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LATIN AMERICAN AND CARIBBEAN FORESTRY COMMISSION

THIRTIETH SESSION

Tegucigalpa - Honduras, 25 -29 September 2017

Governance strengthening of forest resources

Secretariat note

I. Introduction

1. Over the last two decades, increasing attention has been given to the concept of forest governance and, in particular, good governance, and its particular relevance for local communities. There are different meanings and understandings of governance, but the general consensus is that it provides the foundations for improving relations between local and national stakeholders, promoting legality, gender equality and equity and, ultimately, sustainable forest development.

2. According to FAO/ITTO, forest governance *is the modus operandi by which the population, key actors and institutions (formal and informal) acquire and exercise authority to manage forest resources and improve the quality of life of forest-dependent stakeholders*¹. It is also related to the type and manner how decisions are made; good governance means that they are fair, unbiased, transparent and respectful of the rights of all.

3. According to FAO/PROFOR (2011), governance is considered to be "good" *when characterized by stakeholder participation, transparency in decision-making, accountability of stakeholders and decision makers, the rule of law and predictability*. "Good governance" is also related to efficient and effective management of natural, human and financial resources and to a fair and equitable redistribution of resources and benefits.

4. Good governance is based on pillars and principles, which are presented below:

¹ ITTO-FAO (2010). Forest law compliance and governance in tropical countries 28 p. en: www.itto.int; www.fao.org/forestry

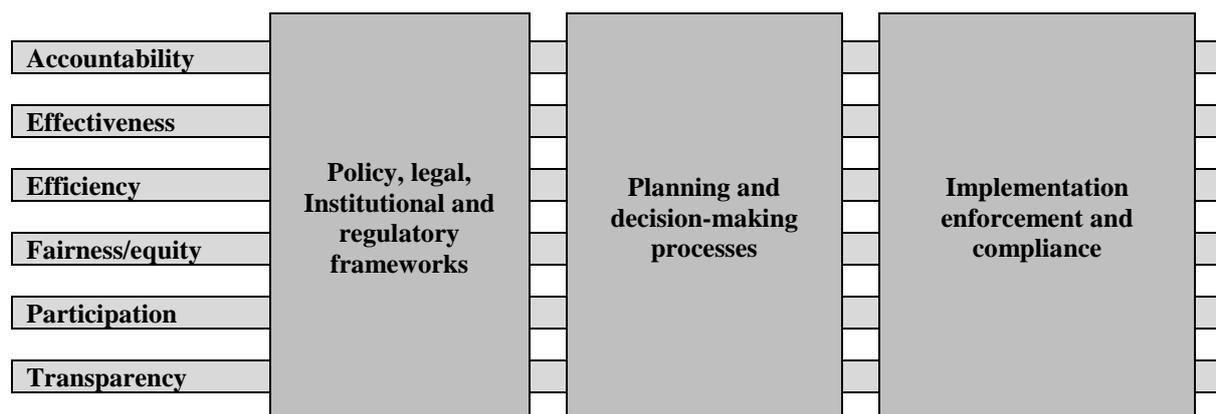


Figure 1. Pillars and principles of good forest governance.
Source: FAO and PROFOR (2011)

II. Advances in forest governance in the countries of the region

5. Over the last decade, countries of the region have undertaken significant efforts to improve forest governance. FAO has been supporting the countries in this process and some achievements are highlighted below:

6. **Ecuador:** has a forest governance model implemented by the Ministry of the Environment based on five elements: i) improving forest management and control system's efficiency to increase legal trading of forest products; (ii) strengthening incentive systems for sustainable forest management and forest conservation; iii) generating information to facilitate the decision-making process in a timely manner; iv) promoting reforestation processes of degraded areas and protection; and, v) implementing research, training and dissemination processes.

7. The country made also progress, with support from the EU-FAO FLEGT Programme, in designing the forest traceability system, soon to be implemented, and a full-scale forest control unit, which has five components: (i) fixed control posts; (ii) mobile control units; (iii) verifiers of final destination; (iv) forest auditors; and (v) forestry advisers.

8. **Colombia:** has developed an Intersectoral Pact for Legal Timber to ensure that wood extracted, transported, processed, traded and used comes exclusively from legal sources. Instruments and tools have been developed for forest legality, namely: i) Responsible Purchase Guide; ii) Scheme of Forest Legality Recognition; and, iii) Scheme of Forest Industries Legality Recognition.

9. FAO has supported Colombia also in the generation of spaces for consultation and dialogue, such as the Departmental Forestry Boards made up of actors representing territorial entities, environmental authorities, institutions, research institutes, unions, NGOs, Afro-descendant communities, indigenous peoples and peasants. The EU-FAO FLEGT Programme supported also the process of private forest sector legality, an initiative that added a gender perspective to the policies of private forest companies; and the analysis of the current structure and production of the forest sector, in particular micro, small and medium sized enterprises in Colombia.

