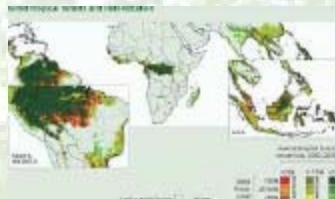


Forests, Governance, Outcomes

Arun Agrawal



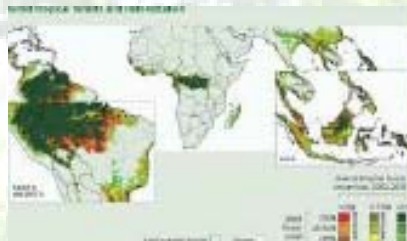
Key points

- What is the importance of governance? What is governance?
- Governance actors and mechanisms
- Evidence on governance mechanisms – relatively little attention given in the current literature to types of governance mechanisms
 - International level - information
 - National level - investments
 - Sub-National level – institutions, incentives
 - Role of communities
 - PES
- A framework for thinking about governance
- Policy Actors, Mechanisms, Outcomes



Importance of better governance

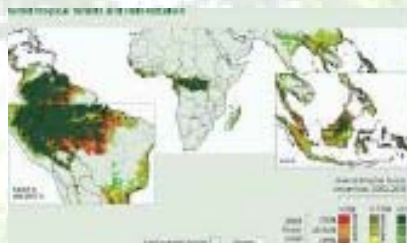
- In study after study, and report after report, governance has become the common buzzword to improve environmental outcomes
- Forests are no exception – Their fate (and in the context of the current COP, that of a global climate response) is supposed to hinge on better governance
- So what exactly is governance all about? Policies? Coordination? Institutions? Organizations?



Is it ownership and property rights?

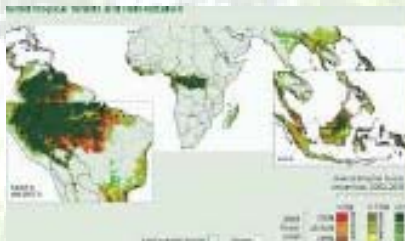
([redacted]). “Further, no single broad type of ownership—government, private, or community—uniformly succeeds or fails to halt major resource deterioration, as shown for forests in multiple countries” ([redacted]).

Dietz, Ostrom, Stern 2003, Science



Is it policy?

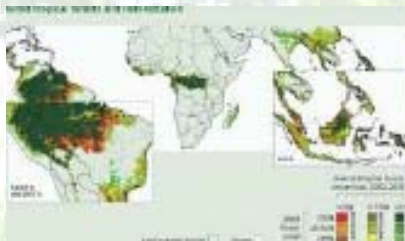
- Governments control roughly 80% of the world's forests.
- Their policies have protected forests. But that has happened through policy effects on other actors, organizations, and behaviors – policies are only part of the picture...



So, what is forest governance?

