Out on a limb

The SFM conundrum

by Alf Leslie

THE RECENT ITTO REPORT on the status of tropical forest management (summary report, *TFU* 2006/1, hereafter referred to as *SFM Tropics*) shows that some progress has been and is being made in the sustainable management of tropical forests. Of the estimated 353 million hectares of permanent forest estate designated for timber harvesting, 25.2 million hectares (7.1%) are thought to be under sustainable forest management (SFM). This is a significant improvement on the status in 1988, when the first survey found almost no area of tropical forest under what was then considered to be sustainable management.

However, SFM remains a controversial issue. The fact that it is easy to find over sixty definitions of it in the literature is evidence enough of that. Most of the disputation is over what exactly SFM means and then, whatever it means, over how to carry it out. The ITTO definition (see box on page 31), which is as good as any and better than most, shows that controversy is an inherent characteristic: how much reduction in values and productivity, and how many undesirable physical and social effects, are too much ("undue"), and who says so?

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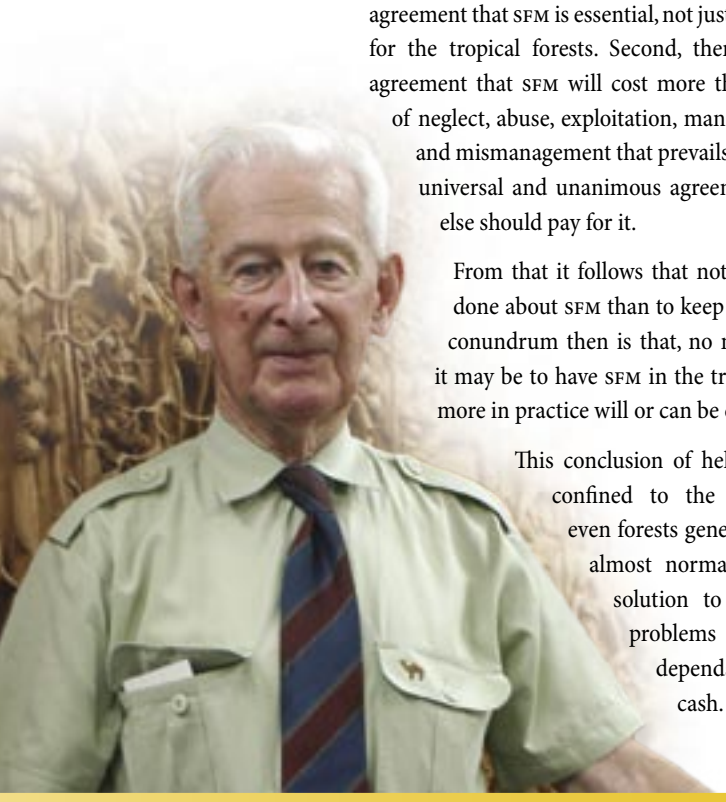
Nevertheless, there is a high degree of unanimity about at least three aspects of SFM. First, there is virtually total agreement that SFM is essential, not just desirable, especially for the tropical forests. Second, there is nearly general agreement that SFM will cost more than the present mix of neglect, abuse, exploitation, management, conversion and mismanagement that prevails. Third, there is total, universal and unanimous agreement that somebody else should pay for it.

From that it follows that not much more will be done about SFM than to keep talking about it. The conundrum then is that, no matter how essential it may be to have SFM in the tropics, nothing much more in practice will or can be done about it.

This conclusion of helpless despair is not confined to the tropical forests or even forests generally. It is, in fact, an almost normal, collective human solution to global or national problems whose solution depends on big injections of cash. Global warming is a classic example.



But is there really anything to worry about? The conundrum disappears if the premise about the essential nature of tropical forests is dropped. So the first question to be resolved is: how essential is it that the world's tropical forests be managed sustainably? What happens if they aren't? All sorts of dire consequences are predicted, including the only one of ultimate significance—the extinction or degradation of mankind. Judging by the mess we habitually make of things, it can be questioned whether this would really be any great loss. But assuming that the extinction of our species is not a desirable outcome, what is the evidence that SFM in the tropics will help avert it?

