

Forestry

A guide to best practice in transparency, accountability
and civic engagement across the public sector

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The collaborative aims to expand the impact, scale and coordination of funding and activity in the transparency and accountability field, as well as explore applications of this work in new areas.

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Forests are a public good, from a social, economic and ecological perspective. In many countries they are also publicly owned, and are popularly viewed as the patrimony of a nation state and not simply the property of the government of the day. At the same time, the forest sector is particularly prone to bad governance, as a narrow group of interests dominate policy processes. Forest-rich countries are consequently deprived of valuable revenues from taxation, fees and carbon-based payments for avoided deforestation – in 2002 the World Bank estimated global revenues lost due to illegal logging at over \$12 billion annually.¹

However, the negative consequences are more fundamental: forest use is agreed behind closed doors and without the knowledge or consent of local people. Consultation processes, where they do exist, tend to be between unequal partners – one informed, the other uninformed and with little capacity to negotiate. Resulting management of public forests fails to deliver public needs or pro-poor development goals, but rather facilitates unsustainable forest use and trade in illegal timber. Problems of law enforcement and revenue redistribution are systemic, not the work of ‘rogue elements’. Unless civil society is able to put real pressure on governments to address these weaknesses, positive change is unlikely. There is widespread recognition – not least by the inclusion of a mechanism for Reducing Emissions from Deforestation and Forest Degradation (REDD+) in the UNFCCC – that halting global deforestation is critical in the battle against climate change.

Initial steps

Goal

Government embraces transparency and participation through access to information and decision-making in the forest sector; by developing and implementing systems for information management and dissemination; and by establishing protocols for consultation on policy development and free, prior and informed consent regarding forest management or other allocation of land use concessions.

Justification

A primary reason for the failure of forest governance is the lack of access to information and decision-making. Reluctance to disclose information on the management of public resources often hides corruption and complicity with illegal activities. If reliable information were in the public domain, civil society could effectively monitor government progress and hold state actors to account. Forests represent sources of rich biodiversity, livelihoods and cultural expression, and provide significant state revenues. Benefits lost through poor resource governance heighten dependency, damage livelihood assets and jeopardise poverty reduction.

Good governance of natural resources is driven by ordinary citizens having an interest in holding governments to account and being equipped to do so. Governments will respond when citizens identify and voice their needs and expectations and exert pressure on policy-makers to implement fair and effective ‘rules’, including instituting legal reforms, tackling criminality and corruption, and engaging with civil society. Policy-makers have an interest in greater participation to improve the sustainability of outcomes: citizens who feel included in policy processes are less likely to resist the rules.

Recommendations

1. A consultation protocol should be codified so that interest groups and affected communities know that they will be informed when and how consultation processes will take place in the course of policy formulation, and will know how their contributions will be incorporated.
2. Governments should cooperate with independent assessments of transparency in the forest and related sectors, similar to the Open Budget Index or the Corruption Perceptions Index.
3. Systems for revenue disclosure similar to the Extractive Industries Transparency Initiative (EITI) should be developed, including transparent redistribution of revenue to affected communities and enforceable social responsibility arrangements directly between concessionaires and affected communities.
4. A natural resources charter should be adopted to ensure best practice in concession allocation. This should include free, prior and informed consent from indigenous peoples and other rights-holders. It should also include transparent and accountable criteria-based decisions on allocation, typically through a competitive bidding process. Concession contracts should be publicly available, possibly as an add-on function to EITI.

¹ World Bank. 2002. ‘Sustaining Forests: A Development Strategy’.

Country examples

A number of tools exist to encourage transparency and participation, among which freedom of information legislation is often an important first step. Brazil has led the work on a publicly accessible system of satellite-based monitoring of forests. Global Witness has been piloting an international Forest Transparency Report Card since 2009, independently assessing governments on the amount, quality and accessibility of information on forest use and management that they publish. Pilot projects operate in Cameroon, Ghana, Liberia and Peru and in addition are planned for Ecuador, Guatemala and the DRC. WRI's Governance of Forests Initiative has developed broader assessment tools in Brazil, Indonesia

and Cameroon. The forest sector has been included in the EITI in Liberia. In 2010 a law on consultation reached the final stages of ratification in Peru. There is a process to develop a natural resources charter for extractive industries, which needs to be adapted for the forest and related sectors. In the REDD+ context, two recent initiatives seek to improve participation in, and shared ownership of, diagnostic tools: UNDP has adopted Participatory Governance Assessments and CARE and other NGOs have developed Climate, Community and Biodiversity Standards to 'foster multiple-benefit approaches to carbon mitigation projects'.

