Global Forests in Transition:

Challenges and Opportunities for Communities, Commerce and Conservation

Gary Bull and Andy White

UBC Faculty of Forestry

Forest Trends

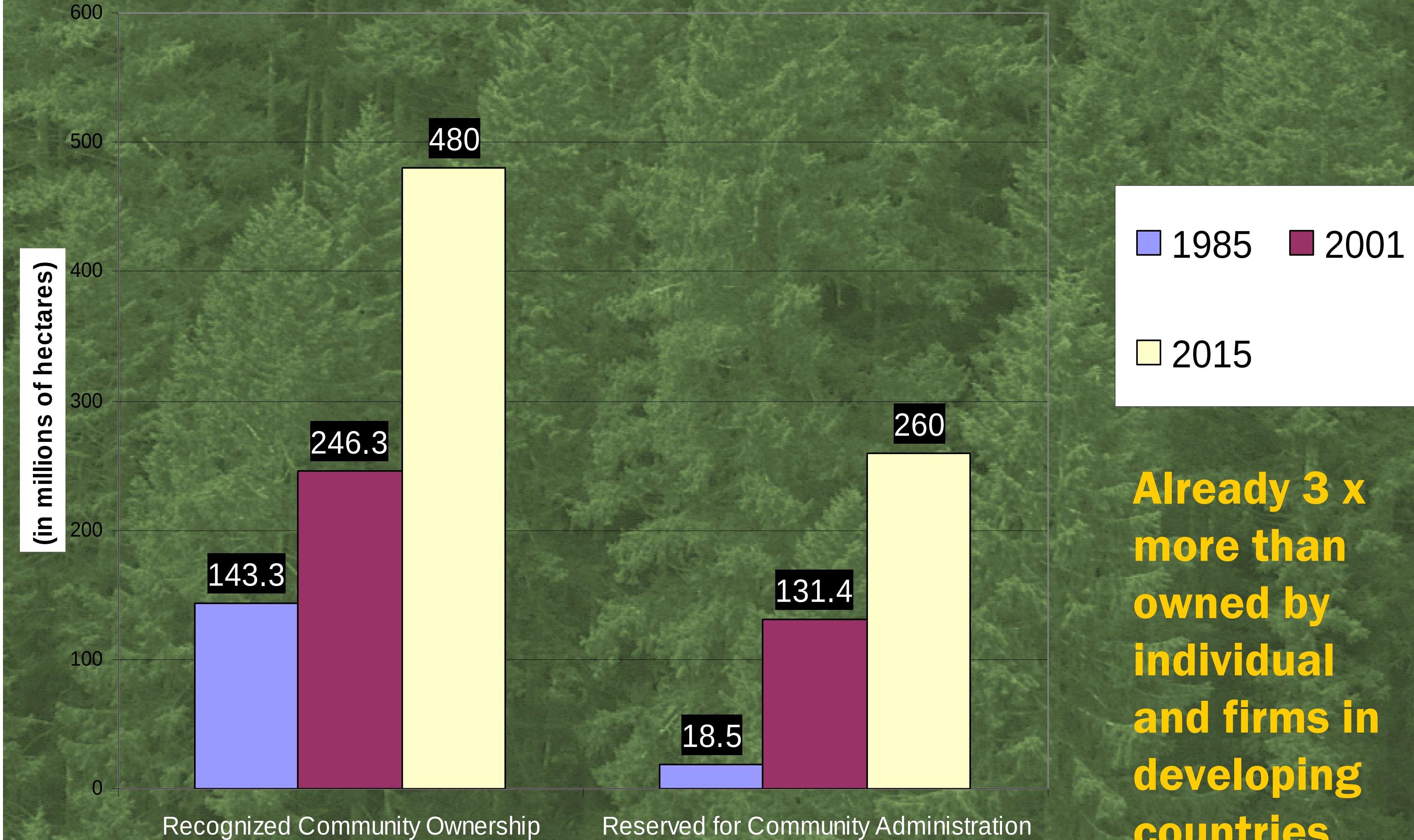
Global Perspectives on Indigenous People's Forestry, Vancouver, June 6, 2002

