

## **5 CASE STUDY: INFORMATION FOR FORESTRY SECTOR DEVELOPMENT**

In 1995, the British Department for International Development (DFID — formerly ODA) and the forestry commission of a country with a high proportion of tropical forest cover embarked on a five-year support project to strengthen the capacity of forestry sector institutions to manage the country's forest resources. In mapping out capacity building requirements, monitoring was noted as a priority area but strategic information for policy and planning was not explicitly included.

In discussion with the forestry commission, DFID officials noted the importance of strategic information to support the project's objectives and, as a first step, the International Institute for Environment and Development (IIED) and the World Conservation Monitoring Centre (WCMC) were invited to the country for one month to conduct an information needs analysis for the forest sector. The analysis was guided by a framework known as Forest Resource Accounting (IIED/WCMC 1996), which helps to determine what information is needed by forest managers to improve policy and management planning.

Based on extensive consultations with forestry commission staff, other government officials, members of a forest industry body, scientific research programmes and non-governmental organisations (including those representing indigenous peoples), a picture of the current status of forest information was revealed. This included the strengths and weaknesses of existing data, and the constraints on information usage exhibited by different stakeholders. The final stage of the analysis was a proposal for a series of information systems and information products which could be developed to address the immediate and longer-term information needs of key groups.

Many constraints were noted on the development of the country's forest sector, the most pressing of which are highlighted in Box 1. In this difficult situation, the analysis team decided to concentrate only on policy areas and related stakeholder goals of widespread concern, leaving further dimensions of sustainable forest management (SFM) to be addressed over the longer term. Clearly, cost-effective information should, in the first instance, help resolve the 'burning' issues.

### **Box 1 Main constraints on the development of the forestry sector**

- Overall low productivity of forests.
- Low timber rents and low profitability of domestic forestry industry.
- Macroeconomic policy failures (e.g. creation of imperfect competition by subsidising foreign companies with tax breaks, etc.).
- Inadequate revenue structure and inadequate incentives for sound forest management.
- Market failures (e.g. unaccounted environmental externalities).
- Lack of infrastructure and trained personnel.
- Inefficient processing (due to lack of capital and investment incentives).
- Poor market access and relatively low export prices (e.g. due to low bargaining power).
- Low domestic purchasing power.
- Lack of tenure security.
- Lack of data on forest assets, capability and market value.

Although some of the detailed goals and needs voiced by stakeholders differed, there was a general convergence of ideas in key policy areas. Stakeholder goals were split into six groups, as illustrated in Box 2, each having implications for policy and monitoring. This was clearly a time when many stakeholders in the country were examining approaches to forest management carefully, with most acknowledging that major changes are required to meet the various objectives of SFM.

## **Box 2 Stakeholder goals requiring information and monitoring**

Discussions with stakeholders, and analysis of recent documents on forest issues, reveal some key goals for future forest management. Information and monitoring is required for further development and implementation of many of these. Key supporters of the goals are indicated in parenthesis.

### **1 Supply goals: integrated policy and planning for forest lands**

- 1.1 Introduce a *planned approach to concession allocation and use*, including forests that are not currently state forests (government, industry)
- 1.2 *Rationalisation of forest/land-use law and regulations* (donors, government, industry, NGOs)
- 1.3 Exploration of *non-timber potentials* (ecotourism, bio-prospecting, conservation concessions) to be considered alongside timber potentials (government, industry)
- 1.4 Implementation of *EIA* in planning forestry activities (government, NGOs)

### **2 Demand goals: promotion of sustainable forest industry and trade**

- 2.1 Understand *market and investment opportunities* for timber and other products/services (government, industry, international commercial/lending partners)
- 2.2 Sustainable development of *forestry, processing and forest products industries* (most stakeholders)
- 2.3 Understand the profiles of *prospective investors* (government)
- 2.4 *Improved bargaining position* in international agreements and trade (government)
- 2.5 *Level playing field* for all stakeholders (industry)

## **Box 2 (cont.) Stakeholder goals**

### **3 Use goals: nurturing and monitoring of forest users**

- 3.1 *Project/investment proposal* development and assessment (government, industry, donors)
- 3.2 *Developing new capacities in the forest industry* through training and other development support (government, industry)
- 3.3 Sustainable development of *indigenous communities* and their lands (indigenous groups, donors, international community)
- 3.4 Monitoring *forest condition* and setting standards for *concession management* (government)
- 3.5 *Control of chain-saw operators* (government, industry)
- 3.6 *Knowledge and control of foreign operations* in the country (government, industry, international community, NGOs)

### **4 Improving participation and accountability**

- 4.1 Increase *transparency and accountability in decision-making* (general public, government, international community)
- 4.2 Developing *better dialogue and working relations* between government and other stakeholders (government, industry)

### **5 Continuous improvement**

- 5.1 Incorporating *research results* into policy and management planning (government, research projects, university)
- 5.2 Strategic, step-wise approach to the transition to sustainability (most stakeholders)

### **6 Raising and sustaining government revenue from forest use (government)**

The most important ‘development services’ for the forestry commission to deliver correspond to the first three<sup>1</sup> groups of stakeholder goals outlined in Box 2: integrated policy and planning for forests; promotion of sustainable forest industry and trade; and nurturing and monitoring of forest users. The forestry commission was exercising leadership in developing these services. However, the required information was not available at the present time. Thus, in its final report, the analysis team recommended that the commission develop the following information systems and products in collaboration with its private and non-governmental partners in the forestry sector:

1. ‘State of the Forest’ Review (updated annually)
2. Forest Assets/Capability Map (updated continuously)
3. Forest Investment and Marketing Handbook (updated annually)
4. Forest Concession Management Information System (updated continuously)
5. Forest Resource Balance Sheet-Stocks and Flows (updated monthly).

Consistent with a continuous improvement approach, each system or product was broken down into a series of small achievable steps to be implemented in phases. The intention was for the forestry commission to work these up into costed proposals for integration into the on-going support project. Although the team did not attempt to prioritise the products, many stakeholders recognised that the forest concession management information system (MIS) was needed most urgently to monitor the increasingly large areas of forest under concession.

The goals of the concession MIS, whose main audience is the forestry commission itself and individual concessionaires, are to:

- Ensure that forest managers produce the goods and services required by the economy, maintain an acceptable level of forest quality, and realise government revenue.
- Generate accurate, up-to-date assessments of the extent to which concessionaires are complying with agreed forest management guidelines/Code of Practice.

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1 The second three groups of concerns correspond to the driving forces necessary to build and sustain the services.

- Ensure that essential data (such as forest inventory) are collected, processed and analysed to feed related information management activities.

The concession MIS consists of a set of principles, criteria, indicators and specifications; a set of assessment methodologies to determine indicators composed of field survey/validation procedures, interviews and document reviews; a set of reporting formats and communication paths; and a database regulating the storage, analysis and reporting of data into timely, relevant information for management and policy-making.

Without such an information system it would be difficult to monitor forest management quality for purposes of applying incentives/penalties for good/poor management practices, respectively. It would also be difficult to assess the needs and capacities of forest users, for purposes of nurturing good forest management practice. Thus, it would be difficult to evaluate progress towards sustainable forest management.

*[Source: IIED/WCMC]*