3.2 A political perspective on SFM financing

AMINU IBRAHIM AND MUSA HASSAN

In Nigeria, financing for SFM is more likely to be determined by political realities than by price mechanisms such as revenue generation from forest goods and services. Even though the country has recently undergone a major shift towards a free market economy, its policy in rural development — forestry in particular — remains oriented to development administration. This is largely due to three factors:

- the historical/colonial legacy;
- the emergence of UN-sponsored development programmes (such as UNDP, UNEP and GEF); and
- the economic and technical assistance provided by developed countries.

The Katsina afforestation project symbolises how politics can facilitate or obstruct financing for sustainable forest management. The project started in January 1987; the European Union then EEC was the major donor, supporting the project with financial and technical assistance. The EEC also financed about six other similar forestry projects in the arid zone of Nigeria.

The project was established by the Lomé I Convention, which was signed in 1975 by the EEC and the African, Caribbean and Pacific states (ACP). Lomé II, between the federal government of Nigeria and the EEC, identified a variety of rural development projects in Nigeria that could be jointly financed by the two parties. Within the framework of Lomé II, Nigeria’s federal Ministry of National Planning requested assistance in financing an afforestation project in the arid zone of Nigeria.

By January 1987 the first phase of the initiative, known as the EEC/FGN Katsina Afforestation Project (KAP), commenced with €9.4 million from the EEC and a counterpart fund equivalent to €4.0 million from the Nigerian government. The aim of the project was to improve the standard of living of local people through providing forestry

Aminu Ibrahim works for the Department of Town and Country Planning, Ministry of Lands, Surveys and Environment, Nigeria. Musa Hassan works for the Forestry Department, Ministry of Agriculture, Nigeria.
services such as fuelwood and poles. This would reduce pressure on the remaining natural vegetation and reverse the trend of environmental degradation. It is generally accepted that in drought-prone regions such as the project area, the enhancement of tree growth will greatly contribute to these goals (EEC/FGN 1993). The project had several objectives:

- to curb the ongoing desertification processes in the arid zone of Katsina State;
- to safeguard and improve conditions for agricultural production in the area; and
- to promote self-sufficiency among rural people through the production of traditional domestic forestry products such as firewood, poles, fodder, livestock and medicine.

Achievements
KAP provided a practical and functional intervention initiative through community-driven development. The concept proved to be effective, sustainable and results-oriented. The project’s achievements were impressive: it produced and distributed more than 20 million free seedlings; and more than 47,000 registered agro-forestry farmers were assisted in many ways. Today, 121 of the 250 shelter belts in Katsina State were established by the project. Most of the project’s achievements exceeded the target (Table 1).

Table 1. Project targets and achievements

<table>
<thead>
<tr>
<th>Item</th>
<th>target (1987–91)</th>
<th>achievement</th>
<th>% of target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shelter belts</td>
<td>85</td>
<td>94</td>
<td>111</td>
</tr>
<tr>
<td><strong>Extension activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wind breaks</td>
<td>6,250</td>
<td>7,227</td>
<td>116</td>
</tr>
<tr>
<td>Wood lots</td>
<td>4,325</td>
<td>4,545</td>
<td>105</td>
</tr>
<tr>
<td>Trees on farmlands</td>
<td>3,915</td>
<td>2,462</td>
<td>63</td>
</tr>
<tr>
<td>Total number of farmers</td>
<td>14,490</td>
<td>14,234</td>
<td>98</td>
</tr>
<tr>
<td>Number of boys’ schools</td>
<td>—</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Number of girls’ schools</td>
<td>—</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Number of women’s groups</td>
<td>—</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td><strong>Nurseries</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central nurseries</td>
<td>5</td>
<td>6</td>
<td>120</td>
</tr>
<tr>
<td>District nurseries</td>
<td>—</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Community nurseries</td>
<td>—</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Seedlings raised</td>
<td>2,600,000</td>
<td>4,660,000</td>
<td>179</td>
</tr>
</tbody>
</table>

These were some of the project benefits:
- reduction of land degradation;
- poverty reduction and improvement of the livelihoods of the communities;
- improvement of agricultural productivity;
- reduction of stress and conflict over the use of natural resources;
- environmental awareness and sensitization; and
- sustainable rural development through a participatory approach.

