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# A Decade of Experience

*Lessons Learned from Independent  
Forest Monitoring to Inform REDD*

*Global Witness December 2009*

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## Abbreviations and Terms

ACICAFOC	Central American Indigenous and Peasant Coordination Association ( <i>Asociación Coordinadora Indígena y Campesina de Agroforestería Comunitaria Centroamericana</i> )
AFE-COHDEFOR	Honduran State Forest Administration ( <i>Administración Forestal del Estado – Corporación Hondureña de Desarrollo Forestal</i> )
AFH	Honduran Forest Agenda ( <i>Agenda Forestal Hondureña</i> )
AFLEG	Africa Forest Law Enforcement and Governance
AMADHO	Honduras Loggers Association ( <i>Asociación de Madereros de Honduras</i> )
AusAID	Australian Agency for International Development
CCI	Interinstitutional Consulting Committee in Honduras ( <i>Comité Consultivo Interinstitucional</i> )
CCU	Central Control Unit within MINEF, Cameroon
CIDA	Canadian International Development Agency
CIFH	Honduran Forest Engineers Association ( <i>Colegio de Ingenieros Forestales de Honduras</i> )
CIP	Centre for International Policy
CNA	National Anti-Corruption Council in Honduras ( <i>Consejo Nacional Anticorrupción</i> )
COLPROFORH	Honduran Forest Professionals Association ( <i>Colegio de Profesionales Forestales de Honduras</i> )
COMIFAC	Central African Forest Commission ( <i>Commission des Forêts d'Afrique Centrale</i> )
CONADEH	Honduran National Commission for Human Rights ( <i>Comisionado Nacional de los Derechos Humanos</i> )
CSO	civil society organisation <sup>a</sup>
Danida	Danish International Development Agency
DEI	Tax Revenue Authority in Honduras ( <i>Dirección Ejecutiva de Ingresos</i> )
DFID	The UK Department for International Development
DFW	Department of Forestry and Wildlife in Cambodia
DI	Department of Inspection in Cambodia
DRC	Democratic Republic of Congo
EIA	Environmental Investigation Agency
EGP	Ecosystem Grants Programme
FAO	The UN Food and Agriculture Organisation
FCFA	Franc Communauté Financière Africaine (currency of the African Financial Community)
FCMO	Forest Crime Monitoring Office in Cambodia
FCMU	Forest Crime Monitoring Unit in Cambodia
FEHCAFOR	Honduran Federation of Agroforestry Cooperatives ( <i>Federación Hondureña de Cooperativas Agroforestales</i> )
FEMA	Special Environmental Public Prosecutor in Honduras ( <i>Fiscalía Especial del Medio Ambiente</i> )
FFAA	Honduras Armed Forces ( <i>Fuerzas Armadas Hondureñas</i> )
FLEG	Forest Law Enforcement and Governance
FLEGT	EU Forest Law Enforcement, Governance and Trade initiative
FM	Forests Monitor
GIS	Geographic Information Systems
GPS	Global positioning system
GTZ	German Organisation for Technical Cooperation ( <i>Deutsche Gesellschaft für Technische Zusammenarbeit</i> )
HIPC	Heavily Indebted Poor Countries Initiative
IFM	Independent Forest Monitoring

IM-FLEG	Independent Monitoring of FLEG
IM-REDD	Independent Monitoring of REDD
INAFOR	Nicaraguan Forest Authority ( <i>Instituto Nacional Forestal</i> )
IPCC	Intergovernmental Panel on Climate Change
ITTO	International Tropical Timber Organisation
MAFF	Ministry of Agriculture, Forests and Fisheries in Cambodia
MAGFOR	Ministry of Agriculture, Fishing and Forests in Nicaragua ( <i>Ministerio Agropecuario y Forestal</i> )
MAO	Movimiento Ambientalista de Olancho
MARENA	Ministry of the Environment and Natural Resources in Nicaragua ( <i>Ministerio del Ambiente y los Recursos Naturales</i> )
MEF	Ministry of Forest Economy ( <i>Ministère de l'Économie Forestière</i> ) in RoC
MINEF	Ministry of Forests and the Environment ( <i>Ministère de l'Environnement et des Forêts</i> ) in Cameroon
MINFOF	Ministry of Forests and Wildlife ( <i>Ministère de la Forêt et de la Faune</i> ) in Cameroon
MoE	Ministry of Environment in Cambodia
NGO	Non Governmental Organisation
ODI	Overseas Development Institute
PARN	State Attorney for the Environment and Natural Resources in Honduras ( <i>Procuraduría del Ambiente y Recursos Naturales</i> )
PES	Payment for Environmental Services
PRCTG	Transparency and Governance Capacity Building Project of the World Bank ( <i>Projet de Renforcement des Capacités de Transparence et de Gouvernance</i> )
REDD	Reduced Emissions from Deforestation and forest Degradation
REM	Resource Extraction Monitoring
RoC	Republic of Congo
SFM	Sustainable Forest Management
SGS	Société Générale de Surveillance
ToR	Terms of Reference
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UN-REDD	UN Collaborative Programme on REDD (a joint Programme of FAO, UNDP and UNEP)
VPA	Voluntary Partnership Agreement

<sup>a</sup> This report uses the term *civil society* to include local communities, indigenous peoples, local and international NGOs, and generally all forest-dependent people.

*Exchange rates:* figures have been converted to US\$ using <http://www.xe.com/> which gives the exchange rate at the relevant time. Thus rates will vary.

## 1. Introduction

Independent Forest Monitoring (IFM) has been developed over the last decade to monitor logging, legal compliance and forest law enforcement. Through the provision of publicly accessible, objective information on the control of activities in the forest sector, IFM addresses governance and transparency and supports forest law enforcement. IFM is, in effect, a form of systems or governance monitoring.

IFM has been implemented in Asia (Cambodia), Africa (Cameroon and Republic of Congo (RoC)) and Central America (Honduras and Nicaragua). Global Witness was involved in establishing and implementing IFM in four of these countries and is currently the independent monitor in Nicaragua. The two other independent monitors currently operating are the NGO Resource Extraction Monitoring (REM), which is carrying out IFM in Cameroon and RoC, and the Honduran National Commission for Human Rights (*Comisionado Nacional de los Derechos Humanos (CONADEH)*). IFM-related work has also been carried out in other countries, including capacity-building workshops in Liberia, Indonesia, Nicaragua and the Congo Basin, and information workshops in Central America and Peru, while feasibility studies and pilot missions have been conducted in a number of other countries. Table 1, right, sets out the IFM projects that have been implemented worldwide.

All programmes have had both success stories and lessons to learn, and none has come without its challenges. In Cambodia, where IFM was first established by Global Witness, the findings, coupled with a lack of political will and high-level corruption, led to a breakdown in relations. The longest IFM project so far has been conducted in Cameroon. At the end of the first implementation phase (2000 to 2005), an increase in transparency and accountability in the forest sector and improvements in law enforcement were reported, while the extensive illegality in the sector appeared to decrease. This gave way to more sophisticated strategies to circumvent the law, but, with ongoing implementation of IFM by REM, improvements in enforcement continue to be observed. In Honduras, an IFM programme was implemented for the first time by a local institution, CONADEH. The project is gradually being strengthened and institutionalised, becoming part of the permanent law enforcement system rather than a temporary project. In Nicaragua, the government has been particularly supportive of IFM and has capitalised on the opportunity it provides to build the capacity of their staff. Further training is being provided to grassroots and other civil society groups, and the monitor's experience is being used as input in strengthening control mechanisms. A Monitoring Unit has been established under the national forest authority and District Monitoring Units proposed. Global Witness is currently training representatives from civil society organisations (CSOs) with a view to their participation in the proposed Units. Civil society training is also being carried out in RoC by Forests Monitor, with field missions undertaken by an REM team of experts assisted by a Forests Monitor shadow team in training.

This report presents a detailed review and analysis of lessons learned from implementing IFM in practice. It also includes model Terms of Reference for an independent monitor (see Annex I) and case studies of all five countries where IFM has been implemented (see Annex II).

The analysis provides the basis for the Global Witness report, *Building Confidence in REDD – Monitoring Beyond Carbon*. This partner report, intended to be read with the analysis presented here, makes a case for designing and implementing an integrated monitoring system for REDD under the new climate regime that would include the establishment of national systems for independent monitoring of REDD (IM-REDD) modelled on IFM.

**Table 1: IFM projects implemented worldwide**

<b>2009</b> 				Congo Basin 2009
				DRC 2009
		Tanzania 2009		Eastern DRC 2009
				CAR 2008
				Gabon 2008
	CAR 2008		Nicaragua 2008-	Central America 2008
			Rep. of Congo 2007-	
	Gabon 2007	DRC 2007	Honduras 2007-	Liberia 2007
				Liberia 2006
				Indonesia 2006
	Tanzania 2006			Central America 2006
	Nicaragua 2006	Nicaragua 2006	Honduras 2006-7	Peru 2006
	Ghana 2005	Rep of Congo 2005		
	Rep of Congo 2005	Honduras 2005	Cameroon 2005-	
	DRC 2004			
	Mozambique 2004			
	Honduras 2004		Cambodia 2004-5	Rep. of Congo 2004
	Peru 2004			
			Cameroon 2001-5	
		Cameroon 2000 ii		
	Cameroon 2000 i			
		Cambodia 1999-2003		
<b>1999</b>	<b>Scoping / feasibility studies</b>	<b>Pilot missions</b>	<b>Long-term IFM</b>	<b>Workshops / training</b>

Implemented by Global Witness
Implemented by the NGO, Resource Extraction Monitoring (REM)
Implemented by the private company, Société Générale de Surveillance (SGS)
Implemented by the Honduran National Commission for Human Rights (CONADEH)

## 2. *Designing Independent Forest Monitoring*

### 2.1 Goal and minimum standards

The overall goal of Independent Forest Monitoring is that 'the populations of the concerned countries benefit more equitably from the sustainable use of their forest-based natural resources' (Global Witness, 2005b). 'Sustainable use' in this context refers to ecological sustainability, while the concept of 'equity' encompasses the need for IFM to pay special attention to ensuring that forest-dependent peoples are not harmed as a result of forest-related activities. Essential to achieving this goal is a robust design. IFM will only be as effective as its design allows, and the same will go for any mechanism for independent monitoring of REDD at the national level. Because of the need to adapt to different local realities, IFM requires a certain degree of flexibility. There is, however, a set of minimum standards that are non-negotiable. These are summarised in Box 1.

#### **Box 1: Minimum standards for IFM (Global Witness, 2005b)**

IFM is realised through an official agreement with the host institution in the country. The following minimum standards are recommended for inclusion in the agreement.

- The monitor has the right of access to relevant **information** held by the Forest Authority and other relevant ministries/authorities, without the need for prior approval.
- The monitor has the right of **movement and access** to any part of the country in order to carry out Control Missions.
- A multi-stakeholder Reporting Panel should be established to **peer review** reports and act as a **buffer** between the monitor and stakeholders: once approved, the reports must be published by the host organisation.
- The monitor has the right to **publish** reports as soon as they are approved and publish any unapproved reports after a predetermined length of time (e.g. 30 days).
- The monitor has the right to be present during any meetings between the Enforcement Agency and suspected infractors.

IFM shares some common elements with forest certification. However, each serves a different purpose and has fundamental differences that need to be understood. These are presented in Box 2.

## Box 2: IFM: a different tool to forest certification

### Similarities

Forest certification schemes have been used as a tool for providing independent verification that a defined set of standards – environmental, labour, sustainable forest management,<sup>1</sup> economic and legal – are being met. Certifiers provide verification of compliance and, in turn, are accredited by a standard-setting organisation. Forest managers request, and pay for, a certification body to assess whether their management practices meet the required standards. While IFM shares some of the features of forest certification schemes, the comparison between the two uncovers important differences that highlight the uniqueness of the IFM approach.

The main aspects that IFM and forest certification have in common are:

- The core of their work focuses on field-evaluation missions (to management units, sawmills and other stages of the supply chain).
- Missions are carried out by an independent third party (the independent monitor/an accredited certifying organisation).
- They aim to improve standards in the production and trade of forest products.

### Differences

IFM differs from forest certification in that:

IFM	Forest Certification
– Once agreed with state authorities, IFM becomes a mandatory verification service carried out with the support of the state, regardless of the will of the entity being verified.	– Is based on voluntary participation by the industry.
– Is independent from the industry and therefore upholds the important divide between the regulator and those being regulated.	– Relies on industry's willingness to make the necessary investment to set up the scheme and to adhere to it.
– Is oriented towards ensuring that the legal framework is respected; records and publishes both positive and negative cases.	– Is oriented towards sustainable forest management, and certifies those who comply with criteria.
– Does not issue certificates of legality but highlights weaknesses in the control system by focusing on what is illegal.	– Aims to validate legality, not to prevent illegality.
– Is not bound to a fixed check-list of criteria, but can investigate a wide range of issues.	– Is only concerned with the particular set of requirements that have been developed by a standard-setting body.
– Operates at a regional or national level.	– Focuses on the management unit or an industry's chain of custody.
– Can be implemented by multiple government and civil society actors.	– Can only be undertaken by an accredited certification body.
– Is typically funded by the donor community.	– Has costs covered by the company that requests to be certified.

<sup>1</sup> Understanding that there is no commonly agreed definition or set of standards for SFM and therefore it is difficult to compare between different forest certification schemes.

## **2.2 Establishing IFM**

The establishment of IFM is characterised by a series of steps outlined below.

### **2.2.1 Scoping work**

Considerable work needs to be undertaken *before* IFM starts in practice. Scoping activities are instrumental in establishing a foundation for the future; all IFM projects have started with some form of scoping work. This enables assessments to be made about the need (or otherwise) for IFM in a given country, and informs the shape which the project should take. Scoping work typically includes one or more trips to the country in question, which combine meetings and, often, preliminary fieldwork. During these trips local teams are built, stakeholders are identified, and contacts developed. The thorough knowledge gained of the dynamics of the forest sector and the development of a network of contacts enables the identification of a host institution, the first step in establishing IFM.

### **2.2.2 Host institution, agreement and stakeholder engagement**

IFM's 'official but independent' nature is realised through a signed agreement with the host institution, typically – but not exclusively – the forest administration. Welcoming the scrutiny of a third party does not always follow naturally but, instead, takes time, clarification and trust building. The design stage is a good opportunity to start building a constructive relationship not only with the host institution, but also with other stakeholders including government institutions, CSOs, the logging industry and the international donor community. The monitor will need to work with as broad a spectrum of stakeholders as possible and with all relevant government institutions; in Nicaragua, for example, these institutions are identified in the terms of reference for IFM (see Annex II, section 4). It must show genuine commitment, respect and interest, and leave any prejudices aside. Any perceived bias on the part of the monitor towards any of the groups concerned will undermine its credibility.