10. **Guatemala:** in 2017, various stakeholders agreed on a roadmap for improving government and civil society efforts regarding forest governance encompassing: i) institutional strengthening to guarantee sustainable forest management processes; (ii) promotion of legal forestry activities; and, (iii) empowerment of stakeholders to coordinate and implement the Action Plan for the Prevention and Reduction of Illegal Logging.

11. In addition, efforts are being made towards the implementation of the forest legality verification system, particularly at the industry level. A field legality verification system is also being developed using satellite-based technology, supported by the UK Space Agency. Likewise, there is consensus on a national legality recognition system based on a standard to be applied by an independent body, complementary to the public forest service. With support of the EU-FAO FLEGT Programme Guatemala strengthened alliances in the south of Peten and negotiated an agreement with Belize for the governance of forest resources in the Mayan mountains and Chiquibul Reserve; and exchanged experiences with the forest service of Honduras on the design and implementation of the Electronic Information System of Forest Companies.

12. **Guyana:** one of the most significant advances in strengthening forest governance has been the negotiation of a Voluntary Partnership Agreement (VPA) with the European Union for the implementation of laws, improvement of forest governance and legal timber trade. The VPA is a tool of the FLEGT Action Plan to promote the production and consumption of timber of legal origin, The VPA development and signing process ensures the participation of representatives of the different sectors: government institutions, civil society, private sector and local communities in the design and implementation of forest governance systems to which the country is committed to in the VPA and which is formalized in the Annexes to the Agreement.

13. In this context, the country has raised awareness of the aforementioned groups; has conducted training for private sector operators and small producers' associations; and has developed strategies of consultation and implementation of the VPA with indigenous peoples' help centre, to strengthen their capacities and monitoring of the same. It should be noted that Guyana has been one of the first countries in the world to implement a System of Measurement, Information and Verification, developed under an agreement with Norway, which provides accurate and verifiable annual national reports on forest cover, deforestation and forest degradation. With support of the EU-FAO FLEGT Programme, Guyana has developed a pilot model of wood harvesting and monitoring for forest concessions of small loggers' associations, the methodology for community monitoring of forests and the Free, Preliminary and Informed Inquiry Protocol for forest management for the indigenous community.

14. **Honduras:** similarly to Guyana, one of the most significant advances in strengthening forest governance has been the negotiation of a VPA with the European Union. Among actions undertaken within this framework the National Strategy Against Illegal Logging (ENCTI, acronym in Spanish) constitutes the operational arm of the VPA. Within the ENCTI, there is an inter-agency task force against the environmental crime (FTIA, acronym in Spanish) that is made up of: the Forest Conservation Institute, the Honduran Armed Forces, the Special Environment Prosecutor's Office, the Attorney General's Office of the Republic and agencies that perform field control of illegal logging.

15. The EU-FAO FLEGT Programme has encouraged small and medium forest owners to strengthen their local forest governance structures; established a Wood Tracking System – SIRMA (acronym in Spanish); supported the design of the Free, Preliminary and Informed Inquiry Protocol for forest management for the Indigenous Community and Afro-Honduran Peoples; and executed a market research of forest products in Honduras (supply, demand, barriers and plan to increase the use of legal timber).

16. **Panama:** in the context of the Initiative for Strengthening Tropical Forest Governance in the Darien Region, a Forestry Dialogue Board has been established with support from FAO, which is a multi-sectoral space composed of representatives of loggers, small producers, local and traditional authorities and local communities linked to the forestry sector. They discuss topics related to forests mainly in the Darien and East Panama area. Their decisions are binding and automatically acquire the status of ministerial resolutions.

17. The Board is strengthening the management capacities of the Ministry of the Environment to reduce illegal logging and illegal forest trading. Among the main suggestions presented by the Dialogue Board

and shared with the government and organized civil society are: i) a proposal for a Forest Incentive Law that aims to recover forest cover and promote the conservation of the country's native forests; ii) development, testing and implementation of a Traceability and Forest Control System; iii) development of a Legal Timber Network, an entity composed of representatives of the public and private sectors; indigenous people communities and non-governmental organizations. The EU-FAO FLEGT Programme, helps Panama in developing the law proposal to implement an incentives programme to recover forest cover and promote the conservation of native forests; and in strengthening the programme of community observers as a mechanism to promote legal compliance.

18. **Peru:** in the context of the new forest and wildlife law, the Forest and Wildlife Service -SERFOR (acronym in Spanish) was established, creating specific links between the national and local agencies. Progress has also been made regarding transparency in the forest sector through the consolidation of the Natural Resources Supervisory Body (OSINFOR, acronym in Spanish), a regulatory agency. Its virtual platform, SIGO-SIG, is a management information system that gathers the results of forest permits monitoring and control processes.

