



NINTH EXECUTIVE FOREST POLICY COURSE

**SUSTAINABLE DEVELOPMENT GOALS, CLIMATE CHANGE  
AND THE FUTURE OF FORESTS IN THE ASIA-PACIFIC**

24 May - 2 June 2016, Yogyakarta, Indonesia

**PUBLIC FORESTRY INSTITUTIONS: HOW  
CAN WE MAKE THEM MORE EFFECTIVE  
AND EFFICIENT**

**CTS Nair**



# BACKGROUND

- ❑ Institutions form the very basis of collective actions of a society.
- ❑ Often a lot of effort goes into the reform of policies and legislation, but much less attention is paid to bring appropriate changes in the institutions.
- ❑ Poor policy implementation is largely due to weak and outdated institutional framework. In the absence of institutional reforms the time and energy expended on policy reforms will go to waste.
- ❑ Like all organisms, institutions have to continuously adapt and change; otherwise senility and decline sets in quickly.



# EXERCISE

List two important changes that you have witnessed in your organization during the last five years.



# ISSUES ADDRESSED

- Factors necessitating change in the public sector institutions.
- Institutional responses and changing institutional landscape.
- Challenges in reforming public institutions.



# CHANGES IMPACTING FORESTRY

- ❑ Society's expectations from forests
- ❑ Broadened spectrum of forest management objectives.
- ❑ Changes in forest ownership.
- ❑ Increasing complexity and conflicts.



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# TRADITIONAL PUBLIC FORESTRY ADMINISTRATION

- A major (and sometimes the sole) player in forestry in view of the preponderance of public ownership of forests.
- Fulfills multiple functions, though the main thrust has been wood production.
- Command and control framework – Very hierarchical and top down approach.
- Almost entirely dependent on public funding.



# WHY THE TRADITIONAL MODEL WORKED

- Low population pressure and very low opportunity cost of land and forests.
- Very few stakeholders - Less complex operating environment.
- Narrowly defined performance parameters – mainly focused on protection of forests, timber extraction and revenue generation.
- State's role was dominant.

# INSTITUTIONAL LANDSCAPE

However during the last few decades we have moved into a pluralistic institutional environment.

- Local community organizations and small holders
- Public sector with wide variation in objectives and structures
- Private sector including industries
- Civil society organizations.
- International organizations.
- A wide array of partnership arrangements





# CHANGING INSTITUTIONAL LANDSCAPE

## TRADITIONAL COMMUNITY MANAGEMENT

- Focus on local demand
- Community designed rules and regulations

## Participatory approaches

- Strengthening community management

- Ineffectiveness of the policing approach
- Increasing demand for products and services
- Resource deterioration

- Privatisation of commercial functions, especially wood production.

- Commercialisation of production through parastatal organizations.

## PUBLIC SECTOR TAKE OVER OF RESOURCES

- Thrust on policing and exclusion
- Extraction of valuable products for national and international markets
- Hierarchical command and control structure

General direction of change

## STRENGTHENED AND REFORMED FORESTRY ORGANIZATION

- Focus on policy formulation and policy review
- Providing a level playing field to other players



# CHANGING OBJECTIVES

<b>Objectives of resource management</b>	<b>Main thrust</b>	<b>Functions and structures</b>
<b>Exploit what grows naturally and protect timber supplies</b>	<b>Exclude others from exploiting the resources</b>	<b>Policing as a key function- Hierarchically structured organization</b>
<b>Improve the state of resources (invest in management including creation of new assets like plantations</b>	<b>Build up resources using inputs like land, labour, capital</b>	<b>Organization focused on resource management with substantial emphasis on technical and managerial skills</b>
<b>Empower/ support other players – private sector, communities, farmers, etc. – to develop and manage resources</b>	<b>Create enabling conditions for other players to manage resources efficiently</b>	<b>Facilitation/ Negotiation skills. Needs very diverse skills and ability to respond to the differing needs of various stakeholders</b>

# THE CHALLENGES

- Pressures to fulfill multiple objectives requiring very diverse managerial and technical skills. Needs policing skills, managerial and technical skills as also facilitation skills
- Fragmentation of forestry agenda.
- Increasing fuzziness of sectoral boundaries and the thrust on landscape approach.
- Pressures from special interest groups to fulfill their agenda.



# WHAT TRIGGERS CHANGE

## Internal.

- ❖ Change in leadership in the organization

## External.

- ❖ Major policy shifts
- ❖ Reduction in public budget
- ❖ Across the board institutional changes in all public sector agencies



# INSTITUTIONAL RESPONSE TO CHANGE

Although change is the only unchanging law, we tend to resist change and respond differently:

- Ignore/ dismiss the need for reform.
- Resist changes.
  
- Undertake cosmetic changes
- Have reforms imposed from outside.
  
- Undertake substantive reforms.



# THE CHANGE PROCESS: IMPLEMENTING REFORM

## Facilitation of change including:

- ❖ Building change coalitions
- ❖ Mobilizing support from champions
- ❖ Consensus building.

