

# ***Forest governance learning group***

***An alliance of independent agencies to exchange learning and develop ideas on forest governance – and to help make them work***

## **1. SUMMARY**

Forestry can contribute to the eradication of poverty and environmental sustainability. To make this contribution a reality requires good forest governance – decisions and actions that remove the barriers and install the policy and institutional systems which spread local forestry success. Whilst there is much attention being given to a few big international issues in forest governance – there is an inadequate supply of practical approaches, and preparedness to use them, to address the underlying problems. The forest governance learning group - an alliance of independent agencies and partners in Sub-Saharan Africa - aims to help fill this gap.

The group will focus on achieving improved understanding of forest governance for poverty reduction in Sub-Saharan Africa. In its first year, outputs will include policy research conducted on illegal/corrupt forestry and poor people, learning between countries promoted in two regions – West and Southern Africa, and some specific practical governance guidance materials and tools. In a subsequent two-year implementation phase the group would work to increase the impact of the first year's outputs and achieve governance changes in key areas including: national forest programme processes; forestry's contribution to poverty reduction; and, sustainability and equity in forest privatisation and decentralisation.

## **2. THE CHALLENGE - why a forest governance learning group is needed**

***Why 'forest governance'?*** Good forestry – forestry that is sustainable and contributes to people's livelihoods – depends critically upon matters far from the forest itself. It depends on the extent and quality of enabling policy, legal and institutional conditions – on good forest governance.

The building blocks of good forest governance require creative and dedicated work to put in place: inclusive decision-making processes that deliver – often re-negotiate - solid foundations of rights, market rules and institutional roles; practical policies and laws; instruments and incentives based on real motivations and capabilities; and systems for steering, financing, building skills, handling information, tracking and verifying progress on all of the above.

In addition to sound processes and instruments within the forest sector itself, such good forest governance requires supportive, or at least non-malignant, policies and institutions on trade, macro-economy, agriculture, infrastructure, energy, mining and a range of others that affect forests and the people that depend on them. Whilst much of this 'forest governance' seems to have little relation to forests, it nonetheless has a large impact on what happens to them.

In rural areas of Sub-Saharan Africa forest resources are amongst the most vital components of livelihoods and development opportunity where little else is available. In this context, there are few more pressing governance issues than control and access to forests, and natural resources more generally. Good forestry can thus be an important lever for larger governance and democratic reform. These and other key governance challenges are explored further in Annex 1.

**Why 'learning'?** Whilst some tried and tested building blocks exist, there are no single answers in governance. No absolute 'truth'. Experience in governance really does suggest that as long as the decision making process is right, the decision is right. Learning based on observation of, and inference from, experience is needed to shift governance dialogue from a search for magic bullets and miracle cures, to a concern for engagement, dialogue and pragmatic outcomes. That's where empowerment comes from. Indeed, the validity and quality of governance might be judged not on whether the policies and laws change, but on whether such learning develops, accelerates and spreads.

Facilitation is often needed to energise and foster decision-making processes that are deliberative (involving careful consideration – the discussion of reasons for and against) and inclusive (involving multiple social actors – usually emphasising the participation of previously excluded citizens). Access to forest governance by some of the groups it affects is often limited. For example, while the range of institutions that play important roles in poor people's lives is vast, poor people are often excluded from participation in governance – being treated with disdain by institutions and having little defence from institutional injustice, criminality, abuse and corruption.

Methods which can be used in generating and spreading forest governance learning include: collaborative research; issue syntheses and debate primers; focus fora with previously marginalised stakeholders or inaccessible stakeholders (e.g. macro-economic decision-makers); visioning, scenario and objective-prioritisation workshops; negotiation skills development; and claim-making and claim-negotiating processes.

Much of the information about the links between governance, forest resources, livelihoods and poverty is incomplete and out-of-date, and reality is highly dynamic and diverse. Theoretical and conceptual work on forest governance, being done by think-tanks and academics, is not getting through to those actually trying to make or deal with claims or decisions about people's use of forests. Conversely, there is much to learn from the under-recognised and poorly-connected practical systems of governance to be found in the day-to-day workings of some on-the-ground institutions - forest departments, NGOs, donor-assisted projects, local governments, companies and communities. Ways to better generate and/or use context-specific information on all of the above links and impacts need to be found.

**Why 'group'?** Forest governance and policy analysts in Sub-Saharan Africa are in short supply. Indeed, due to this capacity gap, less analysis is being carried out on key topics today than a decade ago. Nevertheless, demand from forest governance practitioners for support to address key challenges is growing. Generating lessons and spreading governance learning involves widening communities of inquiry amongst divergent actors – 'governance communities'. A group approach is thus needed to address the challenges outlined above.

An alliance of individuals and agencies is forming from national forest programme and forest governance practitioners and those working with them (see Annex 2).