The World of Forestry is Changing

Tenure in Transition: Shift Towards Indigenous and Other Community Tenure in Last 15 Years

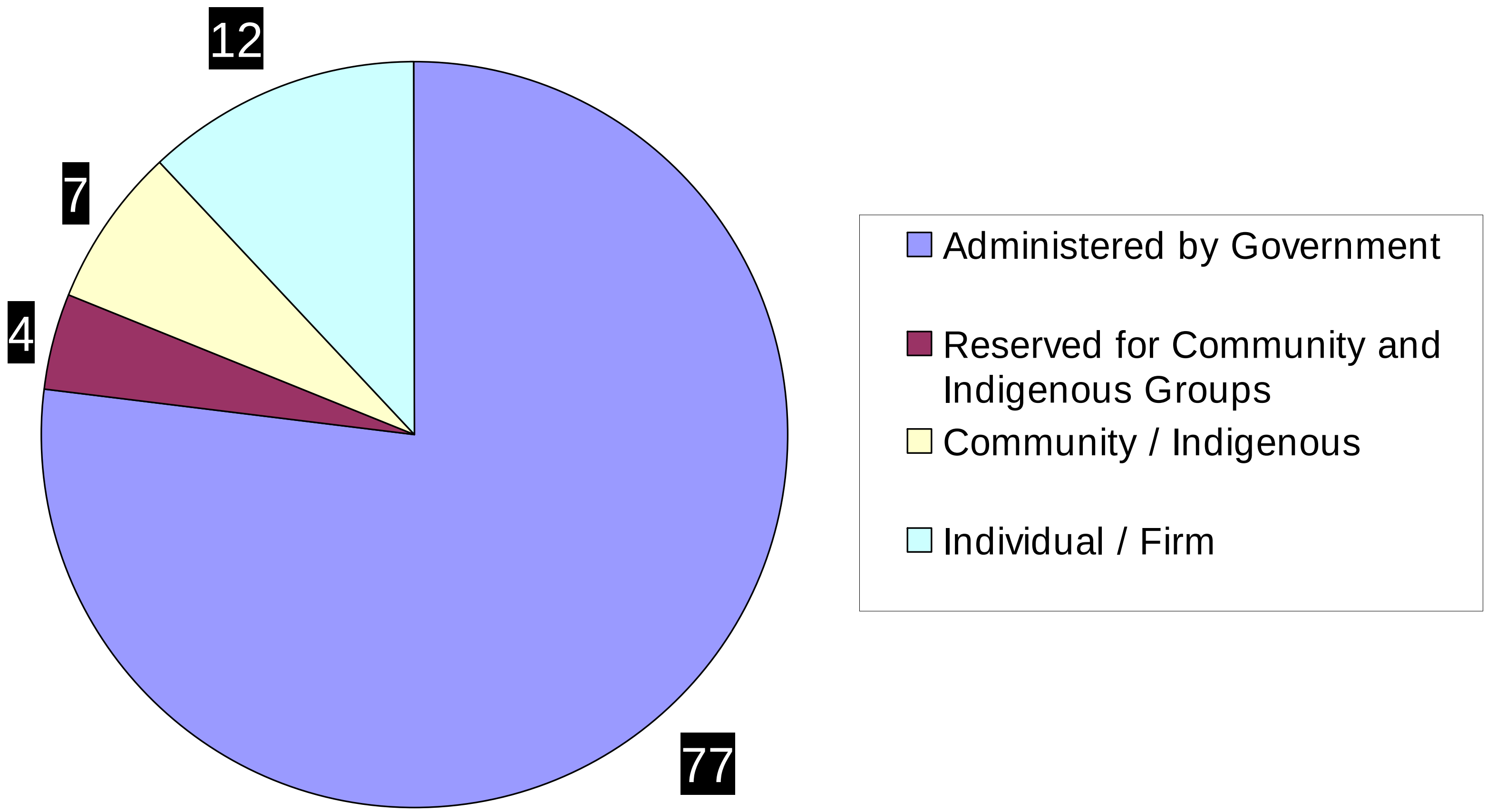
Country	Recognized Community Ownership (in millions of hectares)	Reserved for Community Administration (in millions of hectares)
Australia	53.5	
Bolivia	2.8	16.6
Brazil		74.5
Colombia	24.5	
India		11.6
Indonesia		0.6
Peru	22.5	8.4
Sudan		0.8
Tanzania		0.4
TOTAL	103.3	112.9

