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GOVERNANCE AND TRADE TEAM
OF THE EUROPEAN FOREST INSTITUTE

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Governance monitoring for FLEGT and VPAs

European Forest Institute

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Structure of the presentation

1. EFI's involvement in forest governance field
2. Monitoring of impacts of Voluntary Partnership agreements
3. Rapid Forest Governance Assessment – experiences from a field assessment tool
4. Future outlooks

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1. EFI's involvement in forest governance

EFI and forest governance

- **EU FLEGT Facility**
 - Support to the implementation of EU FLEGT Action Plan
 - Conceptual development and VPA support
- **FOPER/Policy and Governance Program**
 - Capacity building in forest policy and economics
 - Governance research
- **Observatory for European Forestry**
 - Research capacities in C&I, SFM and international/European forest policy, timber trade and marketing.

T. Tuomasjukka
(ed.)

Forest Policy and Economics
in Support of Good Governance



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2. Monitoring of impacts of Voluntary Partnership Agreements (FLEGT)

Need for monitoring of VPA impacts

1. Every VPA includes a commitment to monitor the impacts– clear principle
 - Practice is less defined – need for country-specific approach and national ownership
2. Implementation of the FLEGT Action Plan will cause impacts, which need long term monitoring (5-10 y.)
 - Not necessarily a detailed framework
 - But list of key issues or elements – common denominators

Draft frameworks for VPA impact monitoring – to be developed further

Three levels for monitoring:

1. *Long term objectives of VPA – such as reducing deforestation and alleviating poverty*
2. *Intermediate/medium term aims – reduced illegal logging, increased government revenues, improving the quality of forest law enforcement*
3. *Proximate aims – increased law enforcement, increased stakeholder participation in decision making, improved management of information and mechanisms for sharing it.*

Priority outcomes to be monitored – work to be continued...

Category / grouping	Outcomes	
Governance impact	<ul style="list-style-type: none"> • Improved institutional efficiency • Civil society voice • Improved accountability • Increased transparency • Quality of the legal framework 	<ul style="list-style-type: none"> • Reduced levels of illegality in the forest sector • Reduced corruption
Environmental impact	<ul style="list-style-type: none"> • Reduced deforestation and forest degradation 	<ul style="list-style-type: none"> • Improved forest condition
Economic impact	<ul style="list-style-type: none"> • Economic vitality of the forest sector 	<ul style="list-style-type: none"> • Reduced costs of doing business • Increased government revenues
Social impact	<ul style="list-style-type: none"> • Improved livelihoods of indigenous peoples and the rural poor 	<ul style="list-style-type: none"> • Reduced poverty
Trade and market impact	<ul style="list-style-type: none"> • Volume and direction of trade 	

Challenges in VPA impact monitoring

- How to distinguish VPA impacts from other factors, like a REDD process or general economic development of a country?
- How to target the right issues, for example in the monitoring of implementation and effectiveness of a LAS (Legality Assurance System)
- Data: availability, systems for data collection, data quality and mechanisms for data evaluation
- Causality, hierarchy and system complexity – what issues cause what impacts, through which mechanisms?
- Linking to existing monitoring frameworks and their experiences – for example C&I for SFM, FAO/(N)FRA, MRV/REDD

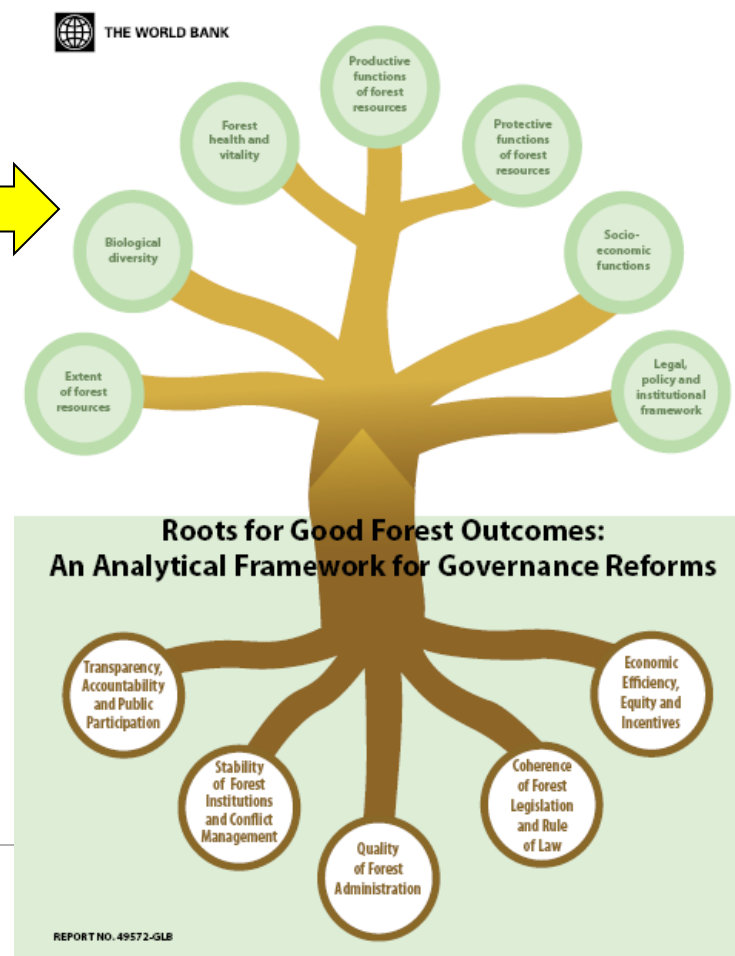
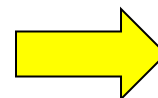
3. Experiences from a field assessment tool

RAFGA

(Tuomasjukka/EFI)

Rapid Forest Governance Assessment -RAFGA

- Based on observations and documented data
- Uses an analytical framework developed by the World Bank
- Observations → Impressions → Scoring (Likerts scale: from very positive(+2) to very negative (-2))
- Overall assessment through graphics = pie chart, [radar chart](#)
- **Subjective and indicative tool only, under development!**



Data collection and evaluation

- Collected data recorded in a table (structured as the WB analytical framework)
- Subjective scoring of quality of forest governance
 - Negative impression
 - Neutral impression
 - Positive impression
- Colours used for visualising
- Problem – what is good governance? What is “good enough governance”?