Partners in a range of countries in sub-Saharan Africa have made requests for support on the above key forest governance challenges, and the Forestry and Land use programme of the International Institute for Environment and Development (IIED) has offered to coordinate some initial actions of this group.

The agencies thus far involved already communicate well and have identified a key set of mechanisms to make progress. The group believes that its strengths lie in its independence, experience, light institutional procedures and participation in flexible networks of motivated people – who can form and spread opinion. The group will be open to others who can bring skills and enthusiasm.

The group seeks to work with and complement other international and country-based programmes where they are active. For example, some of the formal international initiatives aimed at implementing elements of improved forest governance (e.g. the Programme on Forests housed by the World Bank, the National Forest Programme Facility housed at FAO, and the evolving range of bilateral and multilateral arrangements on Forest Law Enforcement and Governance) need the inputs of smaller agile agencies around the world to help make them work – and the group has been formed, in part, to respond to this.

### 3. LOGICAL FRAMEWORK

**Project Name:** Forest governance learning group  
**Country:** International

The following outline logical framework presents Goal, Purpose and Outputs for an initial one-year programme of the forest governance learning group.

<b>NARRATIVE SUMMARY</b>	
<b>GOAL</b>	Forest governance that promotes sustainable and equitable use of forests.
<b>PURPOSE</b>	Improved understanding of forest governance for poverty reduction in Sub-Saharan Africa.
<b>OUTPUTS</b>	<ol style="list-style-type: none"> <li>1. Needs for guidance and tools identified</li> <li>2. Policy research conducted on illegal/corrupt forestry and poor people</li> <li>3. Learning between countries promoted (in two regions – West and Southern Africa)</li> <li>4. Guidance and tools prepared</li> <li>5. Support provided to follow-up action by learning event participants</li> <li>6. Lessons learned shared with a wider audience</li> </ol>

## ACTIVITIES

1.1 *Preparing an initial draft summary overview* of key forest governance issues in Sub-Saharan Africa to trigger reactions amongst potential partners and identify further sources of interest, experience and support. Categories of key issues may include:

- Improving forest access and governance as a central determinant of poverty reduction in rural Africa
- Installing the potential contribution of forests in poverty reduction strategies
- Focusing and driving national forest programmes
- Tackling illegal and corrupt forestry that affects poor people

1.2 *Fine-tuning an achievable one-year agenda* - working with partners to draw on existing knowledge and experience to agree an agenda of high-priority forest governance issues, which complements those usefully tackled in other initiatives, and where greater understanding offers achievable returns within one year.

1.3 *Concluding identification of countries and partners* - developing initial indications of demand at country level into two groupings of institutions and individuals ready to join an exchange and learning process on forest governance – in each of West and Southern Africa. Partners and countries involved are still to be finalised – the latter may include:

- West Africa: Mali, Niger, Ghana, Nigeria and Cameroon
- Southern Africa: Mozambique, Malawi, South Africa and Zambia

In addition, a small number of individuals from key related initiatives in East Africa may also be invited to participate. The aim is to involve key participants from macro-economic and planning agencies (e.g. ministries/departments of finance and planning) as well as from sectoral agencies (e.g. ministries of forestry, agriculture and environment), key NGOs and innovative companies.

2.1 *Carrying out new policy research on illegal/corrupt forestry and poor people* in Sub-Saharan Africa. Local researchers with strong potential to influence key institutions will pursue collaborative policy research with IIED and other learning group participants in selected locations, aimed at developing and spreading understanding on:

- Impacts of illegal/corrupt forestry on the poor and the sources and drivers of these impacts (the winners and losers in the short and long term)
- Strategies to remove the barriers to legality for small producers and poorer groups
- Likely impacts of potential actions to tackle illegal/corrupt forestry on poor people in producer countries, and identification of the practical best bets

A useful guiding framework for such work has been developed by the Center for International Forestry Research (CIFOR), with whom this work will be coordinated<sup>i</sup>

2.2 *Preparing initial guidance material and ideas about tools* for effective work on illegal/corrupt forestry impacts on poor people, and on the other areas of high-priority identified in activity 1.2, as resource material for the learning events described in 3.2.

3.1 *Steering knowledge exchange and preparation for learning events* – findings and products from activities in 1 and 2 will be circulated amongst the groupings of institutions and individuals identified in 1.3 and prospective participants for two learning events identified. These participants will be asked (and this will be followed up) to come well prepared with responses to materials sent to them, with background material derived from their own experiences (where appropriate this may be synthesised for circulation in the group), and ready to share and learn

3.2 *Facilitating learning events in West and Southern Africa*. Learning events will be held over 2 to 3 days to share and improve understanding in forest governance in these two regions. The focus will be on mutual understanding (e.g. foresters understanding budget planning cycles, finance planners understanding forestry benefits); practical steps to tackle widely-shared governance problems; and negotiation and advocacy skills/tactics.

