

## Asia Forest Partnership

### Workshop on Forest Governance and Decentralisation in Asia and the Pacific

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### From decentralization to governance – common issues of the Davao and Interlaken workshops as a platform for the Yogyakarta Workshop

Ladies and Gentlemen

It is a great honour for Switzerland to be involved in this Asia Forest Partnership activity. We greatly appreciate the opportunity to work so closely both with our Indonesian hosts, and with the other partners, particularly FAO, International Tropical Timber Organization ITTO, the Regional Community Forestry Training Center RECOFTC, the Philippine and Japanese Governments, and the Center for International Forestry Research CIFOR. Thank you for the invitation to make this keynote address, and I look forward most eagerly to the presentations, field trip, and discussions to follow. I'm sure it will be a valuable and exciting workshop.

Let me begin with an overview of this presentation

1. Switzerland's motivation for supporting the Yogyakarta Workshop on Forest Governance and Decentralization in Asia and the Pacific, including some key thematic areas where decentralization and forest governance are pivotal
2. From decentralization to a comprehensive forest sector governance: the Swiss case

3. Balancing the different governmental levels: common issues of Davao and Interlaken as a platform for Yogyakarta with a focus on the changing roles of forest services in decentralized forest governance systems.

### **1. Switzerland's motivation**

Let me first elaborate what motivates distant Switzerland to support themes like forest governance and decentralization in Asia and the Pacific.

First I would like to mention our very successful partnership with Indonesia in the context of UNFF. This partnership started in 2001, with one of the first highlights in 2004 in Switzerland with the Interlaken Workshop on Decentralization, Federal Systems of Forestry and National Forest Programmes. Just four month after Interlaken, the Ministry of Forestry of the Republic of Indonesia organized the Workshop on Strengthening Decentralization in the Forestry Sector in Indonesia. Amongst others, 50 of the 270 Kabupaten in Indonesia at that time were represented at this workshop. Its goal was to screen the Interlaken results for their applicability to the Indonesian context. In September 2004, members of the Asia Forest Partnership gathered in Yogyakarta, here in these premises for the Regional Workshop on Strengthening the Asia Forest Partnership. On this occasion, representatives from Indonesia, Japan and Switzerland made the first draft of the work plan for the Yogyakarta Workshop. Later in 2004, at the 4<sup>th</sup> meeting of the Asia Forest Partnership, other country partners, especially the Philippines, and other organizations committed to help to organize our workshop. The FAO Regional Office for Asia and the Pacific, as well as the Regional Community Forestry Training Center, contributed their experience with the Seminar on Decentralization and Devolution of Forest Management in Asia and the Pacific in Davao, the Philippines, that they had organized in 1998. The Center for International Forestry Research (CIFOR) and Intercooperation, a Swiss Foundation for Development and International Cooperation, contributed their knowledge of the Interlaken Workshop on Decentralization in Forestry. All of these parties have been actively involved in planning the activities in which we are all engaged today.

The second motivation for Switzerland – also in view of an overarching solidarity - is the fact that my country, since the World Summit 2002 in Johannesburg, has been an active member of AFP. Switzerland has always felt that after the Interlaken Work-

shop, with its rather global view, it might be desirable to further develop the Interlaken results in the context of the AFP, and that Switzerland would enthusiastically support such an undertaking.

The third reason is that decentralization and governance are traditionally themes to which Switzerland has attributed high importance in international cooperation. As with many others, we are of the view that decentralized forest governance is pivotal in addressing most of the critical issues related to sustainable forest management.

Last year, at the Committee on Forestry of the FAO in Rome, many participants stated that community-based forestry is particularly well placed to address poverty reduction. Of course, much remains to be done, as the key underlying causes of deforestation, such as land tenure and inequity, remain to be addressed.

Similarly, in fire management a number of case studies have shown that community forestry practices have resulted in a drop in damaging and unwanted fire, and that increased participation and access to forest ownership have led to more effective fire prevention and suppression.

There are many more issues where decentralization is perceived to be part of the solution. In the field of Forest Law Enforcement and Governance (FLEG), Switzerland is focusing on governance issues as a central contribution to overcoming the problem of illegal logging. In the drive to reduce illegal logging, forest-dependent communities can become best allies, given the correct incentives. The same is true for forest rehabilitation: addressing key underlying factors, such as land tenure and access to forest resources, encourages benign local participation.

A last reason to support forest governance is the fact that many problems discussed in both Davao and Interlaken have also appeared in Switzerland's forest. As a matter of fact it looks as if forest governance all over the world may have a similar set of fundamental problems.

Although there are certainly no standardized solutions to address the diversity of problems that exist in the world's forests, I would like to take you on a short historical journey

to Switzerland. I hope that the insights from what many consider a forest governance structure with a long history will contribute to the visions we are developing during our workshop, and will also provide some hints about the timeframe that may be necessary for a consolidated change.

## **2. From decentralization to a comprehensive forest sector governance: the Swiss case**

Switzerland on a sub-national level consists of 26 Cantons and – very important from the point of view of forest governance and sustainable forest management – of some 3000 communes and even more communities.

