



# Logging and Tropical Forest Conservation

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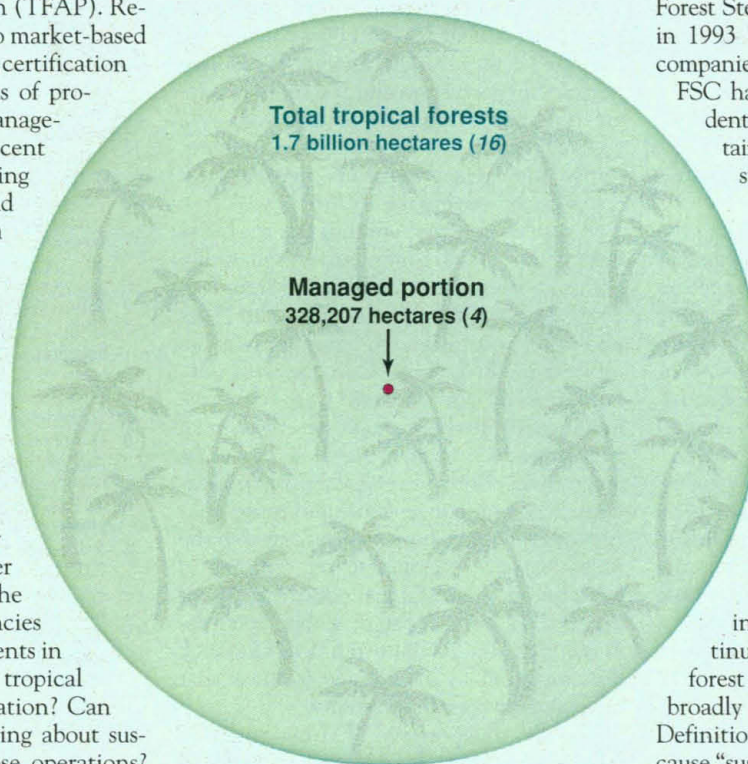
For nearly two decades, governments, environmentalists, and development agencies have explored a variety of approaches to curb the loss of tropical forests. These have included direct investments in conservation and grand-scale initiatives like the Tropical Forestry Action Plan (TFAP). Recently, the focus has shifted to market-based mechanisms such as timber certification and other more direct means of promoting sustainable forest management (SFM). However, recent years have also seen a growing criticism of SFM itself—and particularly its utility as a conservation strategy (1).

The next chapter in this debate is currently taking shape as the World Bank (henceforth, the Bank) considers whether to lift its 1991 policy that bars investments in logging operations in primary tropical forests. The Bank's deliberations bring a seemingly abstract debate into sharper focus. The questions before the Bank and its many constituencies are simple: Will new investments in logging operations in primary tropical forests help to curb deforestation? Can the Bank and its partners bring about sustainable management in these operations? And, most important, will this lead to conservation? In our view, the answer to these questions is, broadly speaking, no.

## International Initiatives on Tropical Forests

Tropical forests harbor the majority of the world's terrestrial and freshwater biodiversity. In the 1980s, the international community began to pay increasing attention to biodiversity loss and tropical deforestation. The Bank commissioned a major

task force on the subject and joined leading conservation organizations to publish volumes of new research. These efforts (2) culminated in the 1992 Earth Summit, where more than 100 nations signed the Convention on Biological Diversity.



**Little to show for our efforts?** After nearly two decades and hundreds of millions of dollars in private and public investment, only a tiny percentage of tropical forests are managed sustainably.

Recognizing the fundamental threat to forests posed by logging, a range of international programs was also established to address this issue. By and large, however, their impact has been minimal. In 1985, the Bank, the World Resources Institute (WRI), and others initiated the TFAP. The TFAP soon came to be viewed as a failure, however, because it was not curbing deforestation and, instead, was seen increasingly as a way of opening up new areas for logging (3). WRI's own 1991 evaluation of TFAP stated that its sponsors had "let their interest in

accelerating investment in the [commercial] forestry sector overshadow ... concerns [about deforestation]" (3). Shortly thereafter, the U.S. Congress eliminated further funding for the TFAP and it has declined into obscurity.

In 1990, the International Tropical Timber Organization (ITTO) adopted an objective of bringing all tropical timber production to sustainable levels by the year 2000. Despite massive spending to support this goal, most observers now view it as unrealistic. Today, almost no logging in the tropics outside plantations can yet be considered sustainable (4). However, the overall concept of SFM remains popular.

One reflection of this is a growing interest in the initiatives of organizations like the Forest Stewardship Council (FSC). Founded in 1993 by a coalition of foresters, timber companies, and environmental groups, the FSC has set forth a program to independently certify timber production as sustainable. To date, the FSC has given its stamp of approval to logging on some 6.3 million hectares (4). Although it is too early to judge whether certification will ultimately make a meaningful contribution to curbing deforestation, it clearly has a long way to go (see the figure). The total area currently certified encompasses less than 0.2% of the world's forests (5), and nearly all of these operations (95%) are outside the tropics (4).

