

Governance and REDD



Governance failures

An illness

Governance failures

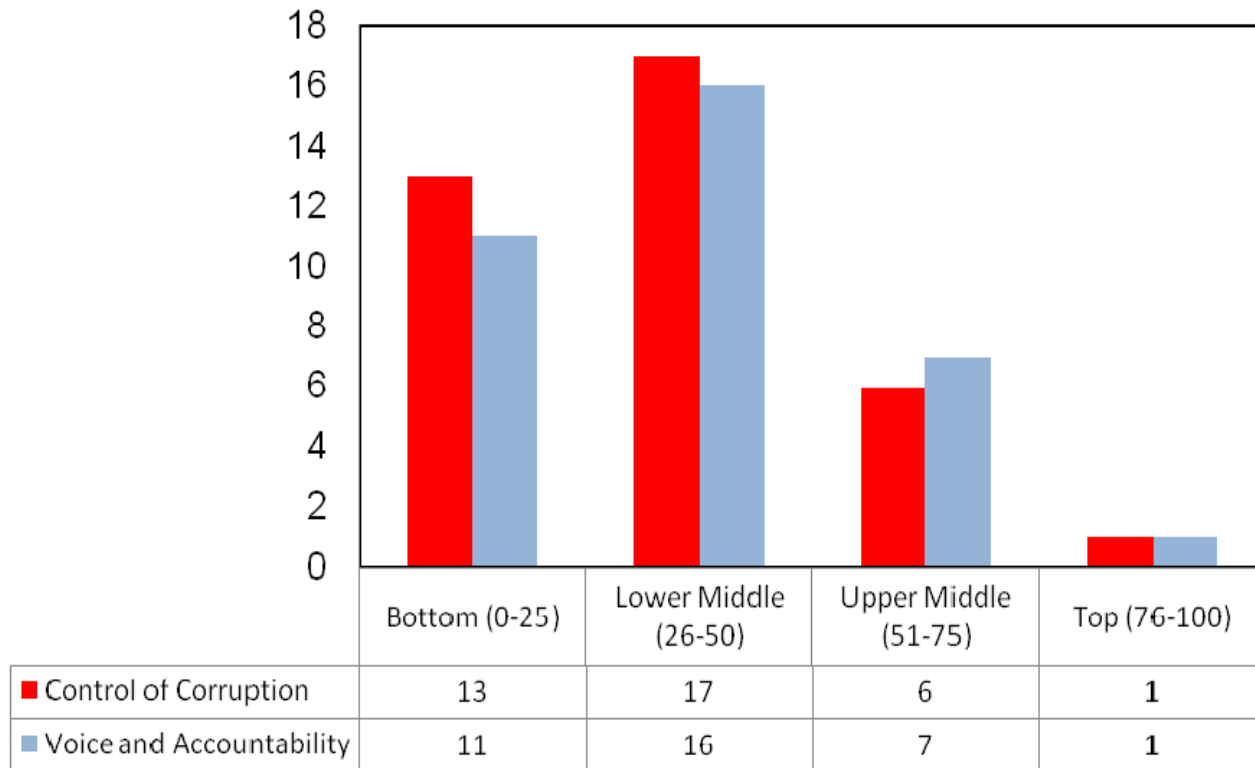
- Weak institutions
- Inconsistent & complicated laws
 - problems with land tenure
- Poor forest law enforcement
- Corruption
- Lack of transparency & accountability

Governance in 37 REDD Countries

- World Bank survey of governance in 212 countries
- 80% of 37 countries selected by FCPF & UN-REDD rank in bottom half
 - indicators on "control of corruption" and "voice and accountability"
- Nearly 30% are in the lowest quarter