4.1 *Producing tailored guidance and tools* on practical approaches to improving forest governance for poverty reduction in Sub-Saharan Africa. Whilst the specifics await development of the above activities, these may include:

- *How to develop forestry as a lever for better governance*. The relative importance of improving control over, and access to forest resources versus other areas of governance for rural poor people in Sub-Saharan Africa – evidence from experience, guidance for those seeking to identify contexts where such leverage is credible, and actions to optimise it.
- *Tactics for forestry claim-making and negotiating*. Stakeholder claim-making, negotiating and objectives-prioritisation processes that can work for national forest programmes and for forest sector protagonists to increase their influence at macro-political and extra-sectoral levels. Some learning group participants have done initial work in this area<sup>ii</sup>
- *Indicators of good forest governance*. These are needed to enable better identification, assessment and optimisation of the impact on governance of different interventions or projects. Useful indicators will need concerted political negotiation in defined contexts. A first step will be to generate an initial set of indicators for debate – some learning group participants have done initial work in this area<sup>iii</sup>

5.1 *Supporting the initial steps of follow-on action by learning event participants*. A small number of key actions undertaken by participants aimed at taking forward the outputs of the learning events will be supported at national or sub-national level. These actions will include dissemination and promotion of the use of the guidance and tools developed in 4.1 and their adaptation in training and practitioner fora. Within this initial one-year time period only a limited amount of such follow-up action will be achievable – and will require accurate targeting and linkage to wider long-term processes in the countries concerned.

6.1 *Sharing findings with key international processes*. Selected participants from the learning events will be supported in delivering findings of the learning events at key international fora. As with activity 5.1, there will be limited opportunity for this in the initial year of action, and such findings-sharing will be focused on processes with an explicit dissemination role, including: the International Forestry Advisers Group; the steering committees of PROFOR and the Nfp Facility; the Africa Forest Law Enforcement and Governance (AFLEG) process; the “Praia plus 9” event on tenure and sustainable development in West Africa organised by the Comité Permanent Inter-Etats de Lutte Contre la Sécheresse dans le Sahel (CILSS); and the United Nations Forum on Forests country-led inter-sessional initiative on decentralisation, federal systems in forestry and nfps, organised by the Indonesia and Switzerland governments and others.

## **4. IMPLEMENTATION**

### **4.1 Management arrangements**

The Forestry and Land Use programme of IIED will manage the project and provide coordination for the forest governance learning group in its initial phase. IIED will quickly develop a system for remote interactions amongst the group and other interested agencies, and for face-to-face meeting of group participants. It will also ensure efficient consultation and agreed division of responsibilities. Some activities will be fully planned by the group then run through sub-contracts with particular participants. IIED will provide terms of reference and quality control of such contracted services.

### **4.2 Timing and inputs**

An initial one-year period is proposed during which the specific actions described in Section 3 will be undertaken. A further 2-year phase of activity is anticipated to address key governance challenges more concertedly and this is further outlined Annex 1. This second phase of activity will be planned in detail over the course of the initial year.

### **4.3 Monitoring and evaluation**

Quarterly briefings will be made by IIED to the group itself, its partners and its funding supporters. This will take the form of reporting progress against activities and outputs during the last quarter and objectives for the next quarter.

The project purpose will not be achieved in one year. The experience of the actions taken and outputs achieved in the initial year will be evaluated towards the end of the year and plans made for appropriate development of the forest governance learning group to achieve its purpose over the following two years.

## **5. RISKS**

The forest governance learning group is developing an ambitious programme involving diverse actors. Although the goal of forest governance that promotes sustainable and equitable use of forests is applicable worldwide, a relatively small number of countries in sub-Saharan Africa in particular have much to gain from the approach. Progress in these countries also has good potential to be catalytic of progress and impact in others.

The project notes the following risks and strategies to deal with them:

- *The currently proposed relationships with country partners may not develop as expected.* Should this occur, other demands will be followed-up and alternatives proposed and developed with the approval of the group's supporters. A mix of collaborative research partners who can embed findings in priority processes in key countries will be the aim. The group will need to develop sufficient flexibility to react to changing knowledge and circumstance while retaining a clear focus on the outputs.
- *Installing better knowledge and information systems in forest governance may prove difficult.* Should this occur, the project's stress will be on the advantages of improving decision-support systems and policy influence strategies. Political

engagement and alliances will be sought to take strategic initiatives e.g. in persuading macro-economic planners to devote time and energy to working with forest sector protagonists (donor representatives and their country office staff, have a role to play here).