The common thread of the above initiatives is SFM—an ambiguous term generally taken to include, at a minimum, "the continuous yield of timber" from a tract of forest (6), but often viewed much more broadly as preventing biodiversity loss. Definition is of paramount importance because "sustained yield" management for timber can have devastating impacts on the structure and composition of natural forests and their biodiversity (7).

The notion that SFM can be an effective conservation tool rests in part on the premise that it can stabilize wood production in a given area. In principle, this would lead to conservation by maintaining forest cover and reducing pressures on other primary forests. However, leading authors in the field recognize that this has rarely happened in practice. Johnson and Cabarle, for example, noted that "even the most experienced tropical foresters admit that good examples of sustainable natural forest management are hard to find" (6).

Indeed, research indicates that there are steep hurdles facing broader adoption of investments in SFM (8). For one thing, such

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investments are almost always financially unattractive. Reaping a one-time harvest of ancient trees today is simply more profitable than managing for future harvests. According to several studies, "unsustainable" logging can produce 20 to 450% more profit (1, 8). Moreover, most countries with tropical forests have neither the institutional capacity nor the political will to counter such strong financial incentives. Even if these substantial challenges could be addressed, we still have to ask the basic question of whether SFM does more harm than good for biodiversity. In many tropical forests, market forces dictate that logging is quite selective—only a tree or two per acre at most. Though circumstances vary, we should generally not want to subsidize the harvest of a wider variety of species (and greater volume of timber) or encourage companies to stay in remote forests to log them permanently (7)—even in the name of conservation. Yet this is often precisely the goal of SFM.

### Back to the Future? Controversy over the Bank's Forestry Policy

It is this last point that brings us back to the Bank and its 1991 policy that bars logging in tropical forests. This policy was adopted in an era when conservationists were arguing forcefully that Bank lending was promoting, not curbing, deforestation. By the late 1980s, the U.S. Congress became an outspoken advocate for Bank reform and, in 1990, passed legislation barring U.S. funding for "any program, project, or activity" involving industrial timber extraction in primary tropical forest areas or causing any significant loss of tropical forests (9). Shortly thereafter, the Bank adopted a similar prohibition whose precautionary stance was motivated by "uncertainties regarding the full valuation of environmental services, the inadequacy of knowledge regarding sustainable management systems, and the irreversibilities associated with loss of tropical moist forests" (10).

These conditions still hold true. In fact, if anything, we understand less now than we believed then about the workings of tropical forests (11). Yet these fundamental issues have once again come to a head, ironically around the role of the Bank. In 1991, the Bank pledged a thorough review of its policy once there was enough experience to evaluate. Instead, this review has been combined with a full-scale assessment of the Bank's entire strategy in the forestry sector (12), a process that has some parties urging Bank President James Wolfensohn—a committed conservation leader—to lift the ban on tropical logging.

In response, more than 100 nongovernmental organizations have recently written to Wolfensohn objecting to the proposed change in policy (13)—a position we completely endorse. Untold hundreds of millions

of dollars have already been and continue to be spent on schemes to promote SFM, with precious little to show for our efforts.

### Conclusions

To us, the evident conclusion from the above is that, as a tool to further the conservation of tropical forests, increased funding for commercial logging is simply not a good idea. If our goal is to stem the tide of destruction and protect what remains of tropical forests, the most appropriate investment may be in protection itself: new protected areas in biologically important sites, more investment in existing parks and reserves, and creative mechanisms like corridors to link protected areas (14).

The Bank recently joined with Brazil in pursuit of this objective in announcing a new set of protected areas as part of two major global forest conservation targets: 50 million hectares for protection and 200 million hectares for sustainable management (15). We applaud the former but, as a conservation initiative, must reject the latter—particularly if it involves changing the 1991 policy.

Outside protected areas, if our goal is to ensure that local communities and indigenous peoples claim real benefits from logging, then we should encourage the Bank and other institutions to bring these issues forward in their policy dialogue with governments. If our concern is to conserve biodiversity in the context of commercial timber production, then we should focus on meaningful efforts to set aside pristine areas within logging concessions, and retire concessions that have been lightly logged in the past—an option available on millions of hectares on every tropical continent. If our aim is to help meet future global wood demand, then the obvious step is to fast-track the transition to plantations in areas that have already been deforested.

Finally, if we believe SFM has potential for the future, we should conduct carefully monitored experiments in areas where logging is already taking place in order to better understand the real prospects for SFM in the tropics. In the meantime, let's learn from the lessons of the past and avoid a headlong rush to change important international precedents (the Bank policy), lest we do nothing more than accelerate the very process we are trying to stop.

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