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Linking FLEGT and REDD+ to Improve Forest Governance

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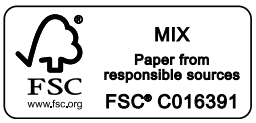

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Preface

For the past decade or so, developing countries have engaged in a variety of new international initiatives aiming at improving forest management and governance. The prevailing international forest initiatives at the moment are FLEGT and REDD+. FLEGT focuses on combating illegal logging; REDD+ aims to reduce deforestation and forest degradation and enhance carbon stocks. These initiatives offer innovative approaches to longstanding challenges in the land-use sector for policy-makers and forest stewards in developing countries.

Although FLEGT and REDD+ use different approaches and methods, they both aim to address the drivers of forest loss in tropical countries. Increased cooperation between the initiatives at the national level could advance forest governance reforms, strengthen stakeholder engagement and balance competing interests, such as using forests for local development, generating revenue and income, biodiversity conservation and carbon sequestration.

Both initiatives are relatively new and still being developed. Voluntary Partnership Agreements (VPAs), the keystone of the EU FLEGT Action Plan, are not yet fully implemented. REDD+ is still in the planning stage and only recently started piloting performance-based projects. These initiatives are expected to demonstrate their potential in the next few years and may well foster real change in the land-use sector. As REDD+ and FLEGT initiatives continue to develop and accumulate experience, it is vital to learn from this and share the lessons learned.

This issue of ETFRN News is timely. It contributes to a better understanding of the existing and potential linkages between various forest initiatives, and of how positive linkages can be fostered for better coordination and more efficient implementation. This will benefit both the forests and the people who depend on them.

This issue has been developed and produced under the guidance of a sounding board comprised of experts in the field: Christophe Van Orshoven (European Forest Institute), Flip van Helden, Emilie Goransson (European Commission), Ragna John (GIZ) and Ewald Rametsteiner and Robert Simpson (FAO).

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Linking FLEGT and REDD+ to improve forest governance — a synthesis

GUIDO BROEKHOVEN, MARIEKE WIT, EMILIE GORANSSON, RAGNA JOHN, CHRISTOPHE VAN ORSHOVEN and ROBERT SIMPSON

Introduction

A number of international policy initiatives have emerged in response to concerns about forest loss and degradation. Key among these are the EU Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT) and Reducing Emissions for Deforestation and Degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks (REDD+). Both initiatives, as well as others such as National Forest Programmes (NFPs),[1] aim to address underlying causes of deforestation and forest degradation. Ideally, all these initiatives would be compatible and mutually reinforcing, but practice shows that this is often challenging.

The EU FLEGT Action Plan marked its tenth anniversary in 2013; REDD+ became part of the United Nations Framework Convention on Climate Change (UNFCCC) negotiations in 2007. The first Voluntary Partnership Agreement (VPA) — a key instrument of the Action Plan — was ratified in 2010 between Ghana and the EU. Since 2007 a range of countries have been engaged in REDD+ preparations at the same time that they were negotiating or implementing a VPA (see Appendix). The countries are at various stages of preparation and implementation; the context, experiences and progress in each country are different. This makes it relevant to examine whether and how the development and implementation of VPAs and REDD+ initiatives are coordinated, what challenges exist and how coordination can be strengthened. This includes coordination with other policies, strategies, structures or processes at the national and sub-national level that aim to improve forest governance and promote sustainable forest management.

This issue of *ETFRN News* aims to contribute to a better understanding of the existing and potential linkages between forest-related initiatives, in particular FLEGT and REDD+. Documenting and analyzing experiences with and lessons from how these initiatives interact will help policy-makers, practitioners and other experts better understand what works

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and what does not. This issue brings together 22 articles with practical experiences and research about how FLEGT, REDD+ and other forest-related initiatives are integrated and coordinated at the country level, and the opportunities and limitations for interactions between the initiatives. It has been a challenge to find concrete country experiences of FLEGT and REDD+ interactions; most cases are still at a conceptual level.

Section 1 of this publication introduces the two main international forest initiatives, FLEGT and REDD+. Section 2 describes interactions between various initiatives in a general way. Section 3 deals with governance, law and institutions. It includes articles on safeguards, land tenure and civil society participation, among other topics. Section 4 describes the existing and potential implications of international forest initiatives for communities and smallholders, and Section 5 provides two perspectives on the potential linkages between TLAS and MRV. It also includes an article on risk reduction measures for REDD+ investments in which FLEGT could play a role. Section 6 discusses several other types of interactions: the potential value of the FLEGT approach for other commodities, experiences with forest funds that may be useful for new REDD+ initiatives and the importance of fuelwood in both REDD+ and FLEGT discussions.

FLEGT, REDD+ and beyond

The EU FLEGT Action Plan[2] sets out measures to prevent the import of illegal timber into the EU, improve the supply of legal timber and increase the demand for timber from responsibly managed forests. The measures include both demand-side and supply-side instruments. On the supply side, the Action Plan supports timber-producing countries with measures that include the promotion of fair solutions to illegal logging. It also focuses on complementary demand-side measures to reduce the consumption of illegally harvested timber in the EU. The Action Plan further promotes multilateral efforts to reduce illegal trade in timber in major markets.

VPAs are bilateral trade agreements between timber-producing countries and the EU. They form the centrepiece of the Action Plan. The purpose of a VPA is to support countries in producing legally verified timber. Once the licensing system of the VPA is functional, timber products from this country can be sold on the EU market only if it carries a FLEGT licence. VPAs support improved governance in the forest sector of producer countries and provide a mechanism to assure the legality of the timber products that enter the EU market. Another important part of the Action Plan is the EU Timber Regulation, which bans illegal timber from the EU market and requires operators to exercise due diligence and take risk mitigating measures when they place timber on the EU market. Timber that carries a FLEGT licence is exempt from this requirement.

REDD is an international mechanism framed by international climate change negotiations. REDD changed to REDD+ in 2008 to include activities aimed at enhancing carbon stocks, sustainable forest management and forest conservation. REDD+ aims to provide performance-based incentives to developing countries for carbon sequestration (i.e., to keep trees standing) and to support associated land-use planning and reforms.

Both FLEGT and REDD+ contribute to improved forest governance, in particular by strengthening inclusive and transparent multi-stakeholder participation and by facilitating legal and institutional reforms. VPAs link good forest governance with legal trade instruments. REDD+ initiatives are increasingly taking forest governance issues into account, which help make it an effective instrument to slow, halt and reverse forest cover and carbon loss.

Both processes also aim to improve forest management. FLEGT focuses on timber and timber products, whereas REDD+ focuses on forest services. FLEGT uses markets and trade as incentives to achieve its aims; REDD+ uses performance-based payments that may be linked to carbon markets. As a result, FLEGT could be viewed as relatively straightforward: fewer actors are involved; there is a clear focus on timber products; and simpler methods are used. Timber-producing countries that negotiate and implement a VPA with the EU strengthen their own laws and law enforcement policies, while operators in the EU need to comply with the EU Timber Regulation. Conversely, REDD+ requires strong coordination with a number of economic sectors that are beyond the scope of FLEGT, such as agriculture, mining and infrastructure development. See Table 1 for a summary of the differences between FLEGT and REDD+.

Table 1. Main differences between FLEGT and REDD+

FLEGT	REDD+
Bilateral	Multilateral
VPAs designed through a national participatory approach to consensus building with a broad range of stakeholders to strengthen and enforce the legal framework	multilateral guidance requires translation into national strategies with a broad range of stakeholders
focus on monitoring legality verification and timber supply chains	focus on monitoring of carbon benefits and also recently, co-benefits[3]
limited to timber production and trade	comprehensive, including all deforestation and degradation drivers
links market access and governance	links performance-based incentives and land-use sector reforms

FLEGT and REDD+ are the prevailing international forest regimes being negotiated and implemented (see the Appendix for an overview of countries with FLEGT and/or REDD+ activities). However, a host of initiatives and approaches to governing forests exist — both regulatory and voluntary — such as forest certification, the Non-legally Binding Instrument on All Types of Forests (NLBI), NFPs (which include national forest policies), the Convention on Biological Diversity, CITES and the post-2015 Sustainable Development Goals process. This is reflected in the subject of the articles in this *ETFRN News*: most deal with the potential linkages between FLEGT and REDD+; only a few also take into account other initiatives. Lessons about the interactions between these two regimes could be viewed as representative of linkages between other forest-related regimes.

About linkages

Linkages in this issue of *ETFRN News* are defined as all types of interactions between FLEGT, REDD+ and other initiatives. These interactions can be positive (i.e., one or both of the initiatives are strengthened by the interactions), negative, or neutral (there are no benefits or negative impacts to the interactions). In this synthesis article the term "synergies" is used only when it relates to positive interactions or linkages.

Various methods have been used by the authors of the articles in this *ETFRN News* to identify possible linkages. Wiersum, Capiroso and Visseren-Hamakers (2.1) used the framework developed by Gehring and Oberthür (2009) to systematically assess type of interactions. These authors identify interactions as influences that travel from one regime — the "source" — to the other — the "target." Regime interactions may take many forms, from complementary to competitive, and can be existing or potential. Wiersum, Capiroso and Visseren-Hamakers identified four types of interactions: **Cognitive** interaction, where decision-making, actions or actors of one regime are affected by another; interaction through **Commitment**, where actors of one regime or process modify their outputs because of agreements in another regime; **Behavioural** interaction, where changes in one regime affect implementation of another regime; and **Impact-level** interaction, which results from the interdependence of stakeholders in the interacting regimes.

Tegegne et al. (2.2) use a similar framework (without the "impact" type of interaction). The other articles do not use this framework or any other particular framework. However, the types of linkages they discuss can all, in one way or another, fit in with the four categories presented by Wiersum, Capiroso and Visseren-Hamakers (2.1).

This synthesis article is structured according to a number of areas for potential linkages between FLEGT, REDD+ and other initiatives. These areas were identified through the assessment of linkages in the articles: (i) governance and institutions, including participatory processes, institutional cooperation, transparency and accountability, and community and smallholder forestry; (ii) FLEGT and REDD+ supporting each other in technical issues, including social and environmental safeguards and monitoring systems; (iii) FLEGT approaches to address deforestation drivers in support of REDD+; and (iv) financing forest management and conservation. The last part of the article presents a number of conclusions and recommendations using the four types of interactions mentioned above.

Governance and institutions

Stakeholder participation

People increasingly recognize that governance problems underlie many of the problems associated with access to and use of forests. Effective governance embodies decision-making that is participatory, consensus-based, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and which follows the rule of law.[4] The impartial and independent exchange of information is a critical part of fostering good governance processes. For complex issues such as natural resource management, where there are a range of views, competing interests and expectations, well-managed multi-stakeholder processes

can bridge the differences in perceptions of the diverse participants and help them reach agreement (Box 1).

Box 1. Key principles for multi-stakeholder processes

There is no such thing as a standard blueprint for a multi-stakeholder process. The context, stakeholders, issues, participants and objectives determine the design of each dialogue process. Preparation is crucial to ensure that the process is sound and inclusive and is driven by the stakeholders. All relevant stakeholders must participate in the process and should be well informed about its objectives. They need to be organized and they should be able to express their opinions about the issues to be discussed and the process itself. Skilled and sensitive facilitation is crucial in guiding the dialogue toward its goals, ensuring that participants contribute fully and freely, and in dealing with conflicts and divergent interests.

For multi-stakeholder processes to succeed, some key process principles must be incorporated. Woodhill and van der Vugt (2011)[5] identify seven key principles:

1. Work with complexity
2. Foster collective learning
3. Shift power
4. Deal with conflict
5. Enable effective communication
6. Promote collaborative leadership
7. Reinvent institutions

Both FLEGT and REDD+ processes are expected to benefit from a multiple stakeholder process and create space for it at a national level. One of the strengths of the VPA negotiation and implementation process is the high level of stakeholder participation through structured and inclusive consultations. This experience could be applied to the REDD+ process. In Cameroon the REDD+ process learned from the VPA process: the same participatory approach used to negotiate the VPA has been applied to REDD+, and a national platform on REDD+ and climate change has been established. The involvement of all relevant stakeholders and the sharing of information established an unprecedented level of confidence and trust among local stakeholders and government representatives, resulting in the validation of the REDD+ Readiness Preparation Proposal, or R-PP (4.4).

Stakeholder consultations can be done in multiple ways. To ensure the legitimacy of the process, local representatives of indigenous groups, communities or other groups affected by FLEGT or REDD+ activities must be selected in a transparent manner so that it is clear to all stakeholders how and why these persons are able to speak and make decisions on behalf of others (4.4). For effective participation, the capacity of weaker stakeholders needs to be built, not only to understand the issues, but also to articulate their ideas and concerns.

Institutional linkages

In theory there is a lot of potential for synergies between initiatives at the national level, but in practice cooperation seems to be limited. Each initiative creates its own coordination mechanisms. Cooperation and cross referencing between the two initiatives in decision making is limited, irrespective of whether they are situated in the same office (Ghana, 3.1), or in separate ministries (Lao PDR, 2.3).

Identifying the thematic and institutional intersections of FLEGT and REDD+ at an early stage could help in developing a common approach to improved forest governance (as for example happened in Lao PDR and Honduras). Highly compartmentalized government structures and vested political interests are among the persistent barriers to better cooperation (3.4).

Transparency and accountability

Transparency and accountability are important conditions for successful VPA and REDD+ implementation. Both VPA and REDD+ preparations need to include the establishment of appropriate transparency and accountability mechanisms. Most VPAs have a specific annex which sets out the norms for public information sharing; REDD+ has safeguards that need to be addressed, which include governance issues and respect of rights of indigenous and local communities affected by the regime. Most international forest regimes aim to increase transparency and accountability, e.g., through improved access to information. Increased transparency has the potential to shift power and give local forest communities a stronger voice (4.4).

Kiyulu N'yanga (3.6) gives an impression of the scale of the work that improving transparency and accountability may require in a fragile state like the Democratic Republic of Congo (DRC). Among the measures that he proposes are public disclosure of all the funds dedicated to REDD+ in DRC, strengthening the management of local development funds, the establishment of an independent Monitoring and Evaluation Committee for all FLEGT and REDD+ projects in the country and reporting to all stakeholders. In addition to these measures to improve the financial transparency of FLEGT and REDD+ projects could be added measures related to the system of forest governance (such as decision-making; e.g., granting of resource rights) or to the people involved in the processes.

Community and smallholder forestry

Both the FLEGT and REDD+ processes can help clarify and secure the rights of local and indigenous communities to forest land: they provide a way for national stakeholders to acknowledge certain rights. At the same time, community forestry and smallholder forestry can also help in controlling illegal logging, which contributes to the common aims of FLEGT and REDD+ (Honduras, 4.1, Thailand, 4.6). However, forest management requirements under these processes can be stringent, effectively excluding some communities from participating. Requirements that are not strict enough should also be avoided; they could lead to increased illegal logging activities.[6]

Monitoring smallholder operations can be a challenge because of the often diversified forest and land management goals of the individual smallholders, which are not always in line with the goals of FLEGT and REDD+. Monitoring a large number of broadly dispersed smallholders can also be challenging and expensive. The use of innovative techniques such as GIS, remote sensing, web patrols and community monitoring may provide solutions (4.6).

Tenure

Unclear tenure arrangements are one of the major drivers of illegal logging and deforestation. Security of tenure rights is one of the foundations of good forest governance and also supports local economic development. Conflicts over land can undermine the objectives of FLEGT and REDD+ processes; these initiatives share a mutual concern for land tenure that could lead to productive synergies (3.5). They can facilitate a review process of the forest sector that could help resolve many of the longstanding land conflicts in the country (e.g., Vietnam, 4.5).

In many countries community tree tenure arrangements are complex and in need of reform (3.5). Organizing tree tenure rights in a way that benefits people and the forest can be a challenge and in some countries (e.g., Ghana) may even require a constitutional amendment. The influence of the VPA is limited by its focus on the timber industry. It cannot address the land rights of people who are threatened by forest uses such as industrial agriculture and mining, which are expanding quickly. REDD+ has the advantage of encouraging a cross-sectoral vision; it takes into account all land-use factors that drive deforestation. Because of this, REDD+ can potentially be important in resolving tenure ambiguity and benefit sharing, which helps prevent forest people from being marginalized (3.5). But there is also a risk that REDD+ will help to maintain tenure insecurity for forest-dependent communities; the requirements under REDD+ (e.g., to clarify tenure arrangements) may in this case benefit vested interests at the expense of forest-dependent communities (3.1; 4.1).

Technical issues

Social and environmental safeguards

Safeguards are policies and measures that aim to address both direct and indirect negative impacts on communities and ecosystems by identifying, analyzing and ultimately working to manage risks and opportunities. Safeguards are important to ensure that actions do not cause negative social or environmental impacts.[7] It is unlikely that a single social safeguard mechanism will prevent all potential negative impacts.[8] Rather, proponents will have to design a coherent set of tailor-made mechanisms for specific target groups over the short and long term, and these mechanisms must become an integral part of the initiative.

Stakeholders have identified a number of social and environmental risks in the implementation of the FLEGT and REDD+ processes, some of which are listed by Korwin, Rey and Ribet (3.3):

- negative impacts on biodiversity (e.g., conversion of natural forests into plantations); and leakage, where a reduction in forest degradation and deforestation or in illegal logging in one area leads to additional forest degradation, deforestation or illegal logging in a different area;
- negative impacts on forest-dependent people and other vulnerable stakeholders because of their limited participation. Some indigenous groups are concerned that REDD+ may lead to a "commodification of life" (4.3).[9] Elites may benefit from REDD+ at the expense of forest-dependent people and their livelihoods, e.g., through unclear land tenure, poorly maintained land title documents, or an increase in the value of land due to REDD+ financial incentives (4.5); and
- legality requirements that exclude informal actors in the timber trade, including Small and Medium Forest Enterprises (SMFEs). The majority of SMFEs operate largely informally,[10] and are characterized by limited resources and capacity. If they are not well designed, FLEGT and REDD+ could put SMFEs out of business.

Both processes address these risks, but use different approaches:

- The REDD+ safeguards address a range of issues, including respect for the knowledge and rights of indigenous peoples and local communities, transparent national forest governance structures, effective participation of stakeholders, and the conservation of natural forests and biodiversity. REDD+ requires the establishment of a national Safeguard Information System or SIS (3.5) that reflects the existing safeguards and safeguard instruments in the country.
- VPAs address stakeholder risks through an inclusive negotiation process rather than by predefining specific issues as safeguards. They also require a national impact monitoring framework to be established that will identify and address any negative impact of the VPA once it is being implemented.

The Honduras R-PP specifically mentions the linkages between FLEGT and REDD+, highlighting two key aspects: (1) complementarity and coherence between respective safeguards; and (2) recognition by both processes of the rights of indigenous and local communities, including the problematic forest tenure situation (4.2). Other countries — for example, Cameroon, Central African Republic (CAR) and the Republic of the Congo (ROC) — have replicated the VPA's social and environmental commitments in their R-PPs (2.2).

Monitoring requirements

Both processes include monitoring requirements. The main tool for guaranteeing legality in VPAs is the Timber Legality Assurance System (TLAS). The TLAS is accompanied by an Independent Audit system.

The TLAS has several components:

- a legality definition, which includes the regulatory references, indicators and verifiers for all laws for which enforcement will be monitored;
- a wood-tracking system that ensures that only timber verified as legal will be exported or sold;

- a system of verifying legal compliance that ensures that no illegally sourced timber enters the chain of custody; and
- a FLEGT licensing scheme for timber that is verified as legal. This licence is required for all timber shipped to the EU market.

REDD+ requires countries to develop a National Forest Monitoring System (NFMS)[11] to report the outcomes of their efforts to reduce forest-related greenhouse gas emissions, including a Measurement, Reporting and Verification (MRV) system. Safeguard Information Systems[12] also form part of REDD+ monitoring and cover non-carbon benefits such as social and ecological aspects and potential co-benefits.

The MRV requirements under the REDD+ process address three factors:

- measurement refers to information on carbon stocks and greenhouse gas (GHG) emissions over time;
- reporting requires the compilation and availability of national data and statistics for information in the form of a GHG inventory.[13] Reporting requirements to the UNFCCC may cover issues other than just those subject to measurement; and
- verification refers to independent checks of the accuracy and reliability of the reported information and the procedures used to generate information. This verification is done through an independent and external review.

Both TLAS and MRV collect, organize and generate geo-referenced information related to forest cover, forest area, trees and species and forest management (5.1). Some authors argue that good governance requires governments to develop one system that combines the monitoring requirements of both REDD+ and FLEGT (5.2). This system would benefit forest users, including concession holders (5.2). A single national monitoring system that integrates the TLAS and NFMS, verifies key aspects of the forest sector and meets the requirements of both REDD+ and VPA, would minimize transaction costs. The system would not be limited to monitoring biophysical data; it would also measure the success of governance reform targets for issues such as tenure, benefit sharing, participation in forest policy-making and implementation (3.1; 5.2). The NFMS, a tool that allows a country to assess a broad range of information, could be a framework to integrate both MRV and TLAS. Opportunities for synergies between the two monitoring systems are expected to become apparent as their design and implementation progress (5.1).

Potentially, synergies in monitoring could be achieved in several ways (5.1):

- collection of information and achieving quality control in a coherent/exchangeable manner;
- coordinated IT infrastructure and data management systems;
- identification of illegal logging hotspots; and
- improved data for forest management and policy planning at the company and national level, including improved spatial planning.

The FLEGT approach: addressing agricultural drivers of deforestation

FLEGT has generated experiences that could be relevant to sustainable supply-side and demand-side initiatives for other commodities. Ten years ago the development of the EU FLEGT Action Plan helped stimulate discussion, research and action to develop a wide range of possible policies and measures aimed at tackling illegal logging. However, the influence of FLEGT is limited by its focus on the timber industry and illegal logging.

Agricultural commodities are also important causes of deforestation. The conversion of forests (legally or illegally) for agricultural crops, often for export, is far more significant to deforestation than illegal logging. Agriculture and mining, another driver of deforestation, are not directly addressed through FLEGT. Therefore, the new EU Forest Strategy (October 2013)[14] foresees that: "*...the Commission will assess the environmental impact of EU consumption of products and raw materials likely to contribute to deforestation and forest degradation outside the EU. If appropriate, it will consider policy options for limiting such impacts, including the development of* ***an EU action plan on deforestation and forest degradation.***" The action plan could also be valuable in stimulating discussion and action on agriculture, deforestation and forest degradation.

REDD+ has a cross-sectoral vision, taking into account all land uses that drive deforestation. If it builds on VPA approaches, REDD+ could be an opportunity to expand the VPA's gains beyond the timber sector (3.5). To this end, Brack (5.1) assesses whether the consumer-country measures used to exclude illegal timber could be applied to illegal or unsustainable agricultural products associated with deforestation. FLEGT uses a number of approaches that could possibly be adapted to use for other commodities. Based on experiences in the timber sector, approaches for agricultural products could include a range of measures:

- adopting public procurement policies similar to those that promote sourcing legal and sustainable timber. Many local and regional governments in the EU already use procurement policies to promote organic and Fairtrade food products, and the UK has recently adopted a procurement policy for sustainable palm oil in food and catering.
- VPA-type bilateral agreements for sustainable agricultural commodities may be worth considering, particularly in the context of existing VPAs, such as those in Indonesia and Ghana, or those in negotiation, such as in Ivory Coast.
- private-sector initiatives on sourcing sustainable agricultural commodities may be helpful in developing identification systems, which could increase the scope of bodies such as the Roundtables on Sustainable Palm Oil (RSPO) and Responsible Soy (RTRS).
- financing and investment options include stricter safeguard policies for public agencies and, for private institutions, encouraging or requiring commitments to lending policies that require adherence to sustainability standards.

In order to function, all of these regulatory options must be based on some form of identification system for sustainably produced commodities. In most cases this means certification. There is no point in imposing consumer-country controls on imports unless

the producers can respond. Therefore, supporting measures to lower the cost and encourage the uptake of various certification systems and improve their robustness should be considered (5.1).[15] With regard to certification, Wiersum, Capiroso and Visseren-Hamakers (2.1) describe how the VPA processes and the FSC process influence each other and learn from each other.

Financing sustainable forest management and conservation

Potentially, more funding will be available for REDD+ than for VPAs. The focus of REDD+ on reducing carbon emissions can generate more resources. It has been speculated that the motivation of some countries to engage in REDD+ stems from this opportunity to earn revenue from emission reductions. In Ghana, the VPA process resulted in a broad understanding that governance reform is the fundamental challenge facing the sector, but initially the financial leverage provided by REDD+ drove stakeholders away from this reform agenda and shifted the focus to carbon accounting (3.1).

Several authors suggest exploring where and how the use of funds to help countries to prepare for REDD+ could also be useful for the implementation of VPA commitments (2.2). The ROC R-PP states that REDD+ funds should ensure that synergies are developed between the REDD+ and FLEGT processes (2.2). Bekoe Ansah and Ozinga (3.1) recommend specifically using the funding capacity of REDD+ for policy, legislative and institutional reforms that improve forest governance and strengthen community rights. This will also benefit FLEGT objectives.

However, with the postponement of possible large-scale market-based financing of REDD+ to at least 2020, REDD+ is likely to continue to be funded by traditional development aid money.[16] This delay in carbon payments could also delay implementation, but the reliance of REDD+ on ODA funding will also result in REDD+ including broader development objectives (i.e., an increase in emphasis on co-benefits, especially poverty reduction). This could lead to a decoupling of REDD+ financing from performance-based payments for emission reductions.[17] These payments were central to the original idea of REDD+. In order to maintain this link, performance-based payments for co-benefits — closely tied to REDD+ objectives — could be introduced. It is broadly accepted that to reduce emissions effectively REDD+ needs to address the underlying causes of deforestation as well as governance issues such as tenure. The future funding of REDD+ will therefore depend on a broad range of sources, including public and private. The design of these funds can be based on experiences with existing funds: Broadhead et al. (6.2) describe eight existing funds that support a combination of national and regional REDD+, climate change and forest protection activities. Their article provides information on the design and regulation of internationally financed national-level funds that operate in developing countries.

REDD+ only recently required non-carbon benefits (NCBs) to be rewarded. Bucki (5.3) gives a practical way of integrating NCBs in results-based payments without dedicated price premiums. He also suggests that FLEGT can function as a risk-reducing measure for REDD+ investments. Where FLEGT VPAs are in place, stronger governance and institutions exist, making it less risky to invest in the forest and agricultural sector in these countries. In theory, the investment risk is higher where no VPA exists.

Conclusions: how to foster positive change

Interactions between various forest initiatives, in particular FLEGT and REDD+, are starting to emerge. As described in the articles in this *ETFRN News*, there is a great potential for synergies between various initiatives. For example, both FLEGT and REDD+ processes will greatly benefit from actions that improve and monitor forest governance. Improving forest governance arrangements and the clarification of tenure rights are essential for effective implementation of both FLEGT and REDD+.

However, translating this potential into practice seems challenging; see, for example, Ghana (3.1), Vietnam (3.4) and the Republic of the Congo (3.5). Many opportunities at the national level are context-specific and ad hoc: they depend on how far along the two processes are, the institutions involved, the political will to interact and how the two processes are perceived and implemented.

While the VPA framework is relatively clear and predictable for stakeholders, REDD+ involves a substantial degree of uncertainty; multilateral negotiations are still ongoing and institutional and policy preparations at the country level are still being developed. In Guyana, where the FLEGT VPA has started in support of REDD+-implementation,[18] clear synergies between the two processes have been established from the start. At the same time, it seems that REDD+ processes make use of VPA experiences with multi-stakeholder processes less than one would expect.

The lack of awareness and communication across processes and their main actors at the national and sub-national level is one of the main obstacles to synergies.[19] The first step in maximizing synergies between FLEGT and REDD+ is to ensure that there is good communication between all those involved.[20]

The possibilities for establishing synergies between the processes are specific to each country. Early identification by national stakeholders of thematic and institutional areas where positive interactions between national processes such as VPA and REDD+ are possible may help to avoid duplication and strengthen outcomes. The four types of interactions mentioned by Wiersum, Capiroso and Visseren-Hamakers (2.1) and described above can help in systematically assessing these potential synergies.

