental agreements (MEAs) were, however, signed as a result of Rio - the Convention on Biological Diversity (1992), the UN Framework Convention on Climate Change (1992) and the UN Convention to Combat Desertification (1994) - and each of these deals with certain forest-related issues.

Despite efforts in many fora since Rio, these forest-related MEAs do not alone, in combination, or in conjunction with other conventions and ITTO, provide a governance framework for forests from the perspective of either the national or the local level. They form a backdrop to national level debate about forests, but there is no integrated legal regime which views forests, and those that depend upon them, in a holistic way. This has meant that, internationally, wealthy countries are able to escape from their commitments, and thereby set a bad example on other kinds of commitments to developing countries.

Independence of funding has allowed north-based conservation organisations to focus primarily at the global level, and to avoid engaging with justice and good governance issues at the national level. Nationally, too, because of the gaps and overlaps which exist among the forest-related MEAs, governments have been able to pick and choose. Some have been tempted to avoid pro-poor, pro-transparency changes which are not legally essential, or not backed by ample funds, and have chosen approaches which avoid changing the poor governance status quo. Weak implementation of MEAs also sends conflicting messages to competing ministries.

Nevertheless, the intense international focus on, and funding for, forests between Rio and 2002 yielded some unexpected governance dividends:

- National Forest Programmes: an attempt supported by several donors, and by the UNFF itself to place the discussion of better forest governance at country level.
- Multi-stakeholder involvement: debate and consultation introduced as the norm.
- Better monitoring methods: criteria and indicators for sustainable forest management were developed and tested in this period, and attempts made to build national-level pictures of the kinds of forest needed.

- Timber certification: while the limitations of certification have been recognised, the principle of linking buyers and sellers in what amounts to good governance arrangements is here to stay.
- Attempts to rethink forest management, increasing devolution, at least in part, to local people.
- Impact on conservation NGOs: the beginnings of synergy between some conservation organisations (IUCN, WWF) who in the past concentrated mainly on protected areas, to the detriment of local people, and sustainable use donors (mainly the bilaterals) whose prime target is poverty reduction.
- Greater political will, nationally and internationally, to address the illegal timber trade and its associated legal, policy and institutional roots through regional, intergovernmental processes in East Asia and Africa, bilateral memoranda of understanding between producer and consumer countries (e.g. UK-Indonesia), and the proposed introduction of certification for legal and sustainable production.

## Conclusion

The forest sector thus offers a wide range of experience in the area of good governance, not all of it positive, but instructive nevertheless. It is the combination of a concern for probity and equity in management, with the demands imposed by the highly political character of the resource, which commends this experience more broadly to those seeking for entry points to better governance. One of the key emerging messages is that the improved governance of a crucial global resource demands responsible governance practices at least as much from the international community as it does of those who live in closest proximity to it.

## Bibliography

Brown, D., Y. Malla, K. Schreckenber and O. Springate-Baginski, 2002. From supervising `subjects' to supporting `citizens': recent developments in community forestry in Asia and Africa. Natural Resource Perspectives No. 75, Overseas Development Institute, London.

del Gatto, F., Forthcoming. "¡El Magnate de la Maderiada Soy Yo!" Defraudando el Sistema Social Forestal: Estudio de Caso sobre la Explotación Forestal en el Valle del Río Paulaya, ODI, London.

Lazo, F., 2001. The role of forestry in poverty alleviation - country profile on Honduras. Paper prepared for the Forestry Department, FAO, Rome.

Ribot, Jesse C. 2002. *Democratic Decentralization of Natural Resources: Institutionalizing Popular Participation*. Washington: World Resources Institute.

Schreckenber, K., A. Lawrence, C. MacKenzie, J. Bryden, C. Luttrell and H. O'Connor, 2002. Strategic researchable constraints for participatory forest management. Report for DFID's Forestry Research Programme, ODI, London.

<sup>1</sup> Forest Policy and Environment Group, Overseas Development Institute, 111 Westminster Bridge Road, London SE1 7JD, UK. [forestry@odi.org.uk](mailto:forestry@odi.org.uk); Website: [www.odifpeg.org.uk](http://www.odifpeg.org.uk)

<sup>2</sup> This paper is an adaptation of Brown, D., K. Schreckenber, G. Shepherd and A. Wells, 2002. Forestry as an entry-point for governance reform. Forestry Briefing No. 1, ODI, London.