



# GMS Forest Policy Brief 04

## *Policies and institutions*

With demands on forests expanding and diversifying, and the forestry agenda becoming increasingly fragmented, institutions responsible for forest management must compete with and complement other sectoral interests to prove their worth to society. Institutional restructuring or “reinvention” may be necessary to grasp opportunities and ensure that society’s demands are effectively and efficiently provided for.

Traditional forestry institutions operating centralised command and control structures are becoming increasingly outmoded as natural forests are depleted of timber and demands for ecosystem services such as watershed protection, biodiversity conservation and climate change mitigation increase. At the same time, calls for greater social and economic justice are growing, calls for greater participation are intensifying, and allocation of rights and responsibilities to the local level are increasingly seen as a key to meeting social economic and environmental goals in forestry. To be successful, remain relevant and avoid being outmanoeuvred by more dynamic agencies, forestry institutions need to ensure flexibility, strategic management capabilities, strong “sensory” capacities and an institutional culture that responds to change.

Dramatic deterioration in the extent and quality of forest resources in the Subregion has led to criticism and questioning of the roles, objectives and institutional cultures of traditional state forestry agencies in several countries. Important institutional weaknesses include:

- failure of forest management systems to adequately protect forest resources;
- failure to adequately safeguard livelihoods of the forest-dependent poor; and
- sluggishness in reacting robustly to new demands and ensuring representation of key stakeholders in decision-making.

An unfortunate fact in many countries is that forestry, regardless of its economic importance, is accorded relatively low priority by governments. The forestry portfolio is often held by relatively junior ministers or as a minor portfolio and forestry departments are usually subsumed within broader ministries for natural resources, environment or rural industries. The forestry environment is also being fragmented by an increasing diversity of specialist agendas, which further dilutes the prospects for forestry agencies to provide leadership. In such circumstances, the development of strong advocates and champions for forestry within the government is hindered, and the impetus for change is constrained.

### **Box 1. Inclusiveness is essential for attainment of climate change related goals in forestry**

The challenges that confront forestry – with respect to climate change and otherwise – and difficulties in implementing more complex forest policy through centralized mechanisms suggest that much greater inclusion of forestry stakeholders at various levels is necessary.

Traditional forms of forest governance that focus on hierarchical, top-down policy formulation and implementation by the nation state and the use of regulatory policy instruments are insufficiently flexible to meet the challenges posed by climate change (Seppälä *et al.* 2009).

Over past decades, forest and forestry policies have been formulated to encompass the principles of sustainable forest management in all countries in the Subregion. Policy has, however, often emerged from processes that fail to assess or accommodate stakeholder opinions and the situation on the ground. Policy is also commonly poorly understood or supported by a broad range of stakeholders, especially those at the local level.

Despite all the credentials of ‘good’ forest policy, many examples are simply text book models of forest policy, inappropriate for the circumstances into which they were born. Implementation has therefore generally been lacking and circumstances suggest that institutional reforms beyond policy and legislative amendments are necessary.

A major objective of institutional re-inventions around the world has been the rationalization of activities and assets to enhance the efficiency and international competitiveness of the forestry sector. This drive to improve the efficiency of government agencies has similarly been demonstrated in efforts to reduce the size of the administration and curtail bureaucratic involvement in field-level management, thereby inducing greater separation between macro- and field-level functions.

Re-allocation of rights and responsibilities in relation to forest resources and re-distribution of benefits and risks has been necessary to promote engagement of stakeholders in managing forests. Shifts towards private sector and village/community, household and/or individual ownership mean that many more actors are involved in forestry. Forestry agencies, as they withdraw from field level activities, must prove their worth by facilitating design and implementation of policy and regulations that stimulate rather than stifle production of forest goods and services under these decentralised regimes.

### The way forward

Forestry institutions must facilitate increased production of forest goods and services by relinquishing direct control over forest resources. Shifting to facilitative and regulatory roles while increasing flexibility and responsiveness will involve enormous challenges. The alternative is, however, to fade into irrelevance at a time when demands on forests and forestry are increasing.

Global and regional experiences demonstrate that quantum shifts in forestry often occur due to the emergence of tangible economic, political or social 'shocks'. Forecasts and reasoned argument are often insufficient to effect change, especially where governance is weak and other pressing matters are at hand. Environmental degradation is also often an insufficient catalyst unless acute repercussions are experienced.

Nonetheless, there are many steps that can be taken to help precipitate change. To a large extent, assessment of field-level forestry issues and what can realistically be achieved is a first step. Capabilities in terms of human and financial resources and available knowledge, and ability to operate with broader socio-economic constraints have to be more rigorously taken into account if policy objectives are to be achieved. Possibly most importantly, political will and leadership are necessary. To stimulate progress a variety of methods may be employed such as institutionalising transparency through public consultation, publication of plans and procedures, implementation of public opinion surveys, etc.

During such campaigns, institutional strengthening and human resource development are likely to be of considerable importance in helping officials to adopt new roles and ways of working. Forests and forestry-related objectives must be prioritised if they are ever to be realised. Issues that will require immediate attention include:

- **Tenure reform.** Tenure will remain one of the core issues in empowerment of local communities and in enabling them to address natural resource degradation and poverty.
- **Reform of public sector agencies** with emphasis on facilitatory and regulatory functions and shifting managerial functions to the private sector, including farmers and communities.
- **Changes in institutional cultures** to promote meritocracies, reward efficiency and effectiveness and to minimise nepotism and corruption.
- **Improved land use planning** and careful management of land conversion programmes.

### Box 2. Reform of forestry institutions in Viet Nam

Since the nationwide introduction of free market principles in 1986, substantial changes have taken place in the forestry sector in Viet Nam, including the reorganization of state forest enterprises, changes in forest ownership, including allocation of land to households and individuals, and growth in wood product exports. Forestry has moved towards greater participation, improved forest protection, increased plantation establishment, greening of bare land and increased timber processing. These changes are increasing the importance of forestry as an economic sector while contributing to income, livelihood improvement and environmental protection.

Source: FSIV 2009.

### References

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