Based on our analysis of the articles in this issue of *ETFRN News*, we have identified the following existing and potential interactions:

- Interaction through **commitment** can be positively influenced through early clarification of the jurisdictional delimitations of the processes, agreement on what work is carried out by which regime and what could be implemented jointly. Since some elements of either regime could be best addressed by the other, coordinated requests for assistance could provide a strategic way of managing potential overlaps.
- **Cognitive** interactions can be positively stimulated through continued collaboration and strengthened communication between the two regimes at the country level. The first step is being aware of the various processes that are active in a

country and understanding them and their expected outcomes. Periodic joint strategy meetings could help to create this understanding. Sharing of lessons collected by the processes should be stimulated so that the achievements of one process can advance the other.

- **Behavioural** interactions should be carefully monitored to avoid negative effects and to foster positive ones. Activities should be identified that can be jointly undertaken in a timely way for both processes. Joint efforts can bring greater momentum to reaching and influencing the decision-makers of relevant sectors, from national to district and local levels. On issues such as tenure reform and land-use planning, for example, FLEGT could benefit from the broader scope of REDD+ since coordination and collaboration with non-forest sectors are required.
- Both the FLEGT and REDD+ regimes have established safeguards to manage negative impacts. **Impact-level** interaction can be managed through the establishment of effective linkages in implementing these safeguards to benefit the affected stakeholders. Potentially, this will enable stakeholders to interact with and participate in one coherent set of processes and procedures, rather than a variety of possibly conflicting regimes.

Donors of the various initiatives should work with national governments to better understand how national stakeholders interpret the interactions and how they want to increase coherence between them. Support may be needed to revise national forest policies and laws to integrate FLEGT and REDD+ processes into the long-term vision and development of the sector. Possibilities for assistance to enhance mutual support between the various regimes need to be explored.

Similarities between processes do not automatically lead to synergies. The potential benefits of synergies (e.g., avoided duplication of efforts, reduced costs and greater efficiency) do not always outweigh the transaction costs (e.g., for coordination, information sharing and negotiations) between FLEGT and REDD+ (3.4). Better integration and coordination of the FLEGT and REDD+ processes into national forest policy planning processes (e.g., through National Forest Programmes or an overarching land-use plan) can help overcome these barriers and, importantly, support stakeholder engagement. A prerequisite is that implementing countries have strong ownership over such an overarching process. Better integration into a national planning process will also increase the likelihood that these initiatives will contribute to the improvement of forest governance in a coherent way and that processes will overcome their differences and instead be mutually supportive within the country and foster change in the forest sector.

Achieving synergies between various forest regimes — FLEGT and REDD+ in particular — is not easy. Country experiences are limited: most examples in this issue present only the potential ways in which forest regimes can be better linked. More work needs to be done on fostering these linkages. In addition, the key goal of each process is to deliver on its objectives. In some cases this could mean that elements of the various processes must be kept separate to avoid their having a negative impact on each other. As this issue shows, some progress has been made, but a better understanding is needed of the linkages

between the processes in order to learn from good practices and from missed opportunities, so that positive change can be fostered.

Acknowledgement

The authors would like to thank René Boot, Herman Savenije and Roderick Zagt of Tropenbos International for their valuable comments on earlier drafts of the article.

Endnotes

1. Almost two decades ago, countries agreed on a common approach known as a national forest programme (NFP) and adopted a set of principles designed to guide NFP development and implementation. NFPs incorporate a wide range of initiatives that contribute to the formulation, planning and implementation of forest policy at the national and sub-national level.
2. See www.euflegt.efi.int/flegt-action-plan.
3. See the Warsaw decision on summary of information on safeguards (COP 19 of UNFCCC, November 2013).
4. This is from UNESCAP 2006. What is Good Governance? www.unescap.org/pdd/prs/ProjectActivities/Ongoing/gg/governance.asp (December 2006).
5. See Woodhill, A.J. and S.M. van der Vugt. 2011. Facilitating MSPs: A sustainable way of changing power relations? In *Guidebook for Facilitation of Multi-stakeholder Processes*. South Africa: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.
6. See for example, T. Bauer, 2012. *Community forestry in Cameroon: how it can contribute more effectively to FLEGT*. Wageningen: Tropenbos International. www.tropenbos.org/publications/community+forestry+in+cameroon:+how+it+can+contribute+more+effectively+to+flegt.
7. See Jessica Boyle and Deborah Murphy, August 2012. IISD. www.asb.cgiar.org/PDFwebdocs/redd_sis_building_existing_systems_report.pdf.
8. See "Illegal or Incompatible?" Project team. 2010. Social safeguards in the Ghana-EU Voluntary Partnership Agreement (VPA). Triggering improved forest governance or an afterthought? Wageningen, the Netherlands: Wageningen University and Research Centre, 10 pp.
9. Commodification of life is "treating people and parts of people as marketable commodities." Some indigenous peoples view their environment as part of themselves, and therefore see REDD+ as a risk.
10. See SNV and WBCSD, 2007. Promoting Small and Medium Enterprises for Sustainable Development. www.snvworld.org/download/publications/sustainable_development_eng.pdf.
11. This national system can serve multiple purposes, including meeting MRV requirements under the UNFCCC for REDD+.
12. Decision 12/CP.17 of the UNFCCC Durban Outcome 4 states that a Safeguard Information System (SIS) should provide information on how all Cancun safeguards are addressed and respected. SIS should be country-driven, implemented at a national level, and built on existing systems as appropriate.
13. Developing countries can also use certain international data sources relevant for REDD+.
14. See p. 14 of European Commission. 2013. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A new EU Forest Strategy: for forests and the forest-based sector. Brussels. Bold emphasis added by the authors of the synthesis article.

15. For a comparison of FLEGT and certification, see Hinrichs, A. and F. van Helden. (2012). "Can the FLEGT Action Plan and voluntary forest certification reinforce each other?" *ETFRN News* 53: Moving Forward With Forest Governance.
16. See Angelsen, A., M. Brockhaus, W.D. Sunderlin, and L.V. Verchot (eds.) 2012. *Analysing REDD+: Challenges and choices*. CIFOR, Bogor, Indonesia.
17. This is sometimes referred to as the "aidification" of REDD+.
18. See Joint Concept Note for the Guyana-Norway co-operation. 2012. www.lcds.gov.gy/images/stories/Documents/Joint%20Concept%20Note%20%28JCN%29%202012.pdf.
19. See UN_REDD Programme. 2013. Understanding REDD+ and FLEGT Linkages Through Country Experiences. Newsletter Issue #36 February/March 2013. www.un-redd.org/Newsletter36/REDD_and_FLEGT_Linkages/tabid/106082/Default.aspx.
20. See ProForest 2011. FLEGT-REDD+ linkage: Working together effectively. Briefing Note 3.

Section 1

Introduction

Photo credits
p.1 Stacks of timber in the forests of DRC. Joseph Bolongo
p.3 Chainsawn lumber near Obogu in the Forest District of Joaso, Ghana. Marieke Wit
p.5 Lumber in Central Vietnam. TBI Vietnam
p.6 Charcoal for sale in Kisangani, DRC. Charlotte Benneker
p.7 Researchers in the forest in Suriname. Olga Ramirez

1.1 FLEGT, VPAs and the EU Timber Regulation

FLIP VAN HELDEN and EMILIE GORANSSON

The FLEGT Action Plan

In 2003, the EU Council of Ministers and the European Parliament adopted the EU Action Plan on Forest Law Enforcement Governance and Trade (FLEGT). The Action Plan was proposed as a first step to tackle illegal logging and its associated trade in a collaborative and coordinated way with consumer and producer countries, the private sector and other stakeholders.

THE FLEGT VPAS PROVIDE SUPPORT FOR IMPROVED GOVERNANCE IN THE FOREST SECTOR OF PRODUCER COUNTRIES.

The FLEGT Action Plan set out a process and a package of measures to tackle both demand (EU market) and supply (producer countries) issues. It places particular emphasis on governance reforms and capacity building in producer countries, supported by actions to develop multilateral cooperation. It also focuses on complementary demand-side measures designed to reduce the consumption of illegally harvested timber in the EU and ultimately, in major consumer markets elsewhere in the world.

The proposed measures are structured in seven areas:

1. support to timber producing countries;
2. trade in timber;
3. public procurement;
4. private-sector initiatives;
5. financing and investment;
6. supporting the Action Plan with existing legislative instruments; and
7. conflict timber.

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Voluntary Partnership Agreements

The Voluntary Partnership Agreements (VPAs) between timber-producing countries and the EU form the centerpiece of the action plan. The agreements provide support for improved governance in the forest sector of producer countries and are a mechanism to assure the legality of the timber products that enter the EU market.

The VPAs also commit exporting partner countries to develop a Timber Legality Assurance System, or TLAS (Box 1).

Box 1. Timber Legality Assurance System

The main tool for guaranteeing legality in VPAs is the Timber Legality Assurance System (TLAS).

The participatory development of a **definition of legally produced timber** sets out all the laws and regulations that must be complied with.

A secure **chain of custody** tracks timber from the forest where it was harvested to the point of export.

Verification procedures provide assurance that the requirements of the legality definition have been met for each export consignment.

FLEGT licences validate the results of legality verification and allow for customs clearance of the timber products in the EU.

An **independent audit** of the functioning of the TLAS guarantees its credibility.

VPAs have been signed with Ghana, Cameroon, Republic of the Congo, the Central African Republic, Liberia and Indonesia. These VPAs are in the process of ratification and implementation; nine more VPAs are under negotiation.[1] Implementation of the VPA includes putting a TLAS in place, ensuring that forest related documents are in the public domain, and some type of law reform. This will allow a producer country to begin issuing FLEGT licences.

The EU Timber Regulation

In October 2008, as part of its commitment under the FLEGT Action Plan, the European Commission (EC) proposed a regulation that would minimize the risk of illegally harvested timber reaching the market. It was adopted by the Council and the European Parliament in October 2010 and became operational in March 2013.

The regulation consists of two key obligations: 1) it prohibits illegally harvested timber and the products derived from such timber from being put on the EU market; and 2) it requires EU traders who put timber products on the EU market for the first time to exercise due diligence.

The core of the due diligence notion is that operators have to undertake a risk management exercise so as to prevent illegally harvested timber, or timber products containing illegally harvested timber, from being put on the EU market. The due diligence system has three key elements:

- Information: The operator must have access to information describing the timber products, country of harvest, quantity, details of the supplier and information on legal compliance.
- Risk assessment: The operator should assess the risk of illegal timber entering the supply chain, based on this information.
- Risk mitigation: When there is a risk of illegal timber entering the supply chain the operator should mitigate that risk by requiring additional information and verification from his or her supplier.

The regulation covers a broad range of timber goods, including solid wood products, flooring, plywood, pulp and paper. It does not address recycled products, rattan, bamboo or printed papers such as books, magazines and newspapers.

The regulation applies to both imported and domestic (i.e., within the EU) timber and timber products. Timber products that are covered by valid FLEGT licences or Convention on Trade in Endangered Species (CITES) licences are considered to comply with the due diligence requirements of the regulation.

The regulation provides for monitoring organizations to be recognized by the EC. These private-sector organizations will provide EU operators with operational due diligence systems. Operators can develop their own system or use one developed by a monitoring organization.

Each EU Member State will designate a competent authority that will coordinate enforcement of the regulation and determine the penalties for non-compliance.

This development in the EU is in line with comparable policy initiatives elsewhere. The U.S. has amended the *Lacey Act* to make trade in illegally harvested timber a criminal offence. Similar policies are currently under consideration in Australia.

Acknowledgement

This article was adapted from: http://ec.europa.eu/environment/forests/pdf/EUTR_Leaflet_EN.pdf.

Endnote

1. They are Ivory Coast, Democratic Republic of Congo, Gabon, Guyana, Honduras, Lao PDR, Malaysia, Thailand and Vietnam.

1.2 Introduction to REDD+

VALÉRIE MERCKX and
CHRISTOPHE VAN ORSHOVEN

Reducing emissions from deforestation and forest degradation in developing countries (REDD) is an international mechanism framed by international climate change negotiations. It aims to establish incentives for developing countries to reduce deforestation and forest degradation and protect their forests.

Approximately 13 million hectares of forest are lost every year to deforestation, an area around four times the size of Belgium. It is estimated that degradation and loss of tropical forests account for 15–20 percent of all greenhouse gas emissions, a higher percentage than that caused by transportation. Therefore, conserving the carbon stored in existing forests, reducing the rate of deforestation and forest degradation and improving the management of forests can contribute significantly to climate change mitigation.

REDD+ also provides an enabling environment to stimulate public-private partnerships.

In 2007, during the 13th Conference of the Parties (COP 13), the United Nations Framework Convention on Climate Change (UNFCCC) launched negotiations on REDD. The concept was later broadened to include conservation of forests, sustainable management of forests and the enhancement of forest carbon stocks. This is referred to as REDD+ ("REDD plus"). International negotiations to define REDD+ and design an international REDD+ framework are ongoing.

The principle underpinning REDD+ is that developed countries will make results-based financing available to developing countries that reduce forest-based emissions at the national level, compared to an agreed baseline. In addition to delivering significant benefits for climate change mitigation, the international framework also promotes other advantages, often referred to as the non-carbon benefits of REDD+:

- biodiversity protection;
- poverty reduction;
- food and water security; and

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- improved livelihoods for communities that depend on forests, including through clarifying land tenure and strengthening governance.

Several issues still must be resolved in order for REDD+ to become an operational global mechanism: sources of financing; reference levels; approaches to measuring, reporting and verification (MRV); mechanisms to channel international financial support and benefit sharing; and adequate safeguard frameworks.

Progress on these issues in the international climate change negotiations has been slow. Nevertheless, several parallel approaches and initiatives that aim to slow, halt and reverse forest cover and carbon loss are underway. These approaches include fast-start initiatives such as the Forest Carbon Partnership Facility (FCPF) administered by the World Bank, the UN-REDD Programme, the World Bank Forest Investment Program (FIP) and bilateral initiatives.

Most developing countries engaged in REDD+ are already undertaking early actions geared to building institutional and technical capacity. These efforts are known as REDD+ readiness activities. A few countries are engaging in results-based REDD+ mechanisms, whereby financial incentives are provided for verified emissions reductions. These countries include Brazil, Ethiopia, Guyana and Indonesia, all working through bilateral agreements with Norway.

REDD+ also provides an enabling environment to stimulate public-private partnerships and private-sector engagement in addressing the drivers of deforestation, inside and outside the forest sector. An increasing number of companies that supply consumer goods are committed to developing and applying responsible purchasing policies that minimize deforestation. These include voluntary certification and round tables for key agricultural commodities (including palm oil, beef and soya) that promote and implement responsible agricultural production standards.

Section 2

Types of interactions

Photo credits
p. 9 Peasant house near Santa Cruz, Bolivia. René Boot
p.11 River in a forest in central Vietnam. TBI Vietnam
p.12 Log landing site near Paramaribo, Suriname. Astra Singh
p.18 Ferry in a river near Zoulabot II, East Province, Cameroon. Clara Moeremans
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2.1 Interactions between the EU FLEGT and FSC forest regimes

K. FREERK WIERSUM, KATHLEEN A.E. CAPIROSO and INGRID J. VISSEREN-HAMAKERS

Introduction

In the absence of an internationally binding forest convention to set the benchmark for sustainable and legal forest management, various forest regimes have been gaining ground. They are characterized by principles, norms, rules and procedures for responsible forest use and conservation and by an institutional framework for implementing, evaluating and expanding the regime (Rayner, Buck and Katila 2010).

This fragmented forest regime complex includes both regulatory and voluntary approaches to governing forests (Rayner, Buck and Katila 2010). The two approaches differ in three main ways (Hinrichs and Van Helden 2012):

REGIME INTERACTIONS MAY TAKE MANY FORMS, FROM COMPLEMENTARY TO COMPETITIVE.

- Regulatory measures cover the entire forest sector in a country, while voluntary initiatives focus on a certified enterprise or forest management unit.
- Companies use voluntary standards to improve their market position compared to their competitors, while governments use regulations to create fair conditions and improve practices within the sector as a whole.
- Voluntary initiatives depend on the goodwill of actors. They are binding only on those who participate in the scheme, and companies can always opt out. Conversely, regulatory measures are compulsory and bring the force of law to bear on all actors within the sector.

Due to differences in principles, norms and standards and in their organization, the two approaches may duplicate or even compete with each other; alternatively, they might support each other. Hinrichs and Van Helden (2012) urge the creation of practical synergies between the two approaches and indicate several options for creation of such synergies.

In spite of calls for interactive management (Oberthür and Stokke 2011; Visseren-Hamakers and Verkooijen 2013) there is still little insight into how regulatory and

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voluntary approaches might interact. Most studies on this subject (e.g., Visseren-Hamakers 2013) focus on assessing interactions between public institutions, and little attention has been given to public-private interactions.

This article describes the results of an exploratory study on the process of policy interaction between the EU FLEGT and Forest Stewardship Council (FSC) regimes. The EU FLEGT Action Plan is a regulatory approach to ensure the legality of exported timber. The FSC certification programme is a voluntary approach to certify that commercial timber is derived from sustainably managed forests.

Research approach

When considering regime interactions, it is important to take into account that governance is a multi-level process. Interactions between international regimes may take place at the international level where the policies are formulated and at the national level where they are enacted. Although both the FLEGT and FSC regimes involve the formulation of a set of integrated principles, rules and procedures for responsible forest use and conservation at the transnational level, they also involve national specifications: a FLEGT Voluntary Partnership Agreement (VPA) in the case of FLEGT and national indicators for certification standards in the case of FSC. During the development of such national standards the regimes are often adapted to local conditions (Bernstein and Cashore 2010; Wiersum et al. 2013).

The national implementation of international regimes is not a simple linear procedure, but rather a reiterative policy process in which new rules and/or procedures may be added to those formulated at the international level. This may include adopting elements of other international regimes that are relevant. Regime interactions can therefore occur not only during the process of formulation at the international level, but also during the process of negotiation and adaptation to national conditions.

Consequently, this article assesses FLEGT and FSC regime interactions at both the national and international levels. It is based on an explorative study that was carried out in 2011. The study consisted of a review of policy documents, followed by interviews with 14 forest policy experts in Europe and Ghana (Capiroso 2011).

Ghana provides an interesting example of how the negotiation of a FLEGT VPA resulted in an intensive review of national forest policy (Beeko and Arts 2010). It was the first country to negotiate a FLEGT VPA with the EU. The agreement included a definition of national timber legality standards. The national process of developing these standards included the identification of new principles that were added to the original FLEGT standards (Beeko and Arts 2010; Wiersum and Elands 2013). The country was also the seat of the regional African FSC bureau and was engaged in the formulation of a set of national indicators for FSC certification.

Types of interactions

Regime interactions may take many forms (see also article 2.2). Capiroso (2011) used the framework developed by Gehring and Oberthür (2009) to systematically assess what type of interactions had occurred. Gehring and Oberthür identify interactions as influences that travel from one regime (the "source") to the other (the "target"). They identified both potential and actual interactions. Gehring and Oberthür identified four types of interactions:

- Interaction through commitment occurs when agreements entered into in the source regime induce actors to modify their outputs regarding issues related to target regime. This presupposes that international obligations create a binding force whereby actors will constantly be aware of and restrained by their commitments in one regime while negotiating in the other. This can include jurisdictional overlap — when two regimes address the same issues, and decisions need to be made on whose rules prevail — and nested institutions in cases where the actors of the source and target regimes overlap.
- Cognitive interaction occurs when information, knowledge and institutional innovations developed within the source regime affect the decision-making or actions of actors in the target regime. This may involve policy model interaction (in cases when the target regime voluntarily or unintentionally uses institutional innovations or ideas developed within the source regime as policy models); exchange of information (when the target organization uses information from the source regime); or requests for assistance (when specific source institution actions draw the attention of target institution actors).
- Behavioural interaction occurs when the source regime triggers changes that affect implementation by the target regime. Usually, the source regime produces outputs (policies, prescriptions, etc.) that change the behaviour of actors relevant to the target regime. For behavioural interaction to occur the goals of the two regimes must be closely linked. In addition, the source institution must exert pressure on those carrying out implementation (to execute its provisions) and on those affected by those provisions (to change their behaviour accordingly).
- Impact-level interaction results from the interdependence of the stakeholders in the interacting regimes. Such interaction may occur in cases where the target and source regimes are functionally linked due to the significant overlap in the issue areas.

Interactions between FLEGT and FSC

The differences between the regulatory and voluntary approaches of the FLEGT and FSC regimes include a) the principles of sustainability versus legality; b) issues related to membership and political orientation, political scope, and the decision-making process; and c) standard setting, verification/auditing, accreditation and certification/licensing. Notwithstanding these differences, 25 specific forms of interactions were identified (Table 1).

Table 1. Interactions between FLEGT and FSC regimes

Type of interaction	Influence of FSC on FLEGT	Influence of FLEGT on FSC
International level		
Commitment interaction	**Jurisdictional delimitation:** The EU decided that in developing the Timber Legality Assurance System (TLAS) it would not use FSC Principle 1 as a template for defining legality, but would instead devolve the responsibility to VPA country partners to develop a set of standards to define timber legality based on their national laws	**Jurisdictional delimitation:** FSC is interested in supporting and engaging with the EU to harmonize legality standards so that they complement and support each other's objectives
Cognitive interaction	**Policy model:** The sustainability aspects (i.e., environment, social, and economic) of FSC standards were considered as major requirements for defining timber legality **Policy model:** FSC multi-stakeholder consultation and consensus-based decision-making were integrated in requirements for developing the TLAS **Policy model:** The FSC/certification third-party auditing process was considered when developing a system for timber legality verification **Exchange of information:** Complaints on the lack of effectiveness and the voluntary scope of the FSC programme were among the triggers for the EU to develop a tool at the international level to address illegal logging **Exchange of information:** The difficulties in complying with the comprehensive FSC criteria regarding sustainability helped the EU decide to limit the focus of FLEGT to legality **Request for assistance:** The EU asked FSC to conduct a gap analysis on the legality standards of FSC and VPA in Cameroon	**Policy model on standards:** FSC integrated relevant issues from the FLEGT legality requirements and considerations in the revised FSC principles and criteria at the General Assembly July 2011 **Policy model on accreditation:** FSC will consult with its certification bodies to align their systems with the VPA requirements on third-party monitoring

Type of interaction	Influence of FSC on FLEGT	Influence of FLEGT on FSC
National level (Ghana)		
Commitment interaction	**Jurisdictional delimitation of goals:** Timber legality is considered as a first step in the process toward sustainable forest management **Nested institutions:** In joint policy workshops it was agreed that sustainable forest management requires further integration of the VPA legality standards and FSC national indicators	**Jurisdictional delimitation:** The VPA legality definition supports the FSC national indicators related to the FSC Principle 1 on legality **Nested institutions:** FSC Ghana participated in VPA working groups/multi-stakeholder consultations
Cognitive interactions	**Policy model regarding goals:** Since certification is expected to complement FLEGT VPA requirements, the FSC certificate could potentially be an alternative FLEGT licence, which would reduce administrative and procedural work. **Policy model on standards:** The FSC national indicators served as a model during the development of FLEGT standards for timber legality **Policy model on auditing:** Participants decided to establish a multi-stakeholder supervisory FLEGT body outside the government administration **Policy model in auditing:** An independent party monitor was recruited **Policy model on accreditation:** Participants discussed whether the FLEGT VPA could make use of the FSC accreditation body in establishing an Independent Party Monitor **Request for assistance:** The FLEGT VPA organization invited FSC staff members to take part in a multi-stakeholder consultation in drafting Ghana's TLAS	**Policy model on standards:** The general VPA standards for legality may be included in the FSC national indicators **Policy model on standards:** The VPA timber legality definition served as a model for strengthening Principle 1 of the FSC national indicators **Exchange of information:** The VPA legality definition is expected to improve the legitimacy/validity of FSC national indicators **Exchange of information:** The VPA may potentially increase interest in certification
Behavioural interaction		The VPA legality licence has the potential to influence forest enterprises to apply for certification

A total of 10 interactions at the international level and 15 at the national level were recorded. The FSC was the source of influence in 15 cases; FLEGT was the main source of influence in 10 cases. Cognitive interactions were most important. They concerned policy model interactions (12), exchange of information (4) and requests for assistance (2). The commitment interactions concerned cases of jurisdictional delimitation (4) and nested institutions (2). There was only a single case of behavioural interaction. In 13 cases the interactions involved actual effects; 12 involved potential effects. Except for three potential negative interactions, in the form of competition between the FLEGT VPA legality standards and license and those of FSC, all interactions — whether triggered by FSC or FLEGT VPA — generated or are expected to generate positive/synergistic influences.

Conclusion

This article illustrates two important features of regime interactions. First: considering their different principles and related standards, as well as the different organizational contexts in which they were developed, the FSC and FLEGT regimes seem to be typical examples of the fragmented international forest policy context. However, data indicate that during the development of both regimes, reciprocal interactions may evolve as a result of each body's growing understanding of the significance of the respective regime standards.

The FLEGT regime was initiated when it was recognized that there was scope to supplement the voluntary market-based FSC regime with a more formal regulatory regime. It is not surprising that the experiences gained by the FSC regime can serve as a policy model for FLEGT. However, the FLEGT model also influenced the FSC regime. This demonstrates that the "old" FSC regime is subject to continuing policy development.

Cognitive interactions prevailed, notably in the form of policy model interactions. Interaction through structured forms of exchange of information and requests for assistance was a relatively minor component. This suggests that increased collaboration between actors could benefit from further harmonization of legislative requirements, legality standards and control measures. Such collaboration could involve the development of effective tools for joint knowledge management and communication; these could make use of the specific contributions of each regime to the various elements of sustainable forest management.

The findings also demonstrate that regime interactions occurred at both the national and international level. The development of specific regimes does not involve a simple linear policy process from problem identification to formulation at the international level and implementation at the national level, but is rather a reiterative learning process in which regimes may be further adapted and influenced by other regimes. This adaptation results not only from informal or conscious interaction between the regimes at the international level, but from interactions at the national level where the regimes are enacted.

The development of a national forest policy requires various principles, norms and procedures of the fragmented forest governance context to be integrated into a coherent set of national policy actions. These national experiences can subsequently inform the international forest policy process. The data illustrate that national-level interactions are

likely to occur in cases such as Ghana. There, regime interactions are stimulated by the presence of a well-structured network of forest policy actors that consciously strive for the democratic development of an integrated national forest policy that incorporates the various elements of the fragmented international regime complex.

This national process of regime interaction in Ghana also included interactions between the FLEGT and REDD+ regimes (Ochieng, Visseren-Hamakers and Nketiah 2013). Such national-level interactions are less likely to occur in countries that treat the implementation of international policies into national policies as a linear process. When assessing interactions between international forestry regimes, it is important to consider whether they occur at the national or international level, and whether interactions at the national level subsequently inform the international level.

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2.2 National-level FLEGT VPA and REDD+ interactions, Congo Basin

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Introduction

This article analyzes the mutual influences of FLEGT and REDD+ in four Congo Basin countries: Cameroon, Republic of the Congo (ROC); Central African Republic (CAR); and Democratic Republic of Congo (DRC). It is based on desk study and eight interviews with experts involved in VPA and REDD+ processes from governmental and non-governmental organizations in Congo basin countries (see, e.g., Ochieng, Visseren-Hamakers and Nketiah 2013). The article assesses three mechanisms by which these initiatives are influenced (see also article 2.1):

- cognitive interaction;
- interaction through commitment; and
- behavioural interaction (Gehring and Oberthür 2009).