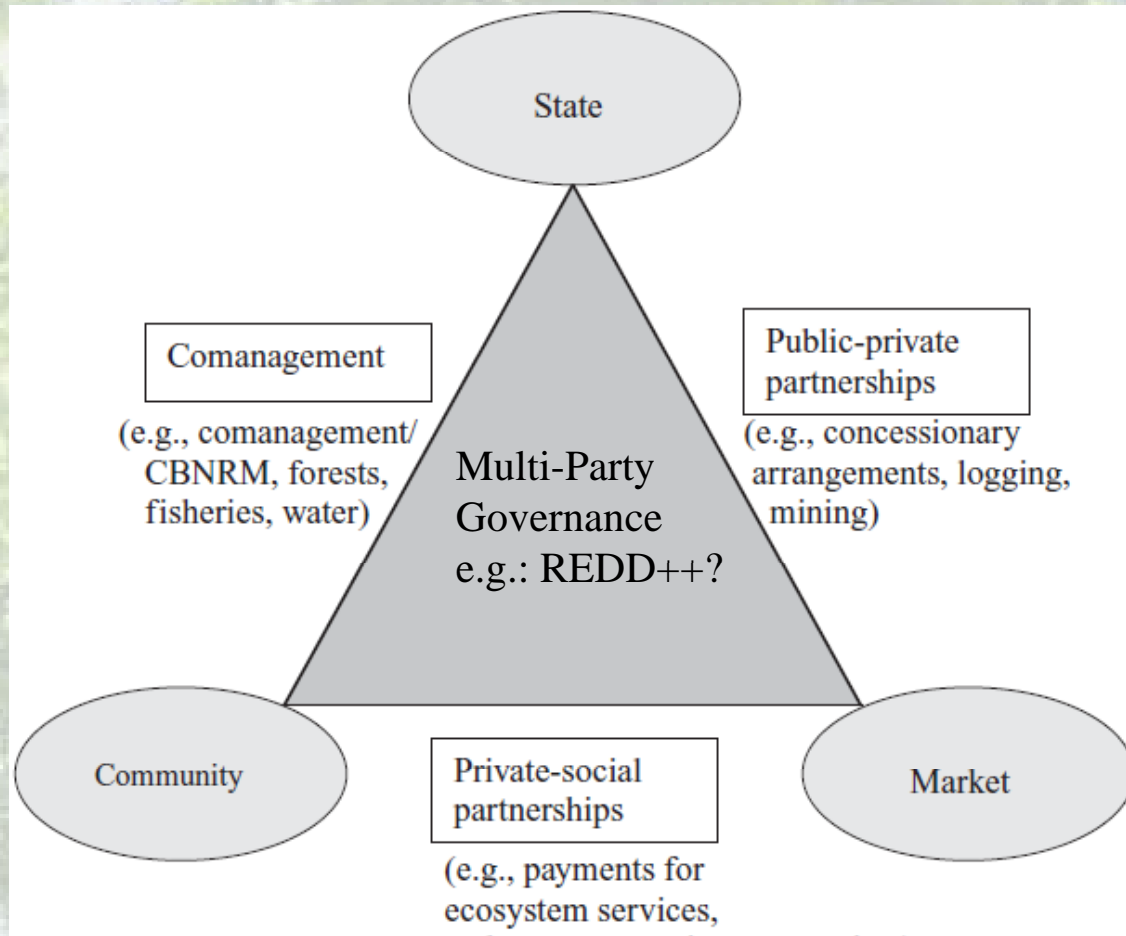
PROCESSES AND MECHANISMS THAT POLICY ACTORS USE
TO INFLUENCE BEHAVIORS AND OUTCOMES WITH
REGARD TO FORESTS

- Key components of governance:
 - 1. actors;
 - 2. mechanisms; and
 - 3. outcomes

