

The Stumbling Blocks in Forest Governance in Latin America

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Presentation overview

- ① Policy and regulatory framework
- ② Rule of law
- ③ Government effectiveness
- ④ Policy change

The policy and regulatory framework: regulatory overburden

- Regulatory overburden for all businesses :
Cuba, Surinam, Venezuela, Peru, others
- Excessive number and complexity of
forest sector regulations as compared to
other sectors
 - Incentive to convert land to less regulated uses
 - Inability to stop deforestation

Example: Excessive regulation is considered one of the main causes of deforestation in Colombia

The policy and regulatory framework: unrealistic regulations

- Extremely demanding regulations for small forest operators
- Expensive implementation beyond the means of small forest operators
 - Failure to implement

Examples:

Communities in Honduras do not have technical capacity to meet the requirement for forest management plans

Communities in Bolivia cannot cover start up and annual costs

The policy and regulatory framework: uncertainty and lack of clarity

- Unclear land tenure:
 - disincentive for long-term investment in SFM
 - disincentive to keep land under forests
 - Inability to use land as collateral for capital investment
- Unclear and contradictory policies and regulations are open to conflicting interpretations

Examples:

Forest Management Act of Suriname approved in 1992, implementing regulations issued 8 years later

New Forest Act of Guyana open to contradicting interpretations by the Forestry Commission and forest companies and communities

The policy and regulatory framework: subsidies and safeguards

- ◉ Subsidies for forest plantations, timber concessions, other competitive land uses (e.g. cattle ranching, agricultural production) promote
 - conversion of forest lands and
 - wasteful use of timber resources
- ◉ Weak safeguards in other sectors (e.g. infrastructure development) lead to deforestation

Example: Peruvian Amazon

53 oil blocks will cover 55 mln ha. have already resulted in 16000 ha deforestation

483000 ha of new biofuel plantations will replace natural forests

The policy and regulatory framework: relevance to REDD+

- Lack of comprehensive climate change and carbon policies
- Policy failures have been singled out as a main obstacle to the implementation of REDD+ in many, if not most, country readiness analyses
- Regulatory overburden, unclear tenure, policy uncertainty and perverse incentives are barriers to and imply increased costs for REDD+

The rule of law: illegal logging

- Extensive, significant and highly profitable
- Caused by inability to enforce, inability to comply, promoted by high return
- Leads directly to and facilitates deforestation
- Facilitated by or leading to corruption

Examples:

Brazil, Ecuador, Peru, Central American countries have programs to control illegal logging

Brazil's efforts to curb illegal logging are backed by strong political commitment.

The rule of law: relevance to REDD+

- **Weak rule of law is a key governance obstacle to REDD+**
- **REDD+ could increase opportunities for corrupt behavior, use of funds for personal gain or misuse of fund for promoting the political and economic interests of particular groups**

Government effectiveness

- ⦿ Inability to monitor and evaluate
- ⦿ Limited capacity to implement responsibilities
- ⦿ Weak commitment to effective management
- ⦿ Inadequate horizontal and vertical policy and institutional harmonization

Government effectiveness: relevance to REDD+

- ◉ MRV capacity - key
- ◉ Strong commitment to effective management required
- ◉ Clear horizontal and vertical policy and institutional harmonization

Obstacles to change: the political economy of governance reform

- ① **Political desirability:** insufficient understanding and effort to overcome resistance from stakeholders creates opposition
- ② **Political feasibility:** reformers' failure to build support inside and outside government, including main power groups makes it unfeasible
- ③ **Credibility:** wavering government adherence to approved reforms undermines them

Obstacles to change: the political economy of governance reform

How not to do it:

A small group designed reform in Ecuador, excluding indigenous peoples and private forest owners. Consequently those actors refused to support or openly opposed the reform.

The Bolivian government adopted a new Regimen Forestal in mid-1990. But it did not apply the rules related to timber concessions when concessionaires failed to pay concession fees.

How to do it: The Brazil Action Plan for the Prevention and Control of Deforestation in the Legal Amazon gained wide support by many government agencies and the public

Recapitulation: Challenges to Quality Forest Governance

- Policy and regulatory failures
- Failure to impose the rule of law
- Weakness of government institutions
- Inability to overcome political barriers to effective policy and institutional reform
- Relevance to REDD+