Building trust starts with meeting all the stakeholders involved, hearing their concerns, tapping into local knowledge and explaining the nature of the work. Bringing all actors on board at an early stage will ease the subsequent work.

### **2.2.3 Terms of Reference**

The highest standards of IFM need to be reflected in the narrative of the Terms of Reference (ToR). This is where the monitor's mandate, rights and responsibilities – and those of the host institution – will be spelled out. It is the monitor's first job to make sure that the highest standards are maintained. Box 1, in section 2.1, summarises the minimum standards for IFM while Annex I, presents model ToR. Ultimately, the monitor's mandate should be in line with its main objectives: increased transparency and accountability; support for forest law enforcement; forest sector reform; capacity building; and participation. The monitor requires a balanced

combination of technical skills, diplomacy and political astuteness to identify and report on systemic issues.

Since the ToR provide the contractual basis for the monitor's work, careful consideration must be paid to their content: they need to be broad enough to allow the monitor to operate with freedom. IFM typically entails a combination of field investigations and desk-based research (Global Witness, 2005b). Increasingly over the years, an element of capacity training and skills sharing has been built in to existing IFM projects.

#### **2.2.4 The monitoring team**

Ideally, the monitoring team needs to be selected through a transparent bidding process. Past selection processes for IFM providers have included specific requests for not-for-profit organisations and academic or research institutions. Regardless of the nature of the organisation chosen, it needs to be independent and value-driven, and to have international credibility and an impeccable track record. An ideal IFM team for monitoring legal compliance comprises foresters and lawyers, who together provide both technical and legal expertise. Experts in social sciences and poverty alleviation, as well as economists, can bring further expertise and added value to a monitoring team. The more multidisciplinary the team is in its skills, the broader and better-informed a view it can provide.

#### **2.2.5 Reporting Panel**

A space for discussion is provided by the establishment of a Reporting Panel that reviews, validates and takes ownership of the monitor's reports; in addition, such ownership increases the onus on the Panel to act on the findings reported. It can also serve to improve cooperation among government institutions and other stakeholders who are members of the Panel. Such a mechanism should be integrated into all IFM initiatives. So far, it has been tried and tested in Cameroon, Honduras and RoC, and some progress has been made towards establishing a Panel in Nicaragua. The role of a Reporting Panel is not to direct the monitor or to question the evidence reported, since this would curtail the monitor's independence, but to act as a peer review mechanism which provides recommendations in order to clarify facts and improve the content of a report before it is validated and published. It also provides an instrument through which disputes can be resolved.

A series of basic principles need to be agreed and observed for the Panel to work effectively. These include clear timeframes for meetings, the provision of comments, and report validation and follow-up. The Panel should balance broad representation with a sensibly limited number of participants. In Honduras, for example, the Panel includes representatives of civil society, government institutions and the private sector. Regular meetings present an opportunity to keep everyone updated and agree upon follow-up activities.

### **Box 3: Insight into the design and workings of a Reporting Panel – the Comité Consultivo Interinstitucional in Honduras (CONADEH, 2008b)**

Established by the Honduran National Commission for Human Rights (CONADEH), the Honduran Interinstitutional Consulting Committee (CCI) comprises government and civil society organisations related to the forest sector. It was created in January 2007 as a permanent panel with a mission to: (i) contribute to the reduction of illegality in the forest sector; and (ii) advise on actions to improve the systems of review, control and monitoring of the rules and regulations relating to forest law. More specifically, the Committee aims to develop and strengthen the relationship between government and civil society organisations with a view to: working together in fighting illegality; suggesting and promoting recommendations concerning the state's illegal-logging control system; and constituting a means of expression for its member organisations. The main features of the CCI are:

*Members:* Honduran government and civil society organisations related to the forest sector. The CCI includes representatives of six government institutions and seven civil society organisations (CONADEH, 2007).<sup>2</sup>

*Function:* IFM reports cannot be published until they are validated by the CCI. However, the role of the Committee is not to direct the monitor or to question the facts uncovered during investigations. Rather, it is closer to that of an academic peer review before which the monitor needs to substantiate its evidence and justify its conclusions. In this sense, the Committee can, for example, establish a type of co-responsibility between government and civil society organisations in order to: validate the observations of IFM; follow up individual reported cases; ensure the objectivity of IFM reports and the quality of the information presented; and provide additional recommendations before the reports are adopted for later publication.

*General principles:* the CCI respects the principles of *participation, representation, equity and objectivity*. This means that it ensures the right of state representatives and civil society to take part in the review, discussion and approval of IFM reports and other issues related to the forest sector; that all stakeholders have the opportunity to present their views without any discrimination; and that the investigative findings are interpreted on the basis of technical and legal criteria.

*Decision-making:* There are two decision-making levels within the CCI – consultative and executive. The former is tasked with the review and approval of IFM reports; the latter meets at the request of the consultative level, and addresses more overarching, higher-level forest issues. The presence of two-thirds of the representatives makes a quorum and a simple majority vote of those present is sufficient to make decisions on the issues debated. On the other hand, unanimity is required to make public statements and recommendations, to respond to consultations and to formulate initiatives on behalf of the CCI.

*Funding:* The CCI is funded through: (a) its member organisations; and (b) other contributions and donations (internal and external). Funds are used for follow-up activities related to reports when further clarification is needed.

<sup>2</sup> The government institutions represented in the CCI are: the State Forest Administration (*Administración Forestal del Estado*, AFE-COHDEFOR), the Special Environmental Public Prosecutor (*Fiscalía Especial del Medio Ambiente*, FEMA), the State Attorney for the Environment and Natural Resources (*Procuraduría de Ambiente y Recursos Naturales*, PARN), the Defence Ministry (*Despacho de Defensa*), the Honduran Armed Forces (*Fuerzas Armadas Hondureñas*, FFAA), and the Tax Revenue Authority (*Dirección Ejecutiva de Ingresos*, DEI). Civil society organisations comprise: the National Anti-Corruption Council (*Consejo Nacional Anticorrupción*, CNA), the Honduran Alliance for Forest Conservation and Development (*Alianza Hondureña para la Conservación y el Desarrollo Forestal*), the Honduran Federation of Agroforestry Cooperatives (*Federación Hondureña de Cooperativas Agroforestales*, FEHCAFOR), the Honduras Forest Engineers Association (*Colegio de Ingenieros Forestales de Honduras*, CIFH), the Honduras Forest Professionals Association (*Colegio de Profesionales Forestales de Honduras*, COLPROFORH), the Honduras Loggers Association (*Asociación de Madereros de Honduras*, AMADHO), and the Honduran Forest Agenda (*Agenda Forestal Hondureña*, AFH).

## 2.3 Funding

Ideally, IFM should constitute a structural component of governance and transparency in the forest sector of any given country, and as such should have permanent funding. In practice, funding has proved to be problematic, with donor funding often not matching the real costs. Various options have been tried. In the Democratic Republic of Congo (DRC), the planned IFM programme is expected to be funded from a basket fund into which different donors contribute. In Honduras, funding was a component of sector-wide donor assistance, but encountered some problems since the fund was effectively controlled by the forest authority. This led to delays in payment to the monitor. Preserving the independence of the funding is vital to preserving the independence of IFM itself.

IFM has normally found its sources of funding in bilateral and multilateral donors. Brown et al. (2004) considered general taxation, sectoral taxation, hypothecation (from fines collected) and extra-sectoral taxation (such as on water supplies) but regarded all of these alternatives as problematic. However, the funds under discussion for the implementation of REDD present a new opportunity for payments for environmental services (PES) to cover the cost of protecting the resource, including the cost of independent monitoring.

Despite broad acknowledgement by the donor community of the importance of IFM, financial sustainability has posed a recurrent challenge. The future of IFM in Nicaragua, for example, remains uncertain since no long-term mechanism to finance it has been developed and agreed.

### 2.3.1 *The cost of IFM*

Providing accurate yet generic costs for IFM is impossible: costs will obviously vary with the size and make-up of the monitoring team, the scope of the ToR, and the size of the country or forest zone to be monitored. While it is important to agree a broad mandate for IFM that permits observation of the full range of forest-related activities, the monitor must have the financial and human resources to carry this out effectively, but this has not always been the case. Financial constraints often necessitate the prioritisation of activities, with monitors typically focusing on industrial-scale logging concessions to the detriment of monitoring other aspects, such as: competitive concession auctions and administrative permit allocations; tracking legal cases; testing the integrity of forest management database systems; monitoring environmental and social issues; monitoring revenue transparency and benefit distribution; and monitoring forest agency performance contracts.

Indicative costs of IFM can be gained from empirical evidence available from projects in Cameroon, Republic of Congo (RoC), and Cambodia. From May 2002 to March 2005, the full-time monitor in Cameroon comprised four team members (including one expatriate) and two support staff. The project was managed from the UK and had no legal identity in Cameroon, so staff, financial administration and other costs were incurred in the UK (thus the overall cost was higher than for other IFM projects). With a total of 5.6 million hectares under forest management (Global Forest Watch, 2005), the cost of IFM worked out at approximately US\$500,000, or US\$0.09 per hectare per year. To put this in perspective, as a result of IFM, over US\$7.5 million was charged by the government of Cameroon against infractors in penalties, damages and interest

during the same period (i.e. over five times the cost of implementing IFM). Although only 37 per cent of this was collected as of 2005, this still represents a net benefit of over US\$2.2 million in revenue and the current monitor reports a steady improvement in the capacity to recover fines (see Annex II, section 2).

The subsequent IFM project in Cameroon (2005–2009), implemented by the UK-based NGO Resource Extraction Monitoring (REM), cost US\$396,000 per year over three years (REM, 2009). This includes four professional staff (at least one of which is an expatriate) and the purchase of vehicles and monitoring equipment, but no funds for training local counterparts. A similar three-year project in RoC, conducted by Forests Monitor and REM, which includes a regional component and a civil society training programme, is costing slightly more than US\$1 million per year (REM, 2009).

The Cambodian monitoring project cost just over US\$536,000 for a total of 32 months' work (December 2000 to October 2002; December 2002 to August 2003), averaging out at approximately US\$201,000 per year. However, early work by Global Witness in Cambodia suffered from delays in funding so the programme was initiated with fewer funds than were originally promised (see Annex II, section 1). This monitoring project was subsequently taken over by SGS (2003–2005). From January to December 2004 the monitoring contract in Cambodia was valued at US\$425,000 for two expatriate and one Khmer technical staff, one driver, plus part-time inputs from the overseas-based Project Director and for mapping work. US\$38,000 of this was for a four-wheel drive vehicle and office equipment.

Other projects have operated at even lower costs, but these have suffered from severe capacity problems, resulting in part-time or intermittent operations, or the need to subsidise the project from an NGO's core resources. IFM work in Honduras and Nicaragua has been run on a shoestring with limited budgets, but has achieved significant results despite the constraints (see Box 5).

The frequency of monitoring events and the cost of building local capacity need to be added to the variables influencing the cost of IFM. Will the monitor have a permanent presence, or an intermittent one? Will the frequency and/or intensity of its activities reduce as the level of illegality in the sector reduces? How will the capacity of local individuals and organisations be built alongside support from an international provider of IFM? These questions can only be answered in the process of agreeing an IFM project design. Nevertheless, indicative costs for establishing and running an adequate IFM programme for a year have been estimated on the basis of experience in Cameroon at US\$630,000 per year (see Table 2).

**Table 2: Indicative costs of establishing IFM based on experience in Cameroon<sup>3</sup>**

Item	Monthly cost US\$
Four-person, full-time IFM team including one expatriate, plus finance officer/ administrator and driver	21,600
Office space and full office facilities (rent, utilities, communications, postage, insurance)	6,000
Vehicle running costs	3,600
Accommodation and food for approximately one trip per month, covering two team members plus up to four others (for example as trainees from local NGOs)	9,600
Publications, including legal checks	3,600
International costs: project monitoring, evaluation, donor liaison, international backstopping, financial audit; and accommodation, flights, medical etc. for expatriate staff	3,600
Workshops, dissemination events, participation in regional / international meetings etc.	600
<i>Total monthly cost</i>	<i>48,600</i>
<b>Capital costs</b>	<b>Total Cost US\$</b>
Vehicle and motorbike	30,000
Hand-held GPS sets and specialist GIS software	6,000
Laptops, office equipment	14,400
<i>Total capital costs</i>	<i>50,400</i>
<b>Cost of year 1</b>	<b>633,600</b>
<small><sup>3</sup> These costs are based on a budget prepared by Global Witness for establishing and running IFM in Cameroon in 2002 and have been adjusted for inflation.</small>	

### 3. Independent Forest Monitoring in Practice

*'Ground truth: a term used for data obtained by measurements on the ground, usually as validation for, e.g., satellite data'* (IPCC, 2003)

Field investigations through which the monitor documents what is going on in and around concessions at ground level comprise the main activity and the core of IFM. There is a wider range of activities that can be subjected to IFM, though the extent to which they will be prioritised depends on the country's context. These include, but are not limited to, the allocation of all types of timber permits and concessions, the management of forestry operations, trade in forest products, and the collection and distribution of taxes, fines and other payments.

This section outlines the necessary elements of IFM implementation centred on field missions, recognising that the basic principles of IFM need to be adapted to fit the local reality in any given country. The case studies of IFM implementation in five countries, presented in Annex II, demonstrate how this has been achieved.<sup>4</sup>

The monitor's first task is to gain a thorough understanding of the context in which it is operating. This includes detailed knowledge of the legal framework and the government bodies involved in forest management, but also the politics and hot issues facing the sector.

Fieldwork is the bread and butter of IFM, and where its strength lies. Most of the monitor's time is spent planning, implementing, reporting and following up field missions. Joint missions, where the monitor joins the forest authority in the field, are the preferred approach to fieldwork. However, it should be the monitor's right to undertake independent missions in circumstances where forest officials are unable or unwilling to join, as was case in Cambodia (see Annex II, section 1).

Field missions have combined a systematic approach – gradually covering all logging permits in a programmed way – with an ability to respond quickly to specific cases that require immediate action. The latter has normally involved intelligence-led information about suspicions of illegality. Particular care has been taken to ensure that decisions about where to go are justified, as they carry the risk of accusations of bias. Rapid response to specific cases must not sideline systematic missions; all forests must eventually be covered.