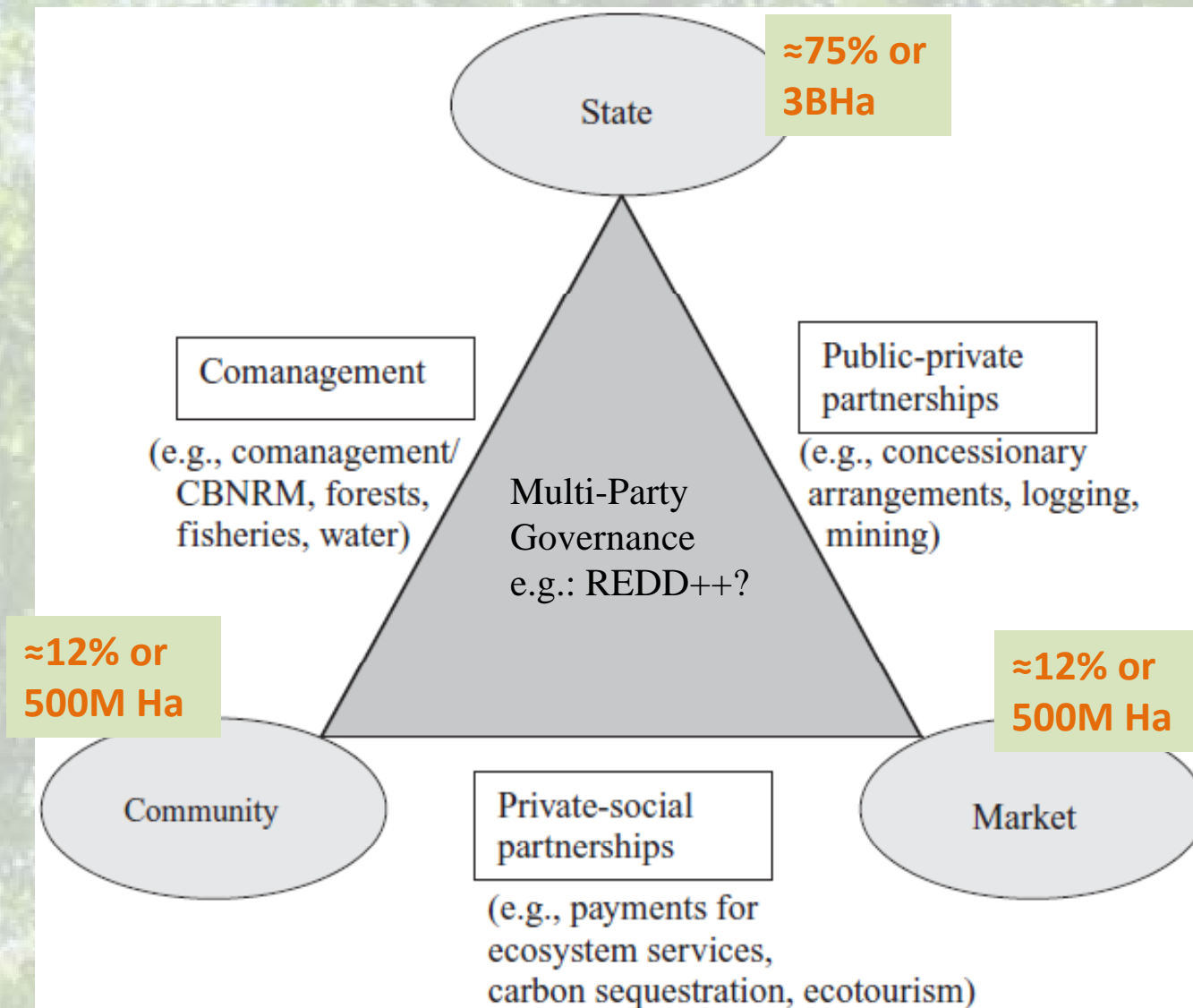


The actors?

Broadly - Governments, Civil Society, and Market actors



Area of forest controlled by different actors



What are the mechanisms of governance?



Information (e.g. certification)

Incentives (e.g. PES)



Investments (e.g. road building)



Institutions (decentralization/ comanagement)



1. Evidence on information (International level)

- Congo Basin Forest Partnership: 40 governments, and international organizations
- In the days of wikileaks, who can deny the power of information
- New information about extent, distribution, ownership, and forest cover in concessions and protected areas – has likely helped reduce corruption and increase transparency
- But the effects of better information on forest cover remain unclear



2a. Evidence on investments (National level) Roads

- Substantial evidence of deforestation with roads – Central Africa, Latin America (mostly low population density, limited restrictions on logging or low enforcement)
- Some significant evidence on roads => low levels of deforestation – South Asia (high population density, strong restrictions and enforcement)

3a. Evidence on Institutions-Mexico and India: Local governance outcomes: Forest Carbon

Mexico

- Positive policy environment; long lasting community control, mobilization of community actors => Positive carbon and livelihood outcomes



**SUSTAINABLE FOREST
MANAGEMENT AS A STRATEGY TO
COMBAT CLIMATE CHANGE:
LESSONS FROM MEXICAN COMMUNITIES**

Bray et al. 2010

India (Uttarakhand)

- Positive policy environment, long lasting community control, mobilization of community actors => positive carbon and livelihoods outcomes

Decentralization for cost-effective conservation

E. Somanathan^{a,1}, R. Prabhakar^b, and Bhupendra Singh Mehta^c

^aPlanning Unit, Indian Statistical Institute, 7 SJS Sansanwal Marg, New Delhi 110016, India; ^bAshoka Trust for Research in Ecology and Environment, Number 659, 5th 'A' Main, Hebbal, Bangalore 560024, India; and ^cFoundation for Ecological Security, PB Number 29, Village-Jehangirpura, Hadgud, PO-Gopalpura, Anand, Gujarat-388 370, India

