Making forestry pay

Sustainable management and use of forests is critical not only for provision of wood and non-wood products, but also for other values whose importance is increasingly recognized – watershed protection, conserving biological diversity, providing habits for wildlife, sequestering carbon and mitigating climate change, and offering scenic havens for recreation. However, these non-commercial benefits are not easily captured by forest managers as financial returns on their investments.

The fact is that forest management is often not profitable. In addition, because of the long-term nature of forest management, investment in forestry can be risky and tends to be less attractive to investors than other, shorter-term enterprises.

This issue of *Unasylva* examines some of the ways that forestry – and more specifically, forest management – can be made to pay off. It does not focus on improving the returns to commercial forestry *per se*; technical advances for the improvement of yields and labour productivity, for example, are not covered. Rather, the issue highlights some of the approaches that have been tried to bridge the gap between the financial profitability of forestry and some of the wider benefits of forests. These include incentives, innovative marketing (particularly of previously non-commercial forest goods and services) and redistribution of costs and benefits. These approaches are summarized in the overview article by A. Whiteman.

The second article looks at how forestry is financed by stimulating investment or subsidy. T. Enters, P.B. Durst and C. Brown address incentives for forest plantation development in countries of the Pacific rim. They summarize the results of a regional study on the impact of incentives on forest plantation development, based on country case studies, with recommendations for enhancing the involvement of the private sector.

Two short articles provide information on how and where to find funding for sustainable forest management online: the first presents the CPF Sourcebook on Funding for Sustainable Forest Management, an online resource which consolidates information on funding sources, policies and delivery mechanisms (E. Kilawe), and the second presents an online database of funding sources for sustainable forest management developed by FAO as part of the sourcebook (L. Hall). Hall concludes that online information about funding for sustainable forestry activities is more limited than might be expected.

The next group of articles covers approaches for financing forestry from the sale of environmental services. Some countries, particularly developed countries, have introduced charges for forest recreation as a means of generating revenue for maintaining forest resources. R. Leslie describes the implementation of this approach in England since the 1990s; the proportion of the Forestry Commission's recreation costs covered by such income rose by nearly 50 percent between 1992 and 2000.

J.M. Rodríguez Zúñiga describes Costa Rica's Environmental Services Payment Programme, an innovative mechanism by which smallholder owners of natural forests and forest plantations receive direct payments for the environmental services that these forests provide. The services include carbon sequestration, water protection, biodiversity conservation and preservation of natural scenic beauty, particularly for tourism.

M.C. Trexler discusses the potential for using the greenhouse gas market to promote forestry-sector projects, and P.G. Walsh, C.V.M. Barton and K.D. Montagu describe a pilot project for a market-based approach to reducing salinity through tree planting in a catchment in New South Wales, Australia.

Another group of articles focuses on financing forestry by making it more profitable for the poor, through new mechanisms for sharing benefits and revenue.

In Ghana, as discussed by V.K. Agyeman *et al.*, new arrangements for the taungya system – involving interplanted food crops and timber trees – are designed to entitle all stakeholders to the plantations' benefits and give them a long-term interest in maintaining trees.

C. Holding Anyonge and J.M. Roshetko provide recommendations for helping small-scale farmers market farm-grown timber, based on experiences in East Africa and Southeast Asia.

In China, allowing the private sector to manage forests can make forestry more profitable, but the private sector has to be given the freedom to manage the forests to make a profit. As the article by J.L. Liu shows, recent reforms allow the private sector to manage forests, but high forest charges and other institutional constraints may discourage private involvement in forestry.

Other, shorter contributions look at community wildlife management in Africa as a means of delivering benefits to rural people (D. Williamson), and the collection and sale of wild edible mushrooms from the forests of America's Pacific Northwest – an example of a non-wood forest product that does pay (P. Vantomme).

As the articles in this issue show, forest managers and policy-makers around the world are trying a variety of approaches to try to make forestry pay. Although many of these are still in their infancy, it can be expected that innovative approaches will grow in importance as interest in the non-commercial aspects of forest management increases. It is hoped that this issue of *Unasylva* will provide insights and ideas for others to consider around the world. ◆