Cognitive interaction occurs when information, knowledge and institutional innovations developed in the source regime affect the decision-making or preferences of actors in the target regime. The learning process in the target regime can be triggered unintentionally or intentionally. Policy model interaction occurs when the target regime intentionally uses institutional innovations or ideas developed by the source regime. A request for assistance occurs when one regime requests the other regime to adapt to its needs.

Lessons and experiences from the VPA process should guide the design and implementation of REDD+, and vice versa.

Interaction through commitment occurs when rules in the source regime induce actors to modify their preferences regarding issues related to another regime. This assumes that regimes create a binding force so that actors will constantly be aware of their commitments in one regime while negotiating in the other. There are two types of interaction through

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commitment. Jurisdictional delimitation arises when regimes with similar membership that address similar issues have different objectives. Additional means of implementation occur if the two regimes have similar objectives and identical membership and one provides ways to implement commitments in the other.

Behavioural interaction occurs when the source regime triggers behavioural changes that affect implementation by the target regime. Usually, the source regime produces outputs that change the behaviour of actors relevant to the target regime.

FLEGT and REDD+ processes in Congo Basin

The Congo Basin countries are at different stages of negotiating or implementing a VPA and carrying out REDD+ readiness activities. Of the four countries analyzed, Cameroon is the most advanced in implementing its VPA and the least advanced in REDD+ readiness. DRC is the least advanced in negotiating its VPA and the most advanced in REDD+ readiness. Cameroon and ROC are revising their regulatory framework, developing a timber legality assurance system (TLAS) and starting to implement the VPA provisions for making information public. DRC is well advanced in developing its national REDD+ strategy and emission reduction programme. Although both processes are advanced in CAR, progress is unclear due to political instability. In DRC and ROC, VPA and REDD+ are coordinated by the same ministry; in Cameroon and CAR, REDD+ and the VPA are coordinated by different ministries (Table 1).

Table 1. An overview of VPA and REDD+ in four Congo Basin countries

Country	Key developments		Coordinating ministries
	VPA	REDD+	
Cameroon	VPA signed in 2010 and ratified in 2011	▪ Engaged since 2008 ▪ Readiness Preparation Proposal (R-PP) approved in 2013	▪ Forestry and Wildlife coordinates VPA ▪ Environment coordinates REDD+
CAR	VPA signed in 2010 and ratified in 2012	▪ Engaged since 2007 ▪ R-PP approved in 2011	▪ Water and Forestry coordinates VPA ▪ Environment and Ecology coordinates REDD+
ROC	VPA signed in 2010 and ratified in 2013	▪ Engaged since 2008 ▪ R-PP approved in 2011	▪ Forest Economy and Sustainable Development coordinates both
DRC	Negotiations initiated in 2010	▪ Engaged since 2009 ▪ R-PP approved in 2011	▪ Environment coordinates both

Interactions between FLEGT VPA and REDD+ in Congo Basin countries

Cognitive interactions

In Cameroon, CAR and ROC the existing VPAs have served as a policy model for the design of the national REDD+ strategy. The VPAs in these countries have yielded useful

information that has influenced some aspects of REDD+ readiness. The R-PP of CAR (MEE 2013: 21), for example, states: "Selection of entities, their representatives, and interviewees to participate in critical discussions on REDD+ policies and decision-making was based on lessons learned from the FLEGT process."

Similarly, the R-PPs of Cameroon (MINEPDED 2013: 11) and ROC (MDDEFE 2011: 18) acknowledge that the consultation process for the preparation of a REDD+ strategy will build on lessons learned from experience with stakeholder consultation, including the VPA process. In ROC, the consultation process for the VPA divided stakeholders in three groups: public, private and civil society; the consultation for the preparation of a REDD+ strategy in the country targeted these same categories (MDDEFE 2011: 18). Participants involved in REDD+ should recognize that even though the VPA process was successful in conducting multi-stakeholder consultation, there are opportunities for REDD+ to build on this experience. A Cameroonian respondent noted: "There are good and bad experiences of FLEGT VPA with respect to multi-stakeholder consultation and dialogue. Stakeholders/actors of REDD+ should be aware of both."

For instance, it may not be appropriate to consider the same group of stakeholders in REDD+ as in the VPA. This may lead to excluding some important group of stakeholders, such as small landholders/farmers in non-forested areas.

Cognitive interactions will likely continue given the overlap of issues and membership in the two regimes. For example, the R-PPs of Cameroon, CAR and ROC highlight the importance of assessing the potential social and environmental impacts of REDD+ — both negative and positive — through a strategic environmental and social impact assessment (SESA). The countries intend to design and implement SESAs for REDD+ based on relevant elements from other initiatives, including the VPA, demonstrating that the two regimes will continue to influence each other. The Cameroon R-PP (MINEPDED 2013: 81) clearly states: "The indicators that will be taken into consideration in the [SESA] … will be based on the indicators identified in other frameworks. This involves, for example, criteria and indictors for governance developed in the context of the FLEGT-VPA process…"

ROC's R-PP (MDDEFE 2011: 102) and CAR's R-PP (MEE 2013: 6) state that the SESAs will include consideration of the principles, criteria, indicators and verification used in VPA, but add that the relevance of these measures to social and environmental risk assessment should be clarified.

Plans for future information sharing and consultation and dialogue under REDD+ will continue to build on the experience of the VPA process. For instance, the R-PP of Cameroon (MINEPDED 2013: 26) acknowledges: "Cameroon will have to put in place a robust and effective consultation plan and communication plan inspired by the plans implemented for existing or past processes such as FLEGT."

In DRC, REDD+ could serve as policy model for VPA. For instance, FLEGT actors are using REDD+ institutions to strengthen the FLEGT debate at the provincial level. Otherwise, there are almost no cognitive interactions between the two regimes — when the VPA

process was launched in DRC, REDD+ preparations were already at an advanced stage. Both processes face a number of challenges, and opportunities for coordination exist, including addressing governance failures, land tenure and the use of effective participatory processes related to improved forest governance and management. According to the R-PP of DRC (MECNT 2010: 129), regulatory reforms to support the implementation of REDD+ should bear in mind the experience and lessons learned from the VPA processes in other countries and from the consultation process of the VPA agreement. The REDD+ process in DRC will have to draw on experiences generated by the VPA in other countries since the country's own VPA is still in the negotiation phase. It is important to note, however, that the VPA process in the country is more likely to learn from its own REDD+ process, which is well advanced.

Interactions through commitment

Some commitments made in the VPAs of Cameroon, CAR and ROC have also been made in REDD+. REDD+ will therefore provide additional means to implement VPA commitments. Under the VPA, Cameroon, CAR and ROC committed to (1) understand and monitor the impacts of the VPA on the livelihoods of potentially affected indigenous and local communities; and (2) undertake legislative and institutional reforms and improve and strengthen forest tenure schemes.

These commitments have been replicated in the R-PPs of all four countries. Under REDD+, these countries plan to, among other things, (1) implement social and environmental safeguards to prevent undesirable impacts of REDD+ on local and indigenous communities; and (2) reform legislation on a range of issues, including land tenure and property rights in forests, stakeholder engagement, and distribution of benefits from REDD+.

The overlap of commitments between the two regimes creates possibilities for joint actions. Another aspect to be considered is that REDD+ is voluntary and its commitments lack legal force, while the VPA is legally binding: countries are legally obliged to implement its commitments. This means that the VPA provides additional legal force to implement REDD+.

REDD+ could potentially support the VPA by providing additional financing and political attention. For instance, ROC's R-PP (MDDEFE 2011: 72-74) states that REDD+ funds should be used to ensure that synergies are developed between the two processes. This means that REDD+ funds could be used to implement certain elements of the VPA. Conversely, the VPA's TLAS also includes requirements for monitoring, reporting and verification (MRV), ranging from on-the-ground monitoring of forest management, ensuring compliance with laws, and independent third-party monitoring *(see articles 5.1 and 5.2 for more detail on the potential contributions of TLAS to MRV)*. These will be useful to REDD+.

Additionally, under REDD+, the four countries plan to build capacity at all levels. Training will be conducted for civil society and local communities so that they can be involved in data collection and monitoring of REDD+ activities. This means that training and capacity building under REDD+ will not only improve the ability to implement REDD+ but will also help to implement elements of the VPA. For instance, training in MRV and social and environmental safeguards will enhance people's capacity to perform tasks under the VPA, such as monitoring socio-economic impacts.

Likewise, the VPA process in these countries could also further the implementation of REDD+ by providing additional capacity and expertise. The Cameroon R-PP (MINEPDED 2013: 19) states that due to the complementary nature of VPA and REDD+ activities, the Ministry of Forestry and Wildlife will support the technical implementation of REDD+ MRV, including monitoring of carbon stocks. The Cameroonian Ministry of Environment does not have sufficient capacity to effectively implement REDD+ activities.

The VPA could provide additional financial resources for implementing REDD+ in Congo Basin countries. The EU and FAO have financed a number of projects in Cameroon, CAR and ROC to improve the collection and monitoring of forest revenue and raise awareness of VPAs among forest community groups and local actors (FAO 2013). Some of these tasks are core activities in REDD+ MRV. Likewise, under the VPA, ROC has secured funds from the French Development Agency and EU FAO to support reform of the forestry code. Since similar reform is required under REDD+, these funds will be useful for REDD+.

Potential synergies between the VPA and REDD+ readiness also exist for the collection of information. The CAR R-PP (MEE 2013: 55) states that any additional studies under REDD+ will be carried out in collaboration with VPA implementation because the many overlaps between the two regimes permit future collaboration opportunities (MEE 2013: 55). This suggests that the two regimes will continue to inform each other as they evolve.

Behavioural interactions

Respondents noted that effective implementation of various elements of the VPA will generate positive changes in the behaviour of stakeholders in the forest sector. These changes will in turn have positive impacts on REDD+. For instance, each country in its VPA is obliged to ensure that information is shared with the public. The ROC VPA states: "Public disclosure of information is one of the key provisions of this Agreement for promoting governance" *(*EU and Republic of the Congo 2011*)*.

By requiring stakeholders in the forestry sector to be provided with reliable information, the VPA may change the behaviour of actors, and since the actors in the regimes overlap, changes in behaviour due to VPA implementation should have a positive impact on the implementation of REDD+. VPA implementation could strengthen good governance in the

forest sector through mechanisms such as independent auditing and increased transparency. A Congolese respondent stated: "Improved forest governance under the VPA and rigorous application and enforcement of forest laws will induce positive behavioural changes in actors involved in the forest sector, and thus further the REDD+ objective of improving forest governance."

While the anticipated behavioural interactions between the two regimes will largely have positive impacts, disruptive effects are also expected. Implementation of the TLAS in the domestic timber market may have a negative impact on the livelihoods of small-scale timber vendors and forest-dependent communities (Atyi et al. 2013) who REDD+ aims to support.

Key findings and recommendations

The strongest interactions occur in Cameroon, CAR and ROC; interactions in the DRC are weak. Several interactions have occurred between the two regimes in Cameroon, CAR and ROC, and more are expected. In these countries, the process for developing the VPA has served as a policy model for designing elements of REDD+. Since these cognitive interactions have been largely synergistic, lessons and experiences from the VPA process should guide the design and implementation of REDD+, and vice versa, in these countries. Furthermore, each regime could provide additional means for implementing commitments in the other. REDD+ in particular is expected to mobilize resources for implementation of the VPA in Cameroon, CAR and ROC. Implementation of elements of the VPA is also expected to result in positive behavioural change, which will in turn have positive impacts on REDD+. Disruptive interactions, such as short-term negative impacts on livelihoods, are also possible; much will depend on how the secretariats of the two regimes handle implementation.

Interactions are expected to continue as the two regimes co-evolve, and certain actions could help to support positive interactions and mitigate negative impacts. Continued collaboration and strengthened communication between the two regimes in all four countries – through, for example, periodic joint strategy meetings – and getting to know each other and each other's processes is a first step. The two regimes could then explore requests for assistance and jurisdictional delimitations to enhance mutual support. Duplication in the work and activities of the two regimes (e.g., sensitization activities, legislative review, capacity building) in these countries can be expected, and this may result in inefficient use of resources.

The two regimes, through their respective institutional structures, should agree on which work is carried out by which regime and which could be implemented jointly. Since some elements of either regime could be best addressed in the other, requests for assistance could provide a strategic way of managing potential overlaps. For instance, in all countries, the VPA secretariat could ask the REDD+ secretariat to implement elements concerning forest monitoring. Although this has already been recognized and called for in Cameroon, no formal systems have been established. Finally, donors of the two

regimes could stimulate the governments to increase coherence between VPA and REDD+ processes. In these ways, interactions between VPA and REDD+ can be further enhanced, and both regimes can most effectively contribute to reducing illegal logging and avoiding deforestation and forest degradation.

Acknowledgment

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2.3 Linking REDD+ and FLEGT in Lao PDR

CORINNA BRUNSCHÖN
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Introduction

Lao People's Democratic Republic (Lao PDR) is a socialist state in the lower Mekong region with rich water, mineral and forest resources. Although it has one of the highest forest cover rates (41.5%) in mainland Southeast Asia, when this is compared to an estimated forest cover of 70% in the mid-1960s it means that forests have diminished dramatically over the last half century (Government of Lao PDR 2005). The reasons for this extensive forest loss are mainly large-scale conversions for agriculture, industrial tree plantation, mining, land clearing for hydro dams, infrastructure and urban expansion as well as unsustainable logging practices (Phanvilay and van Tuyll 2012).

LINKING THE TWO PROCESSES IS A GREAT OPPORTUNITY TO STRENGTHEN THE TECHNICAL INPUTS NEEDED IN THE NATIONAL FOREST POLICY FRAMEWORK.

In recent years deforestation has declined, although forest degradation through illegal logging and shifting cultivation continues to be a serious issue (FCPF 2010). Timber is primarily exported to neighbouring countries Vietnam, Thailand and China (Figure 1). Although these countries have started to implement stricter controls over logging within their own borders, their strong demand for timber is increasingly met by timber imported from Lao PDR. For example, timber from Lao PDR is estimated to account for 16–25% of Vietnam's annual wood imports. The majority of logs smuggled across the border to Vietnam are processed into wooden products and exported, mainly to the US and EU (EIA 2011).

Over the past decade Lao PDR has developed new national regulations and policies (e.g., the Forestry Strategy 2020 and the Forest Law Enforcement Action Plan) to protect its natural forests and shift toward sustainable forest management. However, in addition to the high pressure from its neighbours, weak forest governance — characterized by corruption, non-transparent timber trade and capacity gaps — results in high rates of forest degradation and illegally traded timber (EFI EU FLEGT Facility 2011 and 2012).

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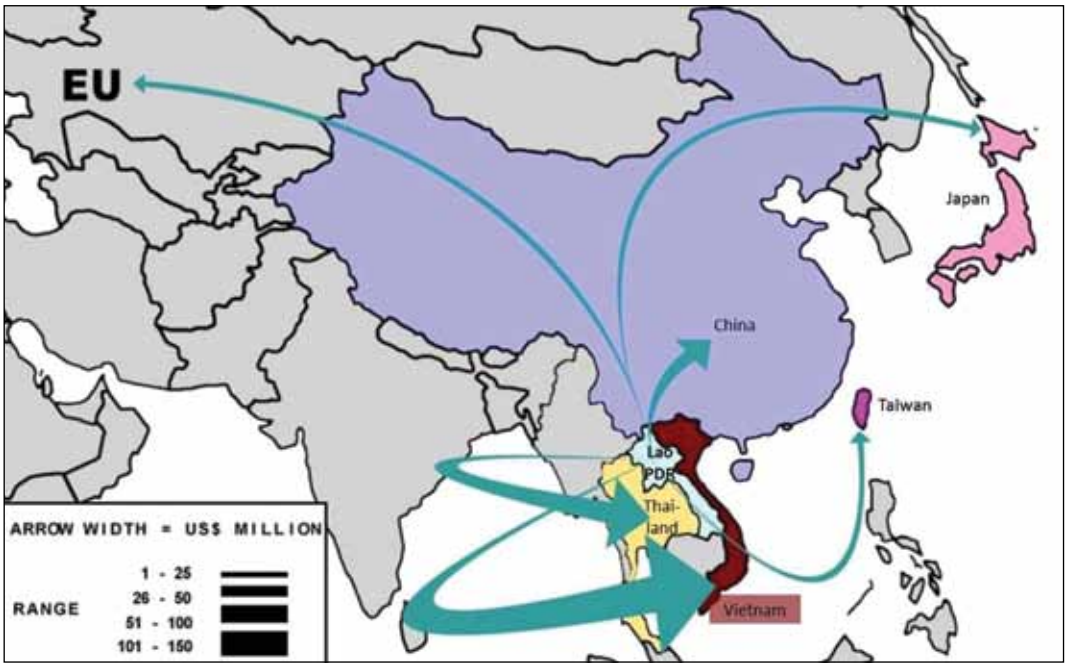
Figure 1. Lao PDR's forest product exports by value (US$ million), 2008



Source: European Forestry Institute data (modified: http://news.efi.int/files/attachments/timber_trade_flow_maps_ft.pdf)

The German Development Cooperation (financed through the Federal Ministry for Economic Cooperation and Development, or BMZ) supports Lao PDR in its REDD+ readiness phase through the Climate Protection through Avoided Deforestation (CliPAD) programme. It will also provide technical assistance for the FLEGT process through a recently initiated ProFLEGT project.

Support for the REDD+ readiness process at the national and sub-national level over the past four years within the CliPAD programme brought valuable experience and revealed specific challenges for the implementation of REDD+ in the Lao context. This article is based on this experience and reflects insights gained by GIZ staff. It focuses on the potential synergies between the REDD+ and FLEGT processes.

FLEGT in Lao PDR

At the beginning of 2012 the Lao government made a formal request to negotiate a Voluntary Partnership Agreement (VPA) with the EU. Prior to this, a consensus-building process took place in Lao PDR, accompanied by fact-finding missions to neighbouring countries. VPA negotiations are expected to start in early 2014.

In May 2012 Germany pledged funds to support the FLEGT process and shortly afterward designed the ProFLEGT project. This initiative aims to support coordination among all stakeholders (government, private sector, civil society, local communities) and to provide

technical assistance for negotiations with the EU. Since REDD+ and FLEGT have common goals in terms of improved forest governance and sustainable forest management practices (e.g., avoided illegal logging), linking the two processes may lead to common benefits. Thus, one aim of the ProFLEGT project is to establish synergies between the two processes.

The lead agency for the FLEGT process is the Department of Forest Inspection (DOFI) within the Ministry of Agriculture and Forestry (MAF). The Ministry of Industry and Commerce is responsible for national and international regulations on transport, processing and export of timber and wood products. The Ministry of Natural Resources and the Environment (MONRE) is the coordinating partner for other cross-sector issues, such as national protected areas (NPAs) and national forest policy (e.g., legality definition and forestry law).

Preparations for the FLEGT process are currently underway and include the set-up of a FLEGT committee, FLEGT office and technical working groups to coordinate the process at the national level. The development of a Timber Legality Assurance System (TLAS) and pilot activities at the provincial and district level will follow once the negotiations have started.

REDD+ in Lao PDR

Lao PDR has participated in the international REDD+ negotiations under the UNFCCC for several years. In 2008, it became one of the first member countries of the Forest Carbon Partnership Facility (FCPF). Its REDD+ readiness preparation proposal (R-PP) was submitted in late 2010 (DOF-MAF 2010) and accepted by the FCPF Secretariat. Since then, however, implementation has been put on hold. The responsibilities of MAF's Department of Forestry (DOF) and the newly established MONRE's Department of Forest Resource Management (DFRM) needed to be clarified.

Lao PDR is also a pilot country of the Forest Investment Program (FIP) and receives technical and financial support for REDD+ from several bilateral and multilateral donor programmes. In addition to the donor-driven REDD+ readiness process, several private-sector entities are preparing REDD+ projects.

The bilateral Lao-German CliPAD programme has two elements: a technical component implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH; and a financial component financed by KfW Development Bank. Since 2009 CliPAD has provided policy advice and capacity development to support the preparation of the national REDD+ framework, the establishment of REDD+ planning processes, pro-poor REDD+ mechanisms in selected pilot areas and the development of sustainable financing models. A number of outputs resulted from these activities with regard to national and sub-national MRV systems, environmental awareness raising, institutional structures and legal frameworks (e.g., revision of the forestry law). They also included REDD+ relevant land-use plans and conservation contracts for alternative livelihoods for local communities at the village level.

Implications for the upcoming FLEGT process

Institutional setting

REDD+ progress and lessons learned

The establishment of a ministry (MONRE) in July 2011 resulted in a major hold-up in the REDD+ readiness process. Responsibilities for REDD+ have been unclear for a long time due to the fact that they were divided among various ministries. At the moment, most REDD+ tasks have been shifted to MONRE. MONRE has the official mandate for REDD+ policies at the national level and is the lead on REDD+ implementation in conservation and protection forests; MAF is still responsible for REDD+ implementation in production forests.

The REDD+ Task Force chaired by DOF is being restructured and will be shifted to MONRE. The task force is responsible for coordinating, facilitating and promoting all REDD+ activities in the country. Both DOF and DFRM have their own REDD+ offices to manage their respective activities. It is unclear how these offices will be linked with a national REDD+ office responsible for implementing, coordinating and monitoring national REDD+ activities. The establishment of such office is outlined in the R-PP (Figure 2).

In June 2013 it was decided that DOF would manage FCPF implementation until DFRM has the required capacities. Once the task force has been reorganized, institutional arrangements, roles and responsibilities will become clearer. However, during this reorganization process REDD+ implementation may be delayed.

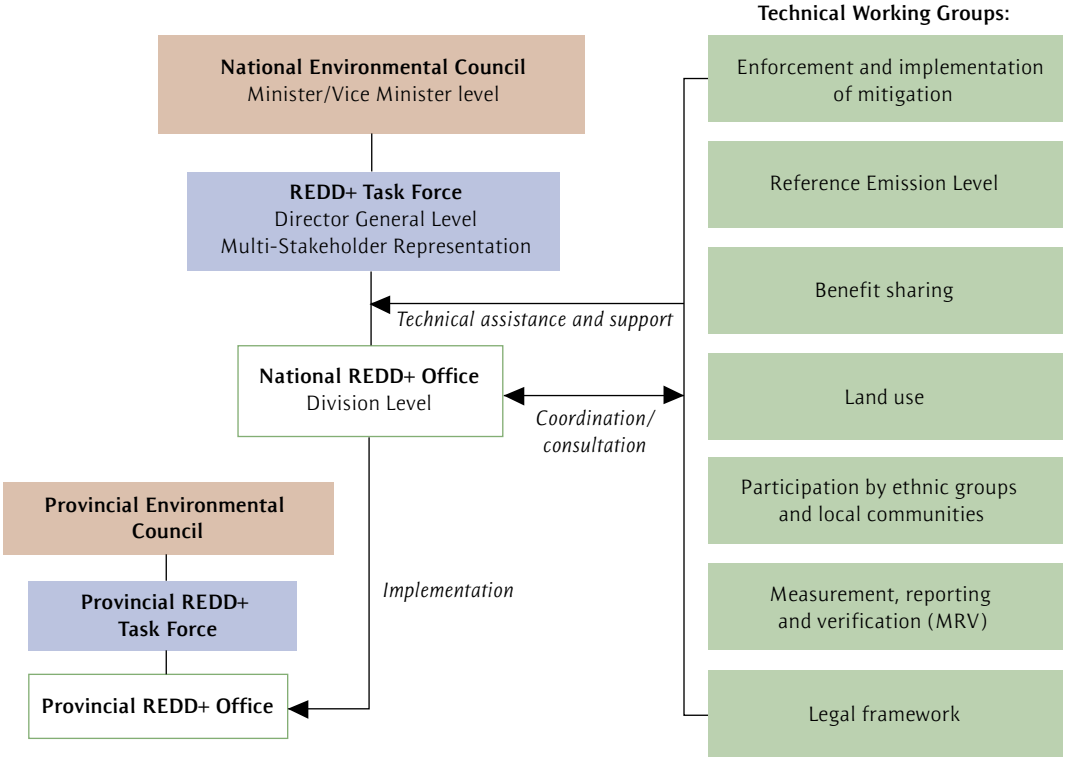
Inherent in this institutional restructuring is the lack of capacity, especially in MONRE and its provincial and district structures. The REDD+ process and a capacity-needs assessment in the forestry sector have shown that the central government has only recently started to transfer some responsibility to the province through the new *Sam Sang* ("Three Builds") decentralization process (GFA 2013). Capacities and structures are very weak and further development is needed to cope with the upcoming tasks. At the provincial and district level in particular the lack of financial resources is leading to a strong dependency on national and international funding sources to implement activities.

Implications for FLEGT

Communication and coordination structures related to forestry issues for REDD+ and FLEGT need to be developed between the involved ministries (mainly MONRE and MAF) and departments. Implementation on the ground, such as law enforcement, requires particularly strong coordination between line ministries and provincial and district authorities.

Since the FLEGT process has just been initiated in Lao PDR, the ongoing revision of the REDD+ organizational structure constitutes an opportunity to link both processes. Identifying institutional and thematic overlaps at an early stage may lead to a more efficient use of financial and technical resources and to mutual benefits.

Figure 2. Proposed national REDD+ organizational structure in Lao PDR



Source: World Bank. 2013. Readiness Preparation Proposal Assessment Note.
Note: The final organizational structure for REDD+ is yet to be discussed and agreed to by the REDD+ Task Force.

On-the-ground implementation

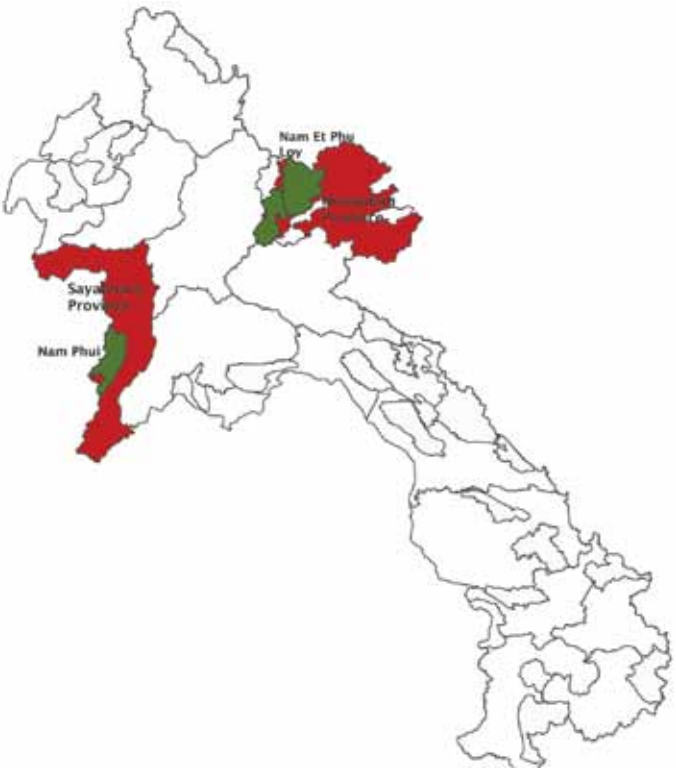
REDD+ progress and lessons learned

To address the drivers of deforestation and forest degradation, the CliPAD programme supports mitigation activities in selected pilot areas. The Nam Phui NPA in Sayaboury province and Nam Et Phou Loy NPA in Houaphan province were selected as pilot sites (Figure 3). In March 2012, however, just after implementation began in Nam Phui, all project activities in the area came to a sudden halt due to the enforcement by the military of a newly formulated Prime Minister's decree on the establishment of National Strategic Defense Zones. This closed most parts of the park to any project activities. As a consequence, REDD+ pilot activities are now about to shift to other parts of the country and scale up the focus to jurisdictional level (i.e., implemented within provincial borders).

