Global Forests in Transition:
Challenges and Opportunities for Communities, Commerce and Conservation

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Forest Trends

Global Perspectives on Indigenous People’s Forestry, Vancouver, June 6, 2002
The World of Forestry is Changing

- **USA**: Banning new roads and logging in public forests
- **Canada**: Negotiating tenure and changing forest practices
- **Bolivia, Peru**: Reforming forest policies
- **South America**: Recognizing indigenous rights
- **PNG**: Logging moratorium
- **Russia**: Conflicts over tenure and government authority
- **Cameroon**: Recognizing illegal logging and reforming concession policy
- **USA**: Banning new roads and logging in public forests
- **South America**: Recognizing indigenous rights
- **Bolivia, Peru**: Reforming forest policies
## Tenure in Transition: Shift Towards Indigenous and Other Community Tenure in Last 15 Years

<table>
<thead>
<tr>
<th>Country</th>
<th>Recognized Community Ownership (in millions of hectares)</th>
<th>Reserved for Community Administration (in millions of hectares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>53.5</td>
<td></td>
</tr>
<tr>
<td>Bolivia</td>
<td>2.8</td>
<td>16.6</td>
</tr>
<tr>
<td>Brazil</td>
<td></td>
<td>74.5</td>
</tr>
<tr>
<td>Colombia</td>
<td>24.5</td>
<td></td>
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<tr>
<td>India</td>
<td></td>
<td>11.6</td>
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<tr>
<td>Indonesia</td>
<td></td>
<td>0.6</td>
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<tr>
<td>Peru</td>
<td>22.5</td>
<td>8.4</td>
</tr>
<tr>
<td>Sudan</td>
<td></td>
<td>0.8</td>
</tr>
<tr>
<td>Tanzania</td>
<td></td>
<td>0.4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>103.3</strong></td>
<td><strong>112.9</strong></td>
</tr>
</tbody>
</table>
A Doubling in Community Tenure in Last 15 Years: Double Again in the Next?

- Recognized Community Ownership:
  - 1985: 143.3 million hectares
  - 2001: 246.3 million hectares
  - 2015: 480 million hectares

- Reserved for Community Administration:
  - 1985: 18.5 million hectares
  - 2001: 131.4 million hectares
  - 2015: 260 million hectares

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

<table>
<thead>
<tr>
<th>Category</th>
<th>2,803.2</th>
<th>131.4</th>
<th>246.3</th>
<th>443.0</th>
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</thead>
<tbody>
<tr>
<td>Administered by Government</td>
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<tr>
<td>Reserved for Community and Indigenous Groups</td>
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<td></td>
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<tr>
<td>Community / Indigenous</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual / Firm</td>
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</tbody>
</table>
Tenure in Transition: Ownership of the Forest Estate

- Administered by Government: 55
- Reserved for Community and Indigenous Groups: 11
- Community / Indigenous: 12
- Individual / Firm: 7
- 2015??: 4
Since 1997, average return on capital in the forest product industry is 4.1%
Industry in Transition: Consolidation

The top 50 companies process 41% of the world's industrial wood.
The top 100 companies process 50% of the world's industrial wood.
The top 10 companies process 20% of the world's industrial wood.

Million m³
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
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
   - 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