The speech given by Elinor Ostrom, Co-director, Workshop in Political Theory and Policy Analysis, Indiana University

Ladies and gentlemen, thank you so very, very much for inviting me. This is a very important event. I was not able to be at Forest Day 1 or 2, but I was following them, and it is a great honour, thank you to the Danish Government for sponsoring, thank you all.

I won't discuss at great lengths the importance of saving the forests because all of us here believe in that. I strongly worry about climate change and I am very committed to the need for re-growing and saving and regeneration of our forests. As a student of economic governance and policy I am also deeply concerned that some REDD policies be adopted with great care. I'm a supporter, I want to see it happen, but we have to be very, very careful about the way we do this to ensure that they do not facilitate more deforestation and degradation rather than less.

A group of us have been engaged now in a large interdisciplinary project: the International Forestry Resources and Institutions program, IFRI. My colleague Bernie Fishers sitting here in the front has been working with us as a forester so we are really an interdisciplinary program that blends social science and biology, ecology and forestry very effectively. We're working with centres in Bolivia, Colombia, Guatemala, India, Kenya, Mexico, Nepal, Tanzania, Thailand, Uganda and the United States, and we have new centres being started in Ethiopia and China. IFRI is unique among efforts to study forests as it is the only interdisciplinary long-term monitoring and research program studying forests owned by governments, by private organisations and by multiple communities around the world.

As we know, forests are particularly important given their role in climate change, in carbon sequestration and saving biodiversity, and their contributions to rural livelihoods. Recently, over the last ten years or so, a very favourite policy has been that the way to save forests is to create government protected areas, and we've taken that seriously and among many of the sites we've studied are government protected areas. One of the studies that Tanya Hayes and I recently did several years ago was to look at the rating of forest density in a random sample of forest plots in 163 forests. Those 163 forests included 76 which were government owned forests that were registered as legally designated protected areas. The 87 other forests were government forests for harvesting, private forests, community forests, just a whole array of other kinds of forests.

We found absolutely no statistical difference between the government-designated protected areas and all the other kinds of forests in terms of forest density. We did find that whether local

users could make some of the rules made some difference, but with protected areas we found no difference. We've also examined, Gibson and Williams and I, the role of local communities in monitoring behaviour, and I'm going to be talking quite a bit about monitoring and the willingness of local communities to watch each other and if someone's in the forest that they don't know, to question who they are, or if they're there on a day that they shouldn't be to question (for example) "did you forget that Wednesday's the day we're not going to harvest?" Or any of the other things that people in a community can do with one another, or if it's someone from outside how to get officials to get them out.

We found a very strong correlation between the willingness of local users to monitor and forestry density. A very recent major study by Ashwini Chhatre and Arun Agrawal was just published in the proceedings of the National Academy of Science in the last couple of weeks. They looked at the tradeoffs potentially, or synergies, between carbon storage in forests and local livelihoods. Because people say "don't let those guys in the forests, they'll just take it away and then you can't store carbon". No, it turns out they're synergies rather than trade offs. They find that indeed larger forests are likely to be more effective at carbon storage, but they also are more effective at stimulating livelihood outcomes, particularly when the local communities have high levels of rule making autonomy, and when they monitor.

Recent studies by Coleman and Steed and others have found that a major variable affecting forest conditions around the world is when local users monitor. And what's surprising to many is that when local users have harvesting rights, forests are more sustainable. We're looking at it over time and these are very strong findings. So we need to be asking, "what is the significance of these scientific findings for REDD?" Well we have now learned through rigorous studies that solutions that sound good, like government protected areas, may not generate a strongly positive result. And they may sometimes even result in something worse. That forest conditions can go down even in the 'sound good' type policies. So beware of simple formulas, sounding good is not enough.

Secondly, monitoring who uses the forest for what purpose is essential if illegal harvesting is to be prevented and kept low. But monitoring is expensive if you have to hire troops to come in or guards to come in and really pay attention from the outside, and unfortunately many guards in developing countries are not paid very well and this does provide an opportunity for a few side payments for ignoring illegal activities when they're given a substantial side payment. So this problem of monitoring is very important.

Third, we've found local users are willing to monitor. It's when they have some sense of ownership, some sense of long-term duration. Why would they do this? Well partly if they have a long time horizon, and if they are not going to harvest illegally, they do need to know that others are also not harvesting illegally. So by monitoring and keeping their eyes open they're getting a sense of "are the other people trustworthy?" And if they're trustworthy I can refrain from going in and overharvesting and not being a sucker. And getting trust is something that is very, very important and we're not stressing it as much as we should in our policies. Now monitoring by locals is not yet in our textbooks nor is the whole problem of establishing trust.

We need to change our textbooks. It's obviously not something for today, but I hope in our negotiations that we do move forward but we do so in such a way that we are very, very careful to be sure that the rights of indigenous people and local owners that have not been recognised in the past are recognised, protected and that they're given a chance to get technical advice to do a variety of things. To get marketing capabilities for limited kinds of harvesting so that they do get livelihood out of it.

If local users and Indigenous Peoples in the developing world are not recognised and assigned clear rights, REDD could lead to more deforestation. We have lots of highly motivated entrepreneurs in the world who are looking for all sorts of cheap ways of getting forests down and plantations in their place, so we end up with less biodiversity, less forests and more plantations.

So in conclusion let's work hard to develop a carefully designed general policy that can then be worked out to fit many, many diverse local conditions. And local ecological conditions as well as local social conditions. We need an adaptive policy process rather than a top-down one, as top-down policies frequently do not work. Thank you very much.