

United Nations
Forum on Forests



A pathway to a green economy in the context of sustainable development: A focus on the role of markets and the promotion of sustainable forest management

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Your Excellency Minister Cao Duc Phat, Minister of Agriculture and Rural Development of the Socialist Republic of Viet Nam

Your Excellency Dr. Hans Hoozeveer, Director-General of the Ministry of Economic Affairs, Agriculture and Innovation of the Kingdom of the Netherlands

Excellencies,
Distinguished Guests,
Ladies and Gentlemen,

It is a great honor for me to be here today in the beautiful city of Ha Noi for this important Country-Led Initiative (CLI) organized by the Governments of Viet Nam, the Netherlands and Finland in support of the United Nations Forum on Forests (UNFF). I would like to express my profound gratitude to the Government and People of this beautiful country and the city of Ha Noi for their generous hospitality. It is my first visit to Viet Nam and I am very pleased indeed to be here.

Minister Phat, I would like to share with you that my first work with Viet Nam came on September 11, 2001, in Bali, Indonesia when we were negotiating at the first ever Forest Law Enforcement and Governance East Asia Ministerial Conference. A young man from the Government of Viet Nam was there in the negotiations and he was effective and instrumental in helping us to reach the historic Ministerial Declaration. Mr. Tran Kim Long is now your Deputy Director-General on forests and I am so delighted to be here at this meeting seeing his continued leadership on this important subject.

We are all aware that trade in wood and non-wood forest products is not only an environmental issue but also poses significant social and economic challenges and

opportunities, particularly for forest-dependent communities, as these rural communities rely on forest benefits and functions as a means of their livelihoods, including, for example, food, fuel, water, medicine as well as the cultural and spiritual values so fundamental to people in different countries.

When I was four years old, I remember walking down a winding path towards the valley, in Rwanda where I lived. In the valley was a market place, where people sold avocados, coffee, guavas, nuts and other non wood forest products. So since my very beginning, I understand the importance of these products to these people. Since then, this beautiful country of Rwanda, with 10 million people in 26,000 square kilometers of land has lost much of their own forest and trees - thus leaving communities increasingly at risk for food security, leading to poverty and to conflict.

At the national level we can truly understand the impact on forest-dependent communities on forests. Take the example of energy; in many developing countries, it is estimated that more than 80% of total energy consumption comes from fuelwoodⁱ. National trade in many countries is also a significant source of employment, contributing to poverty alleviation in rural areas. In Cameroon, nearly half the cost for logging in rural areas by the forest industry goes to rural communities as their incomeⁱⁱ. National trade has a significant impact on the well-being of forest-dependent communities.

Mining history from the United Kingdom has it that until the late 20th century, coal miners used to carry caged canaries into coal mines as an early warning signal for toxic gases such as carbon monoxide and methane. If toxic gases leaked into the mine-shaft, the canaries fell ill before the miners as these birds are more susceptible to toxic gases than human. Similarly, the prevalence of poverty in forest-dependent communities can be interpreted as a warning signal of significant loss of forests, their functions and their benefits. Understanding the effects of both national and international trade on forest-dependent communities is the first step to understand the true magnitude of the social, economic and environmental functions of forests.

Addressing the effects of trade on forest-dependent communities requires a cross-sectoral approach. Simply put, the cross-sectoral approach is about breaking down the institutional silos and working horizontally across institutions in various sectors, including agriculture, community and rural development and natural resources management, to name a few.

An example of the cross-sectoral approach is landscape restoration - it brings together forest-dependent communities, private sector and local governments to identify and put in place land-use systems that will help restore the various forest functions across a whole landscape. It is intended to shift the emphasis away from simply maximizing only the economic or environmental benefits to optimizing the social, economic and environmental benefits of forests within the broader landscape.

Relevant to these economic issues, Ladies and Gentlemen, is the upcoming United Nations Forum on Forests 10, which will be held in beautiful Istanbul, Turkey in

April 2013. The subject is forest finance - where does it come from, where are the gaps, what is needed? I hope this workshop will go a long way in framing the issues in such a way that the UNFF10 provides a very sound foundation for rethinking our understanding of forest finance and the values of the functions and benefits of forests.

Landscape restoration, including wetlands, agriculture, mountains, drylands, rivers, biodiversity and people, can only be achieved when private institutions, along with local communities, work together towards sustainable forest management. The challenge ahead is to explore institutional arrangements that are better suited to each country's dynamic conditions as there is no one-size-fits-all solution. Each country must determine its own priorities. What is essential for this exploration is a practical approach for the reform of public institutions that can reinforce cross-sectoral public-private partnerships, utilizing market incentives.

In order to achieve Sustainable Forest Management (SFM) we have to move past our narrow silvicultural-only approach to forest management. We are well past the points in our careers and life where we only value the timber production value of forests. We need to integrate, in particular, managing agriculture with managing forests. It is a fundamental priority. It is the new horizon, without which we will simply not be able to achieve not only sustainable forests for future generations, but also sustainable development.

I would like to point out that a wider and enhanced partnership with the private sector is one of the necessary conditions to ensure that we can maintain a sustainable forest base and also restore forests needed in the landscape. The loss of the forests is the result of many causes, including illegal logging, over-cutting, and land requirements for roads, mining and agriculture.

In many countries, the private sector is at the forefront of providing forest products to the end customers - their actions directly influence consumer behavior. Positive support from consumers of forest products from sustainably managed forests can improve the sustainable management of those forests and help restore the forest landscape. By the same token, public institutions are in a position to put in place incentive mechanisms for the private sector to support changes required to meet the needs of forest-dependent communities while complying with international trade rules and regulations. This will entail utilizing market incentives through measures such as voluntary codes of conduct for industry, certification and labelling of sustainably sourced forest products, and payment for ecosystem services - as history suggests that forests will continue to be replaced by other land-uses such as cultivation of soybeans and oil palm when forests cannot provide significant revenues for their owners. (This is not to say that soybean and oil palm are not important crops, but must be considered in the entire landscape, not because those crops are valued more than standing forests or trees.) Unsustainable deforestation is not ok.

Many producer countries however lack the capacity, in particular, to implement measures and policies for market incentives. There is an immediate need for a portfolio approach to finance these undertakings at local, national and regional

levels. This CLI offers an excellent platform to provide valuable input on how to support a practical approach to the transformation of the institutional arrangements for sustainable forest management - a concept which has been captured by Dr. Hooegeveen in his co-publication "Transforming Sustainable Development Diplomacy: Lessons Learned from Global Forest Governance"ⁱⁱⁱ. I am certain that discussion and mutual exchange of good practices will benefit everyone at this CLI. I look forward to a lively and fruitful discussion.

Before I close, we will show you a 10 minute clip of the Festival Winner of the first-ever International Forest Film Festival: The Queen of Trees. The original film is an hour long, and shows the interrelationship between trees, biodiversity, people and the ecosystem^{iv}.

Thank you very much.

ⁱ UNEP, "Branching out for a green economy: Reporting forests", 2011.

ⁱⁱ Paolo Omar Cerutti and Guillaume Lescuyer, "The domestic market for small-scale chainsaw milling in Cameroon: Present situation, opportunities and challenges", Occasional Paper 61, CIFOR, 2011.

ⁱⁱⁱ Hans Hooegeveen and Patrick Verkooijen, "Transforming Sustainable Development Diplomacy: Lessons Learned from Global Forest Governance", Wageningen University, 2010.

^{iv} UNFF, International Year of Forests, <http://www.un.org/en/events/iyof2011/campaign-tools/film-festival/>.