Edited by Elinor Ostrom, Indiana University, Bloomington, IN, and approved January 22, 2009 (received for review October 7, 2008)

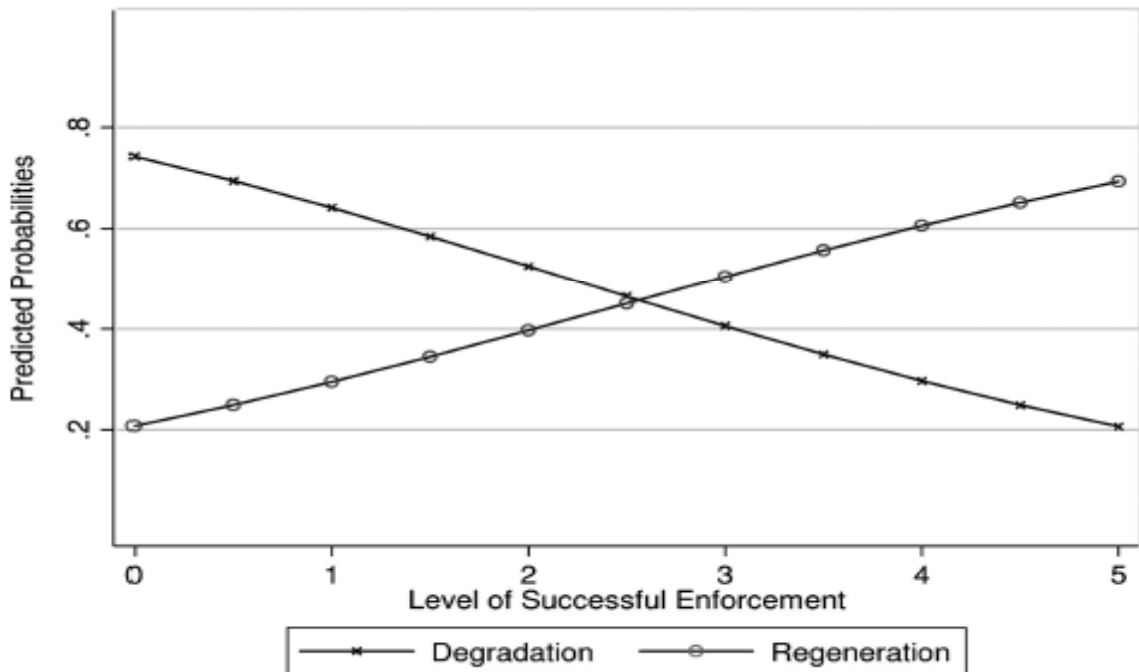
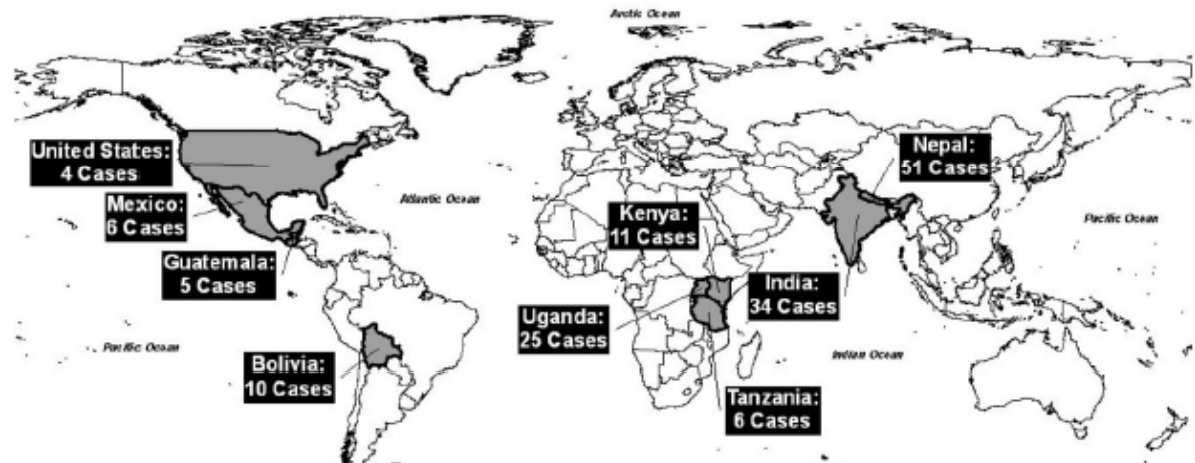
Since 1930, areas of state-managed forest in the central Himalayas of India have increasingly been devolved to management by local communities. This article studies the long-run effects of the devolution on the cost of forest management and on forest conservation. Village council-management costs an order of magnitude less per unit area and does no worse, and possibly better, at conservation than state management. Geographic proximity and historical and ecological information are used to separate the effects of management from those of possible