Even though implementation in the NPA stopped, it was still possible to initiate capacity-building measures for government staff on forest law enforcement at the provincial level. The Provincial Office for Forest Inspection (POFI) in Sayaboury continued to be supported to establish institutional structures and capacities to combat illegal timber harvest and trade in the province. Although the restrictions on access to the NPA show that forestry

is a politically sensitive issue, the continued support for enforcement in the province was possible due to the good relationships with counterparts in the Lao government at the local level.

Figure 3. Location of CliPAD pilot provinces and NPAs in Lao PDR



Source: GIZ-CliPAD

Implications for FLEGT

Addressing illegal logging on the ground, developing a TLAS and ensuring its implementation will be the main focus of implementing FLEGT at the sub-national level. Experience has been gained through the support of forest law enforcement in the context of REDD+, including institutional support and the formulation of strategies. It will be vital to build on this experience and on existing institutional capacities from the beginning of the FLEGT process in order to avoid delays and facilitate effective implementation.

Experience has shown that forest law enforcement, especially in border areas, is politically sensitive and requires the involvement of all relevant stakeholders, even in the planning phase. For the FLEGT process it will be particularly important to acknowledge the presence of military restricted areas and incorporate them in the FLEGT negotiations. The limited access to these areas and the resulting lack of independent monitoring of the timber harvest and trade raises questions about how timber from military zones is traded. For the FLEGT process in Lao PDR to succeed it is essential to find ways to track and

record crime data on illegal logging and to deal with the limited cooperation of neighbouring provinces and other countries on this issue.

Stakeholder participation

REDD+ progress and lessons learned

Meaningful stakeholder participation is key to the REDD+ process; a multi-stakeholder dialogue is needed at all levels. The involvement of civil society is particularly challenging in Lao PDR due to the fact that very few non-profit associations are recognized (by the government) and access to local communities and ethnic minorities is difficult.

According to the R-PP a stakeholder participation and consultation plan (SPCP) is to be established; it provides the framework for including key stakeholder groups — from the local to the national level — in implementation. A technical working group will be established under the national REDD+ office that supports the implementation of the SPCP. Several consultation workshops have been conducted during recent years to support indigenous and community participation in FIP programmes, private sector engagement in REDD+ in Lao PDR, and the revision of the forestry legal framework for implementing REDD+.

At the national level, the process of revising the forest law appears to be a positive precedent for broader stakeholder engagement in legal drafting procedures. Multi-stakeholder consultation workshops have been organized across sectors to discuss relevant issues for the revisions. This type of participatory process had never been conducted in Lao PDR. Experience from GIZ and advisors has shown that consistent external support is needed in the long term. It must be based on a rapport between the advisor and the government institutions so that all parties and their different views can be brought together and all stakeholders can gain a sound understanding of the issues. This latter achievement is vital for stakeholders to develop ownership of the process and its implications.

At the local level, donors are following various approaches for stakeholder engagement and awareness building. One is the Free, Prior and Informed Consent (FPIC) approach, which has been piloted within the CliPAD programme. The Lao Biodiversity Association (LBA), a non-profit association with work experience, good relationships with and access to local communities, conducted the FPIC process in eight villages in Sayaboury.

The REDD+ process stimulated the involvement of a non-profit association and laid the foundation for its collaboration with the Lao government. This was a positive step toward broader stakeholder engagement and strengthening of the association. The FPIC approach was later integrated in strategic documents of DOF and several donor programmes, thus incorporating FPIC in the wider Lao context. As a result of the broader

discussions on stakeholder engagement the importance of public involvement in planning procedures relevant to the environment is mentioned in the new Environmental Protection law. In addition, in May 2013 the Lao Front for National Construction issued *Guidelines on Consultations with Ethnic Groups affected by Public and Private Development Projects*.

Implications for FLEGT

The two years of experience with stakeholder participation in the forest law revision process may have a positive impact on other legal initiatives and on the participatory approach to defining timber legality. The appropriate set-up and implementation of timely stakeholder consultations will be decisive in the FLEGT process. Making good use of resource people, capacities and knowledge already developed among relevant stakeholders in the REDD+ process may result in a timely start for FLEGT and create a widespread understanding of the linkages between REDD+ and FLEGT. Supporting the non-profit associations that work on forest governance in Lao PDR during FLEGT stakeholder meetings and bringing them together with representatives from the government, private sector, and local communities will require sensitive interactions by coordinators or facilitators of the stakeholder process.

Conclusions

Adapting the international forest policy discussion — and its expectations and regional aspects (e.g., the Association of Southeast Asian Nations) — to the national level is a challenge. It requires new and unfamiliar ways of thinking and working. The new dimension of policy incentives through REDD+ (performance-based payments for climate change mitigation) and FLEGT (support for forest governance and possible market access) are examples. Linking the two processes provides a great opportunity to strengthen the technical inputs needed in the national forest policy framework in Lao PDR. Furthermore, sharing experience with other countries in the region through study tours, communication networks and capacity-building events provides the chance to tackle the issue of illegal logging on a broader scale.

The efforts to identify thematic and institutional intersections of REDD+ and FLEGT at an early stage of the processes in the Lao context is a good precondition to establishing platforms to share experiences and promote synergies between the two processes during the coming years. This should eventually lead to a common approach to improved forest governance in Lao PDR. One of these efforts is an ongoing stakeholder mapping exercise coordinated by GIZ, which brings representatives from the FLEGT and REDD+ process together to discuss potential synergies of both processes.

Acknowledgements

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GIZ supports the REDD+ and FLEGT processes in Lao PDR on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ).

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2.4 Interactions between forest policy initiatives in Brazil, Colombia, Ecuador and Peru

JOSÉ MIGUEL OROZCO MUÑOZ

Introduction

This article is based on an analysis of the results of a workshop held in July 2013 that brought together experts from Brazil, Colombia, Ecuador and Peru. The purpose of the workshop was to identify existing or potential synergies between the EU FLEGT Action Plan and other related initiatives, such as national policy frameworks, REDD+ and Free Trade Agreements (FTAs). This workshop, and the subsequent desk analysis, was carried out as part of an activity funded by GIZ under the project "Supporting the implementation of the EU FLEGT Action Plan in South America: catalyzing initiatives to control and verify the origin of timber in trade and support related improvements in forest governance." The project is implemented by TRAFFIC, WWF and IUCN and co-financed by the European Commission.

Identifying convergences will enable stakeholders to manage their engagement strategies more effectively in order to take full advantage of any opportunities that arise.

In addition to this project, other activities related to the EU FLEGT Action Plan and supported by the EU are being implemented in some of the four countries mentioned above. It is worth noting that no Voluntary Partnership Agreement (VPA) has been officially initiated in any of these countries.

The governments of the four countries are taking important actions to improve forest governance. In addition, similar or related initiatives — such as REDD+, free trade agreements (with provisions on forestry issues), the Convention on International Trade in Endangered Species (CITES) and the U.S. *Lacey Act* — are being implemented, although not in all cases nor in the same manner.

Given these circumstances, it is important to identify convergences in the objectives and actions of the above-mentioned initiatives with regard to the EU FLEGT Action Plan, and to explore the actual or potential synergies among them. This will help to establish a common basis to evaluate and identify possible areas for mutual reinforcement or joint

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action and to avoid duplication. It will also enable stakeholders to manage their engagement strategy more effectively in order to take full advantage of any opportunities that arise.

This article is a brief introduction to the main national forest policy frameworks, identifying those aspects that overlap with the objectives, actions and scope of the EU FLEGT Action Plan. The overlap in these objectives and actions can be described as synergies when they "achieve additional gains in comparison with their individual executions."[1]

FLEGT, REDD+ and other initiatives

Improving forest governance is an important prerequisite for both the promotion of sustainable forest management and the reduction of deforestation and forest degradation (Broekhoven, Savenije and von Scheliha 2012). Forest governance involves various actors at different levels, pursuing objectives that are often contradictory (McDermott 2012). An important first step, therefore, is to identify objectives and actions in national policies that may overlap forest governance initiatives such as FLEGT and REDD+.

Several concurrences, overlaps and potential synergies have been identified between the EU FLEGT Action Plan and REDD+ (Merckx 2011; UN-REDD Program 2013). Most studies on synergies between the FLEGT Action Plan and REDD+ in specific countries refer to cases in which FLEGT VPAs have already been signed (Marfo, Danso and Nketiah 2013; Milol 2013; Mogba 2013).

The situation described in this article is different: none of the countries considered have officially initiated a VPA process. That means that it is not possible to incorporate the interactions analyzed by previous studies, including processes related to a FLEGT VPA or to REDD+. Their results cannot be extrapolated to this case. It is important to note, however, that the studies generally found positive results of the interactions between the two types of initiatives, with a potential for REDD + processes to benefit from experiences with the FLEGT VPA processes.

Brazil

The National Forests Programme has among its objectives to promote the sustainable use of natural forests, to support economic and social initiatives of the populations living in the forests, and to stop illegal deforestation and unsustainable extraction of forest products and by-products (Brasil 2000). These objectives align with the purposes and scope of the EU FLEGT Action Plan, which encourages sustainable forest management and support for community-based forest management.

The country's National Plan on Climate Change (2008) has as its overall objective to promote the development of actions and to collaborate with global efforts to fight climate change. It includes targets for reducing deforestation in the Amazon (CGEE, IPAM and SAE/PR 2011). The National Policy on Climate Change (2009) aims to reconcile economic and social development with the reduction in anthropogenic emissions of greenhouse gases (GHGs; CGEE, IPAM and SAE/PR 2011).

Moreover, since June 2010, the Ministry of Environment has coordinated a debate on the formulation of a national REDD+ strategy, which must go through a public consultation process in 2013[2] (CGEE, IPAM and SAE/PR 2011). A number of REDD+ actions have been identified that may overlap the objectives and scope of the EU FLEGT Action Plan. These include voluntary commitments to reduce deforestation, chain of custody certification and forest legislation that promotes sustainable forest management.

The Prevention and Control of Deforestation in the Legal Amazon Action Plan (PPCDAM) directly contributes to the objectives of REDD+ (MMA 2013). These are some of its objectives:

- to accelerate the approval of forest management plans and forest concessions;
- to increase the effectiveness of supervision and control of deforestation;
- to increase timber production and commercialization through sustainable forest management; and
- to improve and integrate forest control mechanisms.

All the aspects mentioned above are consistent with the purposes and scopes of the EU FLEGT Action Plan. There are no formally established synergies, although some may be developed within the scope of projects such the Roundtable of Sustainable Tropical Wood.[3]

Colombia

National policy guidelines on sustainable forest management, control of illegality and other related aspects include the Forests Policy (MMA and DNP 1996), the National Forestry Development Plan (MMA et al. 2000), the National Forest Prevention, Monitoring, Control and Surveillance Strategy (MAVDT 2010) and the National Policy for the Integrated Biodiversity and Ecosystem Services Management (MADS 2012). They completely overlap the scope and objectives of FLEGT.

There appear to be many points of convergence between the objectives and actions proposed by the National REDD+ Strategy, or ENREDD+ (MADS 2013) and those established by the EU FLEGT Action Plan. This is particularly relevant for issues related to fair and equitable solutions, verification systems, transparency, participation, training and policy reforms. The main topics and objectives of ENREDD+ cover a wide range of issues in the fields of sustainable forest management, forest law enforcement and improved forest governance.

ENREDD+ also clearly recognizes and highlights the actions already underway in the country in the framework of the EU FLEGT Action Plan. These include establishing forums for dialogue with stakeholders in the forest chain on illegality, its effects on forests, its relation to poverty and its environmental consequences (MADS 2013). Several organizations, including WWF, CARDER, FEDEMADERAS and The Nature Foundation, currently implement projects in Colombia under the framework of FLEGT.

Despite the wide range of ways in which ENREDD+ and the EU FLEGT Action Plan coincide, there is currently no formally established synergy. The large overlap of the objectives and actions of ENREDD+ with those of the projects implemented under the EU FLEGT Action Plan certainly creates a huge potential for synergies. Various possibilities for the exchange of information have been identified; this could help to establish synergies. Areas in which synergistic actions could take place include technical, regulatory, policy reform, training and transparency.

This is especially true in light of the fact that ENREDD+ is still under development, as is the Environmental and Social Strategic Evaluation that is part of the preparation phase of REDD+.

The Intersectoral Pact for legal timber in Colombia (MAVDT and PPGFC 2011) is a national initiative with a huge potential to establish new synergies and strengthen existing synergies with some of the forest governance initiatives mentioned above that are supported by the European Union.

Ecuador

The Constitution of 2008, the National Plan for Good Living, the Strategy for Sustainable Forestry Development and the National Climate Change Strategy comprise the legal and technical framework that guides the establishment of forest governance in Ecuador (MAE and ITTO 2011). The Strategy for Sustainable Forestry Development, updated in 2005, establishes the objectives of the Forest Policy and the current forest management scheme, on which basis the Forest Governance Model was developed (FBPLC 2013). This model, currently being implemented, focuses on five elements:

- improving the forest management and control system efficiency to increase the legal trade of forest products;
- strengthening incentive systems for sustainable forest management and forest conservation;
- generating information that facilitates decision making;
- promoting reforestation processes for degraded and protection areas; and
- implementing research, training and dissemination processes (MAE and ITTO 2011).

The key principles to implementing forest governance are transparency, responsibility, public participation and decentralization; the stability of forest institutions and conflict management on forest resources; the quality of forest management; the coherence of forest legislation and law enforcement; and efficiency, equity and incentives.

The Forest Governance model establishes five main components: forestry incentives; forest information; forest monitoring; forest development; and research, training and dissemination. Non-monetary incentives include the streamlining of processes to obtain permits

for forest harvesting for small producers, administrative services with itinerant technical offices in areas of timber production, free advice from MAE on management plans, and tariff exemptions (MAE and ITTO 2011).

Similarly, the Forestry Administration and Control System (SAF) is a digital platform that integrates at the national level information generated by the technical offices, where forest harvesting plans and programs are approved. This facilitates obtaining Forest Products Mobilization Permits and the monitoring of forest management. These elements all align with the purposes and scopes of the EU FLEGT Action Plan, although there are no formally established synergies.

The REDD+ Programme aims to contribute to both the mitigation of climate change and to the sustainable use of forests through the implementation of activities and policies at the national level to reduce deforestation — and its related GHG emissions — in Ecuador. One of the components of the REDD+ Programme is forest management, which is based on the SAF.

The REDD+ Programme identifies a series of specific strategies for the application of the Forest Policy in Ecuador. Among them are actions to require the implementation of forest management plans, foster market transparency and encourage timber trade in lesser-known species from sustainably managed forests. These specific strategies offer great potential for synergies with the EU FLEGT Action Plan.

Peru

The recently approved National Forestry and Wildlife Policy (MAR 2013) includes among its principles a set of guidelines for good forest governance, one of which relates to the control and sanction of illegal logging and trade. In addition, the policy includes provisions related to the sustainable use of forest resources. In general, the principles, orientations and objectives of this policy are fully consistent with the objectives and actions of the EU FLEGT Action Plan.

REDD+ is regarded as a key element of the National Programme of Forest Conservation for Climate Change Mitigation (MA 2010). The National REDD+ Strategy (MA 2011) outlines various management options that could be adopted, several of which are directly relevant to the EU FLEGT Action Plan. It also includes several REDD+ project initiatives. These indicate the most likely implementation direction of the National Strategy for REDD+, including initiatives relating to production forest management that link directly to the EU FLEGT Action Plan. In addition, an explicit participatory process for Monitoring, Reporting and Verification is part of the national REDD+ Strategy. This has a clear overlap with the EU FLEGT Action Plan.

There are no established synergies between actions in the field of FLEGT and those developed for REDD+ in Peru, but there is great potential. Furthermore, since one of the main challenges of REDD+ in Peru is to strengthen forest governance nationally[4] and strengthening forest governance is a central purpose of the EU FLEGT Action Plan, there

are significant prospects for synergies. For example, a recommendation was recently made to the national government by a group of national and regional indigenous organizations, who want "to support sustainable community forest management" and "to deal with the underlying causes of deforestation, such as the control of illegal logging and the promotion of the necessary reforms for an effective forest governance" (Espinoza and Feather 2011).

The Free Trade Agreement (FTA) between Peru and the United States is worth a special mention. The Peruvian government has been implementing various measures to comply with the FTA's Forest Annex.[5] These measures include improved forest information, control systems and capacities of the national/regional forest authorities in order to strengthen forest management (Buendía 2013). The agreement, along with the recently signed FTA with the EU, represents an opportunity to establish synergies with the EU FLEGT Action Plan, since they have similar objectives.

Conclusions

In the four countries considered here, the objectives of their national policies on sustainable forest management, forest illegality control and other aspects directly related to these topics are fully convergent with the objectives and actions of the EU FLEGT Action Plan. Similarly, these elements are convergent with the objectives and actions in the national REDD+ strategies. Despite this accord, however, formally established synergies between ongoing initiatives and activities related to the EU FLEGT Action Plan were not identified in any of the countries. Only in the case of Colombia were synergies identified between some actions being carried out under FLEGT and a national initiative, the Intersectoral Pact for Legal Timber.

The existing overlap of the objectives and actions of national forest policies and national strategies for REDD+ with those of FLEGT indicate a high potential to create synergies between the two initiatives. The efforts currently being undertaken by the countries to improve forest governance in general could be strengthened with the implementation of actions directly related to and supported by the EU FLEGT Action Plan. Some of those measures already being implemented offer an enormous potential for synergies.

It is necessary to conduct additional research in each country to evaluate other aspects beyond the objectives and actions set out in the policies considered to determine the feasibility of establishing synergies.

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Endnotes

1. This was the agreed definition at the Experts Workshop, Quito, Ecuador, July 2013.
2. See www.mma.gov.br/redd/index.php/redd/historico. Retrieved September 13, 2013.
3. The round table is organized and facilitated by the Friends of the Amazon Network (RAA) and the Getulio Vargas Foundation, in partnership with WWF-Brazil and TRAFFIC. See www.wwf.org.br/?uNewsID=35762. Retrieved August 16, 2013.
4. See http://cambioclimatico.minam.gob.pe/mitigacion-del-cc/avances-en-la-mitigacion/a-nivel-de-mecanismos-de-mitigacion/redd. Retrieved September 19, 2013.
5. The Forest Annex seeks to combat trade of illegal timber and sets out about 30 obligations, mainly for the government of Peru to improve and strengthen forest administration.

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Governance, law and institutions

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3.1 Creating synergies between REDD+ and FLEGT VPA in Ghana

KINGSLEY BEKOE ANSAH and SASKIA OZINGA

Introduction

The reform of forest governance is now an established part of the global debate on forests. It is widely accepted that better forest governance can be achieved only by improving the relationship between forest-owning communities,[1] governments, civil society and the private sector in the management of forest resources, especially tropical forests.

The principal objective of the FLEGT VPA and REDD+ initiatives is to provide a political and financial framework to bring about improved forest governance. But in reality the initiatives risk reinforcing the status quo and worsening the position of forest-owning and forest-dependent communities.

REDD+ and FLEGT VPA processes in Ghana could improve forest governance if they are based on participatory processes.

These initiatives are managed by different political entities at the international level. Is their institutional arrangement at the national level with regard to negotiation and implementation also different? Do the two initiatives strengthen or undermine each other? And can they both be managed and implemented to bring about improved forest governance? This article provides answers to these questions, focusing on Ghana and based on many years of experience of the campaign carried out by NGO coalition Forest Watch Ghana (FWG) and its partners[2] to improve forest governance.

Methods

This article is based on a study from reports on the Ghana FLEGT/VPA and REDD+ processes from government, and on studies and reports by FWG, FERN and other NGOs working on the FLEGT VPA and REDD+ processes in Ghana. It also relies on the personal experience of the authors, who have both been involved in these processes.

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Governance in Ghana's forest sector

Ghana has lost about 80% of its original forests in the last century alone (Ochieng, Visseren-Hamakers and Nketiah 2013), and deforestation is not slowing. In fact, the forests have declined even more rapidly over the past three decades (FAO 2010). In 2010 the official deforestation rate was estimated to be 2.1% per year, which amounts to about 135,000 hectares per year (FAO 2010).

Civil society organizations (CSOs) and government differ in their analysis of the drivers of deforestation and the key challenge facing the forest sector. The government identifies the causes of deforestation as logging and the conversion of forest into crops, especially cocoa and through shifting cultivation (Forestry Commission Ghana 2010a; MLNR 2012). CSOs, on the other hand, believe that this does not take account of the underlying causes of deforestation, especially the lack of good governance. They think that if local communities are contributing to forest loss (e.g., through shifting cultivation), this is just a symptom of the underlying problem of poor governance (Ansah 2010).

The Ghana subgroup of the Forest Governance Learning Group (FGLG)[3] defines forest governance as "all the processes that allocate power to determine who makes decisions about forest utilization and that determine in whose interest these decisions are made and at whose expense" (IIED 2005). In 2004 the work of the Ghana subgroup of FGLG drew attention to the underlying causes of deforestation, including abuse by government of the timber rights allocation regime in Ghana, non-collection/non-payment of government forest revenues (stumpage fees, rent, etc.), and unfair benefit-sharing arrangements in the sector.

The abuse of the timber rights allocation regime relates to administrative issuance of salvage permits, non-conversion of leases to timber utilization contracts and non-competitive bidding for timber rights permits according to forest legislation. This leads to loss of revenue by government, a reduced share of financial benefits for forest communities and elite capture[4] of the financial benefits of forest exploitation by both government and industry. Communities therefore resort to illegal exploitation, such as connivance with illegal chainsaw operators.

This means that any instrument to halt and reverse forest degradation and deforestation, increase the volume of legal trade in forest products from sustainable forests, and enhance the livelihood of forest communities must tackle the underlying problem of bad forest governance (FAO, World Bank quoted in FERN 2010). For the FLEGT VPA and REDD+ processes to be effective, they must be able to improve governance in the forestry sector and beyond.

REDD+ and FLEGT VPA process in Ghana

The findings of the FGLG and subsequent studies by FWG[5] enabled civil society actors to highlight the issue of forest governance, and to make legal, policy and institutional reform central to the FLEGT VPA discussions that were held between March 2007 and September 2008. Annex II of the VPA states: "Ghana wishes to indicate its intention to carry out legal and policy reforms in the spirit of good governance. It is expected that such legal reforms could be completed in the next five years" (EU and Republic of Ghana 2008). Annex II lists all areas that require policy and legal reform, including domestic market development, local forest tenure, and import of raw material. It remains to be seen if and how the reforms will be implemented. However, the text itself and the inclusive process in which the agreement was developed provide a good starting point for tackling governance issues.

The REDD+ process in Ghana is modelled along the lines of the World Bank's Forest Carbon Partnership Facility (FCPF)[6] and the multi-donor Forest Investment Program (FIP), though the FIP is broader than the FCPF in its support to the whole forest sector. The FIP also provides funding to implement REDD+ pilots identified in Ghana's Readiness Preparation Proposal (R-PP). Ghana's FCPF REDD+ process started in 2009, and in 2010 the Ghana R-PP[7] was signed, followed by the FIP in 2012 (MLNR 2012; Ochieng, Visseren-Hamakers and Nketiah 2013). Unfortunately, a principal action point of Ghana's R-PP is to develop mechanisms for allocating carbon rights to government, land-owners and local communities (Ochieng, Visseren-Hamakers and Nketiah 2013). This ignores the fact that there is no global forest carbon market, and that it is improbable that such a market would ever be effective for forests or people (Dooley et al. 2011; FERN 2013). From the beginning, the Ghana REDD+ process has been based on strategies to monitor and measure carbon fluxes (Dooley et al. 2008), ignoring the need for concrete improvements in governance. These include the clarification of tenure rights, which do not have a direct carbon impact but are essential for the effectiveness of forest governance in the long term.

Differences and synergies between the two processes

Difference in consultation processes

The VPA Contact Group[8] (CG) was influential and was actively involved in the VPA negotiations, but was conspicuously absent from the FCPF/FIP negotiations. Although the consultation process used in the FLEGT VPA negotiations was generally thorough, that of the FCPF/FIP process was rushed and confusing (FERN 2010; Riesco and Opoku 2009; Saeed 2011). CSOs strongly influenced the content of the VPA agreement, including a statement detailing the VPA governance objectives[9] (Ansah 2010). In spite of this, the stakeholder process used in the FCPF and FIP ignored the VPA CG and created a completely different structure that lacked a coherent outlook and did not link to the various constituents represented by the CG.

Rather than building on the structures created and the experience gained during the FLEGT VPA process, the Ghana REDD+ process undermined them (Riesco and Opoku

2009). There are several reasons for this. First, two departments within the same Forestry Commission facilitated the different processes and did not speak to each other or share experiences. Second, the promise of funds tied to the REDD+ process and the short timeline of the World Bank to prepare the Readiness Preparatory Investment Note (R-PIN) and Readiness Plan (R-PLAN)[10] led to government rushing the process.

During the negotiations, however, a wide group of NGOs, research centres and representatives of the timber trade and the government agreed that the process was inclusive in an unprecedented way (Ansah 2010; Ochieng, Visseren-Hamakers and Nketiah 2013). The four working groups preparing the VPA text all had active participation from civil society (Ansah 2010), and at a Chatham House conference the government emphasized the importance and inclusiveness of the multi-stakeholder process (Beeko and Attah 2009). The final VPA agreement was signed by the government with the consent of NGOs and the private sector. Recently, there has been some criticism of the lack of inclusiveness during the VPA implementation process in Ghana (Ansah 2013).

The negotiation process for the R-PP was very different. In 2009, following pressure from CSOs about the lack of consultation during the development of the R-PP, the World Bank's mission to Ghana was rescheduled to allow CSOs to participate in the process (Saeed 2011). The consultation process continued to be unsatisfactory, however (Saeed 2011). Although the government organized three consultation meetings to validate the draft R-PP (Forestry Commission Ghana 2010b), CSOs expressed concerns that the process was intended to rubber-stamp the government's ideas and did not consider the CSO's concerns. The government blamed the situation on a lack of funds to conduct thorough consultations (Saeed 2011).

The R-PP consultations were severely constrained by time (Dooley et al. 2011; Riesco and Opoku 2009), making it "impossible for stakeholders to review documents and limiting the number of days available for reflection and discussion" (Saeed 2011). This was in contrast to the VPA negotiation process, where time was not a limiting factor.

Differences in content

Forest Watch Ghana (FWG)[11] campaigned strongly on the core issues of forest governance even before the FLEGT VPA negotiations began, and strongly influenced the FLEGT VPA's governance focus. As a result, from the outset, governance reform was on the agenda of the FLEGT VPA negotiations in Ghana.

In contrast, the REDD+/FIP process started by looking at how funds could be channelled to increase carbon stocks. And while the text of the VPA refers to broader governance objectives for the forest sector, with reforms to include the domestic timber market and tree tenure[12] (EU and Republic of Ghana 2008), the R-PP focuses narrowly on reforms for sharing the benefits of potential carbon trading revenues[13] (Forestry Commission Ghana 2010b). Clearly, the two initiatives are following different paths. The financial clout of the REDD+ process provides a perverse incentive for government to ignore the broader reform agenda of the VPA (Riesco and Opoku 2009).

The result is that although the government may have fully understood that governance reform is the fundamental challenge facing the sector, the financial leverage provided by REDD+ gave government an incentive to focus on carbon accounting and maintain the status quo. The REDD+ process has the potential to undermine the VPA's governance reform agenda.

So far, the reformed forest and wildlife policy (2011) has not fully addressed the issue of governance reform in relation to REDD+, but instead has endorsed the initiative's focus on carbon accounting and trading.

Similarities

Both FLEGT VPA and REDD+ have some common objectives and deal with similar issues (Ochieng, Visseren-Hamakers and Nketiah 2013; Riesco and Opoku 2009). Key aspects of the FLEGT VPA help to increase transparency and accountability and improve forest governance; this should be reinforced by the REDD+ process. For instance, national monitoring, reporting and verification (MRV) systems being developed for REDD+ should align with the VPA's Legality Assurance System (LAS) and Independent Monitoring (IM) system. They should draw on the strengths of the IM, LAS and MRV to support a robust and effective national MRV system for the whole sector, and not focus solely on carbon. This means that there would be one system for monitoring and verifying key aspects of the forest sector that meets the requirements of the REDD+ and VPA and includes governance reform targets (including access rights, benefit rights, participation in forest policy-making and implementation).

