



## Moving forward with forest governance — a synthesis

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### Introduction

Recently, the role of forests for mitigating climate change, maintaining biodiversity, and adapting to changing environmental conditions has gained increasing recognition. This is evident in emerging political initiatives such as REDD+, and in forest financing and changes in international timber trade regimes. Sustainable forest management is recognized as essential for rural poverty alleviation and economic development. Enhancing sustainable forest management requires stable and reliable institutional, legal and organizational frameworks that at the same time allow for flexible responses to emerging topics and interests. However, many places lack the forest governance conditions necessary to sustain forests, reduce emissions from deforestation and forest degradation, and enhance the diverse benefits of sustainable forest management. Although large sums of money are invested each year to improve forest management, the annual global deforestation rate is still 13 million hectares.

In response to this situation, numerous national and international initiatives are underway to improve forest governance, recognizing that forest governance challenges need to be addressed more thoughtfully and effectively than in the past. Documenting and analyzing these experiences in forest governance improvement will help policy-makers, practitioners and researchers better understand the critical factors for successful interventions. The capacity for continuous learning is a distinctive characteristic of what is meant by governance. Creating new institutional capacity to address governance challenges requires imagination and creativity, and the ability to continuously learn from successes and mistakes.

The aim of this issue of *ETFRN News* is to contribute to knowledge and understanding about forest governance, and in particular to analyze what makes forest governance reform work. For example, what are the incentives, enabling factors, and approaches for different actors to improve forest governance?

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The 29 articles published in this issue of *ETFRN News* collectively illustrate and analyze the diversity of issues related to forest governance.

Section 1 provides an introduction to forest governance concepts and shows how different stakeholders perceive forest governance. It shows the diversity of governance arrangements for various forest products. It also places forest governance in a broader context of land use and land-use change and of international discussions about access to forest goods and services and the sharing of benefits.

Section 2 presents a framework for forest governance assessment and monitoring. The framework not only helps to assess and monitor forest governance, but also assists stakeholders in formulating what they understand by good forest governance. Several examples of the application of this framework and of other forest governance monitoring initiatives are presented. From these examples, it is clear that corruption and lack of transparency are important impediments to good forest governance. Section 2 also presents practical suggestions and examples to address these problems.

Section 3 describes and analyzes progress and challenges in attempts to reduce illegal logging and the relevance of these attempts to other aspects of improving forest governance, particularly stakeholder participation and transparency. A number of articles focus on the EU's Forest Law Enforcement, Governance and Trade (FLEGT) initiative.

Reducing Emissions from Deforestation and Forest Degradation in developing countries (REDD+), the subject of Section 4, is another example of an international initiative with a potential important impact on forest governance. This section presents some examples of countries and stakeholders preparing for REDD+ implementation, plus a critical analysis of the risk that REDD+ could actually undermine forest governance reform.

Section 5 presents a number of other approaches to improve forest governance, including national forest programmes and private sector approaches. It also discusses the linkages between voluntary and regulatory approaches.

Section 6 contains case studies on stakeholder participation in forest governance in Africa and Asia. It describes the governance challenges in initiatives to enhance the contribution of forests to poverty alleviation. For example, it shows that ignoring power imbalances may undermine community forestry initiatives and increase the likelihood of conflict. It also notes that the extent to which reforestation programmes include capacity building and technical assistance components has important implications for their chances of success.

### **What is forest governance?**

The essence of the concept of governance is the many ways in which public and private actors (i.e., the state, private sector and civil society) work together in order to create capacity to make and implement decisions about forest management at multiple spatial, temporal, and administrative scales. It is this mutual interaction that is the defining feature of governance institutions and arrangements.

The nation-state simply does not have sufficient capacity to address the complex, multi-scale and spatially variable challenges in sustaining forests. Ecosystems do not follow administrative boundaries. Forest products and services cannot be delimited by state boundaries. So, new modes of governance evolved in order to provide capacity for governing. Governance, at a minimum, affects the allocation and regulation of ownership and access rights to the social and ecological benefits of forests, especially forest products that are removed from the forest for human use. Governance complements the traditional role of the state in planning, monitoring and controlling the use, management and conservation of forests. Governance is about rights, institutional roles in decision making, and the systems by which decisions are made, put into action, enforced and monitored.

Forest governance institutions focus on five primary areas:

- creating coherence between various policies, laws and regulations, customs and practices, both in the forest sector and in other sectors that define ownership and use rights and responsibilities over forests;
- increasing the degree to which people respect and abide by these laws, regulations, customs and practices;
- enhancing the motivation of private actors to behave in a responsible manner that goes beyond regulatory requirements;
- equalizing the relative power and clarifying the mandates of stakeholder groups, as well as stabilizing the institutional arrangements that join them; and
- enhancing the incentives, enabling conditions and capacity of organizations and individuals to engage in forest governance practices.