The sequence of steps that constitutes a typical IFM mission are presented in Box 4. For the sake of transparency, all reports produced are made publicly available. This is particularly important since it increases the likelihood of action being taken. In Honduras, the monitor CONADEH uses its own system for reporting which is adapted to the Honduran reality (see Box 10).

It is interesting to note the parallels that exist between IFM and the IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories, which recommends that findings are made publicly available in verification processes. Recommendations of what to include in a report largely coincide with those presented in typical IFM reports, and include: what has been verified; how the verification was performed; the criteria used for the selection of verified priorities; limitations within

## **Box 4: A typical IFM mission**

### **Mission preparation**

- Choose the mission target – where and when to go, and why. Plan a realistic schedule of missions.
- Gather the relevant information, coordinating fieldwork with other participants (law enforcement officials, title owners, relevant civil society representatives).
- Prepare equipment and organise logistics.

### **Mission implementation**

- Meet all parties relevant to the mission. Provide background, hear their views and updates.
- Undertake the fieldwork. Any infraction must be registered adequately (through taking notes, using GPS devices, and taking pictures) for objective reporting.
- Discuss findings with mission participants.

### **Mission follow-up**

- Write a mission report documenting the findings and presenting conclusions and recommendations.
- Submit the report to the Reporting Panel for comments and validation.
- Address and discuss any possible changes following the review.
- Publish the report and circulate it among all stakeholders involved.
- Follow up on the findings when/as appropriate, until the issues highlighted in the report have been fully addressed.

the process that have been identified; feedback received from external reviewers summarising key comments; actions taken by the inventory agency as a result of the verification process; and recommendations for inventory improvements or research at an international level arising from the findings (IPCC, 2000).

Past and current IFM projects have been implemented at different scales, partly depending on the financial resources available.

Box 5 summarises key facts on all five country projects implemented to date as well as the main achievements and constraints experienced.<sup>5</sup>

<sup>5</sup> Further information about IFM projects implemented by Global Witness can be found at <http://www.globalwitness.org/pages/en/ifm.html>. Further information about IFM projects implemented by REM can be found at <http://rem.org.uk/independent-monitoring.html>.

## Box 5: IFM in five countries: facts, figures, achievements and constraints

### Cambodia

- *Facts and figures:* Implemented by Global Witness (1999–2003), then SGS (2003–2005). Global Witness team: 3 core staff, 1 support staff and input from an overseas project director. Project costs were just over US\$536,000 for a total of 32 months' work (December 2000–October 2002; December 2002–August 2003). SGS took over the monitoring project (2003–2005); cost, US\$425,000 (January–December 2004).
- *Institutional set-up:* Hosted by Ministry of Agriculture, Forests and Fisheries, and Ministry of Environment.
- *Achievements:* Detailed field evidence of illegal activity and high-level corruption; cancellation of at least two major concessions operating illegally; national moratorium on logging operations and related transportation.
- *Constraints:* Lack of political will to undertake sector reform; lack of access to information and concession areas; only independent missions conducted as officials failed to join fieldwork activities; government terminated Global Witness's contract in 2003; SGS worked under significantly weaker ToR.

### Cameroon

- *Facts and figures:* Implemented by Global Witness (2000–2005), then REM (2005 to current date). Global Witness team: 1 team leader, 2 foresters and 2 support staff. Average monthly cost, US\$40,000 (2000–2005). Cost of current project run by REM, US\$33,000 per month.
- *Institutional set-up:* Hosted by Ministry of Forests and the Environment; peer review by Reporting Panel (Reading Committee).
- *Achievements:* 2000–2005: field missions documented illegality (e.g. logging out of boundaries, logging without authorisation); initiation of court cases and issuance of fines; increased motivation and commitment of forest officials to enforcing the law; case-tracking system established; first IFM project to establish a Reporting Panel; increased transparency and accountability in the forest sector and improvements in law enforcement (see Box 9 detailing stakeholder opinions on how IFM in Cameroon contributed towards reform). 2005 to current date: improvements in enforcement; increase in fines issued and forest titles cancelled; decrease in infractions of forest titles; increase in capacity to recover fines related to illegal forest activities.
- *Constraints:* Lack of progress in reported cases; change in nature of illegal practices; a progressive shift in power decreased the independence of the monitor in 2005.

### Republic of Congo

- *Facts and figures:* Implemented by Forests Monitor and REM (2007 to current date). Team comprises 9 members (2 team leaders, 2 foresters, 1 GIS expert, 1 support staff and a shadow team comprised of 3 civil society members). Cost, less than US\$87,000 per month (US\$3,100,000 for 3 years).

- *Institutional set-up*: Funded by the European Commission, with a protocol of agreement signed with the Ministry of Forest Economy, binding all parties. Peer review by Reporting Panel (Reading Committee).
- *Achievements*: Recognised as key to ensuring the credibility of licensing schemes under the VPA with the EU; fieldwork documented weaknesses in forest management and made recommendations for improvement.
- *Constraints*: Only independent missions were carried out in the initial stage of the project due to poor communication on the part of the Ministry; information requested by the monitor was not always provided by the Ministry in a timely manner.

### **Honduras**

- *Facts and figures*: Phase I implemented jointly by Global Witness and CONADEH (2005–2006), phase II by CONADEH alone (2006 to current date). Cost, US\$100,000 for phase I (2 part-time staff and support from overseas-based staff); cost, US\$115,000 for phase II (local team leader and 3 foresters).
- *Institutional set-up*: CONADEH was the first host of IFM (in an agreement with Global Witness) and has subsequently taken over the project; it is currently working closely with the Honduran State Forest Administration. Peer review by the Interinstitutional Consultation Committee (CCI).
- *Achievements*: IFM seen as a core component of a system of checks and balances in the forest sector; expected to play a key role in overseeing the enforcement of the recently passed forest law; review mechanism (CCI) has broad stakeholder representation; ongoing fieldwork reports on illegal activities; 'social audits' (see Annex II, section 3) provide an opportunity for local people to become proactive in forest monitoring and campaign towards improved accountability and enforcement.
- *Constraints*: Lack of coordination among law enforcement institutions hindered progress on action against those breaching the law; lack of financial security raises questions about the long-term continuation of the project.

### **Nicaragua**

- *Facts and figures*: Implemented by Global Witness (2006 to current date). Team: 2 staff, initially part-time and now full-time, with support from overseas staff. Total cost, US\$220,000 (August 2006–September 2007; August 2008–December 2009).
- *Institutional set-up*: Hosted by Nicaraguan forest authority.
- *Achievements*: Joint work with the forest authority has resulted in improved skills, motivation and action against illegal activities; maintaining political neutrality allowed IFM to outlive changing governments and build lasting trust; an increasing training component is strengthening monitoring skills of local people and helping the government to establish its own decentralised Monitoring Units.
- *Constraints*: The project has been run on a shoestring; obtaining long-term funding remains the biggest hindrance to continuing work; lack of political stability poses risk for the future.

The adaptability of IFM presents interesting opportunities. As IFM has evolved in individual projects, new approaches, activities and initiatives have emerged as a result of adapting to local needs. Honduras and Nicaragua provide good examples of this. In Honduras, so-called social audits are being tested across various regions of the country. These are aimed at strengthening the capacity of local people to investigate and document forest infractions. The audits attempt to build on local knowledge, since those who live in and around forests know what is going on in them, while the forest authority has limited capacity and is not always able (or willing) to investigate. But without strong investigative skills, it has proved difficult for local voices to be heard. By providing support on how to present robust evidence, their capacity to campaign effectively for respect for their rights and for effective law enforcement will be increased. After acquiring the appropriate skills, local groups need not rely on and wait for the forest authority to document what happens in the field; they can do it themselves while the evidence is still fresh.

In Nicaragua, capacity building for local people is also being built into the core project activities. Forest officials take part in the training too, linking it to the work of the forest authority. In an increasingly decentralised country, the forest authority is in the process of establishing official decentralised District Monitoring Units. IFM is playing a central role in mediating in this process and providing recommendations for the establishment of the Units, which are anticipated to include representatives from civil society organisations trained under the IFM project. Sharing skills and time in the field provides opportunities to engage in a meaningful way and to build trust between civil society and the government. It also opens spaces for discussion and dialogue. Improved communication is expected to result in improved coordination to fight illegality.

## 4. Impacts of IFM

IFM has had a positive impact on transparency, accountability, enforcement and governance, each to varying degrees in different countries and over time. An overview of experience to date is presented in this section, followed by a discussion of indicators for IFM.

### **Box 6: Feedback on IFM projects: improved procedures, transparency and accountability**

#### **Cameroon**

- *'The adoption of a systematic way of selecting titles to inspect, ultimately aimed at full coverage, has improved the motivation and conscientiousness of [forest law enforcement] staff'* (Global Witness, 2005c).
- *'The lists on recovery of [fines, damages and interest resulting from infractions] published by the Ministry have improved in clarity and information'* (Global Witness, 2005c).
- *'The access to mission reports of the National Control Brigade is a perceptible step forward in transparency'* (REM, 2006a).

#### **Honduras**

- The IFM reports *'formed a significant part of a report on illegal logging in Honduras published in 2005 by EIA [Environmental Investigation Agency] and CIP [Centre for International Policy], thereby strengthening the integrity of this report'* (CONADEH and Global Witness, 2006).
- *'Investigations about illegal logging and the reports produced by the independent monitor Global Witness document how the volumes of timber are underestimated when auctioned and how the [harvesting] areas are not well defined, thus allowing logging beyond the authorised boundaries'* (MAO, 2006).

#### **Nicaragua**

- *'We think that an increased credibility of the institution has resulted from this, and coupled with it, the formerly negative image INAFOR had has improved. All this is a consequence of the actions taken to increase the control over the sector, in the form of monitoring missions with the accompanying independent monitor, and the subsequent actions taken by the institution'* (Global Witness, 2007a).

### **4.1 Procedures, transparency and accountability**

An early impact of IFM has often been a substantial increase in the quantity, quality and credibility of information on forest management and control systems, illegal activity and sanctions. In many countries, forest tenure, cadastral mapping, and the legality and/or legitimacy of forest titles and other permits are in dispute. IFM has highlighted these issues and, often in a short space of time, a range of information has been brought into the public domain – including permit-holders; nature, location and duration

of permits; and production or revenue expectations such as annual felling quotas. This information, once checked for quality by the monitor and validated by the Reporting Panel, has provided credible data for decision-making in both the forest sector and related government agencies (customs, trade, finance, economic planning, etc.).

The introduction of a Reporting Panel into the architecture of IFM in Cameroon soon after the project started in 2000 was an important step in the evolution of IFM procedures. The validation of mission findings through this mechanism has meant that enforcement actions have been made public and followed up through legal action. As a result, sanctions in line with the law have increasingly been imposed and the collection of fines has become more transparent, minimising the risk that state revenues are fraudulently diverted. Public accountability of the forest authority has been strengthened as a consequence.

IFM has helped to develop the skills, knowledge and effectiveness of local actors:

- In Indonesia, Liberia and the DRC – three countries where IFM has not yet been fully implemented – training courses directed at local civil society actors have built monitoring skills and thereby strengthened their ability to hold government to account.
- In Cameroon, the monitor produced a simplified and accessible version of the forest law that helped people to recognise when the rules were broken.
- In almost all IFM projects, through workshops and on joint missions, the monitor has provided opportunities for civil society organisations to develop skills in identifying and defining illegal activities, as well as in preparing petitions, reports, proposals and action plans. In some cases, specialist training has been offered on how the judicial system works and on the requirements for legally admissible evidence. For example, it is important to learn how video, photographic, GPS, or remote sensing data will be treated by the courts before making use of these methods.
- In Cameroon, an electronic case-tracking system designed by Global Witness in collaboration with relevant ministries (a) provides information on when an area of forest was visited and what issues were noted (this transparency protects the monitor from accusations of bias), and (b) allows the tracking of progress of legal cases to their proper conclusion.
- In Nicaragua, on-the-job training of law enforcement officials, coupled with targeted training workshops, has resulted in increased awareness of the benefits of thoroughness in fieldwork and how it increases the possibility of effective law enforcement.<sup>6</sup>

Governments have often responded to IFM by improving the information made publicly available. In Cameroon, quarterly publication of lists of infractions and penalties was initiated in 2004, based on the monitor's reports.<sup>7</sup> In Honduras and Nicaragua, the respective forest authorities have provided a periodic response to the monitor's reports, including an update on the corrective actions that have been implemented.

Making connections between individual occurrences and a systemic pattern has been an important part of a monitor's ability to provide an understanding of the political economy of the sector. The combination of (a) a series of field reports, (b) occasional summary/thematic reports, which (c) contain an assessment of the extent to which recommendations are acted upon, have worked together to provide reliable evidence of

<sup>6</sup> At the time of writing, a simplified guide to IFM in Nicaragua is being produced.

<sup>7</sup> Announcements of official statements were made in April and October 2004. See 'Communiqué N°0097/MINEF/SG/CJ/UCC du 22/10/04' published in local newspapers; 22 October 2004.

the progress or otherwise of policy measures carried out by the authorities, including both government and donors. Investigations into different mechanisms of illegality have demonstrated where the system is failing, and provided guidance on how to fix it.

## 4.2 Law Enforcement

The primary target group for IFM has been the relevant enforcement agency, particularly where the monitor is able to work with the agency closely. This relationship has often noticeably improved the professionalism and motivation of the agency, both in the field and follow-up work.

### Box 7: Feedback on IFM projects: improved law enforcement

#### Cameroon

- Central Control Unit responsible for forest law enforcement learned how to operate effectively (government officer quoted in Cerutti and Assembe 2005).
- 'The issuing of [official statements of offence] and prosecutions for illegal logging has increased significantly' (Global Witness, 2005c).
- An increase in the number of fines issued by the government and the cancellation of forest titles as a result of joint investigations (REM, <http://rem.org.uk/>).
- A significant increase in the annual surveillance of forest titles by government missions, as well as in the number and quality of government officer's mission reports (REM, <http://rem.org.uk/>).
- A steady increase in the government's capacity to recover fines related to illegal forest activities (REM, <http://rem.org.uk/>).

#### Honduras

- The forest authority (AFE-COHDEFOR) appointed a commission to follow up the monitor's reports. This commission has verified the monitor's findings and taken appropriate actions including sanctions against the technical staff involved in the cases.
- In an example of actions taken in institutions other than the forest ministry, FEEMA (Fiscalía Especial del Medio Ambiente, the Environmental Public Prosecutor) has ordered the permanent closure of a sawmill, based on evidence presented by the monitor. It followed up other IFM reports by visiting the sites to corroborate the information gathered by the monitor (CONADEH and Global Witness, 2006).