A Doubling in Community Tenure in Last 15 Years: Double Again in the Next?



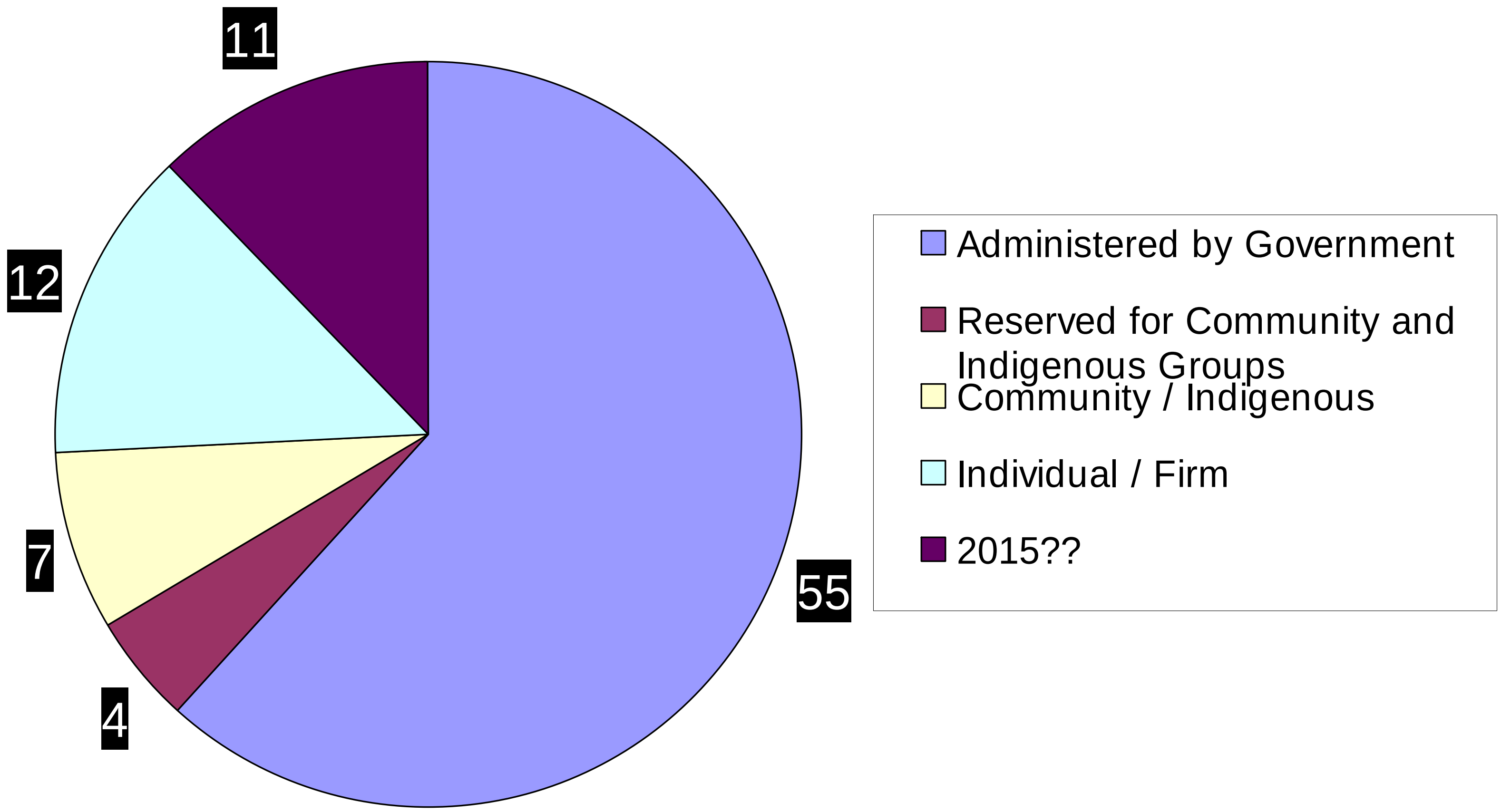
Already 3 x more than owned by individual and firms in developing countries