REDD Countries

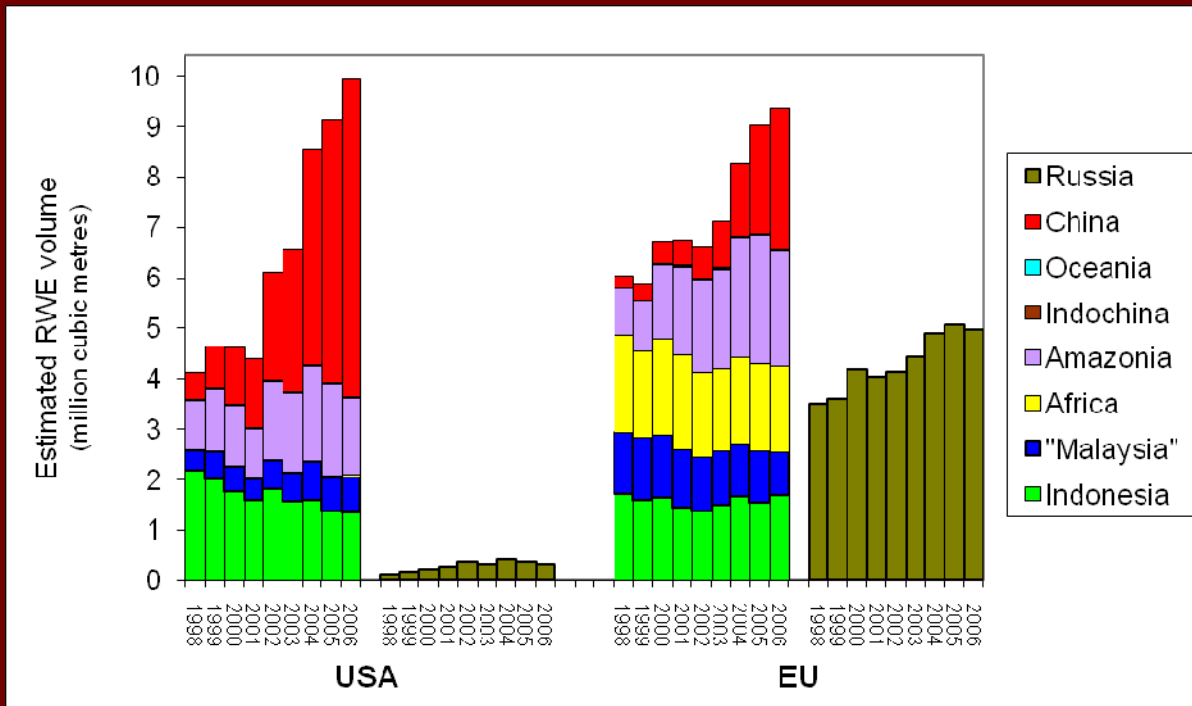
Ranking of 37 FCPF and UN-REDD countries on two World Bank Worldwide Governance Indicators