- *Institutional weaknesses may limit the degree and intensity of take-up of the work.* Should this occur, the project will sharpen its focus on particular actions which convert interest in the work into some initial readiness and capacity to pursue it. Active consideration of gender, youth and HIV/AIDS issues will be vital in supporting capacity for good forest governance. (For example, in a number of countries of sub-Saharan Africa the devastation wrought by HIV/AIDS is amongst the reasons why there are so few professional forest governance actors in key positions).

In summary, the prospects are good for being able to spread lessons from forest governance practice, catalyse learning and support improvements. The main uncertainty relates to how much change in wider governance systems can be stimulated, and how long this will take.

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## **Annex 1. Four key challenges for forest governance – and an outline programme to address them**

Recent years have seen some progress in developing forest governance. National policy debate and implementation tends now to involve multiple stakeholders and partnerships, and not merely government and some elites. Policy objectives in many countries have opened up, from overriding concerns with forests as timber resources or land banks for development, to a concern for a wider range of forest goods and services and stakeholder needs. Forest-dependent communities in some countries are beginning to have rights recognised, to enable them to be effective forest managers. Meanwhile, over the last two years in particular, a wide range of international debates have identified better ‘forest governance’ as a desirable goal. All of these initiatives provide building blocks, but there is a long way to go.

Four challenges for forest governance stand out – discussed in the four boxes below. These challenges are intricately linked. Each of them is the subject of significant national and international attention and initiative. However, these initiatives need effective integration to be useful in countries of Sub-Saharan Africa and the success of each of them will depend on their ability to support and stimulate engagement from those capable of sorting out the underlying basic building blocks of forest governance.

Forestry’s protagonists, particularly at national and international levels, often bemoan their powerlessness in the face of others responsible for non-forest sectoral policies and institutions when they constrain or prevent forestry from reaching its potential. Yet when good forestry’s advocates generate solid evidence, collectively make their case, and push for change, they can surprise themselves with what can be done.

It is increasingly recognised that good forestry has the potential to trigger larger governance reform<sup>iv</sup>. The extent to which the following challenges are met will help determine whether this potential can be realised.

## 1. Focusing and driving national forest programmes

At country level, national forest programmes (nfps) are becoming the lynchpin of forest governance. In growing numbers of countries, government, civil society and the private sector are seeing much of value in nfps as key routes to enabling forest resources to contribute more than they currently do to livelihoods and environmental security.

Countries are also *required* to develop nfps. The imperative to develop, implement, monitor and evaluate nfps was spelled out in the proposals of the Intergovernmental Panel on Forests (IPF) and its successor the Intergovernmental Forum on Forests (IFF). The IPF/IFF defined nfps to cover a wide range of approaches for addressing forest sector issues in a holistic, comprehensive and multi-sectoral manner in the context of wider strategies and programmes for sustainable development. Because the IPF/IFF came under the aegis of the UN Commission for Sustainable Development, which in turn reports to the UN General Assembly, countries are under political obligation to give effect to its proposals at national level. The UN permanent Forum on Forests (UNFF) has now been given the mandate to monitor the development and implementation of nfps.

If nfps are to succeed they need to avoid the mistakes of previous internationally driven calls for forest sector plans. Many countries developed National Forestry Action Plans (NFAPs) from the mid 1980s onwards – following a model that emerged from the global Tropical Forestry Action Plan of that time. But many NFAPs remained exercises on paper only lasting only as long as donors propped them up - they failed to catalyse the detailed actions expected of them. In general, this was because they were done quickly, often by foreign experts, and failed to engage with political and economic reality to show not only *what* needs to change, but also *how* it can change, and how such change can be sustained. Many one-off institutional reform approaches have left legacies of huge and unsustainable recurrent transaction costs.

Nfp proponents need to continue to learn these lessons, and to be both inspirational and practical if they are going to stand a chance of success. They need to fight their corner - or join forces - with those trying to integrate many sectors in approaches which might otherwise ignore or swamp them, such as poverty reduction strategies and other macro-economic national planning processes (see Box 2). They also need to find practical approaches to: engage properly with those who can plant or manage trees for the benefit of local livelihoods; enable negotiations between those with competing claims to negotiate on a reasonably level playing field; engage again to prioritise the results of multiple negotiations; and, sustain action in prioritised areas to the point where sustainable outcomes are achieved.

There is increasing evidence that the forestry governance tools and tactics for this can be developed and used<sup>v</sup>. But, at the moment, sources of inspiration and support for this are thin on the ground – and nfp practitioners in Africa, South Asia and Latin America in particular are demanding more. The main international programmes being nurtured to support nfps (e.g. the FAO and PROFOR in the World Bank) are thus promoting the need for work through partner networks to optimise links, establish complementary capabilities, and generate and spread learning<sup>vi</sup>. The approach described in this proposal will address this.