Tenure in Transition: Ownership of the Forest Estate



Total of 24 countries	**2,803.2**	**131.4**	**246.3**	**443.0**

Tenure in Transition: Ownership of the Forest Estate



Industry in Transition: Declining Commodity Prices

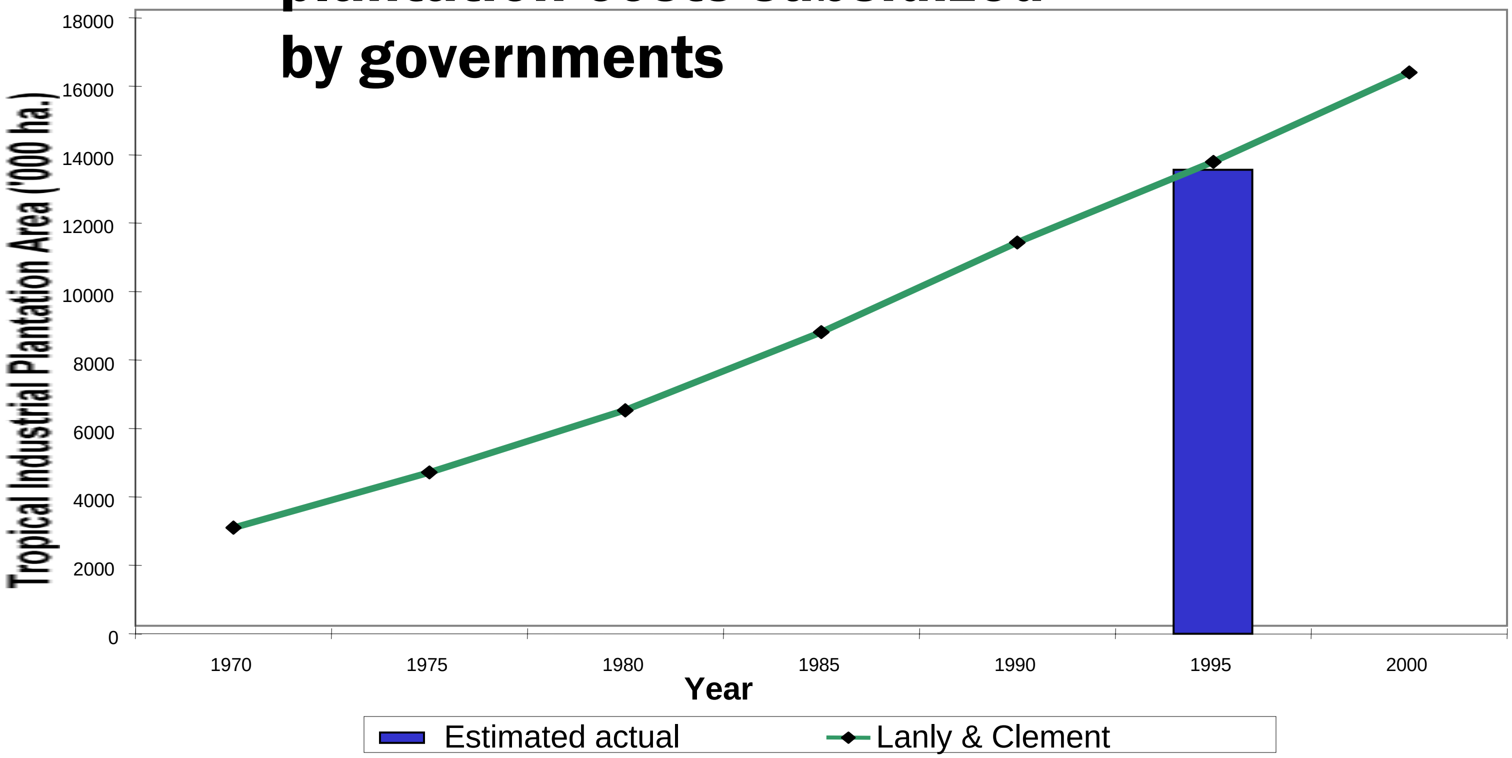
The Economist industrial commodity-price index, in real* $ terms