#### Nicaragua

- '[IFM] has contributed to create an interest from the institution to bring more attention to the follow up and monitoring in the approved management plans. The monitoring missions have helped to identify the multiple weaknesses that occur in the field... [This] has resulted in the reactivation of the Department of Monitoring and Follow up and the hiring of new staff for such department, hitherto inactive. Based on the monitoring missions carried out in the field, the approval of new management plans has been suspended and a review process of the said plans has been initiated' (Global Witness, 2007a).

### **In the field**

In Cameroon and Nicaragua, a joint programme of fieldwork between the enforcement agents and the monitor has increased the frequency of field missions by obtaining a shared commitment to the programme from the planning stage onwards. Contrary to the prevailing view in many under-resourced forest authorities that fieldwork is not possible, this has demonstrated that fieldwork is possible if the political will exists.

With better data and improved management skills as a result of IFM, the enforcement agency in Cameroon became significantly more organised and systematic in its work. Improvements were observed in the enforcement agency's technical skills through formal training, increased experience, and peer-support from the monitor in the field. Enforcement agents acquired the professional conscientiousness to carry out their duties with increased commitment and motivation. A simple indicator of this was the consistency with which they applied legal and regulatory procedures, for example the issuing of statements of offence against infractors.

### **Following up on infractions**

The transparency and efficiency introduced by IFM in Cameroon and Nicaragua promoted the faster delivery and higher quality of statements and reports. The improvements produced evidence that was sufficiently robust to obtain convictions. This in turn demonstrated the value of collecting information diligently. A consistent style of reporting was also established so that key information was not omitted. Accurate, comprehensive reports proved more likely to be acted upon.

## **4.3 Governance: changes to the legal framework / operating environment**

The major and most sustainable impact of IFM has been in opening up debates about governance in the forest sector and beyond. There is clear evidence of a 'political space' being created where all stakeholders feel able to speak about the issues. In all countries where IFM has been implemented, except Cambodia, the state, including the forest authority, has been strengthened in its desire to share responsibility both among government agencies and with citizens. Enforcement agencies have seen their credibility increased at the local and international level. Through IFM, civil society has been provided with a channel to communicate its concerns, thus boosting the momentum for reform, political organisation and democratic participation.

### **Shared responsibility**

Where they have existed, Reporting Panels have become a locus for discussion. The principle of shared responsibility on the Panel has provided a buffer from individuals or stakeholder groups. This has promoted a constructive approach whereby debates take place within the Panel, but once agreement has been reached and reports validated and published, the Panel has taken collective responsibility for their contents.

IFM activities have also led to the involvement of other state agencies, for example the judiciary and the finance ministry, as a direct result of investigating linkages in illegal activity.

## **Box 8: Feedback on IFM projects: changes to the legal framework/operating environment**

### **Cambodia**

- *'SGS noted that the issue of jurisdiction over suppression of forest crime was unclear ... SGS has been advised that new legislation is under preparation to resolve this issue'* (SGS, 2005).

### **Cameroon**

- *'The project changed the political environment in which forest governance related issues are being addressed ... [It] has helped to create an environment where local and international stakeholders have increased opportunity to engage in the forest management debate and [are] able to scrutinize the government agencies in charge'* (Global Witness, 2004).
- *'The better industrial operators are exhibiting a seriousness of purpose which was rarely evident previously, and this is a refreshing and commendable development'* (Brown et al., 2004).
- The forest ministry published a comprehensive review of the official strategy for control of timber flows, based in part on the evidence of weaknesses in the previous strategy provided by Global Witness as independent forest monitor (Ministère des Forêts et de la Faune, Cameroon, 2005).
- *'Several actors of the forest sector increasingly consider the Independent Observer as an indispensable partner'* (REM, 2006a).

### **Honduras**

- *'IFM provides the general public with an independent and more credible view: when AFE-COHDEFOR is doing things properly, it provides it with a source of information which allows AFE-COHDEFOR to correct internal flaws and to improve its actions. For those technical staff in AFE-COHDEFOR who are working well, IFM is of great support for detecting illegal logging. For those who work badly, IFM is a headache. IFM is of great support to AFE-COHDEFOR in terms of supervising the performance of the field staff of this institution'* (AFE-COHDEFOR, 2006).
- *'IFM reports are corroborated by AFE-COHDEFOR and this is followed by the issuance of the relevant denunciations. The reports are also of use to review the current implementation procedures and search for better alternatives that improve forest controls'* (AFE-COHDEFOR, 2006).

### **Nicaragua**

- *'What has been important and useful for the country in general was the initiation of this process [the IFM work], trying to introduce it to a country where change and new experiences are viewed with suspicion. Our traditions mean that we are very attached to established practices and this activity is completely new and impartial. ... IFM set the standard so that the sector regained respect and credibility by having a third party evaluate forest operations without being a judge or part of the process of authorising permits, regulations, control, etc.'* (Global Witness, 2007a).
- *'An impact is perceivable (in serious loggers), as they have developed an increased awareness to implement forest management responsibly and in accordance with the legal framework in force'* (Global Witness, 2007a).

## **Tackling collusion**

*'...many [anti-corruption] programs are simply folk remedies or one-size-fits-all approaches and offer little chance of success. For programs to work, they must identify the type of corruption they are targeting and tackle the underlying, country-specific causes, or "drivers," of dysfunctional governance'* (Shah and Schacter, 2004)

The forest sector in weak states is often characterised by long-term, strategic alliances between the industry and the state, with a high level of mutual trust. Companies provide support to senior officials, politicians, or political parties, and bribes may be considered an insurance policy taken out to avoid penalties for illegal activity. Corruption can take many forms, including obtaining permits, avoiding prosecution and non-collection of taxes. In fragile states, the private sector is able to negotiate lower bribes because enforcement is weak and instability means that officials and politicians are anxious to maximise short-term benefits. IFM has helped to expose such collusive corruption and provide a disincentive. Where *'neither the briber nor the bribee has an incentive to report or protest [and] collusive corruption is insidious and difficult to detect and therefore more persistent'* (Smith et al. 2003), the investigative skills brought by IFM, combined with the field-based collection of evidence, have successfully exposed the complex links between different actors operating illegally. In Honduras, for example, the monitor helped to expose how governance failure and high-level corruption resulted in the illegal logging of large amounts of mahogany in the country's largest protected area (Global Witness, 2009a).

IFM has frequently presented evidence to break these links. For instance, IFM has revealed where companies already implicated in illegal activities have continued to be allowed to bid in public auctions; where boundaries or parcels of timber have been altered after a public auction; and where types of permit have been issued despite previous ministerial decisions that they should be discontinued. In some cases, monitors have recommended that discretionary powers be rescinded because they are being abused, and have pinpointed where certain large concessions seem to be 'out-of-bounds' to visits by the enforcement agents.

## **Citizen participation**

State officials alone cannot control forestry activities, legal or otherwise. The public must be involved in a variety of ways, ranging from reporting suspicious activity to participating in policy formulation and holding governments to account.

The independent status and credibility of the monitor has made it a trusted depository for denouncements, tip-offs etc. Anybody can pass on information, and the monitor has a duty to follow it up. The monitor's independence has ensured subsequent verification missions to determine the facts and to provide protection against malicious denouncements.

In the medium term, as IFM has led to the redressing of weaknesses in systems and procedures, and as complaints and denunciations are acted upon, citizens have been further motivated to gather evidence and to hold the forest authority to account. IFM has created a dynamic whereby issues previously hidden are brought into the open. People have been emboldened to make demands of the forest authority. Examples include: pressing for criminal investigations; demanding access to documents used in forest governance; and claiming their right to scrutinise forest management plans.

## 5. *Lessons Learned from IFM to Inform REDD*

A decade after it was conceived, IFM continues to prove its value in addressing good governance and transparency in the forest sector. IFM is not the only solution to the complexities of forest law enforcement, but has nevertheless provided widely acknowledged support in those countries where it has been rolled out.

Along with the successes, difficulties have been encountered through implementation. These can provide useful lessons for the design and implementation of third-party independent monitoring for REDD (IM-REDD).<sup>8</sup>

### 5.1 **Lessons on IFM design**

#### 5.1.1 **Stakeholder participation**

Designing IFM takes time. This is mainly because it has typically been a participatory exercise that has brought all actors together from the early stages through to full implementation. This has unquestionably been one of its core strengths, and one that has not only maximised the impact of the work but also preserved its robustness. By working closely, yet not overly so, with all stakeholders, the monitor's credibility has been maintained.

Most IFM projects have been preceded by scoping missions. These have provided an opportunity to identify and meet forest sector stakeholders, explain the nature of the work, and hear their views, concerns and expectations, as well as their ideas about how IFM can help their work and vice versa. As far as possible, contact has been maintained throughout the entire span of the work, and the encouragement of participation has resulted in the opening up of spaces for discussion. A good example of this is the First Regional Workshop on IFM in Honduras in 2006. Here, the forest authorities of Costa Rica, Guatemala, Honduras, Nicaragua and Panama (countries with the largest forest resources in Central America) gave a frank summary of illegal logging in their respective countries. This was the first time this subject, almost taboo until recently, was openly debated in an international workshop among high-level authorities from the Central American forest sector. Subsequent national and regional IFM workshops have built on this and have brought added value in the form of training.

#### 5.1.2 **Mandate**

IFM has worked best where it has had a broad mandate that has enabled it to look into all issues relevant to forest law enforcement, transparency and governance.

Within the myriad activities that the monitor could undertake, a thorough prioritisation exercise has ensured that the resources available have been used in the best possible way. A certain degree of flexibility has allowed a rapid response to emergency situations. In establishing priorities, the monitor has drawn on its understanding of the country's context (laws, enforcement, burning issues and politics), which has provided pointers and allowed for the identification of potential issues of concern.

IFM has often adopted a pragmatic approach and started by addressing the most obvious – and key – illegal activities, and subsequently incorporated more components into its work over time. In Honduras and Nicaragua, for example, simply checking the boundaries of logging concessions revealed serious breaches of the approved

<sup>8</sup> The application of these lessons is set out in Global Witness (2009c), *Building Confidence in REDD*.

management plans. In Cameroon, new elements were built into the work as IFM – and the nature of the illegality encountered – evolved.

Another key element to the IFM mandate has been the freedom to disclose information. Information only becomes powerful when people have access to it and can use it. It has been the subsequent use made of the monitor's findings (be it by government institutions, civil society organisations, etc.) which has often resulted in action. Striving for transparency and accountability has remained a key priority in all IFM projects. It has also caused friction with the respective governments to varying degrees.

Lastly, creating effective synergies, coordinating work, and sharing information between IFM and government institutions other than the forest ministry has helped to ensure that action is taken. The IFM mandate in Nicaragua, for example, provides a list of institutions with which the monitor will seek cooperation. In Honduras, competent law enforcement institutions have followed up on the monitor's findings with varying degrees of effectiveness.

### **5.1.3 Selecting monitors**

Successful IFM has relied on providers with a proven track record of independence, credibility, rigour and objectivity. Remaining objective has proved to be the easy part of the job; being perceived as objective has posed more of a challenge. In virtually every country where IFM has been designed and implemented, there have been instances where the monitor's objectivity has been questioned. In Cambodia, direct criticism came from the government and led to a breakdown in relations. In Nicaragua, media coverage of IFM caused tensions within the government, but by remaining objective and open to discussion, a constructive relationship has been maintained overall.

Monitors have mostly been approached and selected directly, though ideally they should be chosen through transparent processes, possibly including some form of bidding. So far this has only happened in Cameroon after five years of IFM work, though bidding processes have recently been initiated by DRC and Gabon.

IFM teams have been multidisciplinary, encompassing both technical skills (mainly from foresters) and legal expertise (lawyers who can follow up on the cases reported). Administrative support, when present, has ensured that the projects run smoothly both bureaucratically and logistically. Given the complexities and multiple dimensions of issues related to REDD, monitoring teams will require an even broader set of skills and types of experience than those typically featured in IFM, including a knowledge of estimating carbon stocks and fluxes, etc.

A set of minimum standards for IFM (see Box 1) has provided safeguards to uphold the quality of the monitoring. Weakening the ToR and undermining the independence of the monitor risks a decrease in the quality of IFM. This happened in Cambodia in 2003 and in Cameroon in 2005; however, the outcome in Cameroon has not been as much of a setback as it proved to be in Cambodia (see Annex II, sections 1 and 2 for details).

Monitors have typically come from civil society organisations. Providers have implemented IFM through a combination of local and international experts. To achieve long-term sustainability, IFM was gradually handed over to a local organisation in Honduras (see Annex II, section 3), while in Nicaragua, the process of handing over

IFM is underway, with the aim of making it participatory through the inclusion of various local organisations. With the country undergoing a decentralisation process, the participation of local communities in the monitoring process is essential to controlling forest activities.

Three stages can be identified: phase one, in which IFM is designed and implemented by an international organisation or by an alliance between an international NGO and a local one; phase two, in which IFM is handed over to a local partner with the international organisation providing back-up support; and phase three, in which the local partner takes over IFM in its entirety and IFM truly becomes an integral, permanent component of a robust system of checks and balances.

#### **5.1.4 Reporting Panel**

The establishment of a Reporting Panel as a peer-review mechanism that acts as a buffer against vested interests has proved very effective in providing a platform for discussing the monitor's reports and assuming joint responsibility. Regular meetings have helped to ensure that action is taken and any issues reported are not forgotten. It has also succeeded in building capacity and ownership among the participants. In Cameroon, participants have included officials from the forest ministry, donors and the IFM team. In RoC, civil society was included, while in Honduras, participation was expanded to include civil society, private sector representatives and several different government agencies. Broad representation means more meaningful discussions and broad consensus on those issues that are agreed.

The composition of the Panel must be balanced to ensure that all views are represented. In Cameroon, Global Witness's experience was that the number of government representatives usually dwarfed that of other participants. In Honduras, broader participation has been achieved. Broad representation is key to the effectiveness of the Panel, as is ensuring that members are able to present their views freely. All need to be given the opportunity to speak. Providing safeguards against coercion is an issue that remains largely unaddressed in existing Panels, and one that needs to be further explored.

Reporting Panels in Cameroon and Honduras have agreed on specific procedures, including how regularly they meet, how discussions are structured and the nature of report validation. It is important to ensure that minutes are taken during meetings, as this guarantees that discussions and action points are recorded and can be followed up. In Honduras, these are sent to all members of the Panel and published on the monitor's website.