In many instances, different approaches to forest governance (for example, statutory, customary and voluntary systems) complement, clash and mix with each other in governing the same resource. It is essential to bear in mind that forest governance is a complex endeavour that involves the active participation of a range of participants in civil society, not just forestry administrations.

“Good” forest governance is a concept about the quality of forest governance. It can refer both to forest governance reform programmes, which involve reforming and strengthening the institutions and arrangements of forest governance, and to the principles of good governance used in these programmes. These principles relate to participation (stakeholder engagement), fairness, decency, accountability, legitimacy, transparency, efficiency, equity and sustainability. The formulation and interpretation of these principles is value-laden, and therefore political. Different stakeholders have diverse perspectives of good forest governance and how it should be put into practice. However, it is generally accepted by all stakeholders that improving forest governance is vital in moving towards sustainable forest management that benefits people and nature.

The role of monitoring in governance is not only to track actual achievements, but also to create a learning dialogue among governance actors as a normal part of their institutional and participatory relationships. Thus, forest governance monitoring is also a process of continuous learning that is essential to governance.

## What makes forest governance reform work?

The articles in this issue illustrate and analyze a range of contexts, drivers, enabling factors and approaches in forest governance reform. A number of topics are particularly relevant.

### *Creating deliberative participatory processes*

Almost all articles refer to the importance of open and fair participatory approaches for successful forest governance reform (see Nadkarni 2.4 and Rana et al. 4.5). Deliberative participation brings together expert knowledge and specialized or local knowledge. It is the linking of different forms and sources of knowledge — through active engagement in the rule-making, implementation, monitoring and enforcement processes — that create forest governance. For this reason, issues such as the empowerment of marginalized stakeholders are a frequent theme in governance reform efforts.

Several articles emphasise the importance of “unpacking” stakeholder groups (clear conceptual definitions of who is engaged and not engaged) and of understanding the interests and powers of different stakeholder groups (i.e., a rigorous stakeholder analysis) as prerequisites for successful facilitation of stakeholder participation (Schusser 6.1 and Derkyi et al. 1.3). Greater recognition of the contributions and services provided by forests has increased the number of actors who must be involved in forest governance processes. Although considerable progress has been made in designing and using effective participatory methods, many challenges remain, particularly how to involve “non-organized” stakeholder groups, such as illegal chainsaw operators (IUCN 2011).

### *Recognizing power issues*

Closely linked to stakeholder participation is the issue of power. Understanding and dealing with power and powerful groups is important in order for forest governance reform processes to be successful, because these reform processes often change power relations (Lund et al. 3.4). However, this key aspect of forest governance reform typically remains implicit and relatively few articles explicitly address the issue of power. Schusser (6.1) analyzes the results of forest governance reform to promote community forestry on the basis of the relative power of stakeholder groups. These reforms have had limited success (defined in these cases as an increase in forest benefits flowing to forest users), because powerful actors, who don't have any concern for the interests of forest users, have been able to use the system to their own benefit. Other authors point out that not adequately addressing power issues may even undermine attempts to improve forest governance: it may reinforce power imbalances that underpin forest governance failings.

### *Integrating market related approaches*

Voluntary market approaches (e.g., investment standards and forest and product certification) complement and implement regulatory goals by focusing on the behaviour necessary to achieve the goals. Thus, they often create incentives for corporate responsibility and opportunities for profit and interest-seeking behaviour to achieve desired public goals. However, voluntary and regulatory approaches depend on one another; neither alone is sufficient (Hinrichs and van Helden 5.2).

Trade-based regulatory approaches to forest governance reform include the FLEGT Voluntary Partnership Agreements, the EU Timber Regulation, and the U.S. *Lacey Act*, which all aim to decrease trade in illegal timber. They have the potential to be effective in that they tie forest governance reform to trade, thus uniting private sector, government and civil society around a common interest. In addition, these programs have a tangible benefit, such as continued market access. And, they contain measures that affect both producer and importer/consumer countries.