## 2. Installing forestry's contribution in poverty reduction strategies

Forestry has much to offer local livelihoods and poverty reduction. For example, a recent review by CIFOR of some 107 studies<sup>vii</sup> shows that forest foods are a regular part of the diet in much of rural Sub-Saharan Africa, whilst in some cases over 50% of farmer's total cash income comes from wild honey, charcoal, fuelwood and wild fruits. In many rural African areas up to 80% of the population, and in urban areas over 40%, rely on medicinal plants as the main source of health treatment. Between 70 and 90% of the national populations studied rely on fuelwood and charcoal as their main sources of energy.

These contributions are inadequately recognised in forest sector policy and rarely considered in wider national governance frameworks. Indeed, failure to develop legitimate governance mechanisms and invest in social services in forested regions has in many countries contributed to violent conflict, illegal activities and weakening of the rule of law. That, in turn, negatively affects rural people. Where government policies do influence forestry they frequently favour commercial farmers, hunters, logging and mining companies and charcoal makers with concessions, licenses, permits and new roads, while denying similar rights to poorer local inhabitants.

However, forestry is already helping many people out of poverty. For example, in some peri-urban areas of Ethiopia, Kenya, Tanzania and other countries the rapid expansion in the markets for charcoal and fuelwood have made it economically attractive for farmers to plant trees to produce fuelwood in places where only a few years ago that would have not been profitable. Natural regeneration is being encouraged to produce construction timber, poles, other wood products and fruits. Farmers have domesticated plants and animals previously taken from the wild. Whilst this may seem to have little to do with governance, such adaptation could take place even faster, and in places where it is currently prevented, if governance supported it instead of obstructing it.

Actions to create good local forest governance for poverty reduction include<sup>viii</sup>:

- Strengthen rights, capabilities and local decision-making - give communities control over forest resources and encourage their equitable distribution
- Enable market opportunities to be seized by poor people - provide financial, marketing and technical services for villagers and small forest enterprises
- Avoid policies that encourage forest destruction
- Improve the knowledge base and raise awareness

Poverty Reduction Strategies (PRSs) have emerged as a central determinant of the development agenda in many countries. They are thus critical as a framework to realise the potential of forests to reduce poverty. They also, potentially, present national forest programmes with an important platform for dialogue at a sufficiently high level to address macro-level and cross-sectoral issues critical to good forestry. Yet PRSs to date merely demonstrate that there is a long way to go to develop bottom-up, continuously improving processes rather than one-off encyclopaedias of externally-driven ideas. The recognition of forests as a development asset has so far been disappointing in many PRSs<sup>ix</sup>. Recent fora coordinated by FAO (in Cortevocchia, Italy in September 2001), by IIED and the Edinburgh Centre for Tropical Forests (in Edinburgh, UK in June 2002),<sup>x</sup> by the Finland Ministry of Foreign Affairs (in Tuusula, Finland in October 2002), and by CIFOR (in Bonn, Germany in May 2003) have highlighted these challenges.

The best chance of increasing the understanding of macro-economists and cross-sectoral planners about the potential role of forests is to build the capability of those engaged with governance in the forest sector to generate robust analysis of forestry-poverty links, and to argue their case at the right times and places with respect to cross-sectoral planning, PRSs and national budget allocation. The approach described in this proposal will address this.

### 3. Tackling illegal logging and corruption in forestry

Significant international efforts have emerged over the last year or two to combat illegal logging and the power of some forest industries to run amok. These include the East Asian, the European, and the African Forest Law Enforcement and Governance (AFLEG) processes.

Illegal logging and associated trade is now recognised by many as affecting developing and industrialised countries, and tropical and temperate forests, alike. Countries that import illegal timber sustain the demand for these illegal products. The World Bank estimates that illegal logging results in \$10-15 billion p.a. in lost revenue to governments. It feeds conflicts and erodes state governance mechanisms. It impacts directly on poor people by denying them contributions to their livelihoods and by degrading their environment.

Corruption is often associated with illegal logging, and more widely undermines the prospects of sustainability and fair distribution of returns in forestry. Corruption in forestry has many manifestations, ranging from give-away logging concessions to fraud and tax evasion schemes. Such corruption reflects the lack of accountability of corporations, governments, and other actors involved in the forest sector. Efforts to tackle forestry corruption are frustrated by the lack of effective governance tools and systems to generate concerted action.

No single action can stop illegal logging. Control requires the implementation of measures in countries which import timber such as: changes to public procurement policies; improvements to the detection of illegal imports; development of methods for identification and verification of legal compliance; and raising consumer awareness. Simultaneous supply measures are needed in countries that produce timber, such as: strengthening the capacity of government organizations and community groups to manage forests and control logging; reform of forest legislation and concession and taxation policies; development of independent processes to track forest crimes and inform decision-makers and civil society; and adoption by industry federations of codes of conduct related to illegal logging<sup>xi</sup>.