for our comparison of degradation in state and council-managed forests to be valid, we need to show either that the state and council forests being compared were identical in other respects or that state forests were more naturally suited to dense forest than council forests. We provide evidence in support of the latter statement, thus strengthening the conclusion that council management leads to forest preservation that is at least as great as that produced by state management.

Somanathan et al. 2009

3b. Global evidence -- Local governance and “Condition of Forest Commons”

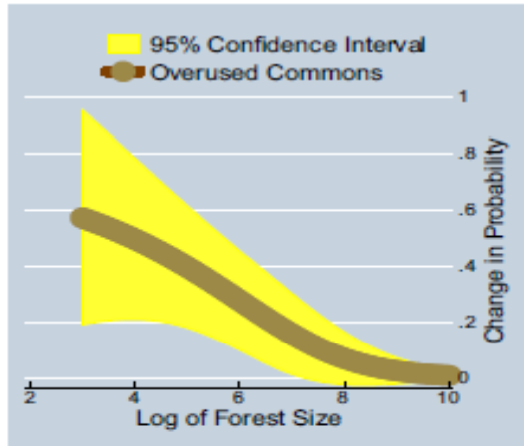
Stronger local enforcement reduces deforestation, increases regeneration (proxy for biomass)



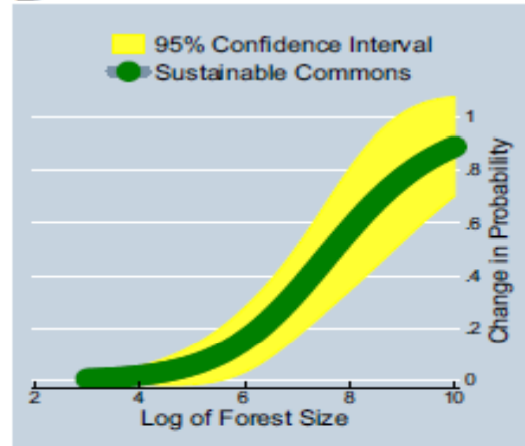
3c. Global evidence--Local governance outcomes: carbon and livelihoods

Trade-offs and Synergies between Carbon Storage and Livelihoods Benefits from Forest Commons

