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### **Commission on Sustainable Development**

**Intergovernmental Forum on Forests**

**Fourth session**

New York, 31 January-11 February 2000

Agenda item 7

**Adoption of the report of the Forum on its fourth session**

#### **Draft report**

#### **Issues that need further clarification: underlying causes of deforestation and forest degradation (programme element II.d (i))**

#### **Conclusions**

1. The Intergovernmental Forum on Forests (IFF) reiterated the need for the implementation of the proposals for action on this programme element adopted by the Intergovernmental Panel on Forests (IPF), and noted their continuing relevance and validity. In this context, it noted the recommendations of the global workshop held in Costa Rica in January 1999.
2. To overcome major obstacles when addressing the underlying causes of deforestation and forest degradation, IFF stressed the importance of policy consistency inside and outside the forest sector. Furthermore, it emphasized the need for effective policy coordination for addressing underlying causes of deforestation, which are often interrelated and social and economic in character, and include poverty; lack of secure land tenure patterns; inadequate recognition of the rights and needs of forest-dependent indigenous and local communities within national laws and jurisdiction; inadequate cross-sectoral policies; undervaluation of forest products and services; lack of participation; issues of governance; absence of a supportive economic climate that supports sustainable forest management, [corruption]; illegal trade; lack of capacity; lack of enabling environment, at both the national and international levels; and national policies that distort market and encourage forestlands conversion to other uses, including in low forest cover lands. It was further noted that the underlying causes of deforestation and forest degradation as well as the approaches to deal with them are often country specific and therefore vary among countries.
3. IFF continued to recognize the need for analysis at the national and international levels of the sequence of causes contributing to changes in the quantity and quality of forests, in

particularly by using the diagnostic framework referred to in the report of IPF on its fourth session (see E/CN.17/1997/12, para. 31).

4. IFF, while recognizing the important role of Governments in establishing national policies in their respective countries towards attaining sustainable forest management, stressed that the private sector, both in developing and developed countries, also has an important role to play in forest policy development and implementation. Combating deforestation requires the involvement of many actors, including national and subnational Governments, civil society, forest owners, international organizations, the private sector, research organizations, and international and bilateral aid agencies. Broad participation of indigenous and local communities (including indigenous people and other forest-dependent people practising traditional lifestyles, forest owners and local communities, many of whom possess important traditional forest-related knowledge; see General Assembly resolution S-19/2, annex, para. 37) and women in forest-related processes is needed. All actors need to work together to initiate processes, both at the national and international levels, to address effectively underlying causes of deforestation and forest degradation.

5. A major challenge which now lies ahead concerning deforestation is the implementation of the IPF proposals for action. For developing countries, this involves responding to political, financial and technical needs and priority to national forest policies and programmes; for country donors and international organizations, it involves more focused cooperation and coordination in support of their efforts on agreed priority areas for action.

6. The valuation of all goods and services, including biological resources (as defined by the Convention on Biological Diversity) provided by forests, is needed to realize its importance compared with other land uses. Inadequate valuation of natural forests is an important underlying cause of deforestation. The non-valuation of non-marketable environmental and social services of forests is a market failure, and inappropriate subsidies that encourage conversion of forested lands should be discouraged. Deforestation is closely related with the lack of economic and financial competitiveness of sustainable forest management compared with other alternative uses of the land. Current economic valuation of forest resources has often resulted in inadequate incentives for sustainable resource use, which in turn induce environmental degradation. The pricing of forest goods and services as well as their substitutes should include environmental and social costs and benefits. In relation to this, the Forum underlines the importance of its work on valuation (see programme element II.d (v)) and economic instruments (see programme element II.d (vi)).

## **Proposals for action**

7. IFF recalls the following IPF proposals for action relevant to this programme element (see E/CN.17/1997/12, paras. 17 (e), 17 (f), 27 to 31, 67 (g), 70 (c) and 77 (f)).

8. IFF stressed the importance of implementing the IPF proposals for action on underlying causes of deforestation and forest degradation, with particular emphasis on the needs and requirements of low forest cover countries and countries with fragile forest ecosystems. In order to further their effective implementation, IFF encouraged countries, with the assistance of international organizations, donor countries and financial institutions, to implement the following additional proposals through partnerships involving, where appropriate, the participation of government institutions, non-governmental organizations, community-based organizations, indigenous and local communities, forest owners and the private sector:

(a) Further study and take practical measures to address the chains of causality of the underlying causes of deforestation and forest degradation within each country, including the impact of poverty and the impact of processes outside the forest sector;

(b) Create appropriate procedures in order to promote effective participation of all interested parties in decision-making about forest management;

(c) Support appropriate land tenure law and/or arrangements as a means to define clearly land ownership, as well as the rights of indigenous and local communities and forest owners, for the sustainable use of forest resources, taking into account the sovereign right of each country and its legal framework;

(d) Develop mechanisms, as appropriate, to improve land access and use of forest resources on a sustainable basis;

(e) Support capacity-building in communities, in particular for those with responsibilities in forest management, including in low forest cover countries, and create awareness in the society at large on the importance of issues related to deforestation and forest degradation;

(f) Support and promote community involvement in sustainable forest management through technical guidance, economic incentives and, where appropriate, legal frameworks;

(g) Promote maintenance and enhancement of forest resources through sustainable forest management practices, and promote the creation of new forest resources through the establishment of planted forests and other means, such as rehabilitation of degraded forests, taking into consideration their social, cultural and environmental impacts, and economic costs and benefits;

(h) Identify and measure internalization of externalities, and introduce positive incentives in both the forest and non-forest sectors that may help combat deforestation and forest degradation;

(i) Support local community programmes for capacity-building and credit facilities, and facilitate access to domestic and external markets of forest products and services;

(j) Request international financial institutions to analyse the impacts of foreign debt on deforestation and forest degradation, and request international financial institutions to explore, in cooperation with donor and recipient countries, innovative financial approaches and schemes for helping countries to promote sustainable forest management.

9. IFF invited international financial institutions to strengthen transparency in decision-making as it affects sustainable forest management, and to ensure that their policies support sustainable forest management.

10. IFF also invited countries to use national forest programmes, as appropriate, or other relevant programmes to involve indigenous and local communities and women to participate in the formulation and implementation of measures that aim to protect their rights and privileges in relation to forest lands, traditional forest-related knowledge and forest biological resources (as defined by the Convention on Biological Diversity).

11. IFF encouraged Inter-Agency Task Force on Forests (ITFF) member organizations to support the elaboration of a comprehensive study of land tenure issues related to deforestation and forest degradation.