Project failure
The project was supposed to be implemented in four phases. Unfortunately, barely a year into the second phase — and despite the project’s success — funding and technical assistance were abruptly suspended by the EU due to the political sanctions imposed on Nigeria. At that time Nigeria had executed some activists in the oil-producing part of the country who were clamouring for an independent state. Rather than taking bold and stringent measures directly against the military junta, however, the EU instead suspended the project. With the return of “democracy” in Nigeria in 1999 and the restoration of diplomatic ties between the EU and Nigeria, it was expected that project funding and technical assistance would also be restored. That did not happen. Regional politics contributed to the EU’s decision to direct its efforts away from northern Nigeria (and from forestry and related projects) to different projects in the south of the country.

Although the Katsina Afforestation Project is still running, it suffers from inadequate funding. This results in several problems:
- difficulty in maintaining and managing forestry and protected areas;
- insufficient staff;
- damaged infrastructure; and
- grounded machinery and operational vehicles.

Funding forestry activities does not appear to be attractive to politicians or policy-makers in the developing world. There is little commitment to financing for sustainable forest management. This is particularly true for the non-timber forest product harvesting predominant in the sub-Saharan region.

When trying to address sustainable rural development and reduce poverty, these leaders instead make huge investments in non-forestry projects such as rural water schemes, feeder roads and irrigation, not realizing that an investment in the forestry sector could be just as effective in addressing those concerns. A small investment in forestry can bring immediate benefits to a local community. It can also provide raw materials for and employment opportunities in a number of industries such as pharmaceuticals (medicinal plants), furniture (wood) and possibly for second-generation biofuels, derived from woody material, which are still under development. It can also increase national revenue and contribute to a favourable balance of payment, as well as reduce global warming. Although the world is faced with a range of environmental calamities, such as desertification, drought and erosion — which sustainable forest management can help to address — politicians are not willing to make substantial investments in forestry.
Although they may be interested in political or ceremonial events, such as a tree-planting campaign, they do not have a serious commitment to the goals of SFM.

Even in the rainforests of Africa, where there is significant industrial logging and fair trade in timber could provide financing for sustainable forest management, politics could undermine this effort, as shown in several reports. Counsell, Long and Wilson (2007) report that some logging companies in Liberia and Congo engaged in complicity by supporting groups to commit atrocities against local people or rival groups, and by supporting either the government or rebels to fuel conflict between them. In addition, corrupt government officials and their armed opponents allowed companies to ignore forestry laws in return for financial and logistical support during wars.

Given the current concern for climate change, however, and the world’s search for an alternative to fossil fuels, the prospect for financing for SFM is encouraging. In many cases, the developing countries that contribute the least to carbon emissions are the most affected by climate change. Their resilience is continuously being eroded and their livelihoods undermined. As a mitigation measure, the highest-emitting nations, such as the U.S., EU and Japan, have a responsibility to reduce the carbon emissions they produce through carbon financing. Forestry provides an inexpensive means of sequestering carbon from the atmosphere, and Africa and other parts of the developing world should witness a remarkable in-flow of carbon credits. The intervention of international development agencies (such as the World Bank, GEF, UNEP and UNDP) in carbon financing would greatly assist in preventing some of the political intrigues and complicity that are the major threats to financing SFM.

**Recommendation**

Politics can either facilitate or obstruct sustainable forest management through the activities and influences of politicians, leaders, bureaucrats, activists and others. For this reason it is necessary to build a strong political will and commitment to forestry by the government at all levels in order to develop a robust financing mechanism for sustainable forest management. The formation of an autonomous financing institution is recommended for forest-fund disbursement; it must have clear accounting rules and procedures as well as monitoring and evaluation processes. As carbon credits and funds from other schemes continue to flow into the developing world, the approach adopted by the Katsina Afforestation Project — community-driven development with funding contributed by the local community, home governments (local, state and federal) and the EU — could provide a model for financing SFM. This is possible only if there is a strong political will and commitment.

**References**
