

Forestry governance and trade transformations:

Experience from Tanzania and implications for sustainable development

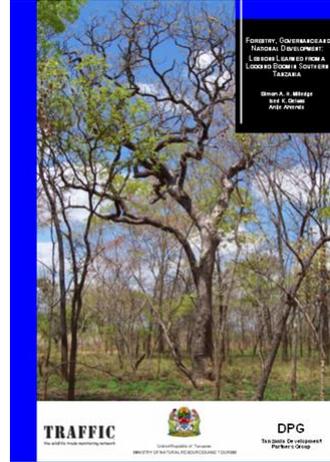
Simon Milledge **TRAFFIC**
the wildlife trade monitoring network

Workshop on Forest Governance and Decentralization in Africa

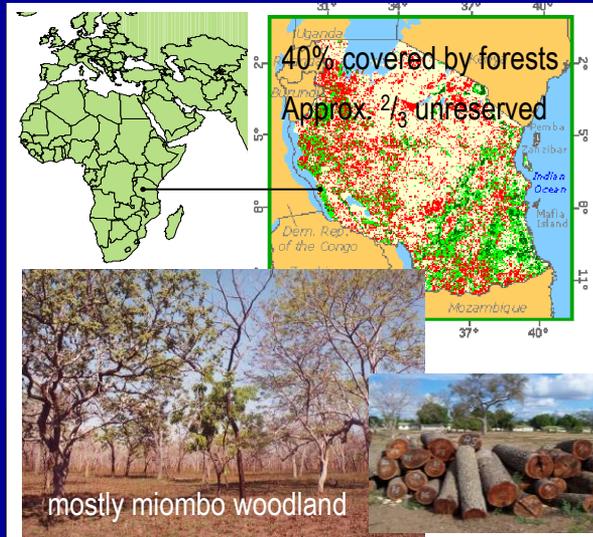
Thematic Session III: INTERNATIONAL TRADE, FINANCE AND FOREST SECTOR GOVERNANCE REFORM

Abstract 3.5

9th April 2008, Durban, South Africa



Tanzania: opportunities abound



Good enabling environment

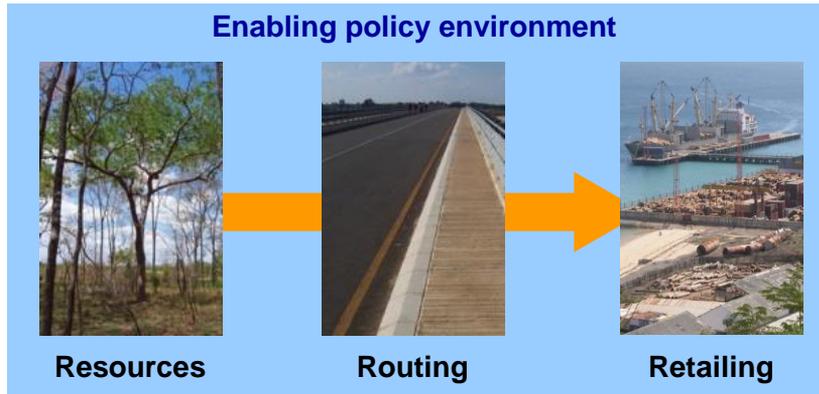
- Trade and investment
 - trade liberalisation
 - decentralisation
 - privatization

• Forests

- sustainable use
- devolvement



Transformations in the three "R's"