To date, attempts to develop a working relationship between the national secretariats that manage the two processes have not been effective. This is in spite of the fact that the head of each secretariat attends the meetings organized by the other (Ochieng, Visseren-Hamakers and Nketiah 2013). There is a need for a more coherent and formalized working relationship between the two multi-stakeholder platforms at the national level.

Recommendations

REDD+ and FLEGT should use the funding capacity of the REDD+ process for policy, legislative and institutional reforms that improve forest governance and strengthen community rights. The resources provided by the FIP should be invested in the reform processes set out in the FLEGT VPA. This will require considerable political will on the government's part. Civil society needs to apply the necessary pressure on government and on the international donors who fund these initiatives.

The multi-stakeholder platform for REDD+ implementation at the national level should be coherent and consistent with the consultation and participation standards developed during the VPA negotiation process. The participants would differ since REDD+ addresses a much broader socio-economic context. However, the legitimacy of this platform would be derived from the constituents of the members.

There must be continued capacity building, not only of CSOs but also of communities and grassroots movements, to enable them to participate fully in a truly multi-stakeholder platform. Communities need to be trained to monitor, evaluate and report on forest governance improvements in both REDD+ and FLEGT VPA.

Conclusions

In theory the REDD+ and FLEGT VPA processes in Ghana could work in synergy and contribute to improving governance in the forestry sector, notably through extensive and inclusive participation in the negotiation and implementation phase. Both initiatives emphasize the need for tree tenure reform, and the reform focus of the VPA should be reinforced by REDD+. The focus of REDD+ in Ghana should be broadened to include governance targets and tree tenure reform. In this way, it will reinforce the focus of the FLEGT VPA. Furthermore, since REDD+ has the leverage of more funding to the sector than the VPA, the release of funding for REDD+ by donors could be made contingent on newly defined governance targets. In this way, real progress would be possible. However, the focus of REDD+ on carbon accounting makes this difficult. For REDD+ to become effective, a shift in focus from monitoring carbon to monitoring governance is essential (Dooley et al. 2011).

Endnotes

1. The term "forest-owning community" is unique to Ghana. The statutory laws of Ghana recognize forests as owned by stools/skins in trust for the people. Chiefs are stools/skins in customary law and in practice are custodians of the forest resources in trust for the communities.
2. The partners of Forest Watch Ghana in the Global North include Global Witness, a UK-based resource transparency and accountability NGO, FERN, based in the UK and Belgium, and the Rights and Resources Group based in Washington, D.C.
3. The FGLG is a platform of country-level groups, consisting of forest stakeholders who engage in forest policy discourse in their countries to bring about reforms and change in the sector. It currently has more than ten country working groups in Africa and Asia and is coordinated internationally by the IIED. For more information see www.iied.org/tag/forest-governance-learning-group-fglg.
4. This refers to the co-opting of revenue from forest exploitation by prominent and influential persons before it reaches the communities. In Ghana the term generally refers to the higher levels of the Traditional Authorities (for example, paramount and divisional chiefs, as opposed to local chiefs and communities) and government (central government, as opposed to decentralized government structures such as District Assemblies).
5. This includes "Legality and impacts of forest utilization permits," "Assessment of the impacts of local forest institutions on livelihoods and forest in Ghana" and "Support to community forest meetings and forest forums."
6. The FCPF is the World Bank's flagship programme for getting countries ready for REDD+. It provides financial support to develop REDD+ proposals, which include assessments of the underlying factors of deforestation and forest degradation, and interventions to reverse the trend and improve carbon stocks. The support requires countries to develop an R-PIN.

7. The Ghana R-PP was submitted to the FCPF for funding to pilot REDD projects and make the country "REDD-ready." The final Ghana R-PP plan was developed in December 2010.
8. The Contact Group (CG) is a multi-stakeholder body that engaged in VPA negotiations in Ghana. It was convened by the FWG coalition and included stakeholders such as traditional authorities, National Forest Forum, Domestic Lumber Traders Association (informal timber trade industry actors) and student associations.
9. These relate to support of biodiversity and industrialization, rural livelihoods and cultural development.
10. Under the World Bank's FCPF facility guidelines, a government expresses its interest to pilot REDD+ activities by first developing an R-PIN and R-PLAN. Once these have been approved by the World Bank, funds are released by the Bank for the development of an R-PP (which is the plan for the actual implementation of pilot activities). In Ghana the negotiation and development phase for both the R-PIN/R-PLAN and the R-PP faced the challenge of time constraints.
11. Forest Watch Ghana was established in 2004 as a response to the challenges of deforestation and forest degradation in the country and the impacts these had on rural forest livelihoods. Consisting of over 35 NGOs and individuals, the coalition campaigns on three pillars of forest governance: fair access to forest resources; fair benefit sharing from forest resources; and participatory governance. It has been a key stakeholder in the FLEGT VPA and REDD+ processes in Ghana and works with NGO collaborators from the North. Its secretariat is hosted by Civic Response in Accra, Ghana.
12. See the Ghana VPA text (Annex II, p.58).
13. Ghana's R-PP proposes establishing a National Expert Consultation on Allocation of Terrestrial Carbon Rights, which "will focus on the implications of current land and tree tenure arrangements for the allocation of carbon rights, and will advise on any changes to legislation that are likely to be required to operationalize carbon rights." See Forestry Commission Ghana 2010b, p. 50.

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3.2 Civil society participation in FLEGT and REDD+ in the Republic of the Congo

INDRA VAN GISBERGEN

Introduction

The Republic of the Congo (ROC) is one of the countries in the Congo Basin where the abundance of natural resources has proved to be more of a curse than a blessing. Timber,[1] oil and minerals have not brought prosperity for all;[2] instead, most people[3] live below the poverty line in isolated rural areas and depend on forests for their livelihoods. It is particularly problematic, therefore, that illegal logging is flourishing. About 20 percent of the Congolese timber that reaches the EU is thought to be illegal, with Italy, France, Spain and Portugal as the main importers.[4] The combination of weak governance, poor law enforcement, ineffective control systems and low penalties means that efforts to deter illegality seem doomed to fail.

From FLEGT to REDD+, policy coherence and donor coordination still a long way off.

For more than five years, ROC has been engaged in two international forest-related processes: the Forest Law Enforcement, Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA), and Reduced Emissions from Deforestation and forest Degradation (REDD+). The ROC–EU VPA was signed in May 2010 and came into force in March 2013. The VPA is now being implemented. ROC is implementing its Readiness Preparation Proposal or R-PP (RDC 2011) and developing a national REDD+ strategy.

Multi-stakeholder participation in the FLEGT VPA process has so far been exemplary. Participation by national non-governmental organizations (NGOs) in the VPA negotiations have supported dialogues and brought about a remarkable change in decision-making that is also relevant to other processes. ROC's R-PP explicitly mentions the FLEGT process as the basis on which to build REDD+. There is general agreement that integrating the two processes is crucial; without this integration, REDD+ may undermine efforts to halt deforestation and improve forest governance.

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FLEGT and REDD+: distinct but overlapping and interlinked processes

ROC's 2008 decision to engage in the FLEGT VPA and REDD+ processes came from an aspiration to promote economic growth, development and trade. VPA negotiations were meant to boost exports of Congolese timber and timber products. ROC and the EU agreed that the VPA would also be an instrument to combat illegal logging, improve forest governance and promote environmentally sound, sustainable and socially just forest management.[5] The VPA aims to tackle the underlying causes of illegal logging by ensuring that the timber sector is legal and that the export of timber and timber products is in line with Congolese legislation. National legislation should oversee timber tracking and define independent verification procedures to ensure that all timber traded with the EU has been legally acquired, harvested and transported.

By embarking on the REDD+ process,[6] ROC aimed for access to international donor funds and new private-sector financing mechanisms. It was hoped that REDD+ would stimulate the national debate on forests and land-use planning, and promote structural, political and institutional reforms.[7] ROC receives funds from the World Bank's Forest Carbon Partnership Facility (FCPF)'s Readiness Fund[8] and from UN-REDD; the aim is to develop its national REDD+ strategy by 2015.

Little progress has been made, however. The work plan was overly ambitious and REDD+ activities did not get underway until January 2013. The development of a REDD+ communication plan, produced with the support of the European Forest Institute (EFI), is the only concrete output to date.

Although the FLEGT VPA process is well structured, with a clear and tangible outcome, REDD+ is a less concrete long-term multi-sector process, encompassing the forest, agricultural, mining, oil and energy sectors. The national REDD+ strategy is flexible and is not intended to generate the same level of responsibilities and obligations as the VPA, which is an international legal instrument ratified by the Congolese Parliament and promulgated by the President. The decree on REDD+ that is expected to be adopted by the Council of Ministers has a much weaker legal basis.[9]

FLEGT and REDD+ synergies

The Congolese government has been criticized by civil society and international donors for not adequately detailing the linkages between REDD+ and FLEGT in the initial versions of the R-PP.[10] These concerns were also expressed by the FCPF Participants' Committee (PC),[11] which recommended that the government of ROC outline complementarities between the processes, including how both processes will deal with lessons learned in terms of stakeholder consultation, building trust among parties and governance challenges.[12] The government consequently added explanatory text about REDD+ and

FLEGT VPA links to the final draft of the R-PP (RDC 2011: 73–74), but failed to explain what a common approach to forest governance would entail.

The R-PP stipulates that international financial support has to guarantee complementarities and translate expected synergies into practice (RDC 2011: 74). This suggests intensified donor coordination and the use of REDD+ funds to implement the FLEGT VPA.

To date, however, there are no formal arrangements to make REDD+/FLEGT synergies concrete. Organization is weak among key actors, such as the Congolese National REDD+ coordination, the FLEGT VPA focal point, the World Bank, UN-REDD and the EU. Coordination happens only on an ad hoc basis, essentially during joint missions. The World Bank does not seem eager to share information, particularly since its focus has shifted from the actions of the FCPF Readiness Fund to those of the Carbon Fund.[13] Despite the R-PP's promising language on REDD+ helping to combat illegal logging (RDC 2011: 72), REDD+ funds are not being used to finance FLEGT VPA priorities such as legal reforms and the improvement of governance (including the promotion of transparency measures). Achieving the obvious synergy between REDD+ and the FLEGT VPA seems to have disappeared from the agenda.

How REDD+ can learn from the participation process of the FLEGT VPA

Synergy between REDD+ and FLEGT is particularly important when it comes to ensuring the participation of communities and NGOs in the legal reforms that these processes generate. Parties negotiating a FLEGT VPA recognize that the participation of all stakeholders is fundamental to improving forest governance. After the VPA is signed, parties are legally bound to consult civil society and local communities on the legal reforms required when setting up a legality assurance system[14] to regulate, verify and manage forest use. Effective civil society participation is essential during both VPA negotiations and implementation.

When the VPA process began, concerns were raised about the ability of the emerging civil society to counterbalance the power of the forestry industry and ensure that the governance reform process was inclusive. Since there was no history of civil society participation in similar political processes, the relationship between the government, the forest industry and civil society was initially tense. Although civil society initially struggled to get its voice heard, the EU's insistence on the participation of local groups throughout the process was instrumental in ensuring that their concerns were noted.[15]

Considerable progress was made during the negotiations, and civil society aims to build on this success in future processes. Congolese NGOs, community-based organizations (CBOs) and representatives of indigenous peoples had seats at the VPA negotiating table.[16] NGOs and CBOs organized themselves into a platform for sustainable management and forests

(*Plateforme Congolaise de Gestion durable des forêts* or PGDF). Within the short span of the VPA negotiations,[17] civil society gained credibility and recognition and managed to get its demands incorporated in the VPA text. The direct participation of local and indigenous communities was postponed to the VPA implementation phase, however, because of the rapid pace of the negotiations.

In the implementation phase, civil society and indigenous peoples' representatives again have seats at the table.[18] NGOs and CBOs seem to be finding it hard to engage, however. The implementation process is less structured that the negotiations and formal multi-stakeholder organs are not functioning effectively. Moreover, VPA implementation — including the legal reform process — has turned out to be very complex, requiring high-level legal and technical skills.

REDD+ in ROC: not yet comparable to the participatory VPA process

The Congolese government states in its R-PP that REDD+ is a participatory process, with the goal of developing a REDD+ mechanism based on national consensus. Officially, participation is the main guiding principle of R-PP implementation (RDC 2011: 68). Particular attention must be paid to indigenous peoples and local communities when developing a REDD+ strategy. One of the provisions of the R-PP is that civil society and indigenous peoples have a seat on key REDD+ bodies such as the National REDD Committee (*Comité National REDD+* or CONA-REDD).[19] A national REDD+ strategy should be developed in line with the principle of free, prior and informed consent (FPIC) outlined in the UN declaration on the Rights of Indigenous Peoples, the World Bank's Operational Policy 4.10 on Indigenous Peoples, UN-REDD stakeholder guidelines on REDD+ and lessons from the FLEGT process.

More than two years after the approval of the R-PP, the main decision-making body — CONA-REDD — has not been created; this has severely restricted participation by civil society and indigenous peoples. Although civil society and community consultations have been organized in the capital Brazzaville and at the provincial level, these consultations have often been no more than information sessions, with no opportunity for decision-making. They do not constitute meaningful participation, and fall far short of the level of participation that took place during the VPA process. When Congolese NGOs complained about this in 2010, matters improved slightly, but after the approval of the R-PP, the situation worsened. Information is superficial and poorly disseminated, and the process is not transparent. The World Bank, UNREDD and — increasingly — the private sector are driving the process. The failing consultation process is linked to the World Bank's narrow focus on measuring carbon at the cost of both improving governance and putting the root causes of forest loss at the heart of REDD+.

One important example of the lack of transparency in REDD+ is the insufficient involvement of local communities in REDD+ projects. Half of the budget in ROC's R-PP is to be used to develop and implement ten REDD+ pilot projects. Although these projects should allow the population to benefit directly from the REDD+ process in its early stages, information about them is hard to find. There is also very little information available about the preparation of the Emission Reduction Programme Ideas Note (ER-PIN) that ROC prepared in close cooperation with a private company. In the hope of quick access to considerable donor funds, the government reportedly aims to submit the ER-PIN to the FCPF's Carbon Fund as soon as possible, without thoroughly consulting local communities.[20]

Law reforms offer opportunities for one comprehensive approach

The VPA is based on the reform of the Congolese forest code and related legislation; this requires an inclusive participatory process that involves local communities. The reform process is in train and — thanks to the lessons learned during the VPA negotiations — seems to be going in the right direction.

The text of the R-PP refers to the need for legal reforms to secure land rights and participatory management by communities, among other things. It is not yet clear how REDD+ will address the need for legal reform and how this relates to the ongoing revision of the forest code and related legislation. It is important that the legal reforms foreseen by the VPA and REDD+ be done in a coordinated, coherent and complementary way, taking into account the concerns of local NGOs and communities. Legal reforms are time consuming and costly, and the VPA and REDD+ processes and funds could be combined in order to bring about change and secure people's rights. International donors could also help to address the current lack of coherence and coordination. The *Agence Française de Développement* (AFD), which supports the revision of the forest code, along with a new project[21] financed by the World Bank, may help to tackle this challenge.

Conclusions

Looking at ROC's engagement in the FLEGT VPA and REDD+ processes over the past five years, it is clear that there is still a long way to go to ensuring policy coherence and donor coordination. Work is also needed to transpose valuable lessons learned — such as the importance of stakeholder participation — from FLEGT to REDD+. If REDD+ funds were used to finance the implementation of the VPA, it would help achieve some of the R-PP's requirements, such as the need for traceability, control and monitoring systems and increased NGO capacity. REDD+ funds could also be used to support legal reforms. Donor coordination between all key VPA and REDD+ actors at the national and international level is the basis of effective and coherent policy-making.

With REDD+ funds flowing to the country and ROC preparing to obtain new support from the FCPF carbon fund, now is the time to allocate international donor funds to support the participation of forest communities, and to ensure that they are involved in the design of policies and laws that will affect the lives of future generations. Only by ensuring that

VPA implementation is participatory, and that lessons learned from the FLEGT VPA are incorporated into REDD+ processes, will the underlying causes of deforestation begin to be addressed.

Endnotes

1. ROC covers an area of 342,000 square kilometres, two thirds of which (224,713 square kilometres) is covered by forest.
2. The exploitation of petrol, oil and timber represents 70% of the Gross National Product of ROC (64% for petrol oil and 5.6% for timber), and 98% of the country's export revenues. Agriculture, a sector occupying 40% of the active population, contributes 6% to the BNP. See R-PP of September 2011, p.16.
3. A population of 4,042,899 was recorded in ROC in 2010, according to www.ruralpoverty portal.org/country/home/tags/congo. The population is growing rapidly, with 4,492,689 people recorded in 2013 (www.statistiques-mondiales.com/congo_brazzaville.htm).
4. See Loggingoff, *A civil society counter-brief on the Republic of the Congo–EU VPA*, March 2010, p. 2 (www.fern.org/publications/briefing-note/civil-society-counter-brief-congo-eu-vpa).
5. See Loggingoff, *A civil society counter-brief on the Republic of the Congo–EU VPA*, March 2010.
6. ROC elaborated its R-PIN in 2008. The elaboration of the R-PP took more than a year; the final version came out in September 2011.
7. See *Programme d'appui au Processus REDD+ pour le 8ème Conseil d'orientation d'ONU-REDD* (PB-8), p. 11, February 2012 .
8. The FCPF is a global partnership of governments, businesses, civil society and Indigenous people. It is focused on reducing emissions from deforestation and forest degradation, forest carbon stock conservation, sustainable forest management and enhancement of forest carbon stocks in developing countries — activities commonly referred to as REDD+.
9. To date, no decree on REDD+ has been adopted by the Congolese Council of Ministers. It was expected in December 2013.
10. See *Plateforme de Gestion Durable des Forêts, Document de contribution au R-PP de la République du Congo,* June 2010 and February 2011; and Assessment of the R-PP of 25 May 2011 by Greenpeace and Global Witness: www.forestcarbonpartnership.org/republic-congo.
11. The Participants Committee is the main decision-making body of the FCPF; it is composed of forest (REDD+) countries, financial contributors, observers and representatives of UN-REDD, UNFCCC Secretariat and the private sector.
12. See Participants Committee Resolution PC/6/2010/3.
13. The FCPF Readiness Fund supports participating countries as they prepare for REDD+ by developing the necessary policies and systems, including adopting national REDD+ strategies; developing reference emission levels, designing measurement, reporting, and verification (MRV) systems; and setting up national REDD+ management arrangements. The FCPF Carbon Fund is much more focused on carbon markets for forests and risks that could undermine REDD readiness; it aims to contribute to improved forest governance and adhere to social and environmental safeguards, including respect for the rights of indigenous peoples and local communities. See www.redd-monitor.org/2011/11/02/carbon-fund-risks-undermining-redd-readiness.

14. A Legality Assurance System (LAS) is central to each VPA. It identifies, monitors and licenses legally produced timber, and ensures that only legal timber is exported to the EU. See www.euflegt.efi.int/portal/home/vpas/the_elements.
15. See Loggingoff, *A civil society counter-brief on the Republic of the Congo–EU VPA*, March 2010.
16. Two bodies were established by the forest administration to facilitate the work of the Congolese side: a technical secretariat, in charge of preparing the Congolese negotiating position (and negotiating with the EU); and a national advisory group, to review and validate all documents under discussion. Both bodies included representatives of civil society, government and industry.
17. The ROC VPA was negotiated in only eleven months, the fastest process so far.
18. The PGDF platform has one seat on the VPA Joint Implementation Committee, three seats on the Joint Working Group, three seats on the Technical Secretariat, one seat on the Legality and Traceability Task force *(Céllule de légalité forestière et de traçabilité)* and three seats on the Working Group on Communications.
19. The R-PP provides eight representatives of civil society and six of indigenous peoples in CONA-REDD, which is composed of 42 members. CONA-REDD decides on the REDD+ vision and options for the national REDD+ strategy, among other issues. See RDC 2011: 22.
20. The National REDD Coordination (CN-REDD) prepared an ER-PIN in close collaboration with the Malaysian private company *Congolaise Industrielle des Bois (CIB)-Olam*. The proposal focuses on a carbon project carried out on 12.2 million hectares in northern Congo (Sangha/Likouala provinces). By submitting an ER-PIN to the FCPF's Carbon Fund, ROC aims for access to funds that could amount to around US$ 60 million. On May 24, 2013, a workshop to provide preliminary information about the ROC's ER-PIN was held. Local communities did not feel that access to information was adequate.
21. The forest and economic diversification project *(Projet Forêt et Diversification Economique*, or PFDE) coordinated by the Congolese Ministry of Forest Economy and Sustainable Development focuses on institutional capacity building, legal reform, improvement of forest management and the promotion of sustainable development.

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3.3 Analyzing synergies and overlaps in safeguard approaches

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Different approaches, but overlapping and associated risks

Realizing the specific objective of REDD+ and FLEGT — reducing emissions from deforestation and degradation on the one hand and tackling illegal logging on the other — involves different approaches. FLEGT, as expressed in the EU FLEGT Action Plan, assists trade partners to address government weaknesses that undermine the management of forest production and the legal trade in timber and helping timber-producing countries to promote sustainable forest management (EC 2003). REDD+'s main objective is to reduce carbon emissions and conserve carbon stocks.[1] These reductions are to be achieved through the development and implementation of national REDD+ strategies and action plans.[2] Achieving REDD objectives also requires participating countries to address the drivers of deforestation and forest degradation as well as forest governance issues.[3]

REDD+ and FLEGT have similar objectives and face similar challenges and risks in the countries where they operate.

Although each initiative's approach is different, both seek to improve forest governance. A number of social and environmental risks exist in the implementation of each initiative. These include negative impacts on biodiversity and on the livelihoods of forest-dependent local communities and indigenous peoples, and the potential exclusion of vulnerable stakeholders from decision-making processes related to implementation.

This article compares the types of social and environmental risks associated with the implementation of each initiative and how these risks are addressed. It is based on a literature review and the professional experiences of the authors in working on REDD+ safeguards and their potential synergies with FLEGT. The article also draws on perspectives gained from fieldwork in Latin America.

Identified risks of REDD+ and FLEGT

Socio-economic impacts to local communities and forest-dependent indigenous peoples

Numerous potential negative socio-economic impacts on local communities and indigenous peoples arise from the implementation of REDD+ and FLEGT. Lack of clarity

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surrounding tenure arrangements in many countries is compounded by poorly maintained land title documents. This means that forest-dependent local communities and indigenous peoples, who often enjoy customary ownership or use rights rather than legal title, are vulnerable to negative socio-economic impacts from both processes.

The financial incentives from the implementation of REDD+ will likely enhance the value of land, thus increasing the risk of political and business elites securing ownership of forests. This could lead to forced evictions or restrictive control of the economic and livelihood activities of forest-dependent local communities and indigenous peoples (CBD Secretariat 2011).

Similarly for FLEGT, the financial incentive of access to EU markets can have negative impacts on the livelihoods of forest-dependent local communities and indigenous people (Box 1). Weak governance and lack of enforcement of the Legality Assurance System (LAS) can lead to illegal exploitation of community forests or inequitable benefit sharing.

Box 1. Implementation of the Voluntary Partnership Agreement **in Ghana**
Voluntary Partnership Agreements (VPAs) are a key element of the EU FLEGT Action Plan. In Ghana, it was recognized that enforcement of the VPA could result in a denial of customary forest use rights, a ban on small-scale subsistence practices such as chainsaw milling, and a focus on technical issues such as legal timber production and tracking systems, as well as a lack of consideration of benefit-sharing mechanisms (Tropenbos Ghana 2010).

Biodiversity impacts

Risks to biodiversity from the implementation of REDD+ include perverse incentives that would facilitate the conversion of natural forests into plantations, which while higher in carbon are generally much lower in biodiversity. Leakage is another potential negative impact on biodiversity: this occurs when forest conversion or degradation is not eliminated but merely relocated to another ecosystem, either in the country or in another country (CBD Secretariat 2011).

Under FLEGT, a potential risk to biodiversity is a VPA that concentrates on legitimizing trade flows rather than governance reforms to reduce deforestation and ensure environmental sustainability. Several VPAs have already been signed; many lack consideration for the protection and conservation of biodiversity. The VPA legality definition and TLAS focus on the licensing of timber (FERN 2013). Furthermore, there is a possibility that VPAs will legitimize illegal timber (so-called timber laundering), thus posing an even bigger risk to protected forests and biodiversity (FoE 2008).

Lack of participation by indigenous peoples and local communities

Many indigenous peoples and local communities depend on forests for their livelihoods, and it is essential to ensure that they can participate effectively in both REDD+ and VPA

processes. The biggest obstacles to such participation are lack of awareness of the details of REDD+ and the VPA and their implementation and the limited capacities of local communities, which could result in their exclusion from the process and in disregard of their rights and interests (Box 2).

Box 2. Lack of participation in the Democratic Republic of Congo

The potential exclusion of vulnerable stakeholders in the implementation of REDD+ was noted in the Democratic Republic of Congo. The REDD+ planning bodies' lack of resources and lack of commitment from the government to assume responsibility for adequate consultations with local communities has led to the exclusion of vulnerable rural stakeholders from the decision-making process. It has been left up to Congolese civil society to carry out capacity-building activities and create networks for participation (Accra Caucus 2013).

Similarly, although VPAs have generally provided a new and strong platform for involvement, there has been a lack of commitment by authorities to ensure adequate participation (Box 3). This has resulted in the exclusion of key stakeholders due to their limited awareness of and involvement in the negotiations and implementation of the VPA. In many countries, it has been up to civil society to ensure that all stakeholders participate in the negotiations, and to raise the concerns of forest communities.

Box 3. Lack of participation in Ghana

In the first phase of its VPA negotiation process (2005–07) the government had no real intention to create an inclusive process. Only by threatening legal action and by using the media was civil society granted access to participate effectively. In addition, no specific measures were taken to facilitate the participation of local communities and indigenous peoples (FERN 2013).

Safeguard responses to the risks of REDD+ and FLEGT

Safeguards for REDD+

In reaction to these risks, UNFCCC COP-16 acknowledged the need to address national forest governance shortcomings and mitigate any potential adverse social and environmental effects that could prevent REDD+ from achieving its long-term goals of sustainable reductions of greenhouse gas (GHG) emissions.

The framework for REDD+ was agreed to at COP 16 in the form of seven social and environmental safeguards.[4] The Cancun Agreement that was concluded at COP-16 states that all REDD+ activities should be carried out in accordance with these safeguards. This means that any actor involved in the implementation of REDD+ activities — including national governments, multilateral financial institutions, bilateral donors, civil society and

the private sector — must comply with them. The safeguards address key thematic areas and reflect existing international law, rather than create new obligations.[5]

UNFCCC REDD+ Safeguard (a) states: "That [REDD+] actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements…" This requires REDD+ activities to complement and be consistent not only with national forest programmes, but also with existing relevant international obligations that REDD+ countries have signed, ratified or otherwise agreed to. These instruments pertain not only to the environment, but also to human rights and indigenous peoples' rights.

UNFCCC REDD+ Safeguard (b) refers to "transparent and effective forest governance structures…" This requires access to information, financial accountability and measures to tackle corruption, appropriate institutional and legal frameworks, ensuring participation in decision-making processes that affect the environment and adequate access to justice when implementing REDD+ activities.

UNFCCC REDD+ Safeguard (c) refers to ensuring "respect for the knowledge and rights of indigenous peoples and members of local communities…" when implementing REDD+ activities. This involves defining and recognizing indigenous peoples and local communities and recognizing their rights (both substantive and procedural, such as the right to Free, Prior and Informed Consent) in accordance with key international instruments such as the United Nations Declaration on the Rights of Indigenous Peoples.