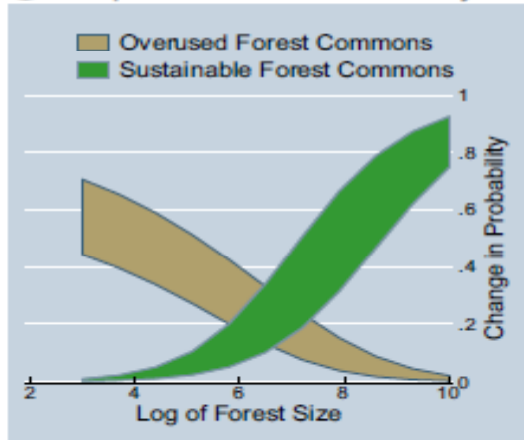
A Forest Size and Overused Commons



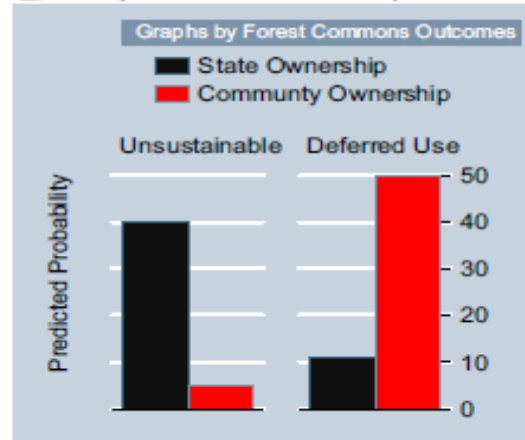
B Forest Size and Sustainable Commons



C Importance of Local Autonomy



D Importance of Ownership



1. Larger forests => more carbon storage, higher livelihoods.

2. Greater local autonomy => higher Carbon storage, higher livelihoods

3. Community ownership => more Carbon, lower livelihoods

Chhatre and Agrawal
2009, PNAS



4. Incentives (PES)

- Much discussion on PES, highly adaptable, evidence from existing projects unclear and mixed
- Some prominent success stories (New York, Costa Rica)
- Conditionality {baseline + additionality} is the key conceptual safeguard for PES projects (Wunder 2010)
- The underlying basis for REDD++