DFID has emerged as a key supporter of approaches to dealing with illegal logging and associated trade, and has developed a programme which includes action to<sup>xii</sup>:

- promote understanding of the extent and dynamics of illegal logging and trade;
- communicate this understanding effectively to guide policy interventions and broaden the base of political support;
- complement domestic reforms by timber producing countries through the development of the tools and systems that producers need;
- supporting regional forest law enforcement and governance (FLEG) processes where there are prospects of reaching agreement on control measures.

The World Bank-sponsored AFLEG process is proceeding in a similar way to the East Asia process in which a ministerial conference established a framework in which producer country governments work together with each other and with governments of consumer countries to tackle illegal activities. A regional task force was established to 'advance the objectives' of the Declaration, and an advisory group of NGOs and industry was formed. A preparatory AFLEG meeting was held in Brazzaville in June 2002. IUCN Regional Office for West Africa and Forests Monitor are facilitating the engagement of NGOs with the process, and the ministerial conference, originally planned for March 2003, is now expected later in the year<sup>xiii</sup>.

Whilst it is often true that illegal logging and corruption have major impacts on the poor, care must be taken with the assumptions involved<sup>xiv</sup>. For example, enforcement of current laws is in some contexts irrelevant or, at worst, highly detrimental to poor people. Laws frequently prop up existing exploitation systems, denying the rights and blocking the potential of poor people at local level. Corruption thrives in such environments. Governance approaches that effectively address these problems must therefore involve fundamental rights, institutional roles, policy sticks-and-carrots, and systems by which decisions are actually implemented and monitored. The approach described in this proposal will address this.

#### 4. Ensuring sustainability and equity in forest privatisation and decentralisation

National governments are increasingly seeking to reduce their own direct involvement in forest management. One route being pursued is privatisation - tenure and use rights over state forest assets being transferred into private hands, and/or the outsourcing of forestry functions. Motivations for this vary from one country to another. Some are common – a drive for greater efficiency and profitability, reduced pressure on the public purse. Others are unique to specific circumstances – such as empowering previously disadvantaged groups.

Whilst such transfers into private hands present major opportunities for some, there are also major social, environmental and economic concerns. Perceptions abound that private companies are not accountable to public demands and have no incentive to provide environmental and social goods and services. Nevertheless, lessons from experience to date suggest that unwanted outcomes from privatisation *can* be avoided if the transfer process is well designed and if there are adequate safeguards embedded in the governance system or incorporated into contracts for transfer and service provision. But these are big “ifs”, and key challenges remain<sup>xv</sup>. These challenges include the development of practical systems for:

- Developing clarity on the transaction costs and risks
- Designing tender systems for negotiated and optimised objectives
- Supporting preparedness in private sector and community organisations for negotiating and implementing ownership and management changes
- Managing post-transfer government responsibilities
- Dealing with the social impacts of change

Another route for national governments to reduce their direct forest management involvement is through decentralisation. At least 60 countries have recently decentralised some aspects of how they manage their natural resources, with mixed results. Examples can be found of reforms which have permitted disadvantaged groups to have more input into decisions about forests, provided more revenue to local governments, and improved the way people manage their forests. But examples can also be found of the opposite. It has been argued that most failures are due to governments not having decentralised enough – not making local governments truly democratic and not yet giving them real power over major decisions<sup>xvi</sup>.

Central government tend to hand over burdensome tasks and low value resources, but keep the attractive activities and resources for themselves. Many local governments, on the other hand, do not really represent their local constituencies, and are inclined to over-exploit their natural resources. More democracy alone will not necessarily improve matters. Evidence indicates that poor and previously marginalized groups may gain significantly from democratic decentralisation only when one or more of several conditions prevail<sup>xvii</sup>, including:

- When the ruling party in the larger political system is pro-poor, or when rival parties and elites in the larger political system compete to appeal to poor voters
- When elite perceptions of poor people (especially among elites at lower levels) are amenable to poverty reduction
- When pro-poor coalitions have strength within civil society

A clear system of checks and balances is needed. Central governments should establish a small set of minimal environmental standards that local governments must meet and ensure the rule of law, the democratic process, fiscal transparency and the basic rights. Further progress would be made if they provided training and information. Local governments should be able to manage and benefit from their natural resources within that larger framework.

Transferring ownership of forests through privatisation and decentralisation can be the right thing to do when it puts power in the hands of those who can use forests for equitable, efficient and sustainable ends. But transfers can also go astray and be used to concentrate forest power and privilege in too few hands. Absolute clarity of purpose, dedication of practitioners, specific steps, a phased learning approach and adequate resources, skills and time to tackle the challenges highlighted above are all needed to make transfers work. The approach described in this proposal will address this.