The density of the communal structure of Switzerland can be better assessed in this slide which projects Switzerland on a map of the southern part of Sumatra. I guess that a comparable structure exists in Sumatra if the Desa's or even smaller communities would be displayed.

As in many parts of the world, rural areas in Switzerland traditionally have a high level of local autonomy. For many generations, local communities, often several in one political commune, have administered common lands like forests and have acted as custodians of forest-related knowledge. In contrast to other regions with a colonial history, local autonomy in my country has never been disrupted.

In spite of strong local autonomy, for many centuries, property rights to forests in rural areas have been claimed by the powerful cities of the lower parts of Switzerland. In general, only use rights to forests have been conceded to local communes.

This legal construction caused latent conflicts between cities and rural areas. E.g. when the City of Berne sometimes sent timber concessionaires to a rural region like Interlaken in order to float fuelwood for the winter to the city, angered reactions of the local population were the rule. One of the consequences of such governmental interventions was uncertainty about use rights and property at the local level, and therefore a less careful management of the forest by the rural population.

It was only with the liberal winds of change in the 1830's that forest property ownership was decentralized. The cantons started to hand property rights over to the communes. Initially, decentralization had disastrous impacts on the forest. Immediately after the reallocation of forest property, timber exploitation became highly speculative.

In a climate of legal uncertainty, everybody cut whatever he could, especially where there were disputes between adjacent owners and therefore unclear demarcations. Moreover, this period coincided with powerful market forces generated by a high timber demand for a growing economy all over Europe, and lots of timber was sold for almost nothing to timber merchants from France or Holland.

While the gates to timber export were opened wide, there were just a few foresters, with no illusions concerning the enforcement of the existing legal measures. One of them noted in the 1820's that forestry regulations "cannot be enforced in Alpine cantons only by public officials and the forest service. Legions of officials would be required..." to defend the forest against actions of the local population.

In the 1860's, the large-scale clear-cutting of Alpine forests contributed to extensive flood disasters, affecting even the cities in the river valleys. This was the moment when the federal government intervened in the forestry sector, eventually leading to the enactment of the first Federal Forestry Law in 1876.

The Federal Law had to accommodate the interests of the Alpine cantons. To achieve that it was designed within a federal framework with four important overarching regulations:

1. Forest area could no longer be reduced in size;
2. Owners of public forests were required to clearly specify proposed timber harvesting in a forest management plan;
3. Areas where timber harvesting took place had to be replanted within three years;
4. And, very important, the Swiss confederation provided contributions to the salaries of the cantonal foresters.

The forest laws of the 26 cantons (as the second legislative layer) had to comply with the federal law.

The third legislative layer was the regulations established at the local level. These address the design of transparent community institutions for taking management decisions, distributing benefits, resolving conflicts, and defending community interests against the selfish desires of outside forces and local elites.

Local capacities as well as decision-making power and accountability at the local level, combined with the strong guiding provisions at the federal and cantonal level, have proven to be critical. The forests recovered, and well into the 1970's, sustainable forest management and timber production gave a significant stimulus to local economies and also satisfied national and international demand for products and services, especially coming from protective forests.

### **3. Balancing the different governmental levels: common issues of Davao and Interlaken as a platform for Yogyakarta**

Let me now take you through some key outcomes which came up in the Davao as well as in the Interlaken Workshops, which I also tried to make more tangible with my historical excursion, and which I personally think should get our special focus here in Yogyakarta.

#### *Transfer of authority and the key role of foresters*

The first shortcoming that the workshops in Davao and Interlaken showed is that the transfer of significant authority to local governments regarding forest resources is rare, and that, in many cases there are no or few discretionary powers handed over. When powers are handed over, it is typically only over a small area, or over resources with little economic value. Often, central governments were reported to block decentralization or to manipulate it to their own ends. Where decentralization takes place, it often seems to be imperfect in the sense that powers transferred by central governments get stuck at sub-national levels and are not further transferred down to the local level.

One possible explanation for this reluctance, especially of central governments, could be the prevailing focus on decentralization per se, rather than on a more comprehensive view of forest sector governance. This was also the case in the Davao and Interlaken meetings.

If key actors perceive decentralization as giving something away, losing it, or if they perceive decentralization as a threat to their professional existence, their motivation is likely to be limited. Decentralization in Switzerland was also about changing power relations over an economically important resource, and this is even more so in places with valuable tropical trees. The more centrally forests are managed, the more foresters do have controlling and policing functions. Forest departments are often directly financed through timber concessions and stumpage fees. In decentralized situations such resources tend to decrease or to run dry completely.

A change of forest governance towards a more decentralized system will only succeed, if such political-economic constraints and the resulting institutional desire to avoid change are surmounted. Preconditions to achieve this are that foresters as key players in forest governance get a new role. In my country, the salaries of the cantonal forest service have been partly supported by the Swiss confederation, and today more than ever, salaries that secure a reasonable existence are certainly determining factors.