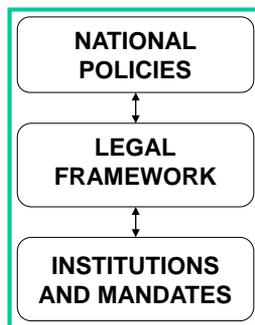


Opportunities + transformations = growing trade

e.g. doubling of central govt forestry revenue during 2003-2005



Governance shortfalls despite strong policy framework



MKUKUTA

National Forest Policy, 1998

National Forest Programme, 2001-2010

Forest Act, 2002

Forest regulations, 2004

Forestry and Beekeeping Division

Local and Regional Government





Lost government forestry revenues

Lost development opportunities: **USD 58 million annually**



10,000 secondary classrooms



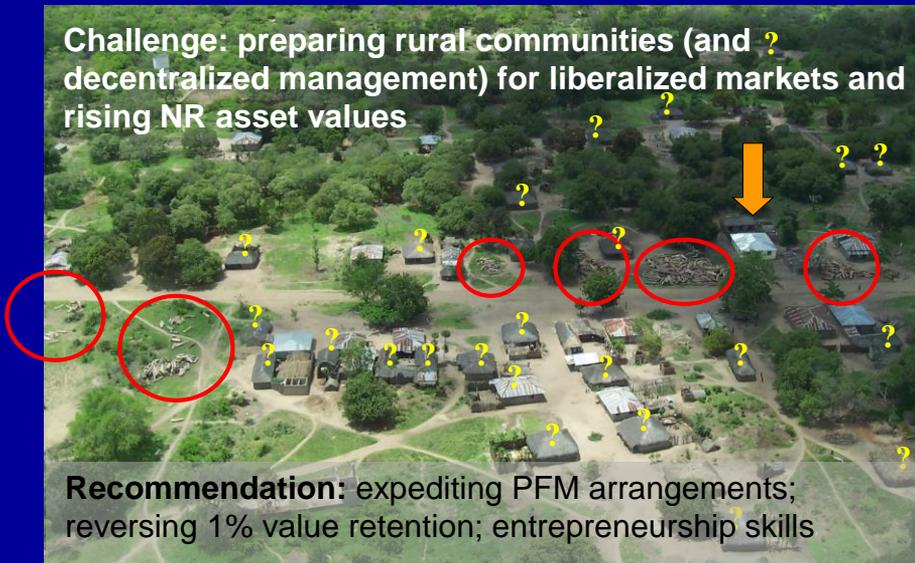
11 million mosquito nets

Lost potential for self reliance: timber revenue would have doubled the Ministry's GDP contribution



Implications to sustainable development

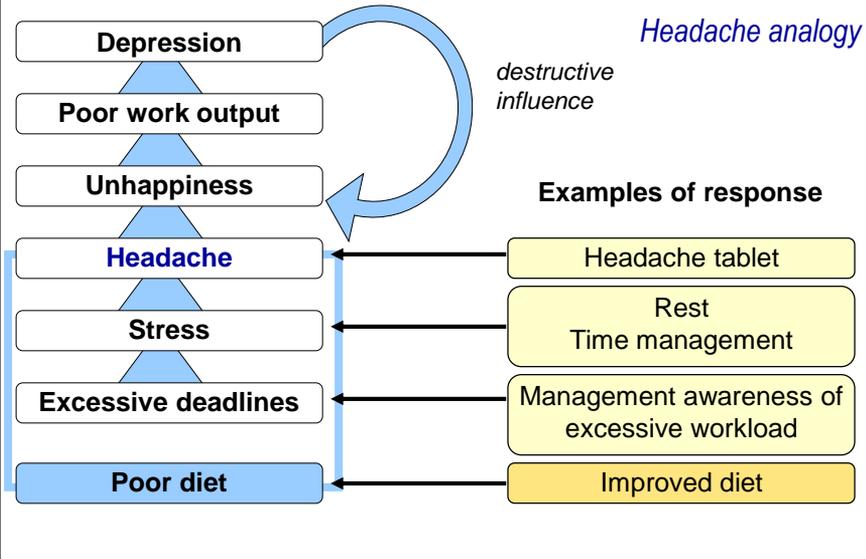
Challenge: preparing rural communities (and ? decentralized management) for liberalized markets and rising NR asset values



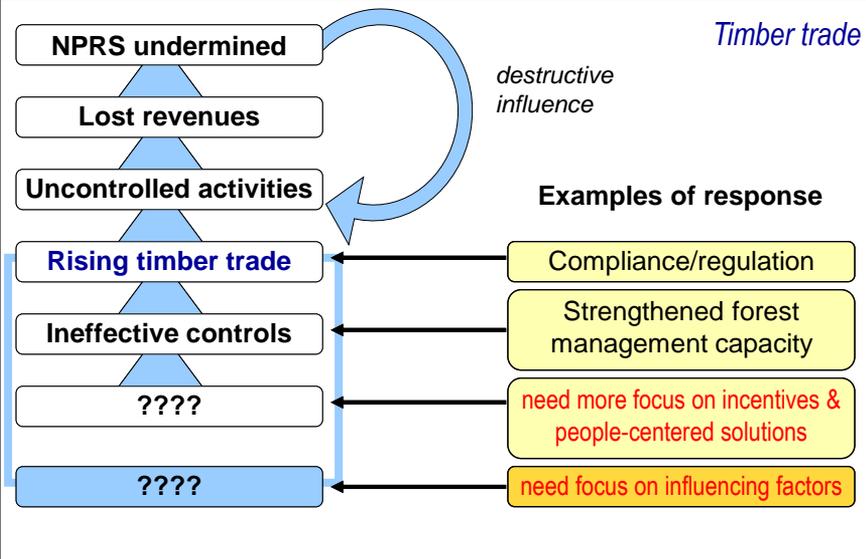
Recommendation: expediting PFM arrangements; reversing 1% value retention; entrepreneurship skills



