

## Forest Governance Market and Climate Programme (FGMC)

### Background

Deforestation and forest degradation harm biodiversity, contribute to climate change and increase poverty. **From 2010 to 2015, 32.5 million ha of natural forest - an area larger than Norway - was lost.** Evidence suggests that for every million hectares of forest destroyed, up to a billion tonnes of CO<sub>2</sub> (equivalent) are lost into the atmosphere. Close to **1.6 billion people** – more than 25% of the world's population – rely on forest resources for their livelihoods and most of them (1.2 billion) use trees on farms to generate food and cash. Forest clearance primarily for large-scale agriculture and illegal logging resulting in forest degradation, and the related trade in commodities and timber, therefore also deprive forest-dependent people of their livelihoods.

Much conversion of forest to other land uses is legal and contributes to economic development. However, a substantial proportion takes place in the context of complex, contradictory, and poorly implemented regulations governing forested areas. A lack of transparency around the process of permit allocation, regulatory loopholes, and unclear boundaries of authority between ministries and agencies contribute to illegal forest conversion ([Forest Trends, 2014](#)). **This may occur regardless of the conservation or livelihood values of forests involved.**

Illegal logging, of which illegal forest conversion is one aspect, is most likely to persist or increase where governance is poor, where the value of timber exceeds other forest benefits, where forest land has greater financial value in non-forest use, and where alternative economic opportunities are lacking. These circumstances are particularly prevalent in Central and West Africa, some countries of the Amazon basin and Central America, South-East Asia and the Pacific and in parts of Russia.

**The United Kingdom's Forest Governance Market and Climate Programme (FGMC)** contributes to the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan, as part of a global effort to tackle deforestation and address the underlying causes of illegal logging. **FGMC supports governance and market reforms that reduce the illegal use of forest resources and benefit the poor** through combining “demand-side” actions in consumer countries, and “supply-side” actions in producer countries. These aim to reduce the consumption and production of illegal timber and other illegally-sourced commodities driving illegal forest clearance and deforestation (i.e. soybean, palm oil, beef and leather).

### Objective of the meeting

The master class aims at **enhancing knowledge on forest governance** related issues and on how these contribute to **poverty reduction, while supporting sustainable development, market growth, equity and land rights**. It also aims at expanding the **community of practitioners** with the purpose of exchanging information and lessons learned in order to enhance effectiveness of actions.

### Methodology

Presenters will provide a 30-minute presentation on the FGMC program, its goals, activities and achievements, including links with other global initiatives.

A Q&A session will follow, at the end of which participants will be divided into groups to discuss issues of forest governance, poverty alleviation, market growth and land rights and ways forward. Groups will report in a plenary session outcomes of their discussion and recommendations for way forward.