#### **5.1.5 Funding**

IFM has worked best where long-term funding has been forthcoming. In Cameroon, a three-year financial commitment from 2002 allowed a full team to be hired, an office to be set up and the necessary equipment purchased. It enabled the monitor to design and agree on a work plan with the forest authority, and therefore to work in a much more systematic way. Furthermore, the project was perceived as a lasting one, which helped to build robust working relationships with Cameroonian stakeholders. Following a tendering process, a further three-year financial commitment has enabled IFM to continue.

In Central America, however, projects have been run on a shoestring as long-term financial commitments from donors have failed to materialise. It goes without saying that the funding should match the activities of the monitor, and not the other way round. In Central America, however, the latter has been the norm. This has been the case despite much praise from the donor community concerning the positive impact that IFM has brought to both Honduras and Nicaragua.

## **5.2 Lessons on IFM implementation**

### ***5.2.1 Political will***

Political will and the relationship with the host institution are fundamental to the effectiveness of IFM. Experience in Honduras and Nicaragua demonstrates how political will can lead to constructive results. In contrast, the experience in Cambodia illustrates the difficulties of achieving the desired results in a context where the political will to cooperate and to commit to reforms is lacking and underscores the importance of the relationship with the host institution. Corruption at the highest level led to the breakdown of relations between the monitor (Global Witness) amid accusations of bias from the government. High-level corruption persisted and prevented progress in bringing the forest sector under control (Global Witness, 2007b). This experience illustrates graphically the need for a robust system of monitoring to assist with eliminating illegal activity and corruption in the forest sector, and for external pressure in cases where corruption is endemic and high level. Cambodia also illustrates how lack of adherence to minimum standards such as access to information and freedom of operation undermines independent monitoring.

### ***5.2.2 Separation of roles***

IFM can only be established where there is a system to monitor. A four-month pilot mission in the DRC in 2007 (Global Witness, 2007c) obtained evidence of poor performance by logging companies, a contradictory and inadequate legal framework, a weak presence in the field on the part of the forest authority, and non-existent enforcement capacity. The pilot study recommended that major institutional and legal changes were required before IFM could be established on a long-term basis. Otherwise, there was a risk that the monitor would end up playing the role the authorities should have been playing, providing a false impression that a functioning forest management system existed.

IFM is not just an extra policeman, it is about systemic change. For impacts to be sustainable, the monitor must avoid performing the role of the enforcement or verification agencies. But since monitors do not have control over these state agencies, sustainable impacts are not inevitable consequences of IFM. The status of those officers providing enforcement and verification functions within the wider forest authority, levels of remuneration and job security, and any reform programme underway will be significant in determining outcomes. A supportive environment, enabling the monitor to work closely with progressive officers, will increase the chance of achieving sustainable impacts. Conversely, if other factors are at play which undermine reform, such as high-level corruption or lack of political will, or if IFM is not carried out in a sensitive way, the motivation of officers can decrease.

### ***5.2.3 Fieldwork and reports***

Field investigations have been the core work of IFM. Generally, joint missions have proved the most effective, as the monitor has shared skills and abilities with the forest

authority and others involved. Sharing time in the field has also helped to build trust and motivation. It has created a much more constructive working atmosphere and removed defensiveness.

Through thorough and objective reporting, as well as by providing conclusions and recommendations for action, circulating them among the relevant people and making them public through the website, IFM has made information accessible for use by civil society and other stakeholders.

The monitor's reports need to contain quality information, which is thorough, objective and presented in a consistent way. The monitor's written outputs are mostly individual mission reports, which should follow a consistent structure that makes it easy for the reader to find the relevant information. Consistency also enables the comparison and analysis of reports over time. This is useful in identifying trends and changes in the way illegal logging operates, as well as information to be presented in regular periodic reports which should be translated, to the extent possible, into local languages.

Underlying the success of IFM reports is the fact that evidence based on official information is authoritative – even when critical of that authority – and harder to dismiss by those who provided the information. Public awareness and scrutiny of the evidence has compelled action against those suspected of failing to follow the rules.

#### **5.2.4 Planning and follow-up**

Effective planning, implementation and follow-up of activities have been crucial to success in all IFM projects. This has also supported enforcement and verification agencies, which themselves require a clear programme of work aimed at full coverage of all sources of deforestation and forest degradation over time in order to avoid accusations of partiality.

Mission follow-up has normally been the most challenging aspect of IFM implementation, and the stage where many of the cases reported have stalled. Once a field mission report is approved and published, it is up to the authorities in charge to take action. The monitor has no competence to prosecute law violators. Acknowledging weaknesses in administrative and legal bureaucracies, IFM has contributed in various ways to encouraging action, for example by designing a case-tracking system in Cameroon (see Annex II, section 2) or by reporting on the action (or inaction) of the authorities in periodic reports. However, more needs to be done to ensure that reports are not filed away and forgotten.

One way to address this problem is to work closely with local communities and civil society in individual countries. Placing them at the core of IFM implementation and follow-up is likely to lead to bigger, better impact.

There is a risk that better law enforcement may consolidate forest policies that are fundamentally flawed. It is important to link IFM into the policy process so that the wider implications are anticipated and addressed. Links need to be made with policy-makers to support reform and with civil society to strengthen their ability to hold government to account. A monitor will need the freedom to shift its focus to new issues and arenas in a timely manner. For example, it should produce regular assessments of any needs and infraction trends to be incorporated into the control, planning and

monitoring mechanisms. It may need to support the forest authority in changing regulations or laws, for example by the proper zoning of forest land between production and conservation, or by introducing greater community involvement in control.

### 5.2.5 Ensuring long-term impact

To ensure long-term impact, IFM needs to be institutionalised and integrated into the forest management structure. The experience in Honduras provides a good illustration of this process; IFM is no longer seen as a 'project' but as a permanent programme within the forest sector system of checks and balances. The government, civil society and the donor community view the monitor as a fundamental actor in the sector, and seek its expertise at all levels, from fieldwork to overall forest sector reform.

IFM can only maintain its effectiveness by continually evolving and adapting to a changing environment. Long-term impact is dependent on IFM remaining a living system.

## 5.3 Evaluating IFM

Assessing impact in governance reform, including in IFM, is difficult for two reasons. First, the absence of information often makes it difficult to describe a baseline scenario against which to make quantitative assessments – for example, numbers of infractions detected or payment rates of fines. Second, although better enforcement may close some loopholes, others may open, so the assessment of an overall positive or negative impact can be difficult. Many of the indicators of both immediate results and long-term impact are qualitative, and the only way to assess them is through regular stakeholder consultations.

From the experience documented in Section 4, above, and the work of others involved in forest governance, it is possible to identify a set of appropriate indicators for IFM (see Table 3).

**Table 3: IFM indicators (Global Witness, 2005b)**

Output-related indicators: what can IFM achieve?	Outcome-related indicators: what changes should occur beyond this?
<p><b>Information and transparency:</b> The published findings from IFM, both individual field mission reports and periodic summary reports, give government, industry, international donors and civil society tools to assess the state of the forest sector.</p>	
<ul style="list-style-type: none"> <li>• Recommendations contained in each report</li> <li>• Observations of any systemic weaknesses recorded in reports</li> <li>• Observations of trends from series of reports recorded</li> <li>• Public availability of reports</li> </ul>	<ul style="list-style-type: none"> <li>• Availability to the public of information about laws and regulations (in lay-persons terms)</li> <li>• Issuance of official statements of offences reported</li> <li>• Public availability of permit data</li> <li>• Publication of outcomes from legal cases brought against infractors</li> <li>• Enforcement visits documented</li> <li>• Robust evidence collected on infractions</li> </ul>

**Accountability and professionalism** in the regulations, systems and procedures the forest authority adopts. As a public service, it must show that it is providing services effectively to a range of customers, including forest-dependent communities and businesses (small and large), among others. Perhaps most important in the long term are impacts beyond the immediate control and discipline of the various actors.

- Training in monitoring, enforcement, evidence gathering, and reporting, etc.
- Fairness of reporting towards, e.g., industry vs. communities
- Relationship and networks with all stakeholder groups

- Number of infractions detected
- Issuance of official statements of offences taking place, when appropriate
- Clear programme of enforcement work
- Occurrence of field missions as planned
- Competence and professionalism in the field and in reporting
- Conformity of sanctions to the law
- Conviction rates for offenders
- Prompt and full collection of fines, to the right place
- Public opinion of the forest authority
- Estimates of bribes being paid
- Ability of industry to move towards certification (of legality and then of sustainability)

**Governance and leverage** in the political environment, including broader and stronger momentum for reform, the role of civil society and global processes.

- Understanding of different sources of leverage
- Denouncements made in confidence to the monitor
- Functionality of the Reporting Panel

- Occurrence, foci and venues of debate on forest issues
- Involvement of e.g. judiciary, finance, economic and social development ministries
- Regional (multi-state) action against illegality
- Interaction with other national planning work (e.g. Poverty Reduction Strategy Papers)
- Public awareness of the law
- Civil society engagement with forest authority
- Morale of reform-minded officials
- Policy-makers' understanding of the issues
- Changes to donors' forest and governance policies

Monitoring and evaluation of IFM projects has been limited to date. More needs to be done, as this is key to assessing which aspects work, which do not, and why. This in turn informs the ongoing process to improve the quality and impact of the work. In Cameroon, a project review conducted at the end of the contract (Cerutti and Assembe, 2005) provided useful pointers regarding the progress achieved and ongoing challenges. Of particular use was the identification of how the nature of illegal logging was changing in response to the monitor's work. The review also enabled the views of different stakeholders on the ground to be heard and provided an opportunity to put the work in perspective and establish priorities for the next phase.

#### **5.4 Perverse outcomes**

There is a real risk of the occurrence of negative side effects of otherwise positive outcomes if the mandate for IFM is too narrow and if political will is diminished or lacking. In Cambodia, for example, in response to the greater reporting of illegality, a moratorium was imposed on commercial logging, which effectively closed down most of the mills. However, illegal logging shifted *'from commercial to small sized wood, from large to small scale operators, from a few players to many and from export to domestic markets'* (Cambodia Donor Working Group on Natural Resource Management, 2004). Illegal activity moved from large concessions into community forests or protected areas, and into neighbouring countries or sectors with less scrupulous law enforcement. This case shows that an effective monitoring system needs to identify and address any unintended side effects of otherwise positive outcomes when tackling illegality.

In Cameroon, there was a similar response to IFM. Illegal activity became increasingly informal, with many more small-scale operators who could move quickly in and out of effected areas and so avoid detection: *'...the nature of offences is shifting. For example out-of-boundary logging is decreasing, whereas 'in-boundary' logging of undersized stems, as well as over-logging of allotted quantities and species seem to play an important role in acquiring timber without authorisation'* (Global Witness, 2005c). New problems also arose, for example: *'... over-cutting volumes / species within a concession is more difficult to control (and monitor) because it can only be detected by complementing field inspections with checking of information against ... other records'* (Global Witness, 2005c). REM, the monitor appointed in 2005, has focused some of its work on addressing these problems by conducting some thematic missions. These have looked at specific issues such as community forests or small titles, and identified ways in which these are being abused on the ground (REM, 2006b and 2006c).

## 6. Concluding Remarks

Stakeholders around the world have increasingly recognised the role of IFM in supporting law enforcement and contributing to forest sector reform. The international recognition gained by IFM is illustrated by its inclusion in the EU Forest Law Enforcement, Governance and Trade (FLEGT) initiative as a component of the bilateral voluntary partnership agreements (VPAs) signed or being negotiated under FLEGT.

Since its inception in 1999, IFM has proved to be a useful tool for increasing levels of civil society participation in the forest sector by enhancing transparency, providing evidence of illegal practices and opening up space for public debates. Further, by ensuring that objective information concerning the control of activities in the forest sector is made publicly available, IFM has proved to be an effective tool in strengthening governance, improving transparency and supporting forest law enforcement at national level.

The 'official but independent' nature of IFM also makes it unique. By entering into a contractual arrangement with a local host organisation, the monitor's findings are not easy to disregard. Through the use of field investigations and ground-truthing, IFM provides reliable evidence about forest management, including institutional weaknesses, corruption, and illegal activities. Once provided with the evidence, the government and the judiciary are able to initiate cases against those breaching the law. Since IFM reports receive official recognition, they are more likely to be acted upon by the government.

The decade of experience gained from IFM has demonstrated the value of a properly designed and implemented independent monitoring regime to tackle governance in the forest sector and build international and investor confidence. This experience provides invaluable lessons for designing and implementing national independent monitoring systems for REDD modelled on IFM, lessons which can be readily applied by those designing and implementing REDD both at national and international level.<sup>9</sup>

<sup>9</sup> Please now turn to Global Witness (2009c), *Building Confidence in REDD – Monitoring Beyond Carbon*, for the proposed design of national systems for the independent monitoring of REDD (IM-REDD).

## ANNEX I

### MODEL TERMS OF REFERENCE FOR IFM

[Note: Time periods and other details given in square brackets are for guidance purposes only. Locally relevant times and other key terms/names will need to be added.]

#### Goal

The establishment of good governance in the forestry sector, in order to improve this sector's contribution to poverty alleviation through the sustainable management of forest resources and the equitable distribution of the benefits accrued.

#### Achievable Objectives

- **Transparency** A substantial increase in the quantity, quality and credibility of information so that both forest law and associated enforcement operations are transparently available to all stakeholders.
- **Capacity** Identification of needs, and peer-support for improvements to the Forest Authority and the Enforcement Agency's capacity and procedures so that they are able to carry out their functions in a balanced and accountable way.
- **Policy** Analysis of the impact of laws, regulations and procedures, and identification of weaknesses and limitations in implementation, in order to encourage and inform policy development. In particular, evidence of poor governance and conflicts of interest are collated and presented.
- **Participation** Improved understanding and respect for the law by organisations and individuals. This includes a reduction in illegal activity by logging operators, and an increase in the ability and motivation of civil society to take on the role of watchdog. Such participation by both sides signals the end of the need for an international independent monitor.

#### Activities

The overarching activity is to compare the provisions of the law with the reality on the ground. The Monitor must therefore focus its resources broadly on those areas [e.g. concession allocation systems, industrial concessions, protected areas, smaller title areas, transport, processing and trade, revenue collection] where the difference between the two is greatest.

- The Monitor and Enforcement Agency meet regularly [e.g. quarterly] to agree a **Joint Plan** of Control Missions that aims to achieve an even distribution of missions to different parts of the forest zone, leaving time to respond to denouncements and tip-offs, and make unscheduled inspections when necessary in any particular locality. A senior member of the Forest Authority [e.g. the Inspector General] should, if possible, attend such meetings. The Monitor and Enforcement Agency meet regularly [e.g. monthly] to review/reschedule plans and exchange information.
- **Joint Missions** with the Enforcement Agency following the Joint Plan to ensure all permits for timber extraction [possibly a non-exhaustive list] are inspected in the field within a particular period [e.g. one year].
- **Joint Requested Missions** where the Monitor and the Enforcement Agency respond to tip-offs or denouncements by a third party. Any Mission Order required

by the Enforcement Agency should be given within a short time [e.g. one week] to minimise any loss of evidence.