*Adjusted by US GDP deflator

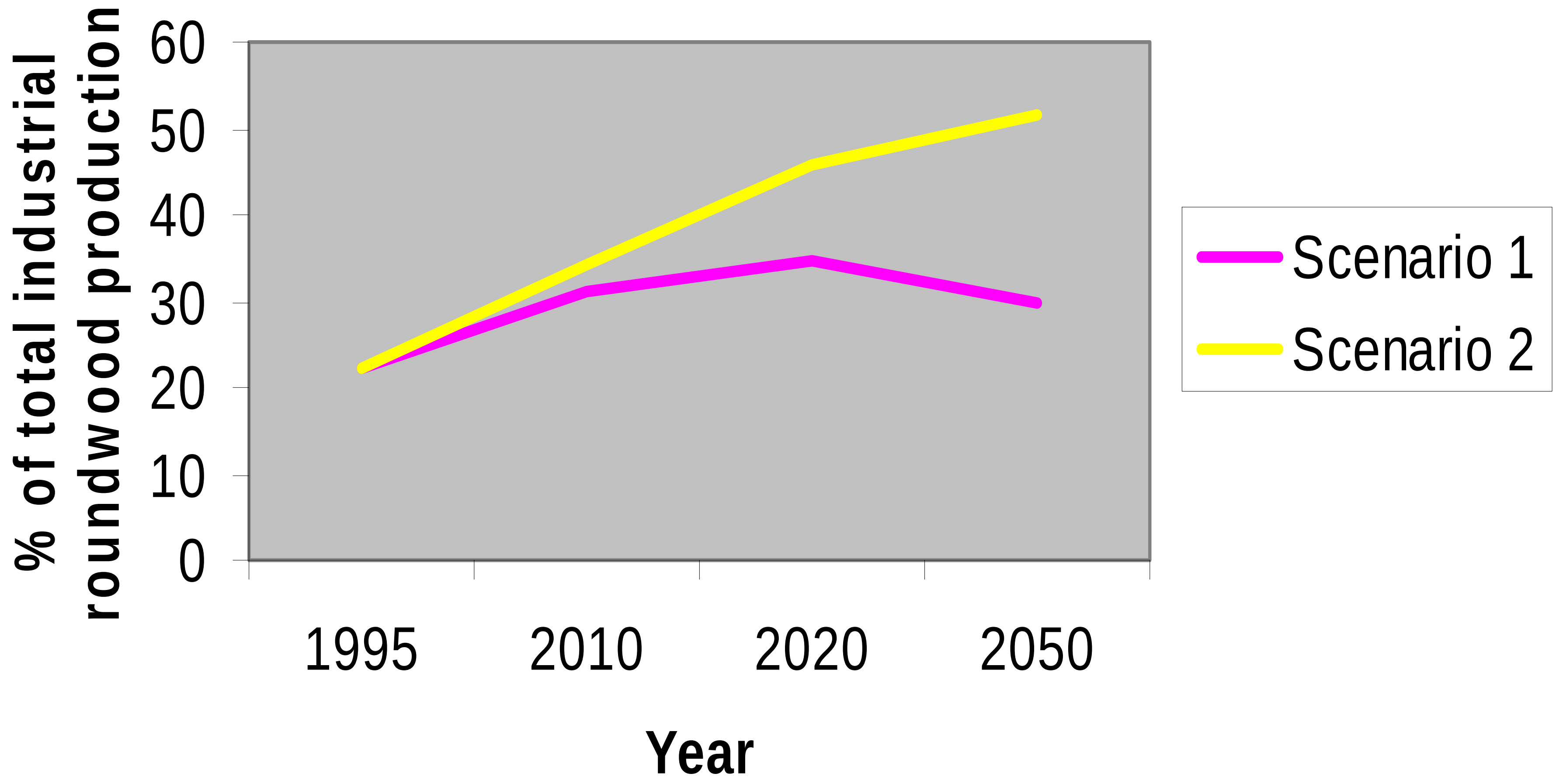
Industry in Transition: Consolidation

Supply in Transition: Plantation Trends ’79 – ‘00

Historically: 75% of plantation costs subsidized by governments



Supply in Transition: 30 – 50% from plantations?