## Communicating change

- ❖ Internal communication to keep the staff fully informed/  
involved
- ❖ External communication to inform the stakeholders



# THE CHANGE PROCESS: IMPLEMENTING REFORM

- Leadership to champion the change process.
- Team to guide the transition.
- A clear assessment of performance.
- Incorporate quick wins to keep the morale.
- Allow out of box thinking



# INSTITUTIONAL PERFORMANCE INDICATORS

Parameter	Indicators
Efficiency	<ul style="list-style-type: none"><li>• Optimised use of resources to reach its purpose</li><li>• Timeliness of service delivery</li><li>• Output per staff</li><li>• Ration of overhead to programme costs</li></ul>
Effectiveness	<ul style="list-style-type: none"><li>• Successfully accomplishing the mandate, goals and strategic objectives.</li><li>• Progress towards the targets at various levels.</li></ul>





# COSTS AND BENEFITS OF REFORM

- What are the costs involved in reforming public sector institutions?
- Are the long term benefits commensurate with the costs?
- What are the invisible costs of reform?
- How do we balance stability with change? (Can we afford to have institutions that are “reforming” continuously?) .



# INSTITUTIONS AS DYNAMIC SYSTEMS

- ❑ Ability to sense external changes
- ❑ Every part of the organization is able to sense the changes.
- ❑ Continuous adaptation
- ❑ A “Learning organization” (Learning about the environment and lessons from both successes and failures)



# HOW TO BUILD A LEARNING ORGANIZATION?

- Continuously assessing performance
- Analyzing and updating knowledge
- Systematically applying knowledge.
- Promoting a culture of innovation
- Openness to ideas

Of course all these will require a very different kind of leadership than what most organizations have at present.



# WHY CHANGE IS NOT EASY?

In nature continuous change, adaptation and creativity are the norms. But human made organizations find adaptation and change extremely challenging on account of:


- Public forestry institutions are part of a larger system and there are limits to what can be accomplished when the larger system is not easily amenable to change.
- Existence of informal networks within an organization which generally resists change.
- Dual nature of organizations: Organizations designed to fulfill specific objectives and organizations as communities of people. Most often we focus on the first – and ignore the second.
- Resisting change as a short term survival strategy.



# IMPORTANT LESSONS

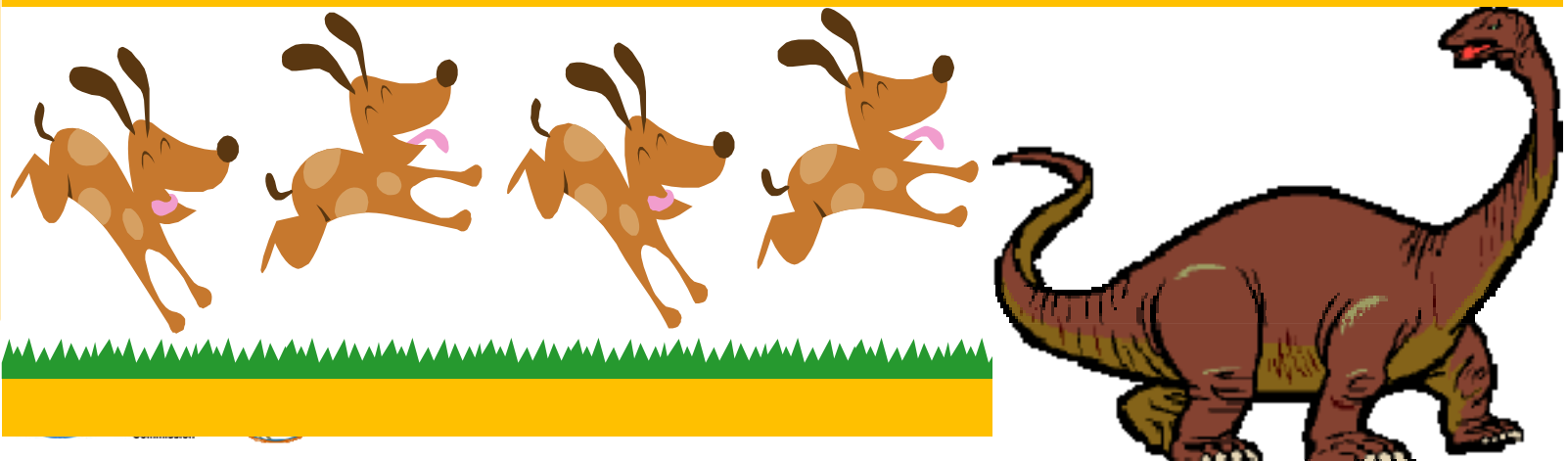
- No silver bullets or standard off-the-shelf recipes for institutional reform.
- Need to develop institutions as learning organizations capable of continuously adapting to change.
- Bringing human values to the core of an organization.
- Organizations beyond repair needs euthanasia.





***“Despite the dramatic changes in the way people work, the organizations in which they carry out that work have changed much less than might be expected....”. The Economist, 21 January 2006***

**In a way 21<sup>st</sup> century workers are still working in 20<sup>th</sup> century institutions.**





# THANK YOU



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