- **Independent Missions** to be undertaken by the Monitor alone in order to provide a baseline from which assessment of the Enforcement Agency can be made.
- **Verification Missions** provide an opportunity for the Monitor to check on the findings of a previous official mission in the event that they did not join that official mission.
- In addition to Control Missions, the Monitor is entitled to undertake, in consultation with the Host Organisation **other investigations** covering specific aspects of forestry control and infringements against the forestry law [possibly a non-exhaustive list].

## Reporting

- A Reporting Panel, comprising representatives of [e.g. the Forest Authority, other relevant ministries/authorities, Enforcement Agency, Monitor, donors, civil society, indigenous peoples and local community groups, and industry], shall convene regularly [e.g. monthly] under the chairmanship of the Host Organisation. Meetings will be automatic; the absence of the chairman or any key participant will not prevent the meeting being held.
- Within a short time [e.g. two weeks] of a Control Mission, the Monitor shall submit a mission report to the Reporting Panel. The report should follow the standard format [provided]. The Reporting Panel will peer review each report and, as necessary, make recommendations in order to clarify facts and improve objectivity. Minutes of Reporting Panel meetings will be provided to the Monitor promptly [e.g. within seven days of a meeting], approved at the subsequent meeting, and made public.
- The Monitor, having made changes to the report in accordance with the recommendations of the Reporting Panel, will submit the revised report at the next Reporting Panel meeting for their approval.
- If the Reporting Panel fails to convene within a particular time [e.g. 30 days] of a summoning, it will be assumed that no objection exists to the reports submitted for validation.
- The Monitor and Host Organisation will publish all approved reports on their websites, with the mark '*Approved by the [host organisation] as a fair and accurate report*' on the cover. Providing this reporting procedure has been followed, any reports that fail to be approved may be published but without this mark.

## Inception phase and periodic review

- The [e.g. three-month] inception phase will be concluded with an Inception Phase Report including any agreed changes to the activities of the Monitor and any clarification of other aspects of these ToR. This report is for project management purposes and will only be published if deemed necessary and appropriate by both parties.
- Thereafter, the Monitor will produce a regular [e.g. annual] review and Summary Report. The review will provide an opportunity to update the ToR in the light of changing circumstances. Each Summary Report will consider actions taken by the Forest Authority and Enforcement Agency in response to the recommendations made in each of the preceding mission and other reports. The Summary Reports will not require approval from the Reading Committee and will be published by the Monitor alone.

## **Mandate**

- The Monitor has the right of access to relevant **information** held by the Forest Authority and other relevant ministries/authorities, without the need for prior approval.
- The Monitor has the right of **movement and access** to any part of the country in order to carry out any Control Missions, and meet with and consult civil society representatives and other relevant stakeholders.
- The Reporting Panel acts as a **buffer** between the Monitor and stakeholders: once approved, the reports must be published by the Host Organisation.
- The Monitor has the right to **publish** reports as soon as they are approved and publish any un-approved reports after [e.g. 30 days].
- The Monitor has the right to attend any meetings between the Enforcement Agency and suspected infractors.

*In carrying out this mandate, the Monitor must at all times:*

- devote its time exclusively to its professional activities;
- respect confidentiality and professional secrecy on all information in its possession, and communicate or disseminate such information only in strict respect of these ToR and the laws of the country;
- demonstrate diligence and objectivity in the exercise of its functions;
- work intelligently with all the stakeholders of the enforcement process.

## **ANNEX II**

### **COUNTRY STUDIES<sup>10</sup>**

#### **1. Cambodia**

##### **Scoping work**

In 1999, an international meeting of donors to Cambodia identified the need for an independent monitor in the country in order to combat illegal logging and to improve forest governance. By that time, Global Witness had already been reporting on illegal logging in Cambodia for four years, with its investigative and campaign work contributing to the closure of the Thai–Cambodia border to the US\$10-20 million per month timber trade between the Khmer Rouge and Thai logging companies. Given its experience in the country, Global Witness was granted the IFM contract with the government.

##### **Host institutions and agreement**

There were two host institutions in Cambodia: the Department of Forestry and Wildlife (DFW) in the Ministry of Agriculture, Forests and Fisheries (MAFF), and the Ministry of Environment (MoE). The independent monitor was conceived as one of three components to a newly established Forest Crime Monitoring Unit (FCMU). The other components were the two government departments in charge of monitoring forest crimes: the Forest Crime Monitoring Office (FCMO) in the DFW, and the Department of Inspection (DI) in the MoE. The role of Global Witness as the independent monitor was to monitor the performance of these agencies and to help improve both forest crime detection and suppression, and also transparency and accountability in forest management.

In 2003, following a breakdown in the working relationship between Global Witness and the MAFF, the government withdrew Global Witness's contract. A new monitor, SGS (Société Générale de Surveillance),<sup>11</sup> started to operate in Cambodia the following year under new ToR. Even though SGS signed a three-year contract, funding was secured only for the first year, and the project saw a premature end in December 2005 – before its expected completion date of November 2006<sup>12</sup> – when the World Bank decided that no further funding was available (SGS, 2007). Since then, IFM has not been implemented in the country.

Since the revocation of its contract, Global Witness has assumed an external monitoring role, continuing to investigate and expose forest crimes and instances of corruption and bad practice in the forest sector in Cambodia (see, for example, Global Witness, 2007b and Global Witness, 2009b).

<sup>10</sup> Further information about IFM projects implemented by Global Witness can be found at <http://www.globalwitness.org/pages/en/ifm.html>.

Further information about IFM projects implemented by REM can be found at <http://rem.org.uk/independent-monitoring.html>.

<sup>11</sup> See <http://www.sgs.com/>.

<sup>12</sup> According to SGS's project reference, available at: <http://www.us.sgs.com/cambodia.pdf>.

## Terms of Reference

There are two ToR for IFM in Cambodia (Global Witness, 2005a):

- The 1999 ToR: this refers to the 1999–2003 contract under which Global Witness operated as independent monitor. It was complemented by a Reporting Protocol, which was jointly agreed between the government and the independent monitor after negotiations in 2001.
- The 2004 ToR: this is a one-year renewable contract under which SGS operated as independent monitor from January 2004.

The 2004 ToR differ from and are significantly weaker than the 1999 ToR. Whereas the latter provide the monitor with the role of 'independent oversight', this is absent in the 2004 ToR, which state that the purpose of the monitor is to 'validate' that all forest crimes are being reported, and that it will 'not be responsible for undertaking any monitoring or inspection activities for the primary purpose of detecting and investigating such incidents' (Global Witness, 2005a). Other main differences concern:

- *Information made available to the monitor:* The 2004 ToR do not mention the government's obligation to provide supporting documents within ten days of a request, an aspect which is covered in the 1999 ToR and the Reporting Protocol.
- *Independent investigations:* The initial ToR allowed the monitor to carry out fieldwork on its own (the lack of cooperation from the inspection agencies resulted in the monitor carrying out most field work independently). Under the 2004 ToR, however, the forest administration had to 'facilitate' all the inspections, and the monitor could not carry out 'random checking of reported illegal actions that have not already been passed on to the relevant agency for action'. This was interpreted by the World Bank Inspection Panel as effectively preventing SGS from independently initiating field investigations (Brown et al. 2008).

## The monitoring team

While Global Witness was the independent monitor, the monitoring team typically comprised two expatriates and a local staff person. It also benefited from input from an overseas-based project director. The monitoring team grew to include five full-time and five part-time staff members during the time SGS ran the project.

## The Reporting Panel

In contrast with Cameroon or Honduras, in Cambodia there was no body to act effectively as a Reporting Panel. Under the 1999 ToR, forest crime reports documenting individual cases were to be submitted to a representative of the Council of Ministers known as the Focal Point, but its specific function remained undefined. The possibility of it playing a role as a third-party body to report to or to act as an oversight mechanism, however, was precluded by its lack of resources – no technical staff or funds to investigate the independent monitor's reports were available. Furthermore, its placement in the Council of Ministers removed any incentive for its members 'to be drawn into what were often highly contentious issues with political ramifications' (Brown et al. 2008).

in the case of disagreement between the monitor and the government, and for ensuring that the monitor complied with its ToR.

## Funding

Funding totalling US\$536,000 was provided by the Danish International Development Assistance (US\$320,000 for December 2000 to October 2002, plus a further US\$216,000 for December 2002 to August 2003). Some continuing financing support was also provided by DFID.

This monitoring project was subsequently taken over by SGS (2003–2005). From January to December 2004 the monitoring contract in Cambodia was valued at US\$425,000. Funding for SGS came from a World Bank loan as part of the Forest Concession Management and Pilot Project. This meant that the Forest Administration, the institution that was to be monitored, was paying for the independent monitor, and raised concerns that the work could be biased by this relationship (Brown et al. 2008).

## Outcomes

Between 2000 and 2003, the independent monitor produced over 50 individual 'crime reports' documenting evidence of illegal activity. Its activities were crucial to the cancellation of at least two major logging concessions operating illegally on a large scale – the first time in Cambodia that concessions had been terminated as a result of exposing illegal activity.

Furthermore, IFM in Cambodia clearly laid out the mechanisms by which corruption was – and still is (Global Witness, 2009b) – institutionalised in the sector, through detailed accounts in each of three major reports (Global Witness 2000, 2001 and 2002). The independent monitor's work led to a national moratorium on logging operations and related log-transportation in January 2002, which is still in force. Prior to this, the legal trade provided a cover for fraudulent activity, but an outright ban made it clear that all logs were in fact illegal. The scale of log movement significantly reduced, as operators of heavy machinery and lorries feared detection. As the industry changed its approach, so did officials colluding with it (their activities had ranged from ignoring obvious evidence to allowing concessionaires a private view of documentation on crimes). It is expected that the moratorium will stay in place until sustainable practices are in place.

Illegal activity involving small amounts of high-value timber, cut in the forest and transported by oxcarts or pick-up trucks has become more apparent, although it is not clear whether this has increased, or simply attracted more attention now that more obvious large-scale illegal activity has been suppressed. Another worrying trend has been the use of agro-industry, ecotourism and mining concessions to legalise logging activity (Global Witness, 2007b).

Despite broad recognition both in Cambodia and in international circles that Global Witness's independent monitoring work was having a substantial impact on forest crimes in the country, major obstacles continued to stand in the way:

- *Access to information and to concession areas was a recurrent problem.* Even though the independent monitor's ToR clearly specified the government's obligation to

provide access to all relevant information, the forest authority consistently refused to cooperate in providing this. Concessionaires often denied access to their forest areas, despite the independent monitor having a letter from the Focal Point granting them access.

- *Lack of cooperation and political will to reform.* The relationship between the government and Global Witness deteriorated as the government failed to cooperate and follow up as required on the cases of illegality that were being reported – in all but one case it failed to take appropriate action against the relevant company.

## 2. Cameroon

Independent monitoring in Cameroon is the longest established project that is still operating. It has been conducted by two organisations, first Global Witness then REM (Resource Extraction Monitoring). This case study focuses on the lessons learned by Global Witness in establishing and running the project up to 2005. More information on the current project and its ongoing achievements can be obtained from REM.<sup>13</sup>

### Scoping work

In 2000, Global Witness was invited by the Cameroonian government to carry out a scoping investigation to ascertain the nature and scale of illegal logging activities in forest concessions. Two scoping missions conducted in July and October of that year confirmed widespread illegal activities by various leading forest companies, as well as high levels of corruption within the forestry administration. Furthermore, the missions demonstrated that efficient fieldwork and professionalism in monitoring resulted in objective information on forest crimes and could make cases for prosecution.

### Host institution and agreement

Reflecting the outcome of the scoping missions, the establishment of an Independent Observer<sup>14</sup> became a conditionality of the third phase of a World Bank structural adjustment program. Global Witness was invited to become the independent monitor, and signed an agreement with the Ministry of Forests and the Environment (then called MINEF, currently MINFOP). The main objective of the project was to support MINEF in its reporting, control and follow-up of illegal activities, as well as to assist in improving professional performance and objectivity in control operations and to increase transparency and good governance in the forest sector.

Initially, a transition phase was implemented from April to November 2001, during which the Central Control Unit (CCU) – the central law enforcement service unit within MINEF – carried out exploratory field missions in the presence of the Global Witness monitoring team. Subsequently, the government stated its interest in extending the transition phase, and Global Witness was reappointed for a further six-month period in February of 2002. During this time MINEF and the donors agreed on the principle that the Independent Observer should be appointed through a competitive process, and, in May 2001, Global Witness and MINEF signed a two-month renewable contract until an international bidding process was launched. Global Witness operated on this basis until March 2005 (Global Witness, 2005b). When REM took up the role of Independent

Observer in 2005, the Ministry of Economic Affairs, Programming and Regional Development became the contract partner, whereas MINEF maintained a project manager role.

## Terms of Reference

The Independent Observer Project in Cameroon has been carried out on the basis of five different ToR. In addition to those agreed for the scoping missions in July and October 2000, these comprise the:

- 2001 ToR, establishing the first full-time presence of the Independent Observer in the country, covering the transition phase from May to November 2001, subsequently extended to May 2002;
- 2002 ToR, covering to the extended transition phase for three years, from May 2002 to March 2005; and
- 2005 ToR, establishing the first competitively tendered Independent Observer in Cameroon, which commenced work in April 2005 for three years.

Two trends can be observed from the comparison of these ToR. The first is the gradual evolution of the project, as the role of the monitor is covered with greater detail and the nature of its tasks evolves in the successive contracts. The ToR of the second scoping mission, for instance, is a short document that mainly assigns to Global Witness tasks involving the collection of information and the making of recommendations. In the 2001 ToR, a large number of tasks related to capacity building and skills sharing are introduced, and the monitoring aspect is covered in greater detail. By 2002, the forest monitoring system was well established in Cameroon, so the bulk of the text is taken up by the mandate of the monitor and its rights to take part in activities and receive information (the same applies to the 2005 ToR).