Symptom of governance failures

Illegal and unsustainable
timber trade

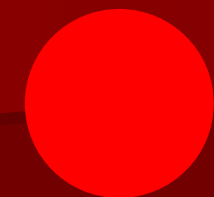
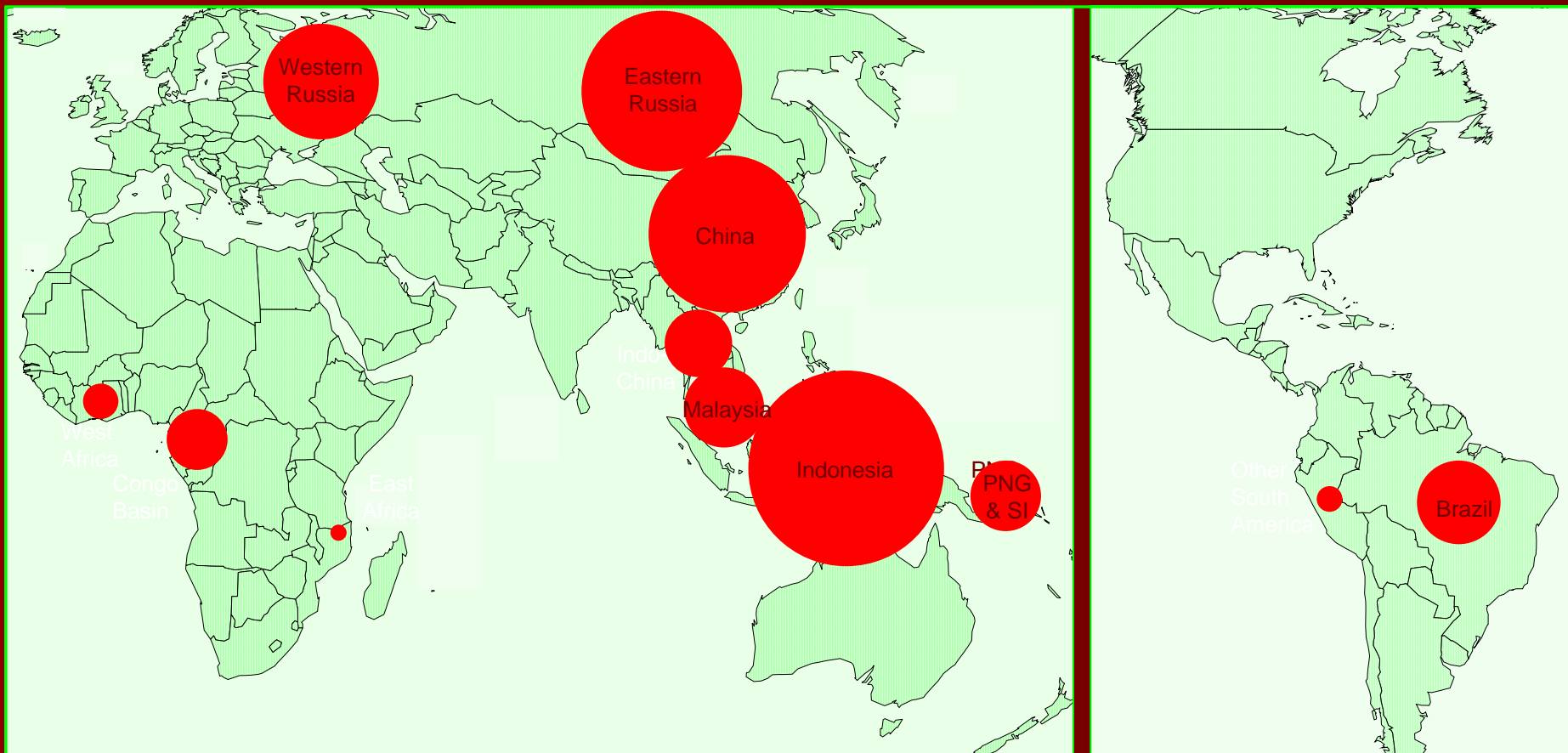
Imports of illegal timber rising 1998 - 2006



Trends in imports of illegal timber to the USA & EU from selected countries & regions

World supply of Illegal Timber exports (2007)

(includes pulp and paper)