UNFCCC REDD+ Safeguard (d) refers to the "full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities, in [REDD+] actions…" This requires providing adequate, timely and culturally appropriate access to information, implementing participatory and conflict resolution mechanisms and creating an enabling environment for the effective participation of particularly vulnerable stakeholders.

UNFCCC REDD+ Safeguard (e) requires "that [REDD+] actions are consistent with the conservation of natural forests and biological diversity, ensuring that [REDD+] actions…are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits." This requires adequate regulation, use and protection of natural forests, biological diversity and ecosystem services in accordance with international law and calls on REDD+ actions to not result in the conversion of natural forests.

UNFCCC Safeguards (f) and (g) require that the implementation of REDD+ activities includes actions to "address the risk of reversals" and "reduce the risk of displacement of emissions" respectively. Much of what makes up these safeguards is technical in nature,

relating closely to accounting, monitoring, reporting and compliance rules for GHG emissions developed under the UNFCCC. Nevertheless, social and environmental measures used to implement the other UNFCCC REDD+ safeguards will be extremely relevant to Safeguards (f) and (g) in ensuring that leakage does not occur, and that reductions in GHG emission are lasting.

The process of identifying such risks is supported by multilateral REDD+ initiatives such as the Forest Carbon Partnership Fund (FCPF). As part of the implementation of a Readiness Preparation Proposal (R-PP), each country must carry out a Strategic Environmental and Social Assessment (SESA), which identifies social and environmental risks arising from implementation of the R-PP's proposed activities (FCPF 2012). Combined with an understanding of the requirements of the UNFCCC REDD+ safeguards, the SESA process can be a useful tool for ensuring that REDD+ national strategies identify and address any risks that arise from implementation. Due to the absence of a binding international regulatory framework for REDD+, however, the implementation of safeguards relies mainly on the political will in each REDD+ country.

Safeguards for FLEGT VPAs

Although the EU FLEGT Action Plan aims to achieve sustainable forest management and support timber-producing countries in forest sector governance reforms in an equitable manner to avoid adverse impacts on rural poor people (EC 2003), it provides only general principles and guidance on implementation. This includes the statement that "partner countries should have or be committed to developing credible legal and administrative structures and technical systems for the purpose of verifying the legality of wood according to national laws."

The EU Action Plan sets out the need for equitable and just solutions, effective verification systems, transparency, capacity building and policy reform. Guidance on defining the legality of timber mentions the importance of taking into account environmental and social considerations (EC 2003).

Similarly, in its endorsement of the EU FLEGT Action Plan, the European Council (2003) highlighted the importance in key target countries of certain forest sector governance reforms:

- strengthening land tenure and access rights, especially for marginalized rural communities and indigenous peoples;
- strengthening the effective participation of all stakeholders;
- increasing transparency in forest exploitation operations; and
- reducing corruption in the forest sector.

Elements within the VPA can assist in improving governance and reducing risks. These include the legality definition, verification procedures, control of the supply chain, the independent audit, complaint mechanisms and a structure for monitoring implementation (FERN 2013). Involving all stakeholders in the VPA negotiations is also a key element.

Social and environmental issues are only partially addressed in the implementation of VPAs, however. There is no obligation to put measures in place to prevent the risks outlined above, nor is much guidance provided. Indeed, there is no blueprint for the agreement and implementation of VPAs. They are tailor-made agreements, agreed to on a case-by-case basis, leaving social and environmental considerations to be dealt with in the negotiations between the EU and the partner country.

Ghana, for example, which was the first country to conclude a VPA with the EU in 2009, mentions "social safeguards" in article 17 of the VPA: "In order to minimise possible adverse impacts, the Parties agree to develop a better understanding of the livelihoods of potentially affected indigenous and local communities as well as the timber industry, including those engaged in illegal logging," and "the Parties will monitor the impacts of this Agreement on those communities and other actors identified in paragraph 1, while taking reasonable steps to mitigate any adverse impacts. The Parties may agree on additional measures to address adverse impacts" (EC and Republic of Ghana 2009).

Some LASs highlight certain social aspects more explicitly than others, according to the priorities set by the country's stakeholders. For example, the Republic of the Congo's VPA includes implementation decrees for an Indigenous Peoples Law and the recognition of community rights, whereas the VPA in Cameroon has been described as limited in ensuring the respect of community rights (FERN 2013).

Honduras, which is in the early negotiation phase of a VPA, has taken steps to address safeguards under FLEGT and REDD+. The Honduras R-PP (July 2013) looks at the links and synergies between the preparation for REDD+ and FLEGT VPA negotiations. The country seeks to address the requirements of both processes coherently. This includes requiring that the legality definition of the VPA not contradict REDD+ safeguards, e.g., in terms of conversion of natural forests (FCPF 2013). The progress made in implementation of REDD+ safeguards is being taken into account in the country's VPA negotiations. The R-PP also mentions including links to a future safeguard information system during VPA negotiations and implementation.

Synergies in process between the REDD+ safeguards and FLEGT

Although REDD+ and FLEGT have a different focus, they have similar objectives and face similar challenges and risks. Synergies between the REDD+ safeguards and the implementation of VPAs should be explored to avoid duplication of efforts and to maximize the potential to address the risks and benefits of both processes.

Both mechanisms, to a different extent, put processes in place to mitigate their potential risks and achieve their objectives. Table 1 presents an overview of potential synergies.

Although many legality definitions have already been agreed to and several VPAs have been signed, synergies with REDD+ safeguards should be sought in the implementation of these VPAs, and in the development of future VPAs in other countries.

Table 1. Potential synergies in content and process

REDD+	VPA	Potential synergies in content	Potential synergies in process
1. Potential negative socio-economic impacts on local communities and indigenous peoples			
national implementation of UNFCCC REDD+ Safeguards (c) and (e)	developed on a case-by-case basis: social and environmental considerations are dealt with in each VPA through negotiations in each country	▪ strengthen national legal frameworks to clarify and respect the rights of local communities and indigenous peoples, including land tenure and benefit sharing ▪ strengthen the institutional framework to guarantee and enforce the rights of local communities and indigenous peoples	▪ ensure cooperation/ coordination between national working groups responsible for implementing REDD+ safeguards and FLEGT ▪ build on participatory platforms developed under each initiative ▪ ensure that complaint mechanisms under REDD and FLEGT are consistent and mutually supportive
2. Potential negative impacts on biodiversity			
national implementation of UNFCCC REDD+ Safeguards (b), (e), (f) and (g)	developed on a case-by-case basis	▪ ensure that the legality definition in the VPA (or, if already defined, its implementation) is consistent with the requirements set out in UNFCCC REDD+ Safeguard (e), specifically, in measures that protect biodiversity and prohibit the conversion of natural forests ▪ ensure that implementation measures under UNFCCC REDD+ Safeguard (b), (f) and (g) are consistent with and complement efforts under the FLEGT VPA	▪ ensure that the FLEGT VPA legality definition (or if already defined, its implementation) takes into account the national implementation measures of UNFCCC REDD+ Safeguard (e) ▪ ensure that monitoring and reporting systems under REDD+ and FLEGT provide information in a complementary manner and satisfy the requirements of both processes ▪ make use of independent audit systems or mechanisms under REDD+ and FLEGT VPA to protect biodiversity
3. Potential exclusion of local communities and indigenous peoples from participation			
national implementation of UNFCCC REDD+ Safeguards (b) and (d)	developed on a case-by-case basis	▪ build on guidance provided for stakeholder engagement and best practices from each process ▪ ensure that implementation measures under UNFCCC REDD+ Safeguard (d) are consistent with and complement efforts under the FLEGT VPA	▪ build on participatory platforms developed under each initiative ▪ build on relevant national implementation measures under UNFCCC REDD+ safeguards (d) and (b) ▪ ensure that complaint mechanisms under FLEGT VPA and REDD+ are consistent

Endnotes

1. See UNFCCC Decision 1/CP. 16 FCCC/CP/2010/7/Add.1 para 70, also known as the Cancun Agreement.
2. See Cancun Agreement para 71(a).
3. See Cancun Agreement para 71(d) and 72.
4. See UNFCCC Decision 1/CP.16, Appendix 1, para 2.
5. For a full analysis of the scope, content and examples of key implementing activities of the UNFCCC REDD+ Safeguards see Rey et al. (2013).

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3.4 A country approach to REDD+ safeguards and the FLEGT VPA, Vietnam

STEVE SWAN

Introduction

Ideally, FLEGT and REDD+[1] should be mutually supportive in their development and implementation at the national level, but tangible FLEGT-REDD+ synergies remain elusive in practice. Collaboration may be possible in the environmental and social aspects of these initiatives, however, as articulated in timber legality definitions and country approaches to safeguards respectively (FAO 2012).

Table 1 summarizes elements of the FLEGT-VPA legality definition (to be defined in accordance with national policies, laws and regulations (PLRs) determined by the supplier country), compared to the seven internationally agreed REDD+ safeguards: (a) national and international policy consistency; (b) transparent forest governance; (c) indigenous peoples' and local communities' (IPLC) rights; (d) stakeholder (particularly IPLC) participation; (e) conservation of natural forests and biological diversity; (f) mitigating risks of reversals;[2] and (g) reducing displacement[3] of emissions.

Collaboration between FLEGT and REDD+ may be possible in the social and environmental aspects of these initiatives.

Vietnam is midway through its VPA negotiation process and has recently embarked on the formulation of a country approach to REDD+ safeguards. A draft VPA legality definition is undergoing review, and a draft road map for REDD+ safeguards has recently been shared with national and international stakeholders (a second iteration is being produced). The objective of this road map is to provide Vietnam with options and recommendations for how to meet its REDD+ safeguards obligations under the UNFCCC, based on a comprehensive gap analysis of relevant national PLRs.

At this crucial juncture in these two processes, the European Forest Institute (EFI) EU REDD+ Facility, in collaboration with the Netherlands Development Organisation (SNV) REDD+ Programme, commissioned a rapid analysis of the possible interactions between the draft legality definition and the safeguards road map. The findings of the analysis will inform the revision of the road map. This article discusses the opportunities and

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limitations in the content of the legal frameworks analyzed by each initiative, and potential areas of collaboration between the two processes.

Table 1. FLEGT-VPA legality definition elements and UNFCCC REDD+ safeguards

FLEGT VPA legality definition elements	UNFCCC REDD+ safeguards[4]
title and permit allocation processes	(b) transparent and effective national forest governance structures
granting or compliance with rights to harvest	(b) transparent and effective national forest governance structures (g) actions to reduce the displacement of emissions
forest management and timber processing	(b) transparent and effective national forest governance structures (e) actions are consistent with the conservation of natural forests[5]
community rights and welfare	(c) respect for the knowledge and rights of indigenous peoples and local communities (d) the full and effective participation of relevant stakeholders
environmental legislation	(b) transparent and effective national forest governance structures (e) actions are consistent with the conservation of natural forests
labour, health and safety policies	n/a
taxes, import-export duties, royalties and fees	n/a
respect for community and indigenous people's tenure and use rights	(c) respect for the knowledge and rights of indigenous peoples and local communities
trade and export procedures	(g) actions to reduce displacement of emissions

Sources: EC 2007; EFI 2012; UNFCCC 1/CP.16[6]

Structural mismatch

Vietnam has chosen to structure its draft legality definition not by the nine elements indicated in Table 1, but as six elements comprising the timber value chain: 1) harvest; 2) import; 3) transport and trading; 4) processing; 5) export; and 6) taxation.[7] This contrasts with the seven statements of principle that constitute the UNFCCC REDD+ safeguards.

This structural mismatch highlights the narrow scope of the draft legality definition: it is primarily a framework for determining the legality of timber along the value chain. Environmental protection legislation is considered in the draft definition's requirement for environmental impact assessments ("environmental protection commitments") for

harvesting plans, but no explicit verifiers are included on the rights of IPLCs, which are expected from a VPA. Clear provisions for respecting IPLC customary tenure and use rights were also identified by the gap analysis as a notable omission from the current national PLR framework for REDD+ (Annandale et al. 2013).

Unlike REDD+, VPAs are bilateral agreements between the European Union and a partner country. Within the agreement, elements of the legality definition are developed through a national multi-stakeholder consultation process and guided by a number of legality and sustainability considerations (Table 1). In the UNFCCC safeguards, REDD+ has established explicit (if broad and open to interpretation) statements of environmental and social sustainability that REDD+ countries have to address in order to receive results-based financing for emission reductions or enhanced greenhouse gas (GHG) removals from the atmosphere.

A legality definition that is structured by key elements (Table 1) — such as land title, harvesting rights, management planning, community rights and environmental legislation — would facilitate a more comprehensive definition of sustainable, as well as legal, timber. Such a definition could help in negotiations on environmental and social sustainability issues, which are otherwise hampered by the focus on legal timber supply, processing and export. A definition based on key thematic issues would also facilitate comparisons and potential integration with REDD+ safeguards.

Incomplete processes

Midway through the VPA negotiation process the legality definition is still very much in draft form. A great many political sensitivities have yet to be resolved, and it is probable that other political issues will be raised as they become apparent throughout the negotiation process. Consequently, the draft legality definition cannot be considered as part of the existing PLR framework that can be analyzed for gaps compared to the REDD+ safeguards. For example, explicit references to respecting IPLC's knowledge and rights are a stark omission from both initiatives, yet both the draft road map and legality definition identify the need for compliance with existing environmental legislation.

Stakeholder feedback on the gap analysis has also identified significant shortcomings in the methodology — and, consequently, the findings — of the REDD+ safeguards road map. As with verifiers in the draft legality definition, the criteria[8] used to interpret the REDD+ safeguards for the purposes of the gap analysis could be refined further for all seven safeguards. Specifically, two areas require more comprehensive interpretation and reanalysis of the national PLR framework: explicit gender criteria for governance, rights and participation (relating to safeguard (b) on governance); and criteria for conservation of natural forests and biological diversity (relating to safeguard (e) on natural forests).

Unlike the REDD+ safeguards road map, the legality definition process in Vietnam has not yet clearly and comprehensively documented the gaps in the existing PLR framework or the proposed amendments to address these gaps and meet VPA expectations (Table 1). An annex of additional measures (i.e., PLR reform recommendations) has yet to be drafted for Vietnam's VPA. Broadening the scope of the legality definition — to strengthen the social sustainability aspects beyond the current focus on legal timber — could be informed by the PLR gap analysis.

With other elements of the FLEGT VPA Timber Legality Assurance System (TLAS), and a country safeguards approach for REDD+ still in the early stages of development, there is an opportunity for exchange between stakeholders, within government and civil society. This could strengthen the case for PLR reform in both processes. Immediate opportunities for PLR reform are available with the Law on Environmental Protection (currently being revised) and the Law on Forest Protection and Development (being considered for revision in the near future).

Mutually supportive processes

These findings indicate that there are limited opportunities for the draft legality definition to inform the REDD+ safeguards road map, and vice versa. There could, however, be synergies in terms of mutually supportive processes of the FLEGT VPA legality definition development and a country approach to REDD+ safeguards. These linkages have yet to be acknowledged or capitalized on by the stakeholder communities of either initiative in Vietnam. In-depth analysis of these opportunities was beyond the scope of this article, but key areas where FLEGT VPA negotiations and the development of country approaches to REDD+ safeguards could be mutually supportive are identified and summarized in Table 2.

Table 2. Potential synergies between the FLEGT VPA process and REDD+ safeguards

Opportunity for synergy	FLEGT VPA elements	REDD+ requirements
PLR, institutional and information system gap analyses	Both require a multi-stakeholder process to analyze existing PLR frameworks for consistency and gaps compared with international expectations (FLEGT VPA legality definition elements; REDD+ safeguards). Both initiatives require multi-stakeholder engagement in developing public information systems on how these international expectations are interpreted and addressed at the national level.	
Stakeholder and broader constituency communication strategies	Both benefit from well-elaborated, long-term communication strategies that present in a clear and practical manner the objectives, process, obstacles and benefits of the processes. Inclusive, non-technical language and examples should be used to match stakeholder capacities.	

Table 2, continued

Opportunity for synergy	FLEGT VPA elements	REDD+ requirements
Civil society participation structures and processes, including feedback mechanisms	FLEGT requires civil society participation in VPA preparation and TLAS implementation. The Vietnam Non-Governmental Organization (VNGO) FLEGT network is an example of a coordinated effort to develop and apply civil society capacity to the VPA.	The demand side of REDD+ requires civil society participation in all aspects of readiness and implementation. The REDD+ Working Group on Safeguards could benefit from more coordinated VNGO representation.
Civil society capacity building/ PLR framework development and reform	To contribute fully and effectively to the development of a legality definition and a country safeguards approach, stakeholders would benefit from investments in capacity development.	
Environmental and social impact assessments (capacities, methods, indicators, data)	No requirement, but VNGOs are applying a participatory Livelihood Impact Assessment (LIA) of the draft VPA. Similar capacities, methods, indicators and data could be applied to the Strategic Environmental and Social Assessment- Environmental and Social Management Framework (SESA-ESMF) of the National REDD+ Action Plan (NRAP).	Under Vietnam's FCPF readiness grant a SESA-ESMF is required and will be applied to the NRAP. This 24-month consultative process could draw on the VPA LIA in terms of methodology and indicators for monitoring safeguard compliance.
Impact monitoring against baseline assessments	A supply chain control system and legality verification are required, which could contribute to demonstrating actions to avoid displacement of emissions. The LIA approach could form the basis of continuous participatory monitoring of environmental and social aspects of the legality definition.	REDD+ readiness development partners are promoting participatory forest monitoring (PFM). An LIA-type approach to SESA and incorporation of PFM into the ESMF, as a prototype information system for safeguards, could inform and be informed by parallel experiences from the VPA.
Transparent public information access systems	The VPA requires an annex on public information, which is currently in an early draft form. Refinement of this annex should also take Vietnam's REDD+ safeguard commitments into consideration.	REDD+ countries are required to develop an information system for safeguards, which to date has not been subjected to any considered analysis or dialogue in Vietnam. There could be mutually supportive dialogue on public information between VPA and REDD+.

The ideal vs. reality

Obstacles to realizing FLEGT-REDD+ synergies — as identified by international development partners supporting one or both initiatives (FAO 2012) — also apply to Vietnam:

- lack of technical understanding of both processes and synergistic opportunities/constraints;
- lack of political incentives for coordination as well as adverse political agendas;
- lack of development partner coordination; and
- scarce in-county human resources, and time constraints.

The legality definition and broader VPA negotiations in Vietnam are technically and politically complex processes, particularly considering the levels of in-country capacity within government and civil society. Vietnam is primarily a wood-processing country, sourcing 80 percent of its timber from foreign suppliers (VoV 2013). The VPA negotiations are fraught with political sensitivities, particularly the commitment on Vietnam's part to assure the legality of significant volumes of timber that originate beyond its borders.

The REDD+ safeguard process is no less technically and politically complex. It also suffers from a lack of capacity and from significant and persistent uncertainties due to the slow progress in elaborating the details of the REDD+ mechanism. Unlike the VPA negotiations, however, financing for REDD+ readiness greatly exceeds the capacity of in-country human resources, particularly within government. This imbalance heightens the challenge of coordinating the two initiatives.

Content vs. process

In terms of content it could be argued that in the long term the political, economic and transaction costs of trying to capitalize on limited synergies do not outweigh the potential benefits of avoided duplication of effort and reduced operational costs. Highly compartmentalized government institutional structures and vested political interests could present persistent barriers to effectively integrating the legality definition and the REDD+ safeguards, or to any subsequent version of a country safeguard system.

Although it may not be politically possible for the draft FLEGT VPA legality definition to inform the draft REDD+ safeguards (and vice versa), there are clear opportunities in the mutually supportive processes of the PLR framework and monitoring system development (Table 2). Synergistic opportunities — and challenges — need to be communicated to government and the civil society stakeholders who are leading the FLEGT VPA and REDD+ readiness processes, not just in Vietnam, but in other countries that have embarked on these two initiatives.

Both state and civil society actors need to seize the opportunity presented by these two initiatives for an open dialogue on current PLR deficiencies, which can help identify and

catalyze future reforms. Government needs to show political willingness for national PLR frameworks to benefit from these processes and be more responsive to civil society. Civil society needs to have a coherent and constructive voice that builds on the momentum toward greater accountability of government in the forestry sector. Development partners must commit the financial and technical assistance necessary for in-country stakeholders to realize these opportunities.

Promoting synergies in the FLEGT VPA-REDD+ process, but not content, is based on the specific circumstances in Vietnam. Other countries who are involved in both FLEGT and REDD+ will have different circumstances, which will translate into different benefits and costs. Other countries may have a good reason to explicitly link the FLEGT VPA legality definition content with that of PLR gap analyses and with the subsequent development of country safeguards systems for REDD+.

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Endnotes

1. REDD+ includes the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.
2. This also includes non-permanence of GHG reductions or enhanced removals from the atmosphere through the REDD+ mechanism.
3. This also includes leakage of emissions from one location to another due to application of the REDD+ mechanism.
4. The UNFCCC REDD+ safeguards also include: (a) actions that complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements, and (f) actions to address the risks of reversals, for which there are no direct counterparts in the FLEGT VPA legality definition elements.
5. This is where management plans incorporate elements of sustainable production as contributions to conserving forest biodiversity and maintaining ecosystem functionality.
6. See UNFCCC 16th Conference of the Parties Decision 1/CP.16, Annex I, paragraph 2.
7. Subsequent to the analysis reported here, Vietnam's draft legality definition has been broadened to include a seventh principle on labour rights. UNFCCC REDD+ safeguards, however, make no provision for labour rights in the forestry sector (see Table 1).
8. The safeguards present broad aspirational statements of principle about how REDD+ should be implemented. These statements are too broad to be applied directly when analyzing a country's national PLR framework for consistency with the REDD+ safeguards. Interpretation criteria are required that break down each of the seven safeguards statements into more explicit statements that can be used to assess compliance and gaps.

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3.5 Land tenure and FLEGT-REDD+ synergies, Republic of the Congo

JULIA CHRISTIAN and NATHALIE FAURE

Introduction

Rural communities' land tenure rights in the Republic of the Congo (ROC) remain woefully insecure. Most of the land in the country is owned by the state and managed either directly or through long-lease concession contracts to resource extraction companies. Some legal provisions offer communities the possibility of private ownership and use rights, but in practice these options remain limited.

The relatively recent development of international forest governance initiatives in ROC, however, offers the potential to improve communities' access to tenure. The 2010 FLEGT Voluntary Partnership Agreement (VPA) between ROC and the European Union will likely affect the protection of land rights through its legality monitoring activities. The Reducing Emissions from Deforestation and Forest Degradation (REDD+) process, introduced in 2011, aims to reduce the drivers of deforestation, including the need to clarify land-use rights.

FLEGT and REDD+ have structural features that could address the significant gaps in tenure protection.

REDD+ and FLEGT's mutual interest in tenure issues creates a number of potential synergies. This article examines these possibilities. It offers specific insights as to how REDD+ and VPA have addressed the issue of land tenure so far, what challenges have arisen and how coordination between the two initiatives can be strengthened.

Land tenure in ROC

Land tenure has been described as "the relationship, whether legally or customarily defined, among people, as individuals or groups, with respect to land."[1] Land is understood in this definition as including other natural resources, such as water and trees. Land tenure can therefore be individual or collective; it may be statutory (enshrined in state law) or customary (as exercised according to customs and practice).

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The concept of tenure covers a broad spectrum of legal rights, often referred to as a "bundle of rights." On one end of the spectrum is ownership, which confers the permanent right to use the land or resources by the right-holder, including among others the right to lease, sell or transfer the land. At the other end of the spectrum are use rights, which permit the use of the land and resources within limited terms of time or scope. Use rights are susceptible to restriction or termination by the owner of the land.

In ROC, communities' ability to own land is limited. From the independence of the country in 1960 until the 1991 Sovereign National Conference, all land in ROC belonged to the state; the concept of private land ownership was abolished altogether. Since 1991, private land ownership has been re-established, though this was not given legal effect until the passage of a new set of land laws in 2004.

In general, the legal framework for the land sector is riddled with gaps and inconsistencies that leave communities' tenure rights highly vulnerable to interference by the state and third parties (Table 1). Land tenure is sorely in need of comprehensive reform, particularly as pressure for land increases.

Table 1. Main tenure rights and associated challenges, ROC

Legal provision	Challenges
General provisions on land tenure	
Land ownership	
Law 10-2004 on land domain regimes; *Decree 2006-255* and *2006-256* creating ad hoc bodies to recognize customary rights. These laws have several provisions related to land tenure: ▪ all land property must be registered to be recognized as an ownership right — on registration, a title is delivered; ▪ land titles can be individual or collective; and ▪ customary property rights can be registered as ownership rights. Two decrees have set out the terms for new local bodies to identify and recognize these rights.[2]	In practice, access to property is limited because of costly and burdensome procedures, as well as a lack of information about the right to property and the registration process. Customary ownership rights over the land can be registered only if the land has been developed (*mise en valeur*) and communities can show proof of 30 years of development.[3] These requirements are often difficult to meet in practice. The local bodies in charge of registering customary land rights are still not in place in a number of departments in ROC. The state retains the right at any time to cancel customary rights that are not registered and attribute the land to concessions.[4] There is little by way of consultation or participatory mechanisms in the process of registering a customary title, creating a risk that individuals or groups will claim title at the expense of other users of the land. The 10-2004 Law was passed after the current 2000 Forest Code and its provisions have not yet been incorporated in the code. There are, however, ways to address this through the ongoing Forest Code review process.

Table 1, continued

Legal provision	Challenges
Land and resource use rights	
Law 16-2000 (Forest Code), articles 40-42; and *Arrêté 5053* defining national directives for the sustainable management of forest concessions, articles 18-20: ▪ use rights may be recognized on state-owned land, within forest classification decrees or within the forest management plans that the concessionaire must develop for each concession area; ▪ these use rights are limited to non-commercial uses and to a set of specific activities, mainly the collection of non-timber forest products, hunting, fishing and agriculture; ▪ in each concession, a Community Development Area is created to contribute to the economic development of local communities; and ▪ In the Community Development Area, the rights given to communities are established on the basis of socio-economic studies and enshrined in the management plan.	There is no legal obligation for the government or concessionaires to recognize use rights. Even where they do so, no formal procedure exists for this recognition. The government retains the right to restrict use rights by enacting secondary legislation *(textes règlementaires)* through the Ministry of Forests.[5] Use rights are restricted to non-commercial uses within a set of specified activities, significantly limiting communities' right to do what they want with the land. There is no requirement for the participation of local communities in the identification of use rights or the creation of Community Development Areas (e.g., through community mapping). The concept of "community" is not defined in the provisions that grant use rights and Community Development Areas, nor anywhere else in the law. The failure to differentiate among local communities creates a risk that some local land users could be excluded from rights and benefits by other local land users. The recognition of Community Development Areas takes place on an ad hoc basis, concession by concession, and only at the time the management plan is developed, which can occur up to three years after the concession is allocated. This leads to delays in the protection of communities' rights. Community Development Areas can be recognized only within logging concessions, leaving out many communities who live outside these concessions. Use rights and Community Development Areas are recognized only for the duration of the concession contract (between 15 and 25 years, although 25-year contracts are renewable indefinitely).

Table 1, continued

Legal provision	Challenges
Specific provisions for indigenous people's tenure	
Ownership and access to land and natural resources	
Law 5-2011 on the rights of indigenous peoples, articles 31-42: ▪ Indigenous people have individual and collective rights to property over land and natural resources they have occupied or used customarily. These rights cannot be taken away by the state.[6] ▪ The state is mandated to facilitate the delimitation of their customary territories.[7] ▪ Customary land tenure does not need to be registered to be recognized by the state.	Implementing decrees have not been passed for this law, meaning there is no institutional framework to support the recognition and enforcement of these rights. The state has not actually performed any of the activities to facilitate the identification of customary territory. As with the general customary rights provisions in the 2004 land law, this law was passed after the Forest Code and therefore its provisions are not yet incorporated in it. It is crucial to ensure that this is addressed in the ongoing Forest Code review process. This law applies only to the 1.2% of the Congolese population defined as indigenous.[8] Other forest-dependent communities, such as local communities other than indigenous peoples, cannot benefit from this protection.