Lessons learned in addressing governance shortfalls



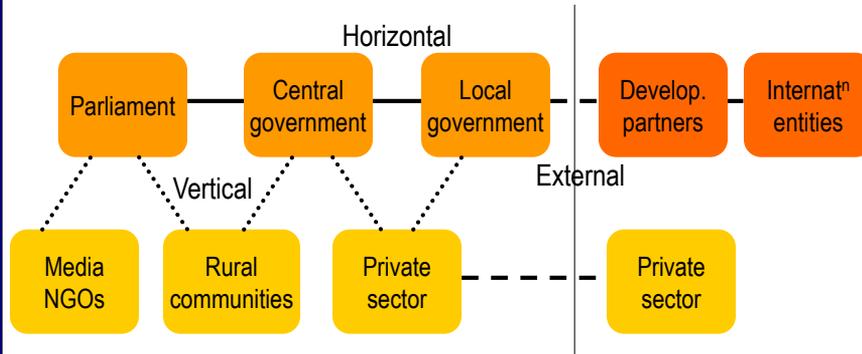
Lessons learned in addressing governance shortfalls





Impediment #1: Low accountability

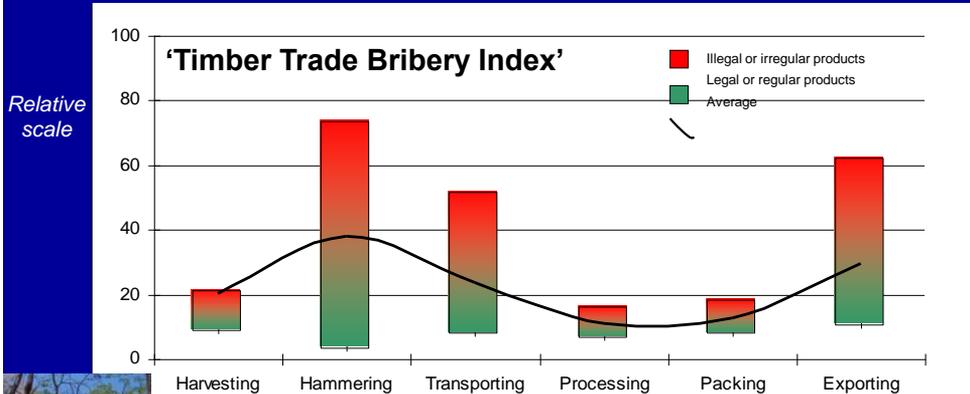
Limited *demands* for accountability - SFM, equity, legality



Recommendation: PFM; incentives to demand accountability; use of existing accountability mechanisms



Impediment #2: Corruption – petty



Regulatory interventions normally applied where bribery most prevalent
Even legal trade subject to bribery





Impediment #2: Corruption – senior involvement

Level of Government	Examples of positions with personal involvement in timber trade
Executive	Cabinet Minister, Regional Commissioner, District Commissioner
Parliament	Member of Parliament
Central government	Minister, Assistant Director, Principal/Senior Forest Officer
Local administration	District Executive Director, Forest/Game Officer, Village Executive Officer
Security	Army officer, Police officer

Recommendation: holistic anti-corruption measures; people-centred approaches to reduce opportunities; accepting joint responsibility



Impediment #3: Perverse incentives

High dependence on forest-related income during admin. decentralization and political devolvement ...



...reduced incentives for change

Recommendation: identifying alternative income sources to reduce reliance on forestry assets; widening of local government income basket



Impediment #3: Perverse incentives

Asset competition during devolvement and decentralization

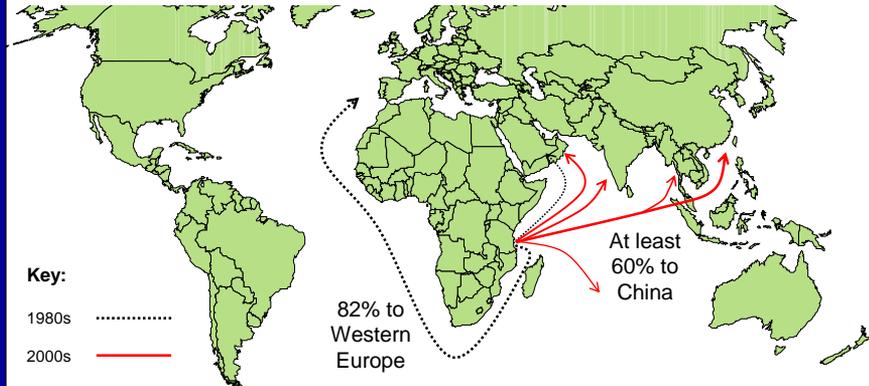


Recommendation: clear policy outcomes a precursor to reducing forestry asset domination



Impediment #4: Weak transformative capabilities

Global market transformations - opportunities maximized?



Recommendation: national (and regional) visions with step-wise milestones

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