

# ITTO Tropical Forest

## UPDATE

A newsletter from the International Tropical Timber Organization to promote the conservation and sustainable development of tropical forests

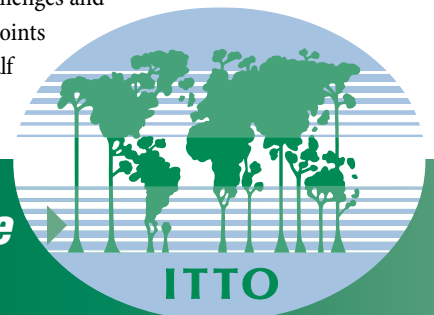


## Getting a lock on governance

During the past decade, the issue of forest governance has grown increasingly prominent in international and national forestry deliberations. This is a welcome development from the situation that prevailed not so many years ago, when countries and international organizations treaded warily around the edges of the topic and were allergic to related issues such as corruption and illegal forest-based activities.

Simply put, forest governance refers to the way that power and control over forest resources is exercised. The World Bank estimated in 2007 that poor forest governance led to market and government revenue losses of US\$10-15 billion

per year. Recognizing the impact of such losses, almost all tropical countries have embarked on processes to improve forest governance in recent years, including review of existing and introduction of new legislation, establishment of new (or strengthening of existing) oversight bodies and the use of new monitoring/control technologies. However, many of these same countries are the first to admit that challenges and problems persist. As Irland points out in this issue (p.3), almost half of the world's forests are in



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## ... Editorial continued

countries where governance is either poor or lacking entirely.

In addition to national efforts, various international initiatives have arisen in recent years to try and improve forest governance. Ministerial meetings have been convened in several regions to discuss the scope of the problem and possible solutions (the so-called Forest Law Enforcement and Governance or FLEG process). The European Union has signed voluntary partnership agreements with a number of countries to improve forest governance and thereby maintain access to EU timber markets under its Forest Law Enforcement, Governance and Trade (FLEGT) scheme. The US Lacey Act and timber procurement policies in a range of countries are discouraging trade in illegal timber products. Various legality assurance schemes and standards are being promulgated to help countries demonstrate legality. And the coverage of timber certification schemes that assure consumers of good forest management and governance continues to grow, although still at a much lower level in the tropics than in developed countries.

ITTO has also been active in assisting member countries to improve forest governance. This assistance has included projects to review and draft appropriate forestry legislation, strengthening of enforcement capacities, and funding for improved monitoring and control of forestry operations. A good example of ITTO's work in this area is a recently completed project in Guyana allowing the government to monitor land clearance and log movements in a timely manner (p.7). The Organization has also collaborated extensively on developing policy guidance for countries, co-publishing with FAO *Best practices for improving law compliance in the forest sector* and convening five regional workshops to disseminate and share experiences on best practices in forest governance. ITTO and FAO recently published a policy brief summarizing the outcomes of this work (p.30). ITTO's new Thematic Program on Tropical Forest Law Enforcement, Governance and Trade (TFLET) offers targeted country-level assistance for improving governance and has already attracted significant interest from both recipient countries and donors. Many TFLET funded projects are now underway (e.g. p. 27) and funding for several more was about to be announced as the *TFU* went to press. ITTO will continue to collaborate with

partners (including the initiatives listed above) in implementing activities to improve forest governance under TFLET.

Another recent development that has the potential to drive further improvements in forest governance is the prospect of substantial funding through various climate change related initiatives and mechanisms. Certainly, challenges remain (e.g. p. 9, p. 22) but the prospect of such funding is already leading to changes on the ground in many countries. While the outcome of the recently concluded UNFCCC COP in Copenhagen was disappointing to many, the prospect of significant additional funds for forests was one bright spot. Australia, France, Japan, Norway, the United Kingdom, and the United States committed US\$3.5 billion of fast-start climate change financing for 'REDD+' activities over the 2010 to 2012 period. And it is hoped that private sector funding (e.g. through voluntary carbon markets) will eventually dwarf government transfers like these. While there is still some uncertainty as to how such funds will be administered and delivered, it seems safe to say that donors and investors will insist on verifiably good forest governance and robust monitoring systems as a prerequisite for any significant transfer of funds.

Whatever drives it, no one can deny that forests and forest governance are under an unprecedented degree of scrutiny. Perceptions of tropical timber and tropical forest governance can have significant impacts on markets, as shown in the study of the UK market summarized in this issue (p. 14). Countries that get a lock on governance in their forest sectors will be those best placed to ensure ready access to markets for the products arising from, and new funding for environmental services provided by, forests.

**Steve Johnson**  
Editor