Center for International Forestry Research

CIFOR Occasional Paper No. 42

Payments for environmental services:
Some nuts and bolts

Sven Wunder

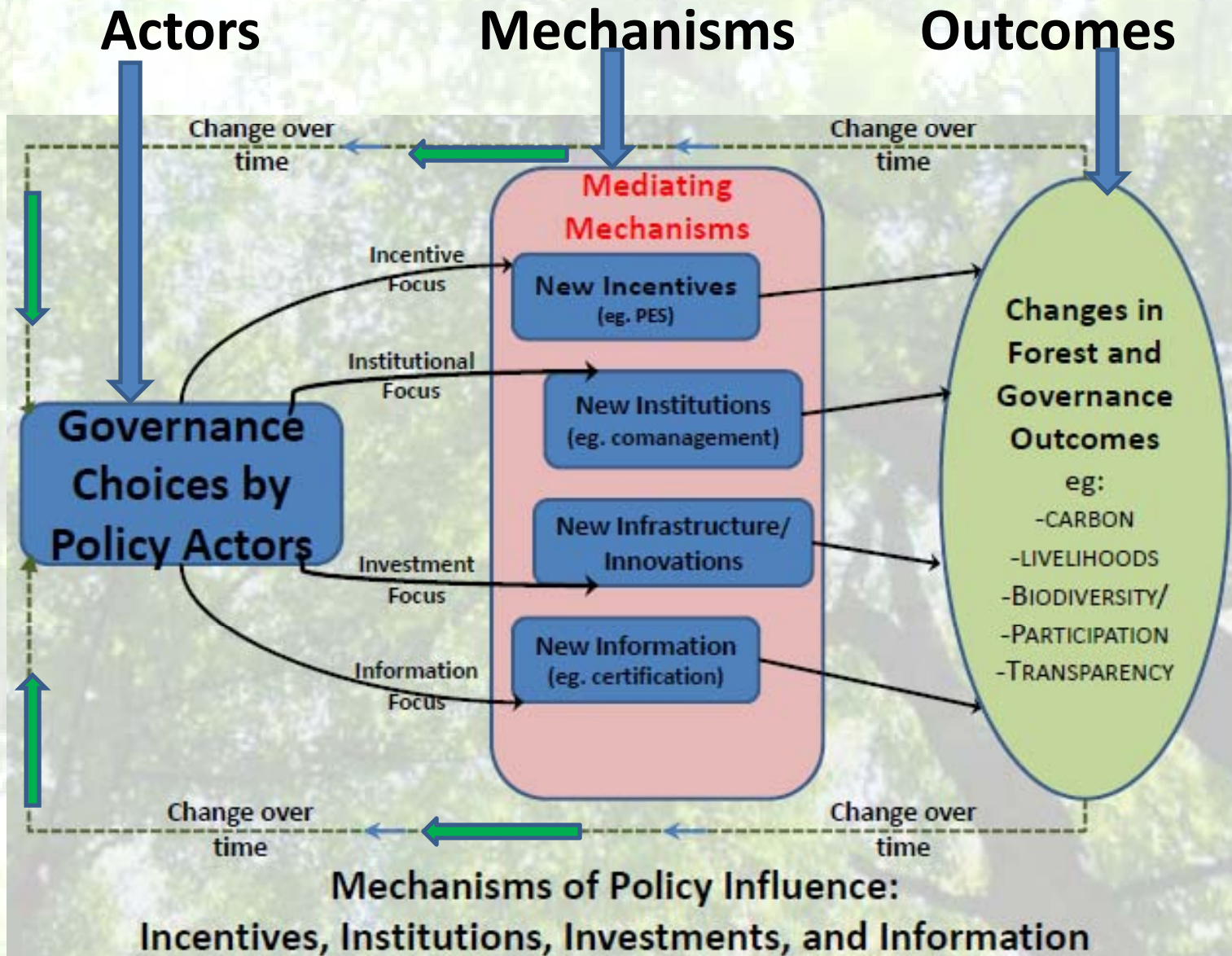


What do these examples say about governance?

- Actors and mechanisms interact to influence behaviors and outcomes
- Governance mechanisms do not exist in a vacuum (effects vary depending on actors involved)
- Different combinations of actors and mechanisms have different forests and governance effects



Governance Actors, Mechanisms, Outcomes Framework



The complexity of forest governance

- The above figure may look complex – but it represents how some of the key policy actors and mechanisms come together to produce forest and forest governance outcomes



Areas of ignorance

- And indeed, we still do not understand many parts of the relationships in the figure. e.g.
 - Between ownership and governance mechanisms,
 - The effects of mechanisms under different social and biophysical conditions (e.g. roads lead to deforestation under some conditions, improvements in forest cover in other conditions)
 - The effects of different governance mechanisms on different forest outcomes



Areas of knowledge

- Local governance mechanisms and partnerships – including with civil society organizations and communities – contribute to multiple positive outcomes from forests
- Better information about forests, rights in forests, amount and levels of logging, boundaries of forest allocations reduce corruption and enhance transparency
- Effects of mechanisms depend on context, and can be ascertained
- Essential to combine different mechanisms to ensure positive outcomes



Implications for REDD++

- Successful architecture of REDD++ program and policies will require partnerships and consideration of governance mechanisms beyond incentives;
- Although the discussion on REDD and its variants has been dominated by policy and advocacy...
- ...when governments implement REDD policies and projects, inattention to strengths and capacities of actors and the potential of different governance mechanisms will promote regrets.



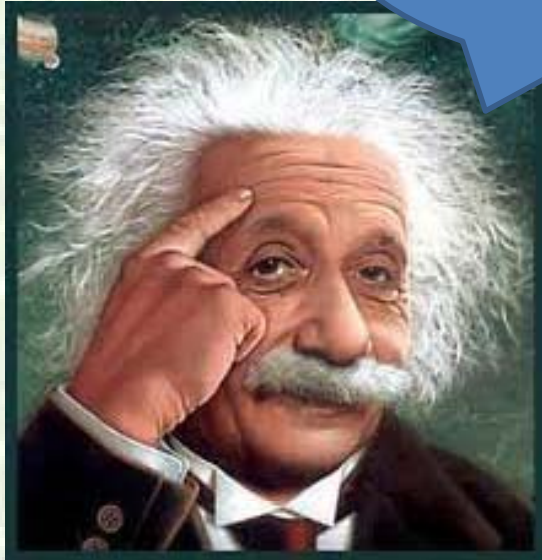
Decision making and complexity

- It is often said that decision makers do not have time for complex messages – one must find simple answers. If true, that is unfortunate!
- Because although it is very important to make decisions, pursue policy targets, and advocate for particular goals...

...action without knowledge is like a sword in the hands of someone who cannot see



Theories should be
as simple as
possible, but no
simpler



He might have been speaking about forest
governance

We can think about it another way - How much do we care about forests?

- As much as advertising? Globally, advertising expenditures were US\$ 700B in 2009 (that is after a downturn)
- As much as online advertising: US\$ 25Billion last year
- As much as smoking? (advertising expenditures by 5 US cigarette manufacturers topped US\$ 8Billion in 2000)
- Advertising expenditures require enormously complex calculations and decisions – and yet, they lead to nearly a trillion dollars in expenditures