### *Connecting different initiatives and levels*

Although it is generally understood that forest governance reform initiatives need to complement and reinforce each other — if only to avoid wasting limited resources and preventing unnecessary strains on limited capacities — in practice, this is sometimes difficult to achieve. Avoiding overlapping or competing initiatives requires two things: (1) proactive strategies by the forest sector<sup>1</sup> to ensure that the interests of the sector are adequately represented in cross-sectoral processes; and (2) effective institutional settings for the forest governance reform process (Sepp and Mann 5.1). Field experiences can and should inform national policy development (Hodgdon, Hayward and Samayoa 4.4) to ensure that policies respond and adapt to the realities in the field and that they take into account those who depend on forests for their livelihoods and who are often marginalized in national policy development processes (Paulson et al. 6.2). This capacity for multi-level and cross-sectoral learning is a distinctive feature of governance.

### *Clarifying and enforcing rights and tenure*

In order for forest governance to be “good,” there must be clarity about the law, in particular about who holds the rights to forest land (Ozinga 4.2), to tree harvesting (Insaidoo et al. 6.3) and other goods and services and, in the case of REDD+, to carbon and the rights to emission reduction benefits (Hodgdon, Hayward and Samayoa 4.4). In general, a stable and predictable policy environment is important. In addition, private sector engagement will not occur in an insecure business environment. Furthermore, existing laws cannot fulfil their mandate without effective enforcement. Thus, clear rights, access to information about the application of laws and other legal rules, protection for those who report infractions of the law and a well-functioning executive and judicial system for investigation and prosecution are essential components of good governance.

### *Ensuring transparency and access to information*

Several articles identify transparency in decision- and policy-making and access to information as important factors to reduce corruption and to increase effective participation by all stakeholders. Corruption and illegality are both a cause and a consequence of many forest governance failings (Nadkarni 2.4). Improving transparency will help reduce the possibility of corruption and improve the ability of stakeholders to hold others, especially government and/or key decision-makers, to account and to push for further reform. Transparency is equally critical to achieve the Free, Prior and Informed Consent (FPIC) of stakeholders affected by decisions about forests. In Ecuador, the recent access-to-information legislation has provided actors with an enforceable tool to require openness of information (Villacís, Young and Charvet 2.5).

Transparency and monitoring go hand in hand: transparency is required for meaningful forest governance monitoring, in particular to promote a role for non-state actors and to promote accountability. At the same time, forest governance monitoring can promote greater transparency and increased learning capacity.

## Monitoring forest governance

### *The importance of forest governance monitoring*

With the increased emphasis on improving forest governance, there is a growing need to assess and monitor forest governance. Monitoring can help set the forest governance baseline (diagnostics) and identify changes in forest governance (provided that goals have been agreed). Kishor et al. (2.2) and van Bodegom et al. (2.3) describe experiences to develop and test forest governance monitoring at the national level. These experiences indicate that introducing this framework can make it possible for stakeholders to articulate sensitive forest governance issues that otherwise cannot be discussed: monitoring a sensitive issue is less threatening than addressing it head-on. It can also raise interest in and awareness of forest governance challenges and hence about forest governance reform.



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However, if it doesn't form part of an already agreed reform plan, forest governance monitoring per se has a limited ability to steer or drive forest governance changes. In fact, if expectations are raised through forest governance monitoring initiatives but aren't followed up by addressing the challenges identified, reform efforts can backfire.

### *Methods of monitoring forest governance*

Comparing the methods discussed in the articles, a number of methodological challenges become apparent, which by the way are not unique to forest governance monitoring. They relate to (1) the compromise between completeness and practicality; (2) the attribution of an impact to a certain activity; and (3) the lack of indicators that measure directly what the monitor wants to know (e.g., the extent of illegal logging). In the absence of such indicators, indirect measures need to be identified (e.g., an assessment of relevant policy measures or expert perceptions; Lawson 3.5). Villacís, Young and Charvet (2.5) provide an interesting example of how using a relatively simple method to monitor one aspect of forest governance (transparency, as reflected in the availability and accessibility of government documents on the web) can yield useful results. A special challenge is how to meaningfully engage sub-national and local-level actors in forest governance monitoring development and implementation. Taking forest governance monitoring beyond the confines of the national capitals requires specific efforts and provisions.

## Moving forward with forest governance

### *Trends*

While keeping in mind the limitations and challenges of forest governance monitoring and the diversity in national forest governance contexts, it is possible to identify changes in forest governance. Forest governance has become more complex over the last few decades (Rayner, Buck and Katila 2011). The increase in the amount of goods and services that society expects forests to deliver has led to and is a result of an increase in the number of national and international actors and institutions involved in forest governance. Governments have had limited success in governing forests according to internationally agreed goals of sustainable forest management. And it is clear that without the involvement of non-government stakeholders, forest governance will not lead to achieving these goals.