Do the FLEGT VPA and REDD+ processes address land rights?

ROC's VPA, which was signed in 2010 and ratified in 2013, offers some opportunities to protect forest communities' tenure rights. First, it sets out a definition for legal timber, using a set of Principles, Criteria, Indicators and Verifiers constructed from existing Congolese legislation. Moreover, it implements monitoring systems to ensure that the law is being respected. It also recommends areas for legal reform and establishes its own public consultation procedures for these reforms.

The REDD+ process is much less well established in ROC. Thus far, its primary steps have been the conclusion of a Readiness Preparation Proposal (R-PP) in 2011 (RDC 2011). This outlines the main strategic, technical and financial steps to prepare ROC to implement the REDD+ process. The R-PP specifically identifies insecure tenure as one of the problems it aims to tackle, proposing to respond with the development of a national land-use plan and an expansion of protected areas within the country.[9] ROC initiated its first REDD+ project in May 2012, from a logging company hoping to receive credits for standing forest within its concession.[10]

What synergies could FLEGT and REDD+ develop?

REDD+ and FLEGT share a mutual concern for land tenure that could lead to synergies. The R-PP proclaims its intention to build on the work of FLEGT, describing the two schemes as "complementary mechanisms" with a shared interest in strengthened forest governance, and proposing ROC as a model for other countries on how to integrate the

two effectively.[11] The FLEGT VPA in ROC has already developed mechanisms for governance monitoring, legal reform and public participation that REDD+ could usefully build on. REDD+, for its part, offers a cross-sectoral approach and additional funding that could be used to strengthen these mechanisms and broaden their impact.

A cross-sectoral vision

The influence of the VPA is limited by its focus on the timber industry. It cannot address the land rights of people who are threatened by quickly expanding forest land uses such as industrial agriculture and mining. REDD+, as the R-PP points out, has the advantage of encouraging a cross-sectoral vision; it takes into account all land-use sectors that drive deforestation.

By building on VPA structures, REDD+ could be an opportunity to expand the VPA's gains beyond the timber sector.[12] For example, the R-PP identifies forest management plans as an effective means of curbing deforestation. The incorporation of forest management plans in the VPA's legality definition has already helped ensure that they are developed for all timber-producing forests; REDD+ could potentially mandate them for other sectors of land use as well. This would enable more communities to have use rights and Community Development Areas (*Séries de Développement Communautaires*) enshrined in a management plan, and would require more companies to conduct preliminary socio-economic mapping that could identify these pre-existing rights. Although these options for protecting community land uses offer only a partial solution to the land tenure problem, they would nonetheless be an important step toward further recognition of land ownership rights.

Better-coordinated institutions

Since 2012, the VPA has been within the mandate of the Forestry and Sustainable Development Ministry, whereas REDD+ is the responsibility of the Environment and Tourism Ministry. The fact that the VPA and REDD+ fall within different ministries can make it difficult to coordinate activities. Conversely, however, this could provide an opportunity to address the lack of coordination between different ministries, which is itself one of the reasons behind the failure to provide comprehensive protection for community tenure.

The R-PP creates various bodies that involve cross-ministerial cooperation. One example is the Public Authority Platform of the National REDD+ Committee, which includes the ministries for forests, environment, agriculture, mines, hydrocarbons and land.[13] The R-PP also proposes national land-use planning to incorporate the full range of sectors.[14] These kinds of REDD+ platforms and projects could be a way to build much-needed links between different ministries, and to tackle land-rights issues at the national level.

Mapping pre-existing land rights

The VPA requires timber producers to show that they have legal rights to the timber and land in question and that communities in the area have been informed of their legal rights, such as use rights within the concession area.[15] This should encourage companies to map pre-existing land rights before they commence logging operations. Mapping under

the VPA would benefit only those people who live within forestry concessions, however, and would not lead to a national-scale understanding of land use.

REDD+, on the other hand, offers several opportunities to conduct comprehensive mapping. First, the R-PP proposes to develop a national land-use plan to "respect all rights and prevent user conflicts." This would involve mapping what those uses are.[16] Second, the R-PP calls for the implementation of a Social and Environmental Strategic Assessment, to be based in part on the Principles and Criteria of the VPA; this could enable the VPA's land rights obligations to be reinforced at a national, cross-sector scale.[17] In clarifying land rights, both initiatives should build on the VPA's public consultation approach in order to support genuinely participatory mapping exercises. This is the only way to ensure that the customary land uses of communities are accurately identified.

Developing a national land-use plan

Clarification of customary rights under a REDD+ national land-use plan could also help ensure that community uses are recognized and promoted by the VPA's legality verification system, rather than being minimized as "illegal" uses. Principle 3 of the VPA legality definition requires concessionaires to show they have respected the rights, customs and practices of local and indigenous populations in accordance with national legislation and regulations and international conventions. Often, these practices have not been clearly defined by law, and concessionaires may permit local communities to continue using certain areas that the forest company does not need. There is a danger that the VPA might encourage concessionaires to adopt a more legalistic approach, thus pushing out informal land uses that formerly supported communities. This risk may be increased by the promise of REDD+ credits, which could motivate companies to evict communities from non-productive areas of their concession in an attempt to claim credits for the trees there.

A comprehensive national land-use plan, as suggested by REDD+, could help to clarify and protect community use from these kinds of actions. REDD+ could provide funding and institutional support to the development of a national land-use plan, which would be difficult for the Congolese government to implement on its own. It is essential that such a land-use plan be developed in a participatory manner. The outcomes of these efforts would have significant economic importance. This could lead to co-option of the process by business interests or more powerful ethnic groups at the expense of communities who are less able to participate. To date, REDD+ processes in ROC have a poor record of consulting communities.[18] The risk that community land use would be sidelined by a REDD-backed land-use plan is heightened by the R-PP's tendency to portray these uses as drivers of deforestation.[19] It is important that REDD+ build on the VPA's established public consultation mechanisms to ensure that a national land-use plan reflects the full range of community interests.

Monitoring and enforcement of land rights

REDD+ and the VPA share an interest in monitoring the enforcement of existing land rights. The VPA sets up a Legality Assurance System (LAS) to ensure that its legality definition is followed, including its indicators on respect for local customary rights. REDD+ requires the establishment of a national Safeguard Information System (SIS) to ensure that implementation meets certain social safeguards, one of which is respect for the rights of local and indigenous peoples.[20] The R-PP states that monitoring of REDD+ governance should place particular emphasis on reinforcing the framework already set in place by the VPA, and offers to provide additional financial, operational and technical support.[21] Building ROC's national SIS on the VPA's LAS could be an opportunity to strengthen funding for the LAS and expand its reach to non-forestry sectors.

This opportunity has not yet been realized. REDD+ implementers in ROC have focused on developing a national measurement, reporting and verification (MRV) system, rather than building a well-designed overarching SIS. The MRV system focuses entirely on measuring carbon; it does not include land rights as a component. Moreover, it was constructed as a system fully separate from the Congolese LAS; instead, it was built according to general criteria provided by the World Bank that are not specific to ROC and do not make any link to the LAS. VPA and REDD+ implementers have the opportunity to adjust this approach by integrating common components of their own monitoring systems, in particular the LAS and SIS.

Land law reform

One of the VPA's strengths is the broad participatory process it built regarding the content of domestic laws. Annex IX of the VPA sets out various proposed reforms with positive potential for community land rights, in particular, the revision of the forest code, regulations on the assignment of state plantations to third parties, and the creation of community-managed forests. However, partly because of its focus on the forestry sector, the VPA falls short of calling on the Land Ministry for broader-reaching reform to existing land laws.

By contrast, the R-PP sees such reform as a key objective, calling for cross-sector initiatives such as "land tenure reform and development of a land-use plan."[22] It does not go much further than general proclamations, however. It does not call for any specific new laws, identify the relevant government ministries, or create the consultation bodies to develop them — nor has it allocated any funding for these activities. The VPA, meanwhile, has devoted much more time and financial resources to developing the institutional framework to actually carry out a legal reform process. This would provide an interesting opportunity for synergy. The VPA states that its list of suggested reforms is not exhaustive.[23] REDD+ could direct funding to realize its proposed tenure reforms through the VPA's established mechanisms for government engagement and public consultation; for example, building on the working groups who have been revising the forest code and discussing community forest management.

Strengthening tenure within community-managed forests

The R-PP's plan to expand protected areas presents a risk for community access to land, since in the past the creation of protected areas often involved the relocation of local populations. On the other hand, the R-PP also states that REDD+ protected areas should promote a new conservation approach that pursues co-management and co-benefits for local populations.[24] REDD+ projects in general require secure long-term tenure rights, so as to better monitor and encourage the preservation of carbon stocks.[25] This could be an opportunity to strengthen the tenure rights offered by community-managed forests in ROC, including Community Development Areas, which the R-PP mentions as potential models for REDD+ projects.[26] This could involve adjusting the legal framework for Community Development Areas to grant longer-term, directly enforceable tenure rights to communities and thus make them eligible for REDD+. Such adjustments could be considered in the VPA-backed discussions on new community forest management laws, and in the current process of review of the Forest Code.

Conclusion

Both the VPA and REDD+ have structural features that could complement each other so as to address the significant gaps in tenure protection for Congolese communities. The VPA, as the more established of the two initiatives, has instituted governance monitoring and legal reform processes that could usefully be incorporated by REDD+. It has also developed public participation mechanisms that could help ensure that REDD+'s proposed land-use planning does not further disenfranchise communities. If REDD+ successfully builds on these VPA mechanisms, it could in turn provide them with much-needed additional funding. It could also broaden them to include other land-use sectors. This would promote increased collaboration between government ministries, thus reducing the inconsistencies and lack of oversight in current tenure arrangements. In practice, very little has been done on the ground to pursue these synergies. REDD+ has mainly concentrated on building carbon-focused MRV systems and developing its own communications strategy. REDD+ and FLEGT VPA implementers should pay greater attention to the synergies identified above as they continue to develop their own mechanisms, so as to enhance their ability to tackle crucial land-rights issues in ROC.

Endnotes

1. This definition is proposed by the FAO in *Land tenure and rural development*, Rome 2002.
2. See *Décret No. 2006-255 du 28 juin 2006 portant institution, attributions, compositions et fonctionnement d'un organe ad hoc de reconnaissance des droits fonciers coutumiers; Décret No. 2006-256 du 28 juin 2006 portant institution, attributions, compositions et fonctionnement d'un organe ad hoc de constatation des droits fonciers coutumiers.*
3. See *Décret no. 2006-255 portant institution, attributions, composition et fonctionnement d'un organe ad hoc de reconnaissance des droits fonciers coutumiers*, article 7.
4. See notably *Loi 25-2008 du 22 septembre 2008 portant régime agro-foncier*, article 21.
5. See *Loi No. 16-2000 portant code forestier*, articles 40 and 41.
6. See *Loi No. 5-2011 portant promotion et protection des droits des populations autochtone.*

7. See *Loi No. 5-2011 portant promotion et protection des droits des populations autochtones*, article 32.
8. Source: *Centre National de la Statistique et des Etudes Economiques, « Volume, Répartition Spatiale et Structure par Sexe et Age des Populations Autochtones au Congo »* (March 2011).
9. See RDC 2011, p. 69.
10. See http://olamonline.com/olam-internationals-subsidiary-cib-and-republic-of-congo-announce-a-pioneering-redd-initiative-to-realise-value-from-standing-forests.
11. See RDC 2011, pp. 72–74.
12. Ibid., pp. 72–74.
13. Ibid., p. 22.
14. Ibid., p. 69.
15. See EU-ROC VPA, Principles 2 and 3.
16. See RDC 2011, p. 49.
17. Ibid., pp. 99–104.
18. See *Plateforme Congolaise pour la Gestion durable des forêts, Note de contribution de la société civile par rapport à la préparation du R-PP en République du Congo*, 10 June 2010.
19. See RDC 2011, pp. 49–57.
20. See FCCC/CP/2010/7/Add.1, Appendix 1, paragraph 2e.
21. See RDC 2011, p. 140.
22. Ibid., p. 49.
23. See VPA, Annex IX.
24. See RDC 2011, p. 46.
25. See, for example, Cotula and Myers 2009.
26. See RDC 2011, p. 75.

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3.6 REDD+ and FLEGT in DRC: strengths and weaknesses

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Context

The international community is deeply concerned about global warming and the associated climate change. For the Democratic Republic of Congo (DRC), this concern heightens the challenges caused by socio-political insecurity in the east of the country and poor governance (Weiss 2000).

Forestry in DRC is characterized by the illegal exploitation and trade of timber.

DRC has 155 million hectares of forests (60 percent of the country) and had an annual deforestation rate of 0.2 percent in 2011 (Yamba Yamba 2010). Forestry in DRC is characterized by the illegal exploitation and trade of timber. The country is attempting to address the serious problem of deforestation. It intends to protect the environment and combat climate change through poverty reduction. REDD+ could generate US$ 900 million per year for DRC between 2010 and 2030 (Planning Ministry 2011: 92). Unfortunately, the forest sector contributes only one percent to the national budget.

For this article, the author conducted a literature review as well as interviews with 50 stakeholders in the forest sector (Box 1). The article addresses these three questions:

- What are the advantages of the FLEGT VPA and REDD+ processes in DRC?
- What are the challenges?
- What can be recommended from the perspective of good forest governance?

Implementation of sustainable forest management initiatives

FLEGT VPA

The EU FLEGT Action Plan is designed to combat the illegal exploitation and trade of timber. For the DRC, participation in this initiative is considered essential in order to strengthen its efforts to improve the governance of its very important forest resources, which constitute one of the main sources of livelihoods for millions of people in the country.

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Box 1. Survey results

Positive social impacts of VPA/FLEGT and REDD+:

- 85% of the people interviewed believe that the two initiatives are able to generate positive social outcomes for local communities;
- 95% believe there is weak governance at the local level. There are no mechanisms for accountability, transparency or verification, which could cause huge problems for the management of the benefits from these initiatives;
- 65% believe that the positive impacts of these two initiatives at the local level are uncertain because local assemblies are not yet operational; and
- 35% note that without a local development plan, the funds due to decentralized territorial institutions are likely to be diverted by the central administration.

DRC has been negotiating a VPA with the European Union (EU) since October 2010; it established a technical commission to accompany the negotiations in November 2010. DRC seeks not only to establish an enabling commercial framework for its exports of timber, but also to develop a mechanism to implement the EU Timber Regulation.

The process that is expected to lead to the signing of the VPA is plagued by difficulties. These are related to the consultation of stakeholders at the provincial and territorial levels and to the transfer of information to the communities to achieve the participatory nature of this initiative.

REDD+

In accordance with the Kyoto Protocol (1997) and the United Nations Framework Convention on Climate Change (2005), DRC has made significant progress in the REDD+ process. This includes the creation of a national coordination structure through a Decree of the Prime Minister, with a national committee and an interdepartmental committee; assessment of REDD+ potential in the DRC (2009); approval of its preparation plan for REDD+; adoption of the consensus report on the drivers of deforestation (2010); publication of the Investment Plan for the Forest Investment Programme (FIP) in 2011; the launch of the national REDD+ fund and operational programming fund (e.g., Mai-Ndombe emission reduction programme, etc.); and establishing the procedure for approval of REDD+ projects (February 2012).

The country's Readiness Preparation Proposal (R-PP) doesn't place a lot of emphasis on governance or use rights or on REDD+'s social and ecological impacts (Greenpeace 2010) on indigenous and local communities and their cultures. The R-PP has identified several causes of deforestation: shifting cultivation, artisanal logging, charcoal burning, mining and forest fires (UNEP 2011). As stated by Mpoyi et al., however, the REDD+ approach is characterized by several shortcomings, caused by well-known structural weaknesses within

state institutions: poor governance; the virtual absence of state authority in certain areas of its territory; insufficient domestic capacity to put in place sectoral policy reforms consistent with the objectives of REDD+; and lack of human, material and financial resources. This perspective is consistent with the international donor community's view of the DRC as a fragile state (Mpoyi et al. 2013).

Democratic Republic of Congo (DRC)

Legal assets

Since 2002, the forest sector has had the legal tools to implement REDD+ and FLEGT. DRC has several laws that are relevant to the REDD+ and the FLEGT VPA frameworks (Table 1), but this is not sufficient. There are three types of difficulties in applying legal and regulatory measures: lack of political will; failure to obey regulations; and lack of application of laws on decentralization.

Table 1. Laws relevant to the REDD+ and the FLEGT VPA

Name of law	Purpose
DRC (2001) Law No. 004/2001 of July 20, 2001 regulating non-profit associations and public utility institutions	provides local associations with monitoring and representational capacities in the context of consultation and partnerships
DRC (2002) Act No. 011/2002 of August 29, 2002 Forest Code in the DRC	relates to timber exploitation, forest management and reforestation
DRC (2006) Constitution of February 18, 2006	provides the framework for decentralization and the rights of Congolese citizens
DRC (2008) *Loi organic* N° 08/016* of October 7, 2008	governs the composition, organization and function of decentralized territorial institutions and their relationships with the state and the provinces
DRC (2008) *Loi organic N° 08/015* of October 7, 2008	sets out responsibilities for the organization and operations of the Conference of the Provincial Governors
DRC (2008) *Loi organic N° 08/012* of July 31, 2008	provides basic principles for the administration of the provinces
DRC (2011) Framework law No. 11/09 of July 9, 2011	provides basic principles for the protection of the environment

*Note: a *Loi organic* is a law that deals with the division of power.

Technical and financial assets

With support from technical and financial partners (World Bank, the UK's Department for International Development, the EU and *Agence Française de Développement*), more national awareness has been created about climate change in DRC. National expertise has been developed and is being used in the implementation of the EU FLEGT Action Plan and REDD+, despite pressure to use international organizations for these activities.

Challenges

Lack of public control

Evaluation of public services is not carried out despite the establishment of local development committees, which provide a framework for consultation and partnership. In addition, perverse effects arise from the distribution of revenues. Article 122 of the Forest Code stipulates that 60 percent of land taxes be paid to the federal treasury in the capital, Kinshasa, and 40 percent be paid to the decentralized entities. Of this 40 percent, 25 percent goes to the province and 15 percent goes to the decentralized territorial institutions. This means that Kinshasa wins the lion's share, with very little going to the territories where the timber originates. What progress can take place if the 15 percent, already low, is sometimes reduced to 5 percent in practice? It is understandable, therefore, that local institutions create informal taxes to make up the shortfall.

The single export and import window

This system was established by Decree Number 5/183 in December 30, 2005. Despite the signing of a memorandum of understanding between the *Office Congolais de Contrôle* (OCC) and the Directorate General of Customs and Excise (*Direction Générale des Douanes et Accises*, or DGDA) on May 12, 2012, this system has several weaknesses:

- operational (poor information systems, inadequate legal framework and multiplicity of texts, procedures, parties involved and taxes raised);
- organizational (insufficiently taking into account operations before and after customs clearance, and conflict of mandates between the DGDA, *L'Office de la Gestion de Fret Maritime* and the OCC concerning the value for duty of the goods); and
- functional (computerized/information procedures being required, instead of manual handling of files, disagreement of stakeholders on the implementation of a single verification file for the merchandise signed for by all of them).

Added to these weaknesses is the duplication of efforts toward transparency at the ministry level. The most striking example is the initiative by the private-sector company SGS, which implements the Integrated Forest Management System (*Système d'information de gestion forestière,* or SIGEF) on behalf of the Ministry of Environment, Nature Conservation and Tourism. At the same time, OCC — which depends on the Ministry of Foreign Trade — uses the ISYS software of the Central Bank for the traceability of exported products, including timber. This duplication indicates the lack of interdepartmental coordination at the national level.

All these weaknesses relate to the enabling environment for corruption and influence peddling.

Corruption

In DRC, the race to personal and illegal enrichment and a culture of impunity are accompanied by unrealistic expectations that REDD+ funding will automatically be forthcoming, regardless of the corrupt environment. Indeed, government and private companies have strong and undisputed power. The Kinshasa authorities appoint and revoke. They wheel and deal as they like. In a country where unemployment is around 65 percent, being assigned to border crossing duties appears to be "a divine blessing." The practices that sustain patronage, cronyism and misuse are well-known.

A study in Kinshasa (Musibono et al. 2013) shows that only three percent of respondents are familiar with the Convention on Trade in Endangered Species (CITES). Poverty is the fundamental cause of this low level of knowledge. Musibono et al. (2013) write that "poverty remains the first enemy of sustainable conservation." In the eastern part of DRC, afromosia (*Pericopsis elata*, or African teak) is the most exploited fuelwood in the forest provinces and most people suggest that CITES is nothing more than "a slogan."

One-way communication

The involvement of all stakeholders remains the basis for a participatory approach. Participation assumes mutual listening and dialogue and give-and-take. With the saturation of information linked to concepts such as sustainable development, FLEGT, REDD and REDD+, however, communities have few opportunities to interact and are more and more dependent on NGOs. Without information and appropriate training, illegal exploitation will continue.

Recommendations

Miracle solutions do not exist. It is necessary to define the problem on a case-by-case basis and in the context specific to each province.

It is imperative to set up local development committees and make them operational as a framework for dialogue and of partnership for governance and development. It is also important to develop manuals for administrative and financial procedures that apply to all jurisdictions and organizations.

In regard to the duplication of initiatives on traceability, financial partners involved in the various ministries must harmonize their funding policies to engage the forest sector.

With regard to the flow of information, mass-media communication (VODACOM or Airtel) can be used to send awareness message to subscribers.

These recommendations can be acted on only if legislation and regulations are implemented. A change in attitude is necessary. In a society based on a written tradition, it is the letter of the law that creates the authority, not the speech of a political or military leader.

These mechanisms can be put in place to deliver the benefits from the forest to local communities:

- assign a significant percentage to decentralized entities and reduce the percentage given to national and provincial administrations. At a time when several stakeholders are arguing for the revision of the forest code, it is an opportunity for the EU to plead for this rebalancing;
- strengthen local development funds under the agreements between loggers and local rights holders (respecting, of course, the priorities of the development plans of each entity);
- publish on line the amounts allocated to financing of REDD+ activities to allow transparency in the financial management by the organizations who implement these activities;
- implement an independent monitoring and evaluation committee, comprised of research organizations and university professors and supervised by the Prime Minister, to periodically evaluate all the projects in the country funded under FLEGT and REDD+ and to report to all stakeholders; and
- develop actions at the international level to punish cases of fraud and illegal trade in timber and in plants and animals.

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Section 4

Communities and smallholders

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4.1 Unintended effects of international forest initiatives at the local level

BENNO POKORNY

Introduction

In response to concerns over the loss and degradation of tropical forests industrialized countries have introduced numerous initiatives to regularize the forest sector in the tropics. Most prominently this includes initiatives for the promotion of sustainable timber management (STM) such as Criteria and Indicators (C&I) to measure progress towards STM; FLEGT; FSC certification; and REDD+ (Kissinger, Herold and Sy 2012). National responses to these initiatives include legal reforms, National Forest Plans (NFPs) and the establishment of environmental agencies.

Often, regulations and regulatory frameworks mean that poor people are no longer able to use their forests.

A number of impressive successes in effective management and forest protection have emerged from these initiatives. In many of these cases the rural poor, living in and around these forests, have benefited directly due to job creation, improved working conditions, new income sources and investments in infrastructure. They also benefit indirectly from the environmental services provided by forests that are more effectively protected.

As with all interventions, however, these forest initiatives may have unforeseen and undesired consequences (Rogers 2003). An awareness of these effects is crucial in order to accurately assess the success of the initiatives and identify ways to improve them. Generally, when evaluating and monitoring such initiatives, the focus is on successes, strengths and potentials. This article concentrates on the possible negative outcomes of international forest initiatives. It examines their effects on the rural poor as identified in field studies and from discussions with families, community members, technicians, development workers and politicians during more than 20 years of research in Latin America (Pokorny 2013). The insights presented below refer primarily to the negative outcomes of older forest-related initiatives. However, observations involving current initiatives (REDD+) and initiatives operating in fewer countries, such as FLEGT, suggest that undesirable patterns are emerging.

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New requirements

International forest initiatives inevitably trigger new mechanisms and procedures at the national level. These in turn pose new challenges and opportunities for the governments responsible for their implementation and for those who use forest goods and services. Although the specific measures for the implementation of initiatives may vary among countries, forest users are commonly confronted with a number of similar issues.

Formal land title and the right to use resources

All international initiatives require the existence and formal recognition of legal ownership in order for the right to use lands and forests to be accepted. These rights may be individual or collective; the latter will require local rules for use and access. For public forests, the state allocates rights to the use of land, forests and related goods and services. This is most commonly done in the form of concessions.

Tenure is often complex, as are the rights to land, minerals, water, forests and related services — each of which may be regulated by different legal frameworks. In many places the local population, whether indigenous groups, traditional communities or colonists, do not have legal title to the land or the legal right to use resources and services. Frequently, large landholders manage to procure tenure rights for the land and resources used by local people. In most countries, it is very difficult to obtain a clear picture of land tenure or customary land and forest rights.

Bureaucracy

To achieve better control of forest use, governments — and, in case of the FSC and carbon trading, the business sector — have intensified administrative mechanisms and procedures. People have to apply for authorization from government agencies and report on the compliance of the authorized activities. This involves filling out forms and may also include the preparation of management plans and legal documents. Occasionally the procedures also necessitate the use of sophisticated technologies such as GIS and other internet-based tools; for example, to demarcate management areas, issue transport permits and report financial flows.

Technical requirements

Many of the newly established regulatory frameworks for forest management also prescribe, often in detail, the technologies to be used. These technologies originate from researchers and experts and are governed by staff working at the responsible government agencies. The technologies are mostly standardized and leave little room for local circumstances regarding forest use.

In most Latin American countries the overall responsibility for forests lies with the Ministry of the Environment, which tends to rank environmental concerns above the commercial interests of users. This leads to operational standards, regulations and requirements — including management plans, forest inventories, tree categorizations, the use or prohibition of certain technologies, monitoring systems and security standards — that are generally complex and frequently new to local forest managers.

Purchase of equipment and material

To comply with newly established technical norms, specific materials, equipment and machinery are needed. This might include personal protective equipment, tree-felling tools, labels for marking trees and logs, and skidding machines. Computer hardware and software are also often necessary to process inventory data, issue certificates and document payments for transportation and sales. Acquisition of this equipment involves considerable costs.

Formal qualifications

Forest management initiatives generally require qualified staff, even in the case of small-scale operations. In most countries, foresters and forest technicians are required to prepare forest management plans and supervise forest operations; they usually have a university degree. Qualified personnel may be also required for activities such as identifying species during forest inventories, felling trees, planning infrastructure, processing data on harvested trees and logs, and establishing, measuring and analyzing permanent sample plots. It is unlikely that poor rural forest managers have formal qualifications, which means that they need to hire staff from outside their local setting, often from distant urban centres.

Requirements resulting from regulations in other sectors

International initiatives have to consider adherence to a number of regulations outside the forest sector, such as national labour regulations. Certified forest management activities require formal labour contracts and need to comply with legal norms governing wages, holidays, health care, etc. For forest managers this results in higher indirect costs for items such as health care, pensions and insurance against unemployment and accidents. Better control of the forest sector also allows for more effective enforcement of tax regulations. Due to the complexity of these regulations it is often necessary to hire qualified administrative staff. Contractual agreements also reduce the flexibility that is essential to respond to seasonal and economic fluctuations.