Actually it is not all that good. Most of it is speculative: often highly authoritative in origin but not well authenticated. The loss of as-yet-undiscovered silvichemicals or medicinal precursors is a popular and appealing idea but still a "maybe". Undoubted and substantial loss of biodiversity would occur but would that be fatal rather than just regrettable? Some people might, in fact, regard the extinction of some species of wildlife as more of a benefit than a loss. Others argue that the biodiversity contained in tropical forests is important for buffering production systems against environmental change, but no one really knows how vital this role actually is, or how much biodiversity is needed to play it. We do know that tropical forests are important in the global carbon cycle and there is increasing scientific consensus that high emissions of greenhouse gases are causing global warming, which could have major health and environmental effects. But tropical deforestation is by no means the largest contributor to greenhouse gas emissions and the role it plays could be offset by tree plantations or other carbon sequestration schemes.

The sad truth is that there is very little concrete evidence for the essentiality of natural tropical forests. Perhaps, then, the only valid argument is a precautionary one. We don't know that the tropical forests are essential for the future welfare of mankind but we suspect that they could be. Hence, since we won't know until there are none left, we should conserve them now whilst we can, just in case it eventually turns out that they were essential, by which time it would be too late to do anything

Continued on page 31

ITTO

 continued from page 32

to avert whatever disaster their disappearance will bring.

However, even if the precautionary reason is accepted it does not follow that the sustainable management of the tropical forests for their timber potential is required, unless utilization of that potential is a necessary financial requirement for their conservation. There is no ecological reason why that should be so but there could be political and socio-economic ones. Unless the conserved forest is visibly a big income generator, the pressures could be irresistible for conversion to some non-forest land-use. The lack of data on the management of totally protected areas cited in *SFM Tropics* does not inspire confidence that simply putting all remaining tropical forests into national parks will do much to conserve the resource.

Concerned: this Guyanese otter wants a precautionary approach. *Photo: Iwokrama*

But SFM has to be more than just an income generator. Not only must it generate more income than any non-forest land-use, it also has to produce enough to cover the additional extra cost of SFM. The conundrum persists—how to provide for that additional cost and how to get that extra income to those who have to incur or carry the costs.

So far this has proved to be an insoluble problem. And it will stay that way for as long as the only agreement is that somebody else should pay for it. Again, the dilemma is not peculiar to the tropical forests. Rather, it is the general one of getting the private sector to foot the bill for the adequate provision of public goods. But the problem is aggravated in the case of the tropical forests. First, the bill for tropical SFM is likely to be large—US$2 billion a year has been estimated by at least three separate ITTO studies—and continuing. It will be there for as long as there are tropical forests to conserve or until the attempt is abandoned. Second, the public good benefits are much more global than national and there is no global equivalent of national taxation to extract payment from everybody. Third, even if a payment system could be devised, there is no one body to distribute the load, collect and distribute the proceeds and monitor their use. Instead there are several—and a growing number of—organizations, international and national, official and private, competing to get their hands on the cash. And, fourth, time is running out fast; at current rates, perhaps half the existing tropical forest estate will be lost within 50 years.

So the conundrum of SFM comes down to one simple question: how to devise a system for funding tropical forest management that does not depend entirely, or even largely, on higher prices for tropical timber and/or voluntary donations. Higher prices are out—most tropical timber is in competition with non-tropical timber which, with the growing plantation resource and increasing temperate and boreal forest areas, are in increasingly ample supply. Voluntary donations are also out—they are so wide open to the temptation of free-riding on the donations of a handful, that few will be forthcoming, as well-demonstrated by the Bali Partnership Fund. (This is not to say they shouldn't continue, even at the current low level: *SFM Tropics* makes it clear that international assistance, including from ITTO, has had a major impact on increasing the area of tropical forest under SFM.)

The only point about continuing to talk about SFM is to find a way around the conundrum that everybody says they want SFM but nobody wants to pay for it. If there is no answer, further talk won't find one. But talk serves a useful purpose for some: it creates the illusion that something is being done. Hence, in a world where illusion so often counts for more than reality, the combination of talk and inaction seems set to have a guaranteed future.

ITTO's definition of SFM

SFM is the process of managing permanent forest land to achieve one or more clearly specified objectives of management with regard to the production of a continuous flow of desired forest products and services without undue reduction in its inherent values and future productivity and without undue undesirable effects on the physical and social environment.