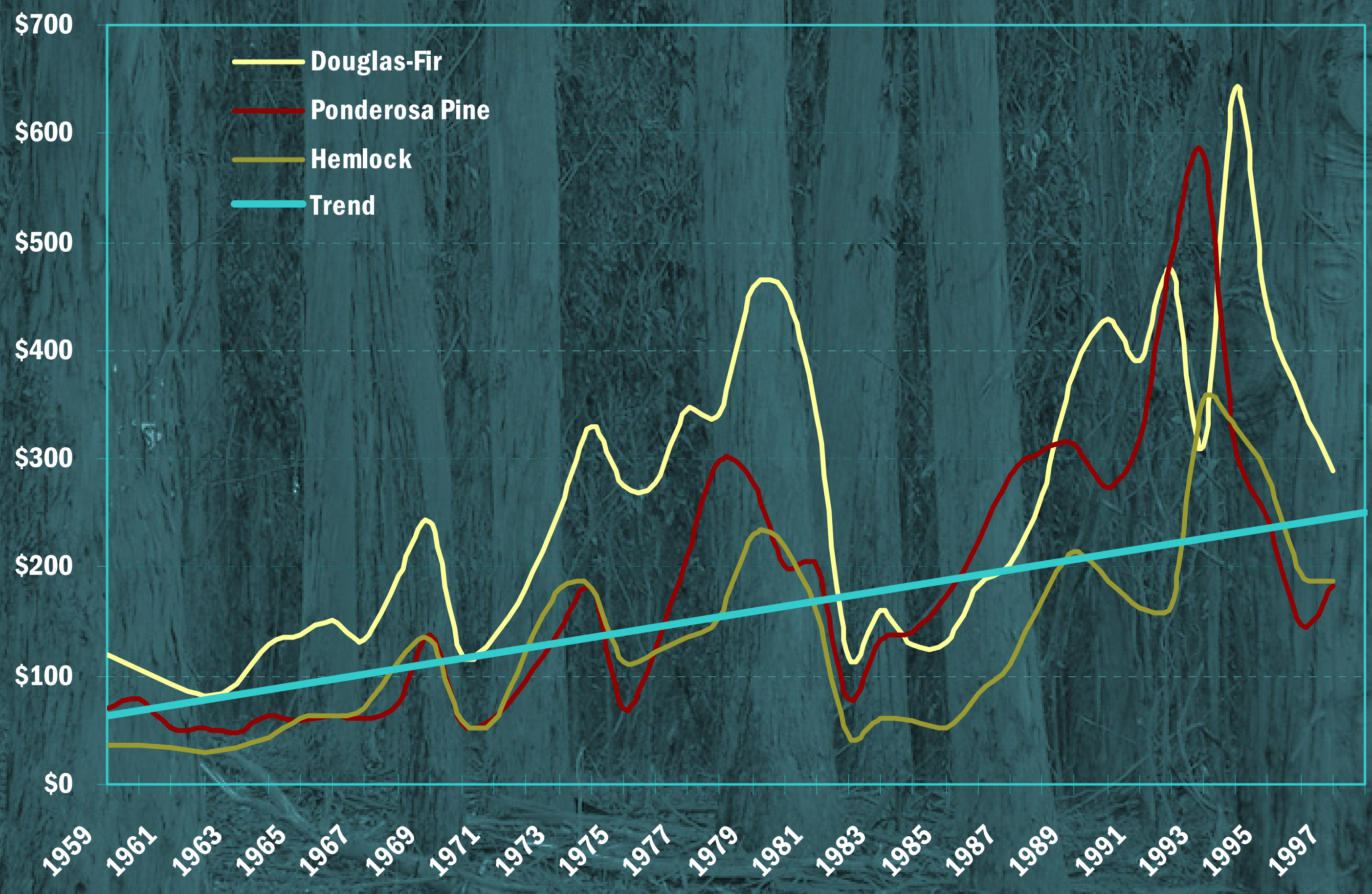
Average annual returns: 8-12%

Demand in Transition

- Greater accountability for where wood comes from
  - Certification
  - Supply chain management
  - Responsible trade (proof of legality)
- Demand growing more rapidly in developing countries than developed (e.g. China)
- Increasing substitution
  - Plastic, steel, engineered products
- Utilization of smaller logs, different species
- Niche markets and products with changing consumer tastes
- Rising demand/prices for appearance grades, specialty woods, veneers
  - Tropical hardwoods
  - Naturally durable woods

Increasing Financial Value of Natural Forests

Real value of stumpage increasing by 2.15% per annum



Source: USDA Forest Service

Policy in Transition:

From:

- Strict, detailed, regulatory approaches
- Blanket national policies, complex regulations and management plans

To:

- Market-based incentives, results-based
- More transparent, participatory and independent monitoring
  - BC Practices Board, State of Montana BMPs
- Increasing role of civil society:
  - Exposing corruption, claiming rights
  - Campaigns, consumer power

What Opportunities for Indigenous/Community Forestry?

Competitive advantages:

- Ownership, tenure security, Natural Forests
- Proximity & knowledge of local markets
- Price advantages, lower production costs
- Sustainability, dedicated to the land
- Better monitoring and protection
- Possibilities for branding in specialized markets

- Commercial opportunities:
  - Commodity wood – domestic markets
  - High-quality, appearance grades
  - Certified wood
  - NTFPs
  - Processing
  - Payments for ecosystem services

Tremendous Potential, Historic Opportunity

Economic development for hundreds of millions of the world's poorest

