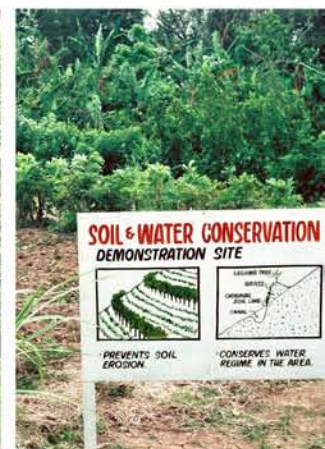




Strategies and financial mechanisms for sustainable use and conservation of forests:

experiences from Latin America and Asia



Proceedings of an Inter-Regional Workshop
Chiang Mai, Thailand, 20-22 November 2006

*Edited by Simmathiri Appanah,
Eduardo Mansur and Rolf Krezdorn*

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Sloping Agricultural Land Technology (SALT) demonstration site of the International Institute for Rural Reconstruction, Philippines, demonstrating techniques for control of soil and water erosion (Photo: Patrick Durst)

Agroforestry – pepper intercropped with Gliricidia sepium at the Baptist Rural Life Center, Mindanao, Philippines (Photo: Patrick Durst)

Bamboo – an important non-wood forest product (Photo: Masakazu Kashio)

Waterfall outside Luang Prabang, Laos (Photo: Masakazu Kashio)

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**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
REGIONAL OFFICE FOR ASIA AND THE PACIFIC
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Foreword

When I come across large areas of tropical forests slashed down to make way for agriculture and other development, I am of two minds. On the one hand I mourn the loss of some of the world's great terrestrial ecosystems that are critical for life to thrive on earth. On the other hand, we do have to sacrifice parts of these forests so food, fiber and energy crops can be raised, so vital for meeting the basic needs of millions of people on earth. But beyond that consideration, my concern also is heightened by how the remaining forests are managed. By all accounts, sustainable management of tropical forests remains a Sisyphean task, and it is no surprise when we hear that hardly five percent of these forests globally are being managed so. Now, with greater understanding of the critical role that tropical forests play in climate change and their potential for its mitigation, the issue of sustainable forest management is becoming even more pressing.

After decades of work, with FAO as a major contributor, technical solutions to managing the forest ecosystems are within our grasp. However, in the vast majority of countries in the region, they are not employed to the fullest extent. There are many reasons behind this reluctance. For one, the benefits – such as from conservation of soil and hydrological processes, biodiversity, carbon sequestration, and a host of others, as a result of practicing sustainable forest management – do not generate revenue for the forest owners. Next is the higher costs and complexity that go with sustainable forest management, compared to a narrow focus on production of timber and a few other readily marketable products. The third factor is a rather daunting one – conversion to other land uses including agriculture generates far more income than all the intangible benefits that accrue from sustainable forest management practices.

Where shall we go from here? The solution of course lies with paying for the intangible forest products that bring benefits not only to the forest owners. Researchers have been pursuing a number of approaches that include payments for environmental services, trading only with products that are sourced from sustainably managed forests, marketing of non-wood forest products, bio-prospecting fees, ecotourism, etc. At present trading in carbon offsets is the attention grabber globally. Many new approaches are being explored, but these cannot be easily adopted without concomitant changes in legal and institutional structures.

Most of the financing arrangements are novel and still under exploration. No single country has implemented the array of financial mechanisms for enabling sustainable forest management. Within the context of financing is also the need to protect and improve livelihoods of forest dependent people. This proceedings represents the results of a workshop of forestry experts who were able to report on the various financing mechanisms that are being tested on the ground. The proceedings goes beyond the financing issues, and also looks into the challenges of technology transfer, capacity building, and policies and legislation issues which are required for such novel innovations to take root.

A further fine point about the proceedings is that it represents, perhaps for the first time, sharing of information and experiences between Latin American countries and those from the Asia-Pacific region. It is interesting to note that in the former, many more innovative approaches are being tested. The circumstances that have resulted in those countries being more experimental and innovative are worth investigating, and which of them can be applied in the Asia-Pacific countries is equally exciting. I wish to congratulate all for their

contributions to this volume. But I further wish to stress that while this volume is an important turning point in the overall development of financing issues, the pressure to manage forests on a sustainable basis is growing rapidly. Further developments are needed in this arena before their impact can be realized.



He Changchui
Assistant Director-General and
Regional Representative for Asia and the Pacific

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