## **Indicative learning group actions following the one-year initial phase**

The activities carried out by the group in the one-year initial phase will enable a clear focus to be put on the nature and scale of demand from partners and their constituencies for further action to tackle the broad challenges outlined above. The following are indicative actions which may be developed to achieve the project goal over a two year implementation phase following evaluation of the initial phase:

- Key issue reviews, policy research, state-of-knowledge primers and idea/opinion papers on the four highlighted forest governance challenges
- Learning events and learning exchanges amongst forest governance practitioners between locations on specific governance instruments and processes
- Learning materials on forest governance and guidance materials on particular tools and approaches
- Independent review of proposals and actions affecting forest governance - to help 'ground-truth' national and international initiatives
- Further development of practical indicators of good forest governance
- Deals brokered between those requiring services in support of forest governance and those capable of supplying
- Reporting and installation of findings in key international and national fora, networks and implementation processes

The improvements in decision-making and capacity needed to strengthen forest governance will require concerted action beyond the timeframe of this project. IIED and the initial participants in the forest governance learning group predict a continuing demand for the type of role and services which the group can provide. The first year evaluation will give an initial indication of the effectiveness of the learning group approach and a further stock-take will be needed towards the end of the three-year period to assess this. It is hoped that any continuing role would be sustained through financing from group participants.

## **Annex 2. Participants in the learning group**

### **Initial participants**

The following groups are ready to make a start:

- *International Institute for Environment and Development (IIED)* - an independent non-profit making institute with an effective track record of results from interdisciplinary collaborative research and action on participatory processes, institutional reform and practical policy instruments. IIED's Forestry and Land Use programme will build on recent forest governance work with a range of partners with high levels of expertise in sub-Saharan Africa and elsewhere. IIED's Drylands programme networks in West Africa also provide key experience in practical systems of governance for natural resource management and decentralisation
- *Key opinion-formers in forest governance in sub-Saharan Africa* – who have tactics and ideas to share and who, through strong working relationships with IIED and its partners, have expressed demand for lesson-exchanging with others to identify workable governance solutions. These opinion-formers are typically leading lights in government agencies or active NGOs
- *Facilitators of governance for good forestry and poverty reduction* – several groups have developed particularly strong experience and reputations supporting Sub-Saharan African partners in nfp processes, policy instruments for sustainable forestry and forest sector change for development, including *Indufor* in Finland, and *LTS International* in UK

### **Possible collaborators and future participants**

Since the first draft of this concept note in April 2002 the above groups have begun discussions with others who, it is hoped, will become involved as participants or through work on particular themes. In alphabetical order, they are:

- *African Academy of Sciences* – a continent-wide, non-profit making organisation of senior scientists that has been the executing agency for the 16-country nfp Capacity Building Programme, which LTS International recently evaluated
- *Center for International Forestry Research (CIFOR)*, Indonesia – which has recently re-focused on three themes - forests and livelihoods, environmental services and forest governance
- *Comité Permanent Inter-Etats de Lutte Contre la Sécheresse dans le Sahel (CILSS)* – an Intergovernmental organisation composed of nine Sahelian countries (Burkina Faso, Cape-Verde, The Gambia, Guinea Bissau, Mali, Mauritania, Niger, Senegal and Chad) with research and action programmes on food security, desertification and natural resource management. CILSS recently assessed the forestry sector in West Africa, and IIED has various links including collaboration on a major forthcoming regional event, "Praia plus 9", on tenure and sustainable development.
- *Department for International Development (DFID)*, UK – which is focused on poverty reduction and is increasingly effective at supporting forestry development in support of this. The learning group aims to make direct contributions to DFID's programmes, including that on tackling the underlying governance, policy and market failures of illegal logging and associated trade
- *Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)* – which has forest-related bilateral projects in many Sub-Saharan countries grappling with

poverty strategies, nfps illegal logging and decentralisation, and has expressed enthusiasm for involvement in the forest governance learning group