- **forestry often the only comparative advantage**

Resolve social disputes, improve forest conservation

- **'rationalizing' forest tenure, improving chances for investment**
- **communities often as good or better managers of forests than large firms or governments**

But: many strikes against indigenous/community forestry

1. Limited willingness to recognize property rights, governance
2. Limited ‘use’ rights
3. Governments privilege:

    agriculture over forestry

    large enterprises over small

    plantations over natural forests

No surprise that most community enterprises are ‘out’

playing field is not ‘level’

can’t compete with the big guys

A Framework for Action

1. Develop forest enterprises

2. Remove policy barriers

3. Rethink conservation strategies

Let communities compete!

Develop Forest Enterprises

Goal: Narrow distance between community producers and markets, sources of capital

1. Improve market/business position
2. Strengthen producer organizations
3. Promote strategic business partnerships
4. Establish business services
5. Determine to make money

Remove Policy Barriers

1. Secure ownership and access rights of indigenous and other communities
2. Remove regulatory barriers
3. ‘Level the playing field’ in forest markets
4. Involve communities and small-scale producers in policy negotiations

Rethink Conservation Strategies

1. Public protected areas insufficient
2. Establish community conservation systems
    - Complement/alternative to public systems
    - E.g. Mexico, Brazil
3. Create markets for environmental services

What’s Next?

1. More action!
   - Results-based plans to implement framework for action
   - Leadership!
2. More connections!
   - Between and among
     - indigenous groups
     - sectors
     - countries