The other trend that can be observed is a progressive shift in power between the monitor and the government of Cameroon. Whereas the monitor's power was increased and clarified from the 2001 ToR to the 2002 ToR, it was curtailed in the 2005 ToR, with the monitor losing the right to act independently of the government in certain areas, for example with regards to:

- *Taking part in logging control missions:* Under the 2002 ToR, the monitor was free to access any documentation required to plan a mission, and it could propose joint missions of its own, which it could carry out without ministerial approval if the Minister had not given permission within a week of the request. Under the 2005 ToR, the monitor needs the Minister's approval to participate in a suggested joint mission, as well as mission warrants issued by MINEF.
- *Information made available to the monitor:* Whereas the 2002 ToR put the burden on MINEF to provide the monitor with details about legal cases involving infringements, in the 2005 ToR the emphasis is on information being made available to the monitor on request, not by right.
- *Independent investigations:* Under the 2001 ToR, the monitor could undertake independent investigations; this was expanded in the 2002 ToR to include making verification trips to areas where the enforcement agency had previously undertaken a mission. Under the 2005 ToR, the monitor has to inform the Minister of any planned independent investigations before performing them. (Global Witness, 2005a).

The overall effect of the 2005 ToR was to undermine the independence of the monitor, and was one of the main reasons behind Global Witness's decision not to participate in the international bidding process that was launched in May 2004 to secure the next phase of the project.

### **The monitoring team**

From May 2002 to March 2005, the full-time monitor in Cameroon comprised four team members (one expatriate, two foresters and a lawyer) and two support staff. This enabled two monitoring teams to operate in parallel, covering larger areas. The composition of the team was determined contractually between Global Witness and MINEF as it was not specified in the ToR.

The 2005 ToR were the first to specifically set out the composition of the monitoring team and give person specifications for all the posts, within the purview of the Minister. Furthermore, they grant the Minister of Economic Affairs, Programming and Regional Development the power to remove staff members from the independent observation team, after consulting with the funders.

### **The Reporting Panel**

There is only one host ministry, but this is complemented by a Reporting Panel, the *Comité de Lecture* (Reading Committee). The Reading Committee comprises ministerial staff, donors and the Independent Observer team. Its function is to validate the objectivity and technical competence of field mission reports prior to their publication. Under the 2002 ToR, the monitor was able to publish its reports either at the conclusion of the Reading Committee's meeting or, upon failure to convene a meeting of the report's validation session, 30 days after its scheduled date. Under the 2005 ToR, reports need to be approved by the Minister before they can be published.

While the Reading Committee provided a good starting point for a peer review mechanism and represented a milestone in the evolution of IFM, government staff members were over-represented on the Committee, which did not include civil society representation.

### **Funding**

IFM in Cameroon was largely a donor initiative, and was linked to aid conditionality. The donors funding the Independent Observer included DFID, the World Bank, the EU, the Canadian International Development Agency (CIDA), and the French and German agencies for development assistance. However, donor support, both in financial and non-financial terms (i.e. supporting and applying leverage when needed), decreased over time and for the last five months of the programme, the project was entirely funded by DFID. Diminishing donor commitment was due partly to the failure of other Cameroonian ministries to comply with the various conditionalities of donor support for the government of Cameroon (Global Witness, 2005b).

Amounts pledged by donors included:

- Phase I (May–November 2001): DFID, US\$41,000; the World Bank, US\$53,000; the EU, US\$60,000; and the International Union for Conservation of Nature, Netherlands (IUCN-NL), US\$13,000.

- Phase II (February–July 2002): DFID, US\$173,000; and the World Bank (Heavily Indebted Poor Countries (HIPC) initiative), US\$53,000.
- Phase III (August 2002–March 2005): DFID, US\$500,000; and CIDA, US\$50,000.

The cost of the current IFM project operated by REM is US\$395,169 per year (REM, 2009).

## Outcomes

Between 2000 and 2005, 120 field missions were carried out and reported, the majority conducted jointly with the enforcement agency. During this period, a total of 168 concessions, sawmills, community forests and other titles were inspected, of which 99 included at least one infraction. Of these, 56 resulted in the issuance of official statements of offence by the forest law enforcement agency. Some of the main problems in compliance with forest law and regulations included:

- Logging out of boundaries: local sources reported that, after mid-2003, this kind of illegal activity declined, due to a large extent to IFM work (Cerutti and Assembe, 2005).
- Unauthorised timber extraction in state forests carried out by:
  - ‘artisanal loggers’, usually acting on behalf of business people/‘external elites’, and often with the collusion of representatives of the adjacent communities or the community (Global Witness, 2005c).
  - logging companies or community forest operators. Such logging was most likely the result of a large over-capacity in wood processing facilities and high demand for timber on the international market (Global Witness, 2005c).

Global Witness’s work as the Independent Observer in Cameroon resulted in a number of improvements in forest law enforcement. The CCU showed an increased commitment and will to report illegal logging activities and issue the relevant official statement of offence when infractions were detected. The increased discipline and efficacy of the CCU resulted in a substantial decrease in the number of infractions observed in relation to the number of logging titles inspected, and an increase in official statements of offence issued. A case-tracking system was developed which provided a key tool in following up on reported cases. This also resulted in increased accountability on the part of the government as it helped to identify progress or lack of it, and advocate for action.

The information produced by the Independent Observer was useful in demonstrating to Cameroonian officials the need for effective penalties for illegal logging activities, even though legal progress in bringing to account those responsible – both individual infractors and those suspected of mismanaging the system of control – remained disappointingly slow. Information from civilians led to the Independent Observer documenting significant illegal logging cases, as villagers and NGOs proved to be an invaluable source of information about what was happening in the forests. The Independent Observer was, in turn, able to voice concerns about issues that MINEF officials had not addressed. Box 9 summarises stakeholders’ views of IFM in Cameroon implemented between 2000 and 2005.

### **Box 9: Stakeholders' views of IFM in Cameroon (Cerutti and Assembe, 2005)**

#### **In the opinion of government agents, IFM has:**

- Promoted transparency, decreased illegal forestry activity, highlighted shortcomings in the 1994 forest law.
- Encouraged the Central Control Unit responsible for forest law enforcement to learn how to operate effectively.
- Decreased level of corruption.
- Influenced the ways in which private companies collaborate with the government.

#### **In the opinion of donors, IFM has:**

- Increased the level of discussion on governance issues in the Reporting Panel, and increased technical reporting ability in the Central Control Unit.
- Increased transparency in the claims made by the Central Control Unit.
- Improved mission planning and reporting capacities in the forest ministry.
- Decreased the level of impunity for forestry companies, as observed by the local population.
- Increased the happiness of 'good companies' in following the rule of law.

#### **In the opinion of private forestry companies:**

- Previously openly practised illegal forestry activity is no longer possible.
- The presence of an international monitor is perceived as a source of added value for exported products.

#### **In the opinion of local NGOs:**

- The monitor was able to establish a good network of contacts.
- There was a diminished level of corruption between officials and private companies during joint missions.

Illegality in Cameroon continues to pose a threat to the country's forests. However the nature of illegal activities has evolved to become more subtle, if equally damaging. Some examples of this are:<sup>15</sup>

- Ministerial issuance of small-scale 'special authorisations' which are not included under forest law. This type of 'legalised' timber has increased since 2006.
- Community forests are being widely misused by influential individuals, businessmen and members of parliament, often with technical and financial support from timber companies operating in the area. This type of activity, which undermines the spirit of community forestry, has increased since 2007.

- The failure of companies to comply with their obligation ('Cahiers de Charges') to contribute to the social development of the area in which they operate.
- Administrative and legal delays, and a lack of transparency in legal processes.

Thus there appears to have been a shift in illegal activities from the ground to the office and from the Permanent to the Non-Permanent Forest Domain,<sup>16</sup> especially in community forests – an observation confirmed in various reports by the current IFM service provider, REM. This illustrates the need for a regular assessment of needs and infraction trends to be incorporated into the control planning and monitoring mechanisms, so that control activities can adapt to changes in circumstances and to the shifting nature of offences.

Meanwhile, transparency improved in some activities, e.g. the publication of litigation cases by the Ministry; however, challenges remain in the progress of legal cases initiated.<sup>17</sup> An analysis of Ministry publications carried out by Global Witness in October 2004 revealed that penalties and demands for damages payments totalling FCFA 4.15 billion (US\$7.5 million) had been issued, but only FCFA 1.55 billion (US\$2.8 million), or 37 per cent had been reported as paid (Global Witness, 2005c).

Civil society organisations have increasingly reported on infractions and become more involved in the reform and implementation of forest policy. This is evident in ongoing negotiations for a VPA between Cameroon and the EU.

Since 2005, REM has reported several concrete achievements through its work, which demonstrates encouraging progress despite the challenges that remain. These include an increase in the number of fines issued by the government and the cancellation of forest titles as a result of joint investigations; a significant decrease in the infractions detected in forest titles; a significant increase in the annual surveillance of forest titles by government missions, as well as in the number and quality of government officers' mission reports; and a steady increase in the government's capacity to recover fines related to illegal forest activities.<sup>18</sup>

### 3. Honduras

#### Scoping work

Honduras was the first Latin American country to express an interest in IFM. This came about as a result of a presentation by Global Witness on IFM in 2002 at a workshop organised by the Central American Indigenous and Peasant Coordination Association (ACICAFOC) in Tegucigalpa. Several government representatives, civil society organisations and international donors suggested that IFM be piloted in Honduras in an attempt to fight illegality and corruption in the forest sector. This was followed by various visits to the country over the next three years, during which Global Witness focused on identifying an adequate host, building a network of contacts and gaining a thorough understanding of the issues defining the forest sector.

16 The Cameroonian Forest Law makes a distinction between the Permanent Forest Domain, where various types of mainly long-term and large-scale forest concessions can be granted, and the Non-Permanent Forest Domain, which can be used by local communities and are also subject to small-scale harvesting permits (Global Witness, 2005c).

17 In the most serious case of law violation – by logging company Hazim – it took over four years for the courts to initiate legal action. Despite abundant and incontestable evidence reported by the Independent Observer and the Ministry's law enforcement agents, the Ministry lost the case due to legal technical flaws. The ministry appealed the decision in 2006. The requested penalties add up to FCFA 15,966,532,750 (US\$31,933,066), a sum which would pay for 12 years of Independent Forest Monitoring in Cameroon.

18 See [www.rem.org.uk](http://www.rem.org.uk) for a more comprehensive list of achievements by REM.

## **Host institution and agreement**

IFM was eventually started in 2005 as a pilot project jointly implemented by Global Witness and the National Commission for Human Rights (CONADEH), and presents perhaps the most interesting case when it comes to the institutionalising of long-term IFM.

It is worth noting that CONADEH had very limited experience of forest-related issues before 2005. However, its mandate to 'defend human rights and the strengthening of the rule of law',<sup>19</sup> coupled with its credibility at a national level and its network of offices around the country, put it in a unique position to act as a host for IFM. Time has shown that CONADEH was a good choice. The project is now fully consolidated and CONADEH has positioned itself as a reference organisation in the Honduran forest sector.

## **Terms of Reference**

The first ToR in Honduras were signed between Global Witness and CONADEH in April 2005 and comply with the minimum standards for IFM (see Box 1). They refer to a first pilot phase of IFM work, and specify the area in Honduras on which the project would focus. A subsequent extension of the ToR for a second phase was signed in October 2005.

Over the course of 2006, Global Witness handed over the project to CONADEH. That year, CONADEH signed an agreement with AFE-COHDEFOR to continue implementing IFM. A new forest law has recently been approved, and a new forest authority put in place. The new authority is hosting IFM and is continuing to work with CONADEH.

## **The monitoring team**

At the beginning of the project, the monitoring team comprised two part-time staff – one contributed by Global Witness and one by CONADEH. The team was backed by support from Global Witness's IFM experts.

Over the following two years, and through ongoing support and capacity building, the project was gradually handed over to CONADEH, which is now in full charge of its implementation.

The CONADEH monitoring team currently comprises four full-time staff. It is no longer perceived as a 'time-bound' project but rather as a permanent component of a system of checks and balances and improved governance and transparency.

## **The Reporting Panel**

In early 2007, an Interinstitutional Consulting Committee (CCI) was established in Honduras as a peer review mechanism (see Box 3 for details of its design and working). Broad representation of the various stakeholders in the forest sector makes it an interesting model to replicate.

## Funding

Funding for the first year of work (2005–6) by both CONADEH and Global Witness was provided by DFID (US\$100,000). Subsequently CONADEH took over the implementation of the project (2006 to current date) and signed an agreement with AFE-COHDEFOR, with 'soft loan' funding provided by the Pro-Bosque programme of the Inter-American Development Bank (US\$115,000).

## Outcomes

With 70 mission reports published (80 per cent of which reported irregularities) and a growing 'social audit' component, IFM in Honduras has successfully established itself as a permanent component of a robust system of checks and balances in the forest sector. There are clear opportunities to build on its successes and further strengthen their impact.

Social audits implemented by CONADEH are focusing on training local people to undertake forest monitoring activities, rather than relying on a national organisation to do the monitoring. Through capacity building activities and the provision of technical assistance in the documenting of forest infractions, it provides local groups with the skills and technology needed to campaign effectively for the protection of forests and respect for community rights.<sup>20</sup>

While grounding its work on the general principles of IFM, CONADEH uses its own system for reporting, which is adapted to the Honduran reality (see Box 10).

### Box 10: IFM report checklist identified by CONADEH (adapted from CONADEH, 2008a)

- **Specific criteria:** The law is the basis for observations, conclusions and recommendations.
- **Avoid assumptions:** Evidence presented in reports has been adequately investigated and documented.
- **Separate fact from opinion:** Findings are presented separately from an analysis of their implications (legal and otherwise). Conclusions stem from the previous two sections, and recommendations are aimed at the competent authorities.
- **Consistency in presentation:** The same template should be used for all reports. It results in easier reading and helps the reader to find conclusions and recommendations.
- **Evidence:** The information gathered and analysed, which constitutes the basis of the report, is presented in annexes.
- **Review by the Reporting Panel:** Reports are presented to the Reporting Panel on a monthly basis. The Panel discusses and analyses the findings and draws conclusions and recommendations.
- **Publication:** All IFM reports are publicly available on CONADEH's website.

<sup>20</sup> See [http://www.conadeh.hn/MFI\\_web/principal\\_ASGF.htm](http://www.conadeh.hn/MFI_web/principal_ASGF.htm).

IFM in Honduras has also illustrated how coordination between law enforcement bodies is key to the rule of law. The failure under the old administration, on the part of some of the administrative and judicial institutions responsible for initiating cases against those who breach the law, has undermined the follow-up of such cases. This sends a strong message that operating illegally entails no risk of prosecution. It also prevents the state from realising much needed income from fines, penalties and the auctioning of impounded timber: as of 2008, less than 50 per cent of the nearly US\$2.8 million which could potentially result from cases reported by the monitor was paid into the state accounts (CONADEH, 2008a).

