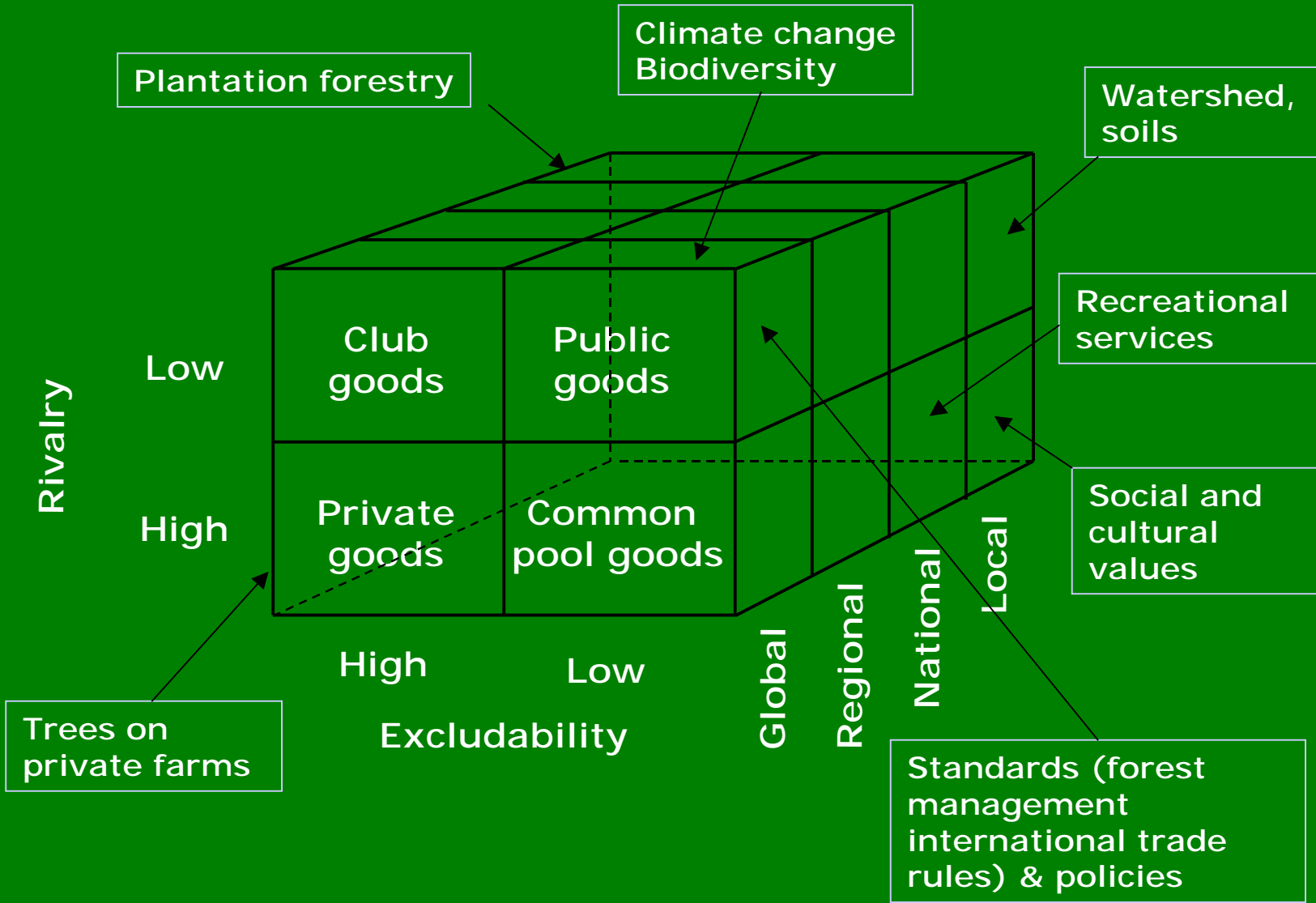


Forest Trends' Significance For China

- Uma Lele
- Operations Evaluation Department (OED)
- The World Bank

Public Goods and Private Goods

Global and Local Dimensions



Emerging Trends in Forest Management:

- Disenchantment with State Monopoly
- Growing Markets for Ecological Services
- Acknowledgement of Need for Compensation by Gainers to Losers
- Growing Private Sector Role
- Growing Interest in Participatory Approaches
- Growing Role of the Civil Society
- Growing Demand for Transparency and Accountability

Dramatic Evolution In China's Forest Policy

From Exploitation to Ecological Restoration
From Command and Control to Improved
Stewardship of Natural Resources

Logging Ban

Land Conversion

Proposed \$20 Billion State

Investment in 13 Years

What do these Global Trends in Forest Management mean for China?

Question Is Not Whether But How To Achieve Sustainable Management of Natural Forests?

-----Need For A Strategic Approach

-----An Institutional Framework



---Policy/Strategy is Necessary But
Not Sufficient

---Need For Practical Operational
Considerations



Despite global disenchantment, in China the State has (and will likely continue to play) a crucial role in forest stewardship

--- Ensuring Sound Overall Governance and Enforcement of Rules and Regulations to minimize illegal logging and exports (a la Russia)

--- Encouraging Incentives for Investment in Plantation Forestry to Ensure Protection of Natural Forests

--- Investing in Science and Technology to Overcome Natural Phenomena of Pests and Fire

Despite global disenchantment, in China, the State has (and will likely continue to play) a crucial role in forest stewardship

---Forming Trade and Foreign Investment Policy beneficial to Chinese forests

---Moving from Regulation and Control to Voluntary Best Practice through intense investment in Information and Training of Human Capital

---Improving Planning and Implementation

---Matching supply of public services with demand

Role of Community Forestry

---community forestry does not mean community production

---Community forestry may *not* mean sustainable forest management but rather sustainable land use

----Community forestry may mean improved livelihoods but not necessarily poverty alleviation

---Devolving Responsibility to Communities may be justified when costs of monitoring and enforcement is lower and/or benefits are greater than traditional state based options

---China is moving fast in independent verification

---Will it devolve the State role in forest management to others?



----Greater the Externalities, Greater the Role of the Provincial and National Level State Interventions in China


----But Private Investment in Environmental Services (Carbon, Biodiversity, Water and Existence Value) is growing in advanced developing countries.

---Will the State in China remain the largest player in transfers for Environmental services?

Private Sector will likely play a growing demonstration effect in environmentally and socially responsible forest stewardship--a la
IKEA



Sound Stewardship of Forests in China has both positive global impacts (through carbon sequestration, biodiversity and existence values) and negative impacts (through trade)

The background of the slide features a stylized illustration of a forest landscape. The scene is composed of various tree silhouettes and foliage in shades of green and brown, set against a dark green background. The trees are depicted in a simplified, almost graphic style, with some showing detailed branches and leaves. The overall composition suggests a natural, wooded environment.

----Will the global community pay China for Environmental services for the positive global impacts of China's policies?

---What will be China's Role in Global Carbon Trade?

--Will it drive down global carbon prices?

Global Forest Trends have much to offer
to China and so does China to Global
Forest Trends