5 million m³ RWE

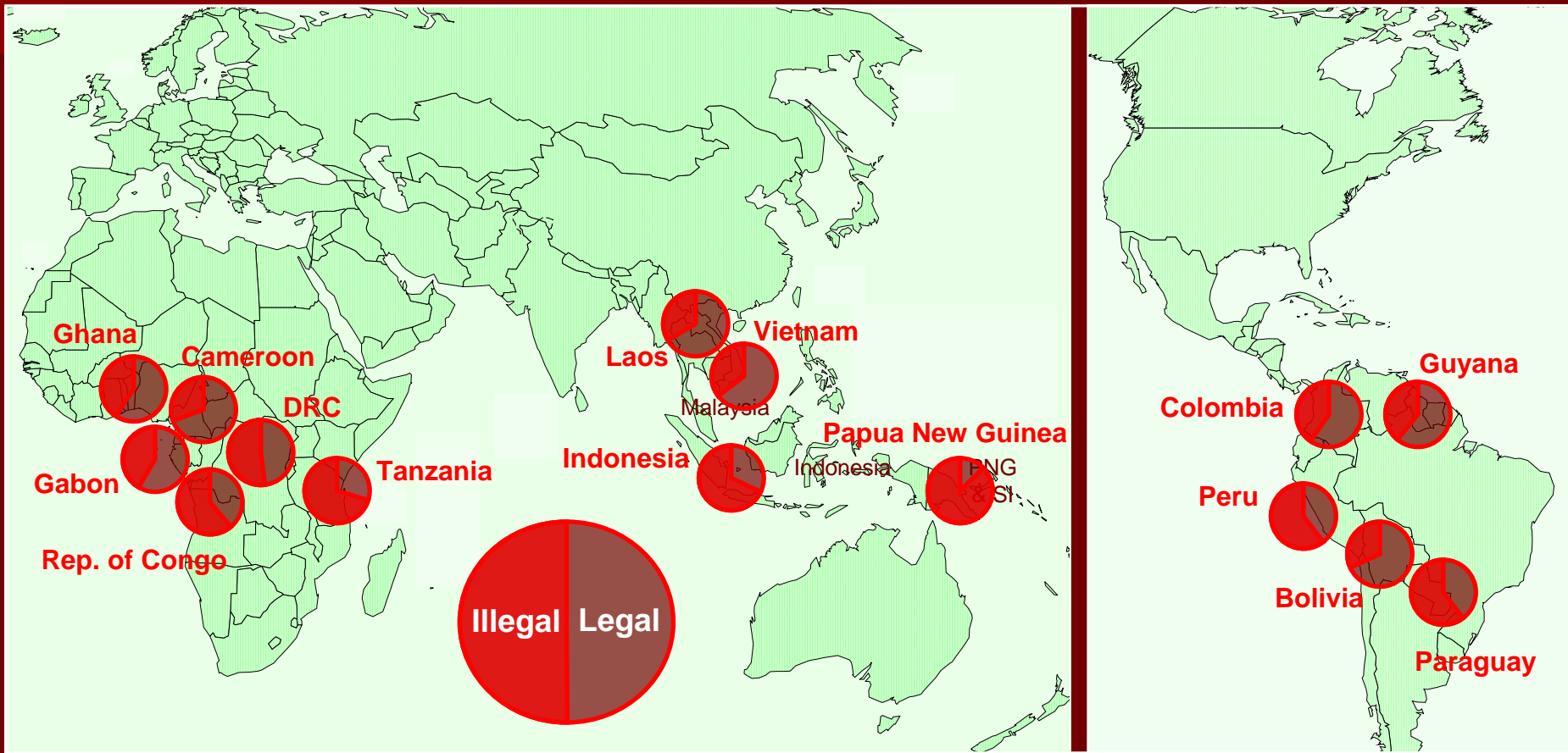


1 million m³ RWE

Estimated roundwood equivalent volume of Illegal Timber directly proportional to area of disc

Source: based on importing country declarations adjusted for legality as assessed in <http://www.globaltimber.org.uk/IllegalTimberPercentages.doc>

Estimated proportion of illegal timber exports from REDD candidate countries in 2007



Source: based on estimates from <http://www.globaltimber.org.uk/IllegalTimberPercentages.doc> except Colombia (World Bank estimate).

Lost revenues

- Lost revenues from trade in illegally harvested timber are in the range of US\$11 billion a year

Solutions to poor governance

- Incentivise good governance
- Enhance transparency
- Strengthen institutions & law enforcement
- Strengthen civil society

Role of Civil Society

- Watchdog – in an official or unofficial capacity
- Engage in independent monitoring and verification
- Enhance transparency and accountability in forest sector

How?

What Global Witness is doing and how it is relevant to REDD

www.globalwitness.org

Watchdog

- Expose
 - illegal and unsustainable trade
 - corruption

- Through
 - investigation on the ground

Transparency and Accountability

- Independent Forest Monitoring - IFM
- Governance and Transparency Fund project

Independent Forest Monitoring IFM

- “Official but independent”
- Based on contract between local host (typically the Ministry of Forests) and IM organisation (typically an NGO)
- Focuses on ground truthing through field investigations