19. Organizations of indigenous forestry observers have been established at the local community level, which, among other activities, support the monitoring of deforestation, illegal logging or other actions that violate the rights of indigenous peoples in native community forests. In some communities in the regions of Ucayali and Madre de Dios, groups of forest promoters have been formed who constantly monitor their territories to control illegal loggers and invaders. With the support of the EU-FAO FLEGT Programme, Peru prepared a Forest Transparency Pilot Plan for good governance in forest management in the San Martín Region, and identified the obstacles and opportunities for the domestic trade of wood products from sustainable and legal sources by micro, small and medium sized enterprises.

III. Governance and reduction of deforestation

20. At the Marrakech Climate Change Conference in 2016 (UNFCCC COP 22), countries set a deadline of 2018 to finalise rules to implement Paris Agreement (2015). To this end, Article 5 states that *Parties are encouraged to take action to implement and support, including through results-based payments, the existing framework as set out in related guidance and decisions already agreed under the Convention (...) for REDD+3 and alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests, while reaffirming the importance of incentivizing, as appropriate, non-carbon benefits associated with such approaches.*

21. In compliance with the established framework, countries of the region are developing their REDD + strategies or action plans with the support of multilateral programmes such as UN-REDD and the World Bank's FCPF. These strategies or action plans have provided an opportunity for interaction between laws, norms, institutions and processes through which actors from the public and private sector, civil society, indigenous peoples and members of local communities articulate their interests and implement decisions to reduce deforestation and forest degradation and promote sustainable forest management.

22. In principle, REDD + promotes the development of economic incentives for reducing emissions from deforestation and forest degradation, and FLEGT promotes incentives related to market access and the reduction of unfair competition from illegal timber in national and international trade. In this way, REDD + and FLEGT are complementing each other through the objectives of preserving forests and promoting their sustainable management.

23. In addition, there are similar elements in both processes. Both REDD + and FLEGT promote participatory and consensus-based mechanisms to strengthen forest governance, involving multiple stakeholders. The two initiatives seek ways to eliminate deforestation and illegal timber trade by analysing underlying causes and institutional and governance weaknesses. Both REDD + and FLEGT

require similar information in the planning and preparation phases, therefore, joint efforts could generate cost-effective solutions.

24. FLEGT seeks strengthening of systems that ensure legal origin of wood, and REDD +, in addition to legality, focuses on promoting the mitigation of climate change. For both processes sustainable forest management is important, for which they promote accountability systems, transparency, and provide public access to verifiable information.

IV. Recommendations for additional actions and opportunities for FAO cooperation in the region

25. As noted in the previous paragraphs, the countries of the region are improving forest governance, with initiatives that promote the use of legal timber, recognition of customary rights in indigenous territories, improvement of the institutional structure, implementation of forest traceability and monitoring systems, generating spaces for dialogue and agreement, among others.

26. Success requires the union of all key actors in each country, supported by international technical cooperation. The previous sections show that significant progress in strengthening forest governance can be achieved where State actors have established dialogue and substantial exchange with civil society or indigenous peoples or the private sector, opening new communication channels. For example, through the creation of dialogue platforms in Honduras, Guatemala and Colombia, stakeholder groups now address common challenges together. In all cases, the commitment to change should stem from actors involved in the short and long term.

27. Given the complexity of forest governance, improving it will be a capacity development process that includes technical tools such as traceability systems, land cover monitoring systems and regulations or legal agreements, with the understanding that not one single solution. FAO can support countries in developing platforms for dialogue between actors, providing technical and financial cooperation through the different programmes that it develops in the countries and, more specifically, through the EU-FAO FLEGT² Programme.

28. Another relevant aspect to be considered by the countries is the potential alliance with FAO to undertake concrete actions for gender mainstreaming. While overall gender equality has improved over the last decade, there are still challenges regarding women's role in the forest sector.

V. Matters for consideration by the Commission

29. The Commission may wish to consider to:

- Discuss the role of forest governance to promote sustainable forest management in the region.
- Analyse the benefits of promoting dialogue among stakeholders from the public and private sector, civil society (including local communities)
- Analyse the benefits of sharing experiences between countries about lessons learned and South-South cooperation on issues such as traceability systems, platforms for dialogue about forests; private sector strategies in legal and inclusive markets.

² The FAO- EU FLEGT Programme develops actions for the 2020 horizon in Honduras, Guyana, Guatemala, Panama, Colombia, Ecuador and Peru)

- Analyse opportunities and strategies to show donors the need for funding to support small-scale forest producers as process drivers for strengthening local forest governance, legality of timber and sustainable forest management.
- Request FAO to support countries' efforts, at their request, in strengthening governance mechanisms and stakeholder involvement including strengthening the role of women.