Competent law enforcement institutions have acted on the monitor's findings but with varying degrees of effectiveness – 87 per cent of reported cases were followed up by the forest authority compared to only 13 per cent by the Environmental Public Prosecutor (CONADEH, 2008a).

## **4. Nicaragua**

### **Scoping work**

At the First Regional Workshop on IFM in Honduras from February to March 2006, which brought together government, civil society and donor representatives of the five Central American countries with the largest forest resources (Costa Rica, Guatemala, Honduras, Nicaragua and Panama), the head of the Nicaraguan forest authority expressed an interest in exploring the applicability of IFM in his country. This was followed by a first visit to Nicaragua by Global Witness in May 2006, with a focus on meeting all stakeholders. It also presented an opportunity to start building a local team.

### **Host institution and agreement**

Meetings with the Nicaraguan forest authority (INAFOR) led to the signing of an agreement whereby INAFOR assumed the role of the host while Global Witness signed up as the monitor. The agreement was originally signed in 2006 and renewed in 2008.<sup>21</sup>

### **Terms of Reference**

The ToR of the IFM project in Nicaragua comply with the generic minimum standards (see Box 1) and at the same time capture the particularities of the forest sector in the country.

In the preamble there is a recognition that IFM will support the professional performance of INAFOR and provide an assessment of legal compliance. The government of Nicaragua expresses its will to strengthen both its leadership in the forest sector and the control and regulatory systems. It views IFM as a '*permanent tool to strengthen transparency and accountability, combat corruption and develop actions to tackle the vicious circle that provides incentives for illegal logging*' (INAFOR and Global Witness, 2008).

The ToR then spell out the objectives, expected results, implementation area, activities and working protocols. Despite the bilateral nature of the agreement, it encourages

cooperation with other relevant institutions. These include the Ministry of Agriculture, Fishing and Forests (MAGFOR), the Ministry of the Environment and Natural Resources (MARENA), the Special Environmental Unit and other institutions of the Public Ministry with prosecution competencies, the Attorney General's Office for the Defence of Human Rights, the armed forces, the national police and the regional authorities of the Nicaraguan Caribbean Autonomous Regions.

Finally, the roles and responsibilities of both parties are established, as are the terms for termination and the period of validity.

The Nicaraguan ToR provide a good example of inclusiveness. They are specific enough to empower the monitor to carry out its duties and broad enough to allow adaptation to the evolving reality.

### **The monitoring team**

Scoping work in Nicaragua included interviews with various candidates for a local team. Two local foresters were hired and trained by Global Witness's IFM experts. They now lead the work at a country level supported by Global Witness headquarters. The emphasis of the work is on fieldwork, with most of the missions being implemented jointly with INAFOR.

One of the team's main accomplishments has been to outlive significant political changes in the country and win the acceptance of governments with diametrically opposed stances and agendas. As in many other countries, a new government often brings new ideas and plans, discarding those inherited from the previous administration.

By maintaining political neutrality (in an otherwise highly politicised administrative environment), as well as openness to discussion and a straightforward approach to its objectives, the monitoring team in Nicaragua has bypassed politics to emerge as a widely acknowledged initiative that supports forest law enforcement – regardless of which party is in power.

Regular contact with the central government has been instrumental to building trust. In addition, by planning and implementing field missions jointly with government officials on the ground, a space for discussion has gradually emerged. Initial reticence is being replaced with transparency and openness. Joint work has had major impacts, including:

- Strengthening the skills of, among others, government officials, Forest Regents,<sup>22</sup> civil society representatives and forest owners, and training foresters.
- Bringing unprecedented attention to the importance of rigorous fieldwork in law enforcement.<sup>23</sup>
- Significantly increasing the motivation and commitment of the authorities to effectively enforce the law. At a national level, this has been illustrated by the creation, for the first time, of a Monitoring Unit within INAFOR. At a field level, local officials have used the evidence reported by the monitor to take action against those

<sup>22</sup> A Forest Regent (*Regente Forestale*) is defined by the Forest Law (Article 9, Law 462) as the Forestry professional or technician accredited by INAFOR in order that they, according to the laws and regulations, guarantee the execution of the forest management plans approved by the competent authority.

<sup>23</sup> Particularly in the early stages of the project, simply by verifying the boundaries of forest management areas and geo-referencing stumps of trees felled, major impacts on forest management practice were achieved. Over time, further elements are being built into fieldwork activities.

in breach of the law. Furthermore, INAFOR is currently developing a programme of forest audits as dictated by the law,<sup>24</sup> and capitalising on the monitor's expertise to design such a system. It has also requested assistance from the monitor to train the future auditors.

Reaching out to forest dwellers and rural populations who generally do not have access to centralised information has comprised an important part of the work. The dissemination of information and raising of awareness about the mandate and scope of IFM is increasingly enabling local people to use the monitor as a mouthpiece to voice their concerns.

### **Reporting Panel**

The ToR provide for the establishment of a 'Review Technical Committee'. This review mechanism has been established as an informal committee within INAFOR, but no broader peer review of individual reports has been facilitated by them so far. Nevertheless, in all cases the committee has granted 'no objection to publication'. The monitoring team has also provided copies of their reports to all mission participants and taken account of their comments.

Despite of the lack of a formal peer review mechanism, INAFOR has recently become more responsive and written a legal and technical report analysing 15 of the 23 reports produced by the monitor. This report confirms the validity of the reports and builds on their legal implications. However, it has not been made known to the monitoring team whether any legal action has been initiated.

### **Funding**

Obtaining long-term funding has, by and large, been the biggest challenge faced by IFM in Nicaragua. The project has been run on a shoestring with operations interrupted for a period in 2007-2008 for lack of funding. Between August 2006 and September 2007 the project was funded by DFID (US\$56,000) and GTZ, the German Organisation for Technical Cooperation (US\$40,000). Subsequent work was co-funded by GTZ and the World Bank (US\$40,000 and US\$85,000 respectively), allowing the project to resume in August 2008, with work expected to continue until December 2009.

### **Outcomes**

IFM in Nicaragua started in 2006. Two phases have been implemented so far: the first one ran from August 2006 to September 2007, and the second one started in August 2008 and will continue until December 2009.

Impacts of IFM in Nicaragua have included:

- The production of reliable information about forest management practices in the country. The monitoring team have so far produced 23 individual mission reports and two summary reports.
- Increased financial and human resources devoted to control activities by INAFOR as a result of the recommendations presented by the monitoring team. The

Department of Monitoring and Follow-up, hitherto inactive, was reactivated and new staff hired.

- The initiation of administrative and legal processes against forest owners and Forest Regents who breached the law.
- The suspension of management plans reported by the monitoring team as being poorly implemented.
- IFM reports have been instrumental in informing a review process of Forest Regents.
- IFM experience has been analysed thoroughly and inspired the development of a system of forest audits.
- The system of forest audits recognises the necessity and value of having IFM as an integral component.

The government has proposed the establishment of District Monitoring Units to reflect and fit into the decentralisation process occurring in the country. Civil society is advocating that the Units comprise teams of representatives from civil society organisations with official recognition by INAFOR.

In the current phase of the project, the monitoring team is focusing on activities to secure the sustainability of IFM by identifying, selecting and training members of civil society organisations in three target districts to become monitoring experts in the District Monitoring Units. The monitoring team has successfully worked with INAFOR at a district level, which can be capitalised upon and expanded. These Units would position themselves as long-term, ongoing watchdogs. This would help to guarantee the sustainability of IFM in Nicaragua. An induction phase was expected to be rolled out in late 2009, funding permitting.<sup>25</sup>

## **5. Republic of Congo**

### **Scoping work**

In the Republic of Congo (RoC), an IFM project was launched in December 2006 at the request of the Ministry of Forest Economy (MEF), with the aim of promoting good governance and supporting the implementation of sustainable management policies in the forest sector. The project drew on two scoping investigations as well as on the independent monitoring project previously initiated in Cameroon. When the project was introduced in the RoC, there appeared to be a strong political public commitment to improving forest law enforcement and governance and to the sustainable management of forests, as exemplified by the adoption of the Africa Forest Law Enforcement and Governance (AFLEG) Ministerial Declaration in 2003, and the ratification, along with other international agreements, of the Central African Forest Commission (COMIFAC) treaty in 2005.

### **Host institutions and agreement**

The project, technically known as 'Capacity Building in the Congo Basin and Independent Monitoring of Forest Law Enforcement and Governance in the Republic in Congo (IM-FLEG)', was formalised through an agreement signed in December 2006 between MEF and two British NGOs with prior experience in independent monitoring,

<sup>25</sup> Although the expectation now is that this may not occur until 2010.

Forests Monitor (FM) and REM. REM assumed the role of independent monitor in RoC and carried out scoping missions in the region, whereas FM was charged with the coordination/facilitation of the project, regional workshops and the civil society training component. The monitor is expected to work in close relationship with the MEF agencies that are responsible for the monitoring and control of forest activities and to independently monitor and report on forest law enforcement and governance, as well as to strengthen the capacity and promote the participation of civil society in independent monitoring.

### **Terms of Reference**

According to the ToR, the independent monitor carries out two types of field missions: joint missions with the Forest Administration – which can be jointly agreed between the parties, at the request of the Forest Administration, or at the suggestion of the independent monitor – and independent missions, in which the independent monitor can involve civil society, national NGOs and the departmental delegations of the MEF.

The ToR also specify that the monitor has unlimited access to information related to the forest sector in order to carry out its mission. The monitor can request information from the different services of the MEF either in writing or verbally. However, there is an important limitation: information will be considered unavailable if an answer is not provided within 15 days of the monitor's request (REM, 2005).

One of the most interesting features of the IFM project in the RoC is its connection with the FLEGT process, which is explicitly formulated in the ToR. According to this, the general objective of the project is to monitor forest law enforcement and governance within the framework of the negotiations towards a VPA between the Republic of Congo and the European Union (REM, 2007). Independent monitoring is considered a necessary component to maintain the credibility of the licensing schemes to be established under the VPAs.

### **The monitoring team**

The field missions and resulting mission reports have been undertaken by an REM team of experts, assisted by an FM shadow team in training. The team includes lawyers and forest engineers, and thus represents a combination of legal practitioners and technical expertise.<sup>26</sup>

### **The Reporting Panel**

A Reading Committee has the responsibility of reviewing each mission report. The Committee includes members of the Forest Administration, REM and FM representatives, donors and civil society. Individual field mission reports are only published after validation by the Reading Committee, which is supposed to meet within two weeks of the production of the mission reports. Where the monitor's opinion differs from that of the Ministry, both views are separately included in the published report. Minutes of the Reading Committee are also published. However, REM and FM are free to publish biannual and thematic reports, containing documentary and statistical

information, and forest law enforcement analysis, provided they give the Ministry the opportunity to provide comments within 30 days, which are also published (REM, 2009).

## **Funding**

The overall cost of the IM-FLEG project is US\$3,124,949 (€2,103,493) for three years (or approximately US\$1 million per year). This project is funded by Tropical Forest Budget Line of the European Commission (80 per cent), DFID (7 per cent), the World Bank through the Transparency and Governance Capacity Building Project (PRCTG) (9 per cent), and by the Netherlands Committee of the International Union for Conservation of Nature (NC-IUCN) through its Ecosystem Grants Programme (EGP) (4 per cent) (REM, 2009).

## **Impacts**

Although the Memorandum of Understanding with the government of the Republic of Congo provides both for independent and joint missions, during the first six months only independent missions could be conducted, partly because the MEF failed to provide their mission schedule to REM. However, this and other initial problems in the implementation, such as delays in holding the Reading Committee meetings, were later improved upon (REM, 2008).

To date, the project has resulted in the publication of one annual report, a six-monthly report, and 15 field mission reports – with another four of the latter currently being drafted or reviewed by the Reading Committee.<sup>27</sup> Although it is too soon to draw overarching conclusions about the impact of independent monitoring in the Republic of Congo, these publications have so far been instrumental in pinpointing weaknesses in the management and exploitation of forest resources – e.g. a lack of transparency in the allocation of forest concessions, slow drafting and ratification of legal texts, breaches of procedures by forestry officials, over-cutting, non-payment of taxes by logging companies – and in providing specific recommendations on the actions necessary to tackle them.<sup>28</sup>

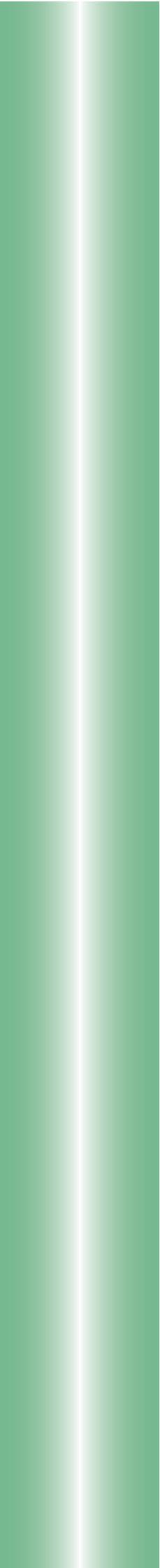
<sup>27</sup> All published reports are available at the website of REM: <http://www.observation-congo.info/Rapports.html>.

<sup>28</sup> See Briefing Note No. 1 providing a summary of independent monitoring activities, key findings and conclusions in Republic of Congo from January 2007 until July 2008, available at: [http://www.forestsmoitor.org/uploads/2e90368e95c9fb4f82d3d562fea6ed8d/Briefing\\_note3\\_jan\\_07\\_\\_jun\\_08\\_1.pdf](http://www.forestsmoitor.org/uploads/2e90368e95c9fb4f82d3d562fea6ed8d/Briefing_note3_jan_07__jun_08_1.pdf)

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## **About Global Witness and Independent Forest Monitoring**

Founded in 1993, Global Witness investigates and campaigns to prevent natural resource-related conflict and corruption and associated environmental and human rights abuses.

Global Witness has over a decade of experience in designing and implementing Independent Forest Monitoring in various countries. Based on a contract between the monitor and the relevant government authority and cooperation with civil society and the private sector, IFM was developed to monitor logging, legal compliance and forest law enforcement. Through the provision of publicly accessible, objective information on the control of activities in the forest sector, IFM addresses governance and transparency and supports forest law enforcement. IFM is, in effect, a form of systems or governance monitoring. The inclusion of IFM in Legality Assurance Systems being established under the EU Forest Law Enforcement, Governance and Trade initiative (FLEGT) illustrates the value of IFM and the international recognition it has gained.

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