Minimum standards

- Access to information
- Access to the field
- Freedom to publish

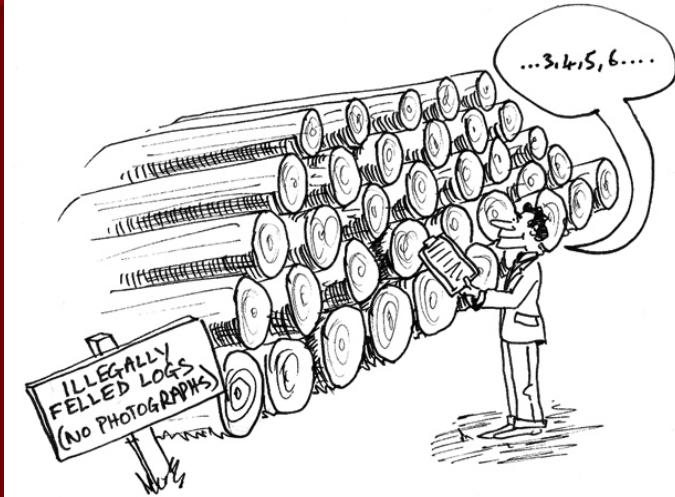
Field missions

- Monitor reports on:
 - Evidence gathered in the field
 - Performance of officials (in joint missions) in:
 - Detecting
 - reporting and
 - suppressing illegal activity

In the forest



And in the office



OH YES - WE HAVE COUNTED ALL THE LOGS - BUT ONLY US AND THE FOREST MINISTRY ARE ALLOWED TO KNOW. TERRIBLY HUSH HUSH!



BEAN COUNTER MONITORING INC

Patrol
2002

Reporting

- Regular reports go to Reporting Panel
 - peer reviews conclusions and recommendations
 - acts as buffer against vested interests
 - takes ownership of reports
- Freedom to publish
 - Cannot change evidence base

Where has GW established IFM?

- Cambodia – 1999
- Cameroon – 2000
- Honduras – 2005
- Nicaragua - 2006

IFM in Central America

■ Honduras (2005)

- Started as joint GW-CONADEH project
- Gradual handing over
- Now integral component of a system of checks and balances
- Piloting “forest and social audits”

IFM in Central America

■ Nicaragua (2006)

– Contract INAFOR-GW (local team + support)

– Supporting forest sector reform:

- Establishment of Monitoring Unit in INAFOR
- Development of forest audits

– Current focus on building capacity of civil society and forest officials

Benefits of IFM

- Enhance transparency
- Increase quality and quantity of information on the forest sector e.g. Cameroon published lists of infractors & legal cases
- Improved law enforcement
- Increase in revenue

Cost of IFM

- Can pay for itself
- US\$3.5 million is enough to fund an international provider of IFM in Cameroon for seven years
- IFM led to an increase in revenue. Fines of US\$2,600 - US\$3.5 million were brought by the forest authority against individual infractors

Lessons learned

- 10 years of experience in 5 countries can inform development of national IM systems in REDD
- Form a basis for minimum standards for IM-REDD
- Report for UN-REDD on lessons learned from IFM – available later in 2009

MRV – beyond carbon

- MRV - narrow focus in UNFCCC on technological monitoring – measuring carbon
- REDD will succeed - or fail – on the back of governance
- MRV must address governance

How to address governance

- Build capacity of civil society as well as government
- Link performance with funding (e.g. eligibility criteria - Norway submission)
- Measure performance against indicators
- Establish independent monitoring systems within national MRV programmes

Systems monitoring

- Complement technological monitoring with systems monitoring
 - Policy & legislation
 - Governance, legal compliance & enforcement
 - Tenure & use rights
 - Performance & accountability of REDD governing institutions
 - Revenue distribution
 - Access to information
 - Transparency & participation in decision-making

Governance and Transparency Fund Project (GTF)

- Building civil society capacity in developing countries to enhance transparency in forest sector

Key objectives

- Increase access to information on forest sector activities
- Effective advocacy for greater transparency & governance
- A resilient network of CSOs working on forest governance

GTF

- 8 pilot countries
- £3.7 million over 4 years – DFID
- Identify partner NGOs and provide grants
 - Cameroon
 - Ghana
 - Liberia
 - Peru

GTF

- Develop forest transparency report cards
- Compiled into Annual Transparency Report Card
- Build capacity through small grants so CSOs can undertake IFM and advocacy themselves

Final recommendation

Good fiscal governance

or REDD funds will go the way of logging revenues