The increased decentralization and devolution of forest management authorities and the increased area of forests owned or designated for use by local communities and indigenous peoples (Sunderlin, Hatcher and Liddle 2008) have reduced the ability of central governments to govern forests in a top-down fashion. States are no less important today than they were in the past, but other groups of actors are assuming formal roles and responsibilities in forest governance. As issues have multiplied and their interconnections have grown more complex, other actors, including international organizations, private-sector corporations, civil-society groups and consumers, are increasingly participating in forest governance reform processes (Spechly and van Helden 3.2). Increasing competition for land (rather than for forest as such) adds to the complexity of interests and stakeholders.

The need for supportive and effective frameworks for sustainable forest management has become a centrepiece of international initiatives that promote the maintenance of all forest functions. There is growing pressure on all actors to deliver results that can be measured. Markets, especially for timber and carbon, are now recognized as essential partners in forest governance. Monitoring the status of forest governance and the success of support initiatives will be conditional for triggering additional assistance and compensation measures in support of improving forest governance (Rayner, Buck and Katila 2011).

### *Learning forest governance*

These trends seem to indicate that gradual forest governance reform will have a better chance of success than a wholesale overhaul. Trust, confidence and capacity of the stakeholders involved will increase if initiatives to improve forest governance are applied in a committed, transparent and accountable way. This holds true for the commitment of international as well as national actors. However, it will require time for the continuous learning that is an essential component of forest governance reform.

Effective forest governance reform processes must have a clear focus (e.g., law enforcement or transparency). There must be a clearly defined target of reform with sufficient benefits for a large enough number of powerful stakeholders in order to engage their participation. This can serve as an entry point to address broader forest governance issues. A level of shared understanding of the challenges, issues and solutions is needed. During the process, diverse actors need to be prepared to engage in deliberative participation to increase the common ground between them. While it is important to carry out incremental steps with clear outcomes, these should be part of a shared vision to address longer-term requirements, such as capacity building.

The role of power is equally important in finding fair and equitable solutions. NGOs and independent watchdogs can help hold governments and others actors to account and nudge forest governance reform along. Political power and commitment is a necessary resource for effective governance and for effective governance reform. What is at issue is how that power is exercised, who has the power, and how power is created and shared in governance institutions.

### *Practicing good forest governance*

Access to information, trustworthy processes and multi-actor deliberative participatory processes are key elements of applying the practices of good governance. Learning means not only taking in new information, but changing what is actually done and how. This is why governance is an adaptive and iterative process that requires the participation of all stakeholders.

Because of the complexity and connectivity of the issues involved in forest governance, finding the right entry point is a challenge for many forest governance reform initiatives. Cause and effect are often not well defined. For example, improved stakeholder participation is part of and leads to improved forest governance; a stable policy environment as part of good forest governance and as a condition to improve forest governance; corruption underpins and is a result of many forest governance failings; participation requires the political will to improve conducive framework conditions (e.g., democracy, decentralization, good governance).

This seems to indicate, at a minimum, the importance of an accurate and honest analysis and definition of local realities (power, interest, national context) and of cause-and-effect relations. Ignoring powerful elites or conflicts or not recognizing the weaknesses of government will hamper progress. The importance of an entry point to begin to address wider forest governance issues is clearly illustrated by the case of Ecuador (Villacís, Young and Charvet 2.5). There, the access-to-information law is used to address issues of accountability and participation. The solution to the problem of identifying the right entry point may be to formulate and address specific problems, rather than the forest governance system as a whole (which is too abstract and complex). However, addressing specific issues should take place without losing sight of the interdependencies with other issues and of the greater whole.

Although forest governance has become more complex and deforestation continues at a high rate, the level of interest in forest governance is also high and growing rapidly. This is encouraging. The experiences emanating from the articles in this issue demonstrate that a one-size-fits-all solution to forest governance challenges does not exist. They also show that whatever the entry point is to initiate forest governance reform, there is always a set of additional and inter-related governance challenges that underlie that entry point. Therefore, an integrated process approach is essential to successfully address forest governance reform.

“Good” forest governance creates the capacity for continuous learning and the ability to adapt to lessons learned among those engaged in the participatory processes of governance. This kind of social learning provides the dynamic and adaptive capacity of governance. It also creates the stability and predictability necessary for all actors to make the long-term commitments necessary to achieve sustainable forest management that benefits people and nature. The articles reveal that transparency, communication and access to information, and multi-stakeholder engagement in deliberative processes (particularly the meaningful participation of disadvantaged groups) are essential ingredients in moving forward with forest governance.

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### Endnote

1. These include, for example, documenting and raising awareness of the value of forests, including all their goods and services.

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