If experience in the Alps is any guide, foresters in newly decentralized situations will have more than enough to do. A first step, establishing borders between communes and resolving demarcation disputes, took decades in Switzerland – 50 years in one particular case. Before decentralization, foresters were caught in their old role as policemen who enforced provisions in the interests of the cantonal government. This was the time, as a popular writer remarked, that forest wardens knew approximately as much about silviculture as a hen knows about playing the violin. After decentralization they started to act as facilitators and forest-management consultants to the local forest owners. Their scientific knowledge affiliated well with local forest related knowledge, thus taking fully into account the cultural and biological realities of the different geographical areas.

*Governance – from command and control to interaction*

Decentralization is not an end in itself, but first of all an element of the overlying concept of governance, a first necessary step in establishing forest sector governance that works. Davao and Interiaken focused on decentralization, because it is in this particular field that there is an urgent need for action in order to make forest governance work better, or in some cases, start to work at all. But there is no doubt that in a comprehensive view of forest sector governance, all actors are important, not only the local ones. As a matter of fact, decentralization and centralization are two sides of the same coin. It is the interaction within a governance system that ultimately determines the balance and fate of the forest resources in all their aspects – social, economic and ecological.

The next step, and I hope that this will be an emphasis in the Yogya workshop, will have to focus on the interplay between all the different actors. Governance embraces the interactions among different governance levels, namely local, sub-national and national, as well as across sectors, and finally regionally and globally. Working governance systems have a clear set of rules on how to reach consensus and how decisions are made, including the mechanisms to hold decision makers accountable for their actions.

Working forest governance does not use rules that cannot be enforced, but rather incentives. In Switzerland, imposed responsibilities like watershed management were accompanied by adequate financial means. The Confederation provided compensation as an incentive for reforestation of protective forests. This was the beginning of Switzerland's typical cooperative federalism with "coupled contributions", the Confederation and the cantons contributing the same amount of incentives for projects in protective forests.

*Capacity building to allow conflict solution*

Capacity building is a process of empowerment at different scales - it is a crucial element of successful decentralization. The greatest support for capacity is needed at the local level by local government units, communes, communities, and user groups. Necessary skills are articulation of local interests, negotiation and conflict management, as well as financial accounting especially with respect to benefit sharing.



Inequitable sharing of benefits was and is a main cause of conflicts, the reason often being so called "elite capture". Mechanisms to reduce this include developing policies that strengthen checks and balances as well as bringing equity and decision-making issues into public discussion at all levels. Equitable benefit sharing requires bodies that are representative of and are accountable to local populations, accountability being one of the indispensable features of decentralized governance systems.

Security of resource access and the stability of the legal environment are essential to successful decentralization. There is in any case a need to establish a fair gazetting process with the participation and consent of local communities, and a reliable cadastral system.

Collective local control or title can be more secure and more effective in inducing sustainable forest management over the long run than titles held by individuals. Whenever possible, traditional communal forest management systems with silvicultural practices that favor multiple functions should provide the basis for decentralization. Much knowledge of forest ecology, taking especially biodiversity aspects into account, exists amongst peoples who live in and around forests. The existence of local knowledge and links with local cultures mean that decentralized systems are often more resilient in the face of changing external conditions.

#### **4. Conclusions**

Let me to conclude by saying some words on transitional issues and the time required on the way to a working forest governance system. These days, decentralization is often implicated as a major cause behind the destruction of forests by breeding chaos and illegal logging. This has been observed in some places as a problem during transition periods, especially if the transition is abrupt and not well prepared. As shown before, also in Switzerland, decentralization initially had disastrous impacts on the forest, due to the high timber demand and the uncertainty triggered by the transfer of property rights.

The transition to decentralized decision-making and management of forests is likely to be costly, and the payoffs may not materialize immediately. During the transition phase, central government funds are needed for strengthening capacity and providing guidance to local governments and stakeholders. Once consolidated with a robust framework of property rights, a working conflict management as well as effective

incentives, decentralized systems are better fitted to regain and to maintain stability, and will often favor more biologically diverse and locally adapted approaches to restoration.

Decentralized governance systems are complex and dynamic processes that need constant learning; this requires time and long term commitment. The federal, decentralized structure in my country means an ongoing process of constantly finding a new equilibrium between the central state, the cantons, the communes and communities, and the public and private forest owners. Expecting more from recently independent countries is certainly not reasonable.

This short overview can in no way capture the rich discussion and exchange that took place in Davao and Interlaken. But I hope I have whetted your appetite for the stimulating discussions to come.

Let me finish with two final remarks:

- There are certainly overarching principles or guidelines for the initiation of a comprehensive forest sector governance, but as these processes take place in very different contexts, the references must be adapted by each country based on its own national and local realities.
- Sustainable forest management is not so much about trees, but more about people and organisations, and about the way they interact. This is the reason why things sometimes take even longer than trees take to grow.

On behalf of the Swiss Government I would like to thank all the workshop organizers for their preparations. Special gratitude goes to Indonesia together with sincere congratulations for continuing in the important role of caretaker of forest governance and decentralization at home and at the international level. I wish you all a very fruitful workshop.

2 September, 2006