- *Food and Agriculture Organisation (FAO)* – which has recently boosted its support for government nfp initiatives in a range of countries by establishing the *Nfp Facility*, including an international forest information platform
- *Forestry Commission, UK* – which is active internationally on policy development initiatives and has a good record of lesson-sharing with other countries
- *Forests Monitor* – which is facilitating civil society inputs into the Africa Law Enforcement and Governance (AFLEG) process
- *International Forestry Advisers Group* – an informal grouping of forestry advisers from development assistance agencies and their partners (some of whom are also listed above and below), which has been influential in thinking about national forestry programmes and has expressed interest in collaborating with, and supporting, the forest governance learning group
- *IUCN* – the Forest Conservation Programme of which is active on international forest policy issues, and its Regional Office for West Africa is facilitating, like Forests Monitor, civil society inputs into the AFLEG process
- *Ministry of Foreign Affairs, Finland* – which has a long record of forestry technical assistance and is currently re-shaping its programme in support of forestry development for improved contributions to livelihoods
- *Ministry of Foreign Affairs, The Netherlands (DGIS)* – which has Energy and Africa groups, and various country programmes, expressing interest in links with the forest governance learning group
- *Overseas Development Institute, UK* – a non-profit policy research institute whose forestry group conducts research and contributes to lesson learning in two main areas - environmental governance, and forests, markets and the poor
- *Programme on Forests (PROFOR)* at the World Bank – which has a strong emphasis on governance, livelihoods and finance initiatives for nfps
- *The Regional Community Forestry Training Center for Asia and the Pacific (RECOFTC)* in Thailand – which has since May 2002 been promoting the notion of an Association for the Promotion of Good Forest Governance in Asia
- *SADC-IUCN Southern Africa Regional Natural Resources Policy Research Centre* – so far just in its early stages of development, this initiative is specifically designed to bring together resource users, policy-makers and researchers into practical dialogue and learning for sustainable and equitable natural resource management
- *SOS-Sahel* – which has strong country office programmes working with institutions affecting forest resource access and control in Niger and Mali
- *Timber Trade Federation, UK* – which is taking a leading role on behalf of its members to raise the standards of corporate governance and transparency in the UK timber trade
- *United States Agency for International Development (USAID) Africa Bureau* – which is active in the illegal logging debate, has recently collaborated with CILSS in an assessment of the forestry sector in West Africa and has expressed interest in involvement in the forest governance learning group
- *World Bank-WWF Forest Alliance* with whom IIED has made a start in identifying indicators of good forest governance by developing the 'Pyramid' tool. The World Bank is also steering the AFLEG process.
- *World Resources Institute* – which is active globally in analysing and informing on sustainable forest issues and has a particular focus on forests, access, tenure and decentralisation in West Africa

Others, not yet on the above list, will be welcomed. However, the learning group will need to remain fairly small to be effective.

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<sup>iii</sup> Mayers, J., Bass, S. and Macqueen, D. 2002. *The Pyramid: a diagnostic and planning tool for good forest governance*. IIED, London and the World Bank WWF Alliance for forest conservation and sustainable use, Washington DC  
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<sup>iv</sup> USAID, 2002. *Nature, Wealth, and Power: Emerging Best Practice for Revitalizing Rural Africa*. Sustainable Development Office of US Agency for International Development, in collaboration with CIFOR, Winrock International, WRI and IRG, Washington DC; USAID/CILSS/IRG. 2002. *Investing in Tomorrow's Forests: Toward an Action Agenda for Revitalizing Forestry in West Africa*. Sustainable Development Office of US Agency for International Development, Comité Permanent Inter-Etats de Lutte Contre la Sécheresse dans le Sahel and International Resources Group, Washington DC;  
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<sup>v</sup> Mayers, J., Ngalande, J., Bird, P. and Sibale, B. 2001. *Forestry tactics: lessons from Malawi's National Forestry Programme*. IIED, London <http://www.iied.org/ptw/malawi.htm>; and, LTS International. 2002. *Support for National Forest Programmes*. LTS International, Edinburgh

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<sup>vii</sup> Kaimowitz, D. 2002. *Not by bread alone... Forests and rural livelihoods in Sub-Saharan Africa*. Paper presented to the workshop on Forests In Poverty Reduction Strategies: Capturing The Potential. October 2002, Tuusula, Finland  
[http://www.efi.fi/events/2002/forests\\_in\\_poverty/Not\\_by\\_bread\\_alone3\\_PS.pdf](http://www.efi.fi/events/2002/forests_in_poverty/Not_by_bread_alone3_PS.pdf)

<sup>viii</sup> Mayers, J. and Vermeulen, S. 2002. *Power from the trees: how good forest governance can help reduce poverty*. WSSD Opinion. IIED, London  
[http://www.iied.org/pdf/wssd\\_26\\_forests\\_and\\_poverty\\_long.pdf](http://www.iied.org/pdf/wssd_26_forests_and_poverty_long.pdf)

<sup>ix</sup> Oksanen, T., Pajari, B. and Tuomasjukka, T. (eds) 2003. *Forests In Poverty Reduction Strategies: Capturing The Potential, Tuusula, Finland, 1-4 October 2002*. EFI Proceedings No.47. European Forest Institute, Joensuu, Finland. <http://www.efi.fi/>

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<sup>xiii</sup> World Bank [www.worldbank.org/forestry/afleg](http://www.worldbank.org/forestry/afleg),

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<sup>xvi</sup> Ribot, J. 2002. *Democratic Decentralization of Natural Resources, Institutionalizing Popular Participation*. World Resources Institute, Washington DC

<sup>xvii</sup> Manor, J. 2002. *Democratic Decentralization and the Issue of Inequity*. Conference on Decentralization and the Environment, Bellagio, Italy, 18-22 February, 2002 World Resources Institute, Washington DC