

The UN NGO COMMITTEE ON SUSTAINABLE DEVELOPMENT
Meeting on April 24th 2007
UN FF 7 Side event
Sustainable Forest Management – and Financing Mechanisms -

Chair:

Roma Stibravy, Chairperson, UN NGO Committee on Sustainable Development

Speaker:

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Ricardo Ulate, Advisor, Ministry of Environment of Costa Rica

Introduction by Roma Stibravy, Chairperson.

Ricardo Ulate

During the UNFF-7 the main discussion focuses on financing sustainable forest management and how to convince national policies to reinvest in forests. Especially in developing countries it is difficult to explain that forests can and do contribute to national wealth. Financing forests is not only an accounting issue, it is rather an issue that should be addressed in Environmental politics to grasp its full context. In developing countries financing is not only a concern in regards to forest but in many other political issues.

Therefore the Costa Rica experience is raising the interest of many other countries. The Costa Rica Environmental Service Program is not only about financing, it rather is an institution containing political commitments.

For example the Forest Land Use -Change Legislation. This legislation prohibits land owners to change the use of their lands, meaning that forest owners may not decide to change their forest into farmland.

The Environmental Service Program consists of a splitting of forest administration:

- the national system for protecting property
- the national fund for forest financing (FONAFIFO)
- the national forestry office, providing a dialogue platform between public and private sector

Furthermore the federal government has raised a tax on fuels for the further financing of the conservation of forests.

By legislation it is foreseen in the Environmental Services Program that all forests and eco systems serve the people and the economy. Thereby the forests establish a link between the usage of services and the providing of services. The legislation of the Environmental Services Program recognizes four environmental services

- Carbon fixation
- Biodiversity
- Landscape beauty
- Water purity

Two years ago the water tariffs have been fixed to gain additional financing for forests. Lately a new discussion has been established with the Tourist industry how a better cooperation can be ensured, because the Tourists are the main benefactors of the forests and the Tourist industry

generates at the same time the biggest income source of the country. Therefore the Tourist industry must contribute to the financing of the forests.

FONAFIFO

The national fund for financing forests (FONAFIFO) in Costa Rica has its own executive board representing the private and public sector and they both decide upon the decisions and steps to be taken. All decisions are passed on to the National Forest Development program, an entity that takes the final decision on the programs. The national forest development program relies on a multi sectorial approach to mobilize funds.

Costa Rica also has a National Forestry Development plan; this plan provides for contracts with land owners for the conservation of forest and allows the national institutions to monitor the outcome of the conservation. In addition the reforestation program has a funding plan covering several years. The forestry management is incorporated in other activities by a management plan which is reviewed every two to three years.

Most important is that the system is transparent by making all contracts public. The legal framework is a sign for the private sector and by splitting the forestry institutions, a cross cooperation and administration is guaranteed.

Charles Barber

Costa Rica is a very good example for Forest management as it gives light to different approaches instead of only focusing on the financial approach. This multi sectorial approach has been growing over the last years attracting the attention of politics, reflecting the market value at the same time.

The outcome of last years UNFF includes a paragraph on awards, which unfortunately is only understandable to those who were present during the negotiations. None the less, the discussions during the UNFF focus on how to move the financing for forestry forward by including different sectors.

As political objections in the international forum are the main obstacles to overcome, it is necessary to highlight them.

Some of the main concerns are conflicts between national and international equity issues and how to transfer a national forest model to an international model; the fear of Trojan horses when financing forest or water projects. A market based approach is often considered as a threat to national security. International cooperation on water and forest projects is often complicated when it comes to transnational borders in rivers and forests (up and down stream problems arise). Funding for forests through environmental taxation is complicated as taxation is always unpopular.

Therefore it is necessary to enable an administration and regulatory framework to make a forest management system work. Ways must be found to overcome political problems and work on a portfolio approach to achieve an efficient market development including the private sector.

Charles Barber concluded his talk by stating that he seriously hopes that the UNFF-7 will overcome the obstacle of political discussions and raises the awareness that public and the private sector become interested in conserving the forests.