More substantial steps

Goal

Governments do no harm through committing to safeguarding social and environmental values of forests through transparent and participatory monitoring of such safeguards, independent assessments to validate them and implementation of all corrective actions.

Justification

Foreign investment in the forest sector, whether through development assistance or private finance, and whether for logs, biofuels or carbon, has a huge significance in aid-dependent countries and those with an economy based on natural resources. It often moves ahead of policy development, as recent land-grab concerns have shown. At the same time, the Rio World Summit on Sustainable Development will celebrate its 20th anniversary in 2012. In 1992 the precautionary principle was enshrined in the Rio Declaration and adopted by 172 governments, yet it is frequently ignored. Since Rio, sustainable development interventions in forestry have generally resulted in widespread deforestation or unsustainable forest degradation and have often caused significant harm to the well-being of forest communities and their local environments. As a result, the environmental crisis is hitting poor people much more than the affluent, while the poor typically have the least influence over development policy design.

Rio presents an opportunity for governments to re-evaluate the accepted thinking on development interventions in the forest sector. Governments should call for an international review on the results of 20 years of forest sector policy reforms, poverty reduction and the sector's contribution to the MDGs. Using Rio and other precedents, REDD+ has adopted a set of safeguards affecting climate-related forest governance to be 'promoted and supported', which governments should implement.

At the same time, credibility and trust in governments has diminished significantly, and there is a growing need for independent participation, assessment and analysis to design policy, generate data and verify claims. A system of accountability, with different actors – from the state, private sector and civil society – holding each other in check, is required.

Recommendations

REDD+ safeguards

1. REDD+ actions should complement or be consistent with the objectives of national forest programmes and relevant international conventions and agreements.
2. Transparent and effective national forest governance structures should be put in place, taking into account national legislation and sovereignty.
3. The knowledge and rights of indigenous peoples and members of local communities should be respected, by taking into account relevant international obligations, national circumstances and laws.
4. There should be full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities.
5. REDD+ actions should be consistent with the conservation of natural forests and biological diversity. They should not facilitate the conversion of natural forests (for logging and agro-industry), but instead should be used to incentivise the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits.
6. Actions should be taken to address the risks of reversals.
7. Actions should be taken to reduce displacement of emissions.

Other best practice actions

1. Environmental and social impact assessments (ESIAs) for forest and related sector projects should be strengthened, such that they include calculations on carbon balance as well as social and environmental safeguards, and that meaningful changes are made to projects where these assessments conclude there is a likely failure to reduce emissions or a threat to safeguards.
2. The EU Forest Law Enforcement, Governance and Trade (FLEGT) programme, and associated Voluntary Partnership Agreements (VPAs) should be adopted; these integrate a developmental and environmental agenda into agreements on legality licensing for timber exported to Europe. The opportunities provided by VPAs to increase openness in forest governance have meant that the agreement often lays the foundation for transformative change in the sector.
3. There should be full financial transparency and independent financial audit of REDD+ funds, which are likely to be considerably larger than development assistance but also to rely on the same political and bureaucratic inefficiencies that currently exist.
4. Independent forest governance monitoring should be undertaken to provide civil society oversight of, and credibility to, government-led assessments of the safeguards.

Country examples

Global Witness has pioneered and has gained unique experience on Independent Forest Monitoring (IFM) in Cambodia, Cameroon, Honduras and Nicaragua. Similar initiatives have been introduced in the Republic of Congo. VPAs have been signed in four countries – Cameroon, Gabon, Ghana and the Republic of Congo. They are at various stages of discussion or negotiation in approximately twenty other countries. The VPAs, as well as the various multilateral REDD+ initiatives, all include independent monitoring in some form, but none them are actually operational yet (Global Witness has no information on current best practice for ESIA's).

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