Components of forest governance	Observations on the component	Qualifier ++/+/0/-/--	Color-coding
5. General stability of forest institutions	<ul style="list-style-type: none"> - As noted above, there is very little stability within the forest administration as most officials work with temporary contracts. - The director of General forest and Fauna Division of the Ministry of Agriculture (the Division in charge of forest policy in Peru) tend to change every ten months on average. In addition appointments at that Division seem to be politicized. - Within the regions, most of the organizing charts of the regional governments are either not filled or filled with people who lack the adequate competences. - Institutions in charge of the verification and control of forest operations and in charge of forest protection do not have the necessary staff and resources to effectively carry out their mandates. 	-2	Red
6. Management of conflict over forest resources	<ul style="list-style-type: none"> - There is a general problem of land tenure and land conflicts, especially between mining concessions, forest concessions and protected areas. - Some areas that have been illegally colonized are nonetheless allocated to private entrepreneurs, creating further conflicts. - Some native lands appear to have been colonized and there is no apparent solution, or political will, to resolve the existing conflicts. 	-1	Yellow
Building Block – Quality of forest administration			
7. Willingness to address forest sector issues	<ul style="list-style-type: none"> - The forest sector, probably due to its small economic size in the Peruvian economy, does not seem to be a major priority for the Peruvian government. For instance many interviewees noted that Peru signed the Forestry Annex of the FTA-USA without informing any stakeholders. - The fact that the forest production sector is under the Ministry of Agriculture tends to indicate that agriculture issues are more important than forestry ones. However, there is a tendency by the Peruvian Authorities to do more about the forest sector, as shown by the creation two years ago of the new Ministry of the Environment and of the Body for the Supervision of Forest Resources and Fauna (OSINFOR). - The devolution of some forest functions to regional governments should be also seen as a positive step. 	-1	Yellow
8. Capacity and effectiveness of forest agencies	<ul style="list-style-type: none"> - In general the forest administration is understaffed, underfinanced and poorly capacitated, which is even more prevalent in the regions. The Organism of Environmental Evaluation and Supervision, which is supposed to supervise the Organism for the Supervision of Forest Resources and Fauna, does not seem to operate as effectively as it should be. 	-2	Red
9. Corruption control within the forest sector	<ul style="list-style-type: none"> - It has been reported in the interviews that some high ranking forestry officials might derive their incomes from other sources than their salary. - Official forest guides and other permits are easily bought off or counterfeited, which put into question the entire forest verification and control system. - Lower ranking officials in the regions are quite vulnerable, both economically and physically, and are the refore easily, and understandably, prone to disincentives. - On a more positive note, Peru published in December 2008 a National Anti-Corruption Plan, and due to Peru's commitment to the FTA-USA, Peru has to develop an Anti-Corruption Plan specifically for the forest sector. 	-2	Red
10. Forest monitoring and evaluation	<ul style="list-style-type: none"> - Accurate and reliable data and information about the forest sector are difficult to get by. - The latest study on deforestation seems to have been performed in 2005 based on 2000 remotely sensed data. - There is no forest information system to speak of. 	-2	Red
Building Block – Coherence of forest legislation and rule of law			
11. Quality of domestic forest legislation	<ul style="list-style-type: none"> - The current forestry law (Law 27308 promulgated in 2000) appears to be a good law with some imperfections that could have been fixed with some tweaking. The proposed new law (Law 4141 set to be promulgated in July 2010) is also considered by all the interviewees as a good law. The main weakness of that proposed law will probably be its implementation due to its (probably unnecessary) complexity. 	1	Green
12. Quality of forest law enforcement	<ul style="list-style-type: none"> - Quality of forest law enforcement appears to be quite low. It is common knowledge that official forest documents (transport guides, management plans...) are most of the time fake and/or counterfeited and yet it does not seem to have any consequences of forest operations. - In a country the size of Peru, with such remote areas, control points are far and between. In addition, control points are understaffed, and the staff is unmotivated and easily outgunned by all sorts of traffickers. 	-2	Red
13. Quality of forest adjudication	<ul style="list-style-type: none"> - Poor governance, though not rampant, is prevalent throughout the judicial system. - There have been reported cases, as recently as 2005, of forced labor in forest operations 	-1	Yellow

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4. Future outlooks

VPA impact monitoring

- Options paper assessing:
 - Data issues (collection, existing data sets)
 - Potential methodologies
 - Analytical frameworks
 - Indicator sets
 - Best practices
- Further development at VPA partner country level
- **Forest governance quality most likely to be one aspect of the analysis – if data and methodologies allow**

Governance indicators research and development

- EFI will continue governance research and provide scientific assessments of different principles, indicators, and monitoring systems
- EFI will support the international effort to develop forest governance indicators with its research and field experience
- EFI is interested to collaborate with other actors working on development of governance indicators
 - Practical field work (e.g. VPA monitoring, RAFFGA)