Monitoring and issuing certificates

Within newly established frameworks, forest managers have to monitor forest operations. This includes regularly measuring permanent sample plots and documenting log harvest volumes and value chain activities. In addition, several international initiatives require external audits by government agencies or contracted experts. Normally, forest managers have to bear a major proportion of these costs, which tend to be proportionally higher for smaller forest operations.

Management capacities

New modes of production and organization mean that forest managers must acquire new skills and management abilities. Forest operations have become more complex and involve more activities that need to be coordinated. Strategic planning is essential due to higher fixed costs and long-term obligations, such as the protection of concessions and

the recruitment of qualified workers. Challenges include ensuring that forest management is carried out in a way that guarantees the availability of sufficiently large annual logging areas and the capital liquidity to prefinance annual harvesting operations and pay costs between harvesting periods. Access to information and skills related to technologies and processes, international market chains and the business sector are also essential. In view of the scope of the initiatives, the capacity to effectively negotiate with international business partners is also a must.

The consequences

These requirements, and others that directly or indirectly result from international forest initiatives, have a number of far-reaching implications, as do the responses to them at the national level.

National

Initiatives are negotiated at the international level, but it is national governments that are responsible for implementing the agreed measures (or, as in the case of FSC, the legal criteria).[1] To meet these responsibilities most governments have received significant amounts of international support, either in the form of training or expert financial advice. This cooperation has generated significant benefits for the countries taking part; for instance, by stimulating urgently needed administrative reforms, establishing environmental agencies or providing technologies to effectively monitor land-use dynamics.

In poor countries external funding may have made them more dependent on continuous support provided by donor countries. In some cases, this dependence might have influenced the country's decision to accept the conditions attached to the funding. Numerous NGOs and universities have also prospered from international funding and have often filled gaps left by inept governments.

The funding may also result in the creation of parallel governance structures that undermine national sovereignty. Despite receiving significant funds, most of the participating countries in the tropics also bear a significant proportion of the costs. Expenditures by the national government in the environmental sector could negatively affect other sectors that are more important from a societal point of view. The commitment of large areas of land to forests means that more lucrative land uses are waived.

International funding may free up national funding that governments previously invested in mining, energy and agriculture to produce goods for export. New mechanisms also create the potential for corruption at all levels. They may also produce a dynamic that allows well-funded business actors, often from outside the region, to enforce their claims to resources. This in turn contributes to the expansion of agricultural areas and the related problems, such as (often violent) land conflicts, migration and environmental destruction.

The forest sector

The many requirements to use natural forests legally have made forestry less attractive compared to competing land uses such as agriculture, which is much less regulated,

particularly in the production of export crops. The production of forest products is generally more attractive in plantations than in natural forest. In natural forests productivity is lower, logistics are more complex and marketing conditions are less favourable. In many regions, local land-holders have started burning their natural forests and the regrowth to prevent legal restrictions on future land uses.

Within the forest sector, international forest initiatives tend to reinforce the massive structural changes induced by the dynamics of globalization. Although the export of tropical timber is traditionally controlled by international companies — mostly from Europe, the U.S. and increasingly, Asia — in most tropical countries, many small local enterprises and forest owners harvest timber and process logs in primarily informal settings. These smaller forest actors lack the human and financial resources necessary to adhere to the new rules and fulfill their requirements. Consequently, large, often international, enterprises with sufficient capital, know-how, access to information and institutional links are better able to take advantage of the new rules.

The local poor

One of the most positive effects of international efforts regarding forests has been the ability of many countries to make great strides toward clarifying land tenure (Larson, Cronkleton, Barry and Pacheco 2008). Over the last decade many customary rights to lands and resources have been recognized and huge tracts of tropical forests have been legally awarded to indigenous groups, traditional communities and colonists. Many forested regions, however, have experienced a strong frontier dynamic, where small colonists and well-funded business interests compete for land and resources.

Governments have also demarcated large areas for environmental conservation and forest concessions. The original inhabitants of these forest regions may find themselves in one of three situations: legal owners of their forests; tolerated as residents; or expelled from their homelands.

Even more than small enterprises, those families and communities who legally own forests lack the capacity to adequately respond to new requirements. In practice, the new regulations and mechanisms are insurmountable barriers for most rural dwellers. Attempts to set up simplified legal frameworks for small-scale forestry, to accept local management practices, or to include local people in certification programmes have not been very successful.

Even in cases where the local use of forests is allowed, families and communities are forced to justify their activities, often with badly prepared communications and to a distant bureaucracy, with insufficiently prepared governmental agencies and non-local, formally qualified technicians. As a consequence, smallholders generally rely on massive and continuous support to successfully implement the type of management system required. When the external support stops, forest managers tend to give up commercial forest management and hand over their forests to professional loggers. In many places, forest enterprises have already taken advantage of this situation by

systematically approaching local forest owners to obtain their harvesting rights in exchange for modest benefits such as the construction and maintenance of access roads. These types of deals have also become frequent in the context of carbon trading.

In many newly demarcated protected areas (PAs) local residents are explicitly allowed to stay and to continue to employ traditional ways of using their resources. Often, however, the definition of these traditional uses is disputed. In the prevailing interpretation, proposed by legal authorities and many environmental NGOs, local forest use is mainly restricted to subsistence uses; any commercial harvest needs legal authorization and therefore must go through all of the difficulties described above. The prohibition of agriculture, which frequently occurs in these situations, is even worse from an economic standpoint for families and forest users. As a consequence, many communities located in PAs find themselves in the paradoxical situation of being owners (often collectively) of their land and resources, but not being allowed to use them in accordance with their interests and capacities.

Many countries have not recognized the customary rights of all families and communities to land and resources. The process of land-use planning and the demarcation of forest concessions still ignore the rights of thousands of families, communities and indigenous groups. In many places the original residents have been evicted from their land by settlers and investors, or depend on the goodwill of the new legal owner or concessionaire. They find themselves in the same situation as many families who live around forest concessions and are not allowed to hunting or to harvest forest products; in other words, to carry out activities that are crucial to their livelihoods. This particularly affects the poorest people in rural societies, since they depend on free access to forest resources.

Most international initiatives primarily target commercial companies. These initiatives have brought significant improvements to many people; for instance, those employed by large forest enterprises (particularly those that are FSC-certified). Working conditions are controlled and formal contracts have significantly strengthened the position and security of employees. However, forest enterprises tend to work with non-local staff from outside the forest management area. Thus, it is mainly the sawmills in urban centres that create local employment opportunities. This may accelerate the already overwhelming dynamic of urbanization and expansion of the agricultural frontier, resulting in social and environmental problems.

Conclusions

The many international initiatives for the sustainable management and protection of tropical forests — and the resulting measures instituted at the national level in tropical countries — have not generated only positive outcomes. They also have negative impacts. In particular, poor rural dwellers who depend on free access to forest products struggle with competitive disadvantages that are worsened by the new institutional context. Often, the regulations and regulatory frameworks put in place mean that poor people are no longer able to informally use forests. In some cases, their actions are outright illegal, which further weakens their already fragile situation.

The new legal and technical frameworks — combined with the establishment of effective enforcement mechanisms — have further marginalized local modes of production and social organization. This is critical: these locally driven schemes, in contrast to prevailing beliefs, are not necessarily ineffective, unfair or unsustainable. They may reflect the cultural diversity of the region and pragmatically respond to local capacities and interests. In fact, for generations many indigenous and traditional communities have proven their ability to manage complex ecosystems in a responsible way. Recent studies highlight the important role played by local forest managers in forest protection (Porter-Bolland et al. 2012). Under certain conditions, they might even provide a viable alternative to sustainable local development. In contrast to the "professional" way of managing tropical landscapes, smallholders work at smaller scales, often less intensively and with significantly lower profit expectations. This allows for the creation of more diverse landscapes, which have the potential to fulfill environmental functions and provide the economic basis for a much larger number of families.

From the industrialized countries' perspective, their efforts to protect tropical forests have contributed to continuous access to forest goods and services, in particular timber, carbon and biodiversity. Large international timber companies, well-qualified forest consultants and service providers, and environmental NGOs at the national and international level have also benefited.

The needs and capacities of rural dwellers – who are probably the people most capable of protecting forests in the long run – are still insufficiently taken into account, however. This is despite the fact that at least some efforts are being made to discuss ways to avoid, or at least soften, the negative effects of international initiatives on local people, such as defining safeguards and working principles. Local poor people are insufficiently included in the new standardized forest and carbon frameworks, and more serious effort is needed to consider their interests and their cultural, technical and economic potential. It is hoped that it is not the industrialized countries' interest in profits from tropical timber and in reducing the costs of their own carbon emissions that hinders them from more seriously considering the capacities and rights of the rural poor. The opportunities are there for putting local people, their cultures, capacities and needs — as opposed to the goods and services provided by their forests — at the centre of conservation efforts.

Endnote

1. FSC requires the fulfillment of legal regulations that in turn are defined and enforced by the government.

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4.2 FLEGT VPA and REDD+ and community tenure rights in Honduras

FILIPPO DEL GATTO and BENNO POKORNY

Introduction

Although FLEGT and REDD+ are evolving as different mechanisms, their aims are clearly complementary. FLEGT's efforts to improve forest governance and curb illegal logging are essential to reducing deforestation and forest degradation. The broader focus of REDD+ — to mitigate climate change by keeping forests standing — can help address aspects of forest governance that fall outside the scope of FLEGT Voluntary Partnership Agreements (VPAs).

BOTH FLEGT AND REDD+ SHOULD FOCUS ON POLICIES THAT SUPPORT FOREST COMMUNITIES.

A community forestry case study from Honduras, the first Latin American country to be simultaneously involved in FLEGT VPA and REDD+ processes, provides evidence that community forestry can significantly contribute to their common aims. That being so, both initiatives should focus on policies that support forest communities, in particular those that strengthen and clarify these communities' rights to land and resources.

The FLEGT VPA and REDD+ processes in Honduras

In 2009, as part of its efforts to improve forest governance and reduce forest loss, Honduras started formal REDD+ preparation activities, with the support of the Forest Carbon Partnership Facility (FCPF) of the World Bank. The final version of the country's Readiness Preparation Proposal (R-PP) was submitted in July 2013. Interestingly, the document includes a table on the linkages between REDD+ and FLEGT VPA. It highlights two key aspects: a) the need to ensure complementarity and coherence between their respective safeguards; and b) the importance of both processes acknowledging the rights of indigenous peoples and local communities. The importance of tenure rights for forest communities is also emphasized in many parts of the R-PP. However, some observers have noted that despite this attention the document does not include any concrete proposal to address the current lack of such rights.

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The FLEGT VPA process in Honduras is more recent. Official negotiations with the European Union (EU) started in January 2013 and are scheduled to last until mid-2015. Since the process has only recently started and is the first in Latin America, it is unclear precisely what the VPA in Honduras will look like. However, given the limited wood trade with the EU, most stakeholders in the country view the legality assurance of timber exports as a secondary concern. There is a growing consensus that the VPA should focus on the underlying drivers of poor forest governance, including the problematic forest tenure situation highlighted in the R-PP.

Honduras's community forestry movement

In Honduras the relationship between local communities and the commercial extraction of forest products goes back to early colonial times. Prior to 1970, local communities had no statutory rights to use forest resources for commercial purposes. It was only in 1974 that a new law (Decree 103) mandated the creation of the Social Forestry System (*Sistema Social Forestal* or SFS), a state-run programme aimed at promoting collective forms of forest use and management by peasant organizations.

The SFS has faced many challenges. Due to changing socio-political conditions, institutional support waned soon after it was created. Many forestry cooperatives collapsed because of market failures, problems with the forest authority, and internal organizational difficulties. In spite of these problems, the SFS has been active for nearly four decades, and its mandate has been reconfirmed by successive legislative reforms, including the latest forestry law, approved in 2007.

Table 1 shows that more than 230 community forest enterprises are registered, with a combined membership of around 9,300 people; new communities continue to become involved. Most community forest enterprises are located in the pine forest areas that dominate the country's interior highlands.[1] Timber production is by far the main economic activity, but in pine forests resin tapping is also important. The long history of the SFS makes it one of the most enduring and significant examples of community forestry policy in Latin America.

In addition, there are many other forms of community-based forest management and protection in Honduras. For instance, hundreds of community water committees, called *Juntas de Agua*, are involved in forest restoration activities related to watershed management. There are also tens of thousands of farmers and land-owners who actively protect and manage trees and patches of forest on their lands. These local forest management schemes are a key part of maintaining environmental stability while contributing to local well-being.

Table 1. The Honduras Social Forestry System: summary data

Main forest type	Number of community enterprises	Membership			Number of community enterprises according to main traded product
		men	women	total	
Pine forest	172*	6,004	1,766	7,770	Pine timber: 107 Resin and pine timber: 39 Charcoal: 2 Agroforestry products: 24
Broadleaf tropical forest	62*	1,254	298	1,552	Tropical hardwoods: 60 Agroforestry products: 2
Total	234	7,258	2,064	9,322	

*Note: The distribution of community forest enterprises among forest types needs to be treated with some caution since some community forest enterprises are located in areas characterized by a mosaic of pine and broadleaf forests. Source: ICF 2012

A case study: the Río Plátano Biosphere Reserve

Estimates of annual forest loss in Honduras range from 60,000 to 120,000 hectares (ha) per year. This amounts to a deforestation rate between one and two percent, among the highest in Latin America (FAO 2005; FAO 2010). However, there are important local variations that result from specific demographic, institutional and environmental contexts. There is, for instance, growing evidence that community forestry schemes established under the SFS are often associated with lower rates of deforestation in both pine and broadleaf forests.

A prominent example that illustrates such evidence comes from the UNESCO-accredited Río Plátano Biosphere Reserve in the northeast of the country. With more than 800,000 ha, the reserve is the country's largest protected area. It is, however, threatened by intense deforestation and illegal logging pressures. Over the past 15 years, the area has seen an increase of community forestry initiatives in timber production. In June 2013, there were 12 active community forest enterprises managing nearly 107,000 ha of broadleaf tropical forest in or near the reserve (Figure 1). Seven of these operations, comprising 53,115 ha, have been certified by the Forestry Stewardship Council (FSC) since 2010.[2]

The reserve appears to be having a positive impact on reducing deforestation. According to recent research (Rivera and González 2011), the annual rate of forest loss inside the reserve (0.96% over the 2006–11 period) is just over half of that in the entire area of the six municipalities in which it is located (1.62% over the same period). Community forestry areas inside the reserve also appear to have an effect on forest protection. As shown in Table 2, forest loss from 2006 to 2011 was significantly lower in most of the areas of the reserve under community forest management.[3] Although these differences may be partly attributable to the remoteness of the respective areas, the trend is clear: community forestry areas inside the reserve tend to have less deforestation than the parts of the reserve that are not involved in such initiatives.

Figure 1. Community forestry areas in and around Río Plátano Biosphere Reserve

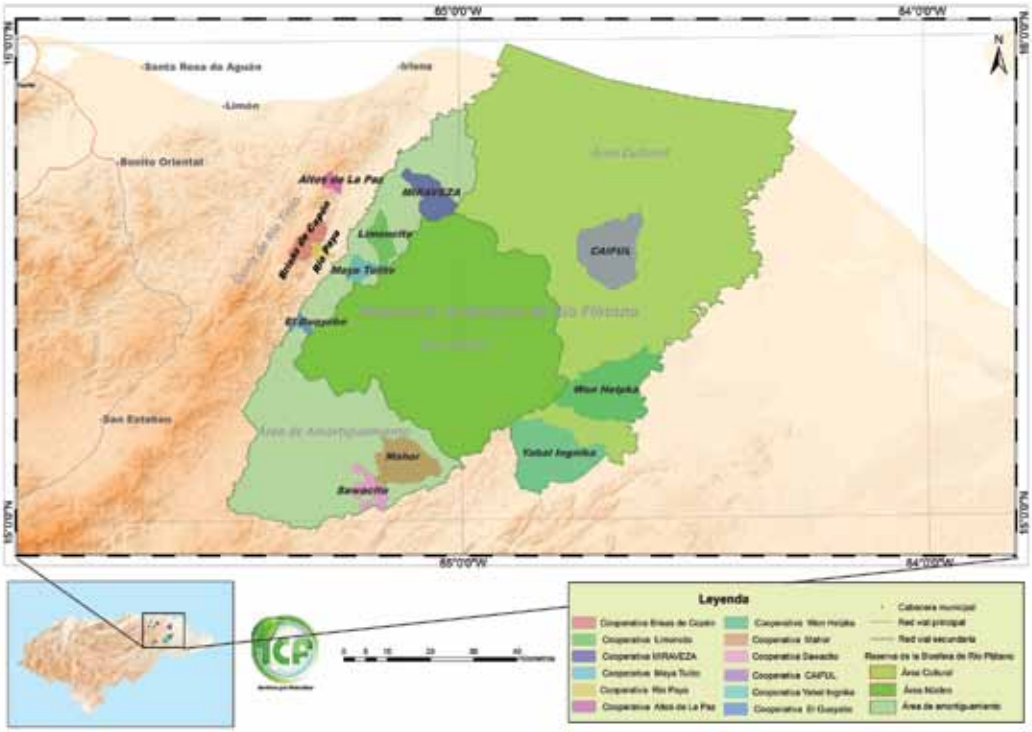

Table 2. Deforestation rates in the Rio Plátano Biosphere Reserve (RPBR), 2006–11*

RPBR zones	Average annual deforestation rate for the entire zone (%)	Community Forestry Enterprise (CFE) areas	Average annual deforestation rate (%) for each CFE area
Buffer zone	1.40	MIRAVEZA	0.04
		Limoncito	0.51
		Maya Tulito	0.19
		El Guyabo	0.01
		Mahor	2.26
		Sawasito	4.03
Cultural zone	1.22	Yabal Ingnica	0.28
		Won Helpka	0.07
		CAIFUL	0.12

*This table compares the annual deforestation rates of CFE areas with that of the wider (buffer or cultural) zone in which they are located. Source: Rivera and González 2011

The three community forestry areas located outside the boundaries of the reserve have undergone higher deforestation pressure than most of those within the reserve, which confirms the protective effect of overlapping (reserve-community forestry) areas. Even outside the reserve, however, deforestation has been lower in community forestry areas than in nearby unmanaged areas. This is particularly true in places with a longer experience in community forest management, as in the case of the Brisas de Copén Cooperative. In summary, community forestry areas inside as well as outside the reserve have clear advantages in terms of forest protection.

Community forestry is also helping to control illegal logging. Unauthorized extraction of high-value species, particularly mahogany (*Swietenia macrophylla*), has a long history in the reserve. Two waves of widespread illegal logging in and around the reserve, the first in 2000–01 and the second in 2006–07, have been extensively documented (see, for example, Richards et al. 2003 and Global Witness 2009). Community members were involved in these illicit logging practices and some community forest enterprises were used by timber traffickers to disguise the sale of illegal timber.

Nevertheless, it has been observed that illegal extraction in both periods occurred largely outside community forestry areas (Avilio Álvarez, pers. comm., 2013). Community forestry helped to restrain illegal extraction both inside and outside the reserve. Therefore, while the protected area status of the reserve is helping to reduce deforestation, as argued above, it appears to be less effective in limiting cut-and-run illegal harvesting operations. Although most community forestry areas (inside and outside the reserve) are not immune from timber theft, they have been more successful at preventing it.

Positive outcomes in spite of limited tenure rights

Río Plátano Biosphere Reserve is only one example of the numerous community forestry initiatives that provide significant conservation benefits in Honduras. The potential of community forestry to reduce deforestation and illegal logging is also shown by the fact that many of the positive community forestry initiatives in Honduras have occurred even in the absence of most of the factors considered essential for successful community forestry.

Tenure security is a case in point. Establishing secure tenure is widely recognized as a fundamental component of community forest management (Pagdee, Kim and Daugherty 2006; Larson, Barry and Ram Dahal 2010). Yet community forestry in Honduras has been characterized by little or no de jure rights over forest areas. Despite the efforts of the current forest authority, after 40 years only 83 out of 234 community forest enterprises possess legally valid contracts assigning them (limited) usufruct and management rights over specific forest areas (Table 3). Most community forestry initiatives have only de facto rights derived by local recognition of their management and protection efforts.

Table 3. Summary of existing community forest management contracts

Forest type	Number of community enterprises	Number of community enterprises with contracts	Duration of contracts (years)	Number of contracts
pine forest	172	38	40 10 5 3	11 3 23 1
broadleaf forest	62	45	40 30 5	26 2 17
total	234	83	40 30 10 5 3	37 2 3 40 1

Note: The term "community forest management contracts" was introduced by the 2007 Forestry Law. Contracts granted before 2007 were called "usufruct contracts." The data in the table include both types of currently valid contracts. Source: ICF 2013

In theory, formal recognition should increase the legitimacy of local rights holders, making it more likely that outsiders will respect these rights. However, the contracts granted by the forest authority have not always guaranteed respect for the rights involved. In many cases, state forest areas have been subject to recurrent competing claims (often of doubtful validity), even after being granted to local organizations. The forest authority and other state institutions have consistently failed to support community forest enterprises in their efforts to defend their exclusion rights, and at times have even supported or encouraged competing claimants.

Even in cases where communities have secure tenure rights and/or do not face disputes with outside claimants, legal requirements and restrictions hinder community access to forest products and their markets. As described in Box 1, regulations on forest resource use and management remain very strict and their application is overly complicated.

Box 1. Barriers to legality

Preparing a comprehensive forest management plan is often beyond the capabilities of local community forest enterprises, and the up-front costs in terms of time and money to draw it up and get it approved are a major disincentive. Even after a plan has been approved and the timber has been cut, additional burdens hinder the transport and marketing of forest products, in particular because transport permits are issued by understaffed local offices that are far away from forest communities. According to Sánchez, Navarro and Sandoval (2007), in Honduras the process of obtaining and implementing a logging permit involves 20 actors, 53 procedures and 71 steps. The difficulty and costs of such requirements reduce the economic benefits for communities and are barriers to legality that have constrained the growth of community forestry in Honduras.

Conclusions

Community forestry in Honduras has been undermined by limited or non-existent rights to forest resources. Even when community forest management contracts have been issued, their restricted rights over lands defined as public domain do not meet forest communities' need for clear and enforceable rights.

In spite of this situation, remarkable results have been achieved by community forestry in Honduras. This suggests that much more positive outcomes could be achieved with more secure rights. FLEGT VPA and REDD+ processes can contribute significantly to community forestry in the country by promoting reforms that grant full tenure rights to communities involved in the SFS (and to other types of forest steward communities), so that they can legally own the forest land that they manage and use for their livelihoods.

The bureaucratic requirements described in Box 1 indicate that regulatory reforms are also necessary. Tenure rights can be viewed as a precondition to regulatory reforms: the government can establish any regulation on resource use if a community is not a rightholder, but the situation is very different if the community has legally recognized title (RRI 2012).

At the end of September 2013, numerous community forestry representatives and supporters gathered in San Pedro Sula, Honduras, for a major conference organized by the Mesoamerican Alliance of Peoples and Forests. The conference, entitled *Community Forestry as the Basis of Governance and the Starting Point for FLEGT and REDD*, focused specifically on the links between FLEGT VPA, REDD+ and community forestry. Its conclusions highlighted the fundamental need to strengthen rights and tenure security for forest communities in Honduras and other Mesoamerican countries. Considering that FLEGT VPA and REDD+ processes in Honduras are still in the early stages, there is a real possibility for them to be key contributors to fulfill this demand and explore the immense potential of community forestry in Honduras.

Endnotes

1. Honduras is one of the few tropical countries with large areas of natural pine forest.
2. See info.fsc.org.
3. The only exceptions are two areas (Mahor and Sawacito) located in the southern part of the reserve, where poor governance and cattle ranching pressures are particularly problematic.

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4.3 Integrating REDD+ and customary forest management in Vietnam

TRAN NAM TU and MUCAHID MUSTAFA BAYRAK

Introduction

Many indigenous forest-dependent communities have customary forest management systems and classifications. These natural resource management practices belong to specific indigenous or ethnic groups and are closely intertwined with the social, spiritual, cultural, and political lives of local communities, and with their livelihoods and food production.

Indigenous forest management classifications often recognize areas for exploitation, watershed protection and sacred or taboo areas (Berkes 2008). Furthermore, indigenous forest management systems in tropical forests are often characterized by shifting cultivation practices with long fallow periods; under the right conditions, these are socially and ecologically sound (Posey 1985). Due to the social, ecological and cultural significance of customary forest management systems, they are protected by several international treaties and conventions, such as the Convention on Biological Diversity and the United Nations Declaration on the Rights of Indigenous Peoples.

REDD+ COULD HAVE A POSITIVE IMPACT ON CUSTOMARY FOREST MANAGEMENT ARRANGEMENTS.

A global trend in forest management is decentralization and the increasing involvement of local and indigenous communities in nature conservation and protection. Several scholars have argued, however, that REDD+ could reverse the trend of decentralization (Phelps, Webb and Agrawal 2010; Agrawal, Nepstad and Chhatre 2011). Although the United Nations Reducing Emissions from Deforestation and Forest Degradation (UN-REDD) programme has acknowledged the importance of involving local and indigenous communities, there is still a lack of knowledge on how REDD+ payments for environmental services (PES) and benefit-sharing mechanisms (BSMs) can be incorporated in customary forest management systems and classifications (UN-REDD 2013). Several indigenous peoples' organizations have rejected REDD+ and labelled it as a "new form of climate racism" which leads to the "commodification of life" (Lang 2011).

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In order to comply with several international treaties and conventions, REDD+ implementation must involve local and indigenous people. This is understood by the UN-REDD programme, the Forest Carbon Partnership Facility of the World Bank and various NGOs. One way to involve local and indigenous people in REDD+ or other benefit-sharing mechanisms is to integrate their customary forest management systems and classifications.

Vietnam has been involved in forest conservation and rural development programmes since the 1990s and is currently involved in various REDD+, PES and BSM pilot projects. This article draws on two case studies — a REDD+ project in Kon Tum province and a BSM programme in Thua Thien-Hue province — to explore how REDD+ and BSM programmes in central Vietnam have incorporated customary forest management arrangements.

REDD+ and benefit-sharing mechanisms in Vietnam

Starting with the opening up *(Doi Moi)* reforms in 1986, which created a socialist-oriented market economy in the nation, Vietnam has a long tradition of decentralization of forest management. In 1991 the Forest land Allocation (FLA) programme enabled the state to allocate forest land to organizations, households and individuals for long-term use. The *Land Law* of 1993 and the *Law on Forest Protection and Development* of 1994 gave households and groups of households the right, through legal land title ("Red Book"), to inherit, mortgage, transfer, exchange and lease land.

In 1998, the FLA programme was used to meet the objectives of the 661 Programme, which aimed to restore forest cover in Vietnam to 43% by 2012. The main rationale was that devolution would be the most effective way to achieve this. Farmers received barren or degraded natural forest land and were encouraged through subsidies, loans and payments to protect or restore the forests. The revised *Land Law* of 2003 and the *Law on Forest Protection and Development* of 2004 also allowed communities to receive natural forests. Throughout the years, Vietnam has experimented with various BSM and PES arrangements and with community-based forest management in several pilot communes (Sunderlin and Ba 2005; To et al. 2012).

In 2012 Vietnam completed Phase I of REDD+ readiness. Activities in Phase I focused on a REDD+ pilot project in Lam Dong Province, Free Prior and Informed Consent (FPIC) initiatives, and private-sector engagement. The steps taken to be REDD+ ready include the establishment of a National REDD+ Action Programme (NRAP), a National REDD+ Network, a National REDD+ steering committee, and a Vietnam REDD+ office. Vietnam has also been mainstreaming REDD+ into socio-economic development plans and strategies, and has requested its Provincial People's Committees (i.e., provincial governments) to establish inter-agency REDD+ steering committees at the provincial level. The country has also launched many analytical studies in order to increase its REDD+ effectiveness (UN-REDD 2012).

Vietnam entered Phase II of UN-REDD in December 2012. Activities in Phase II, which will take three years, will include REDD+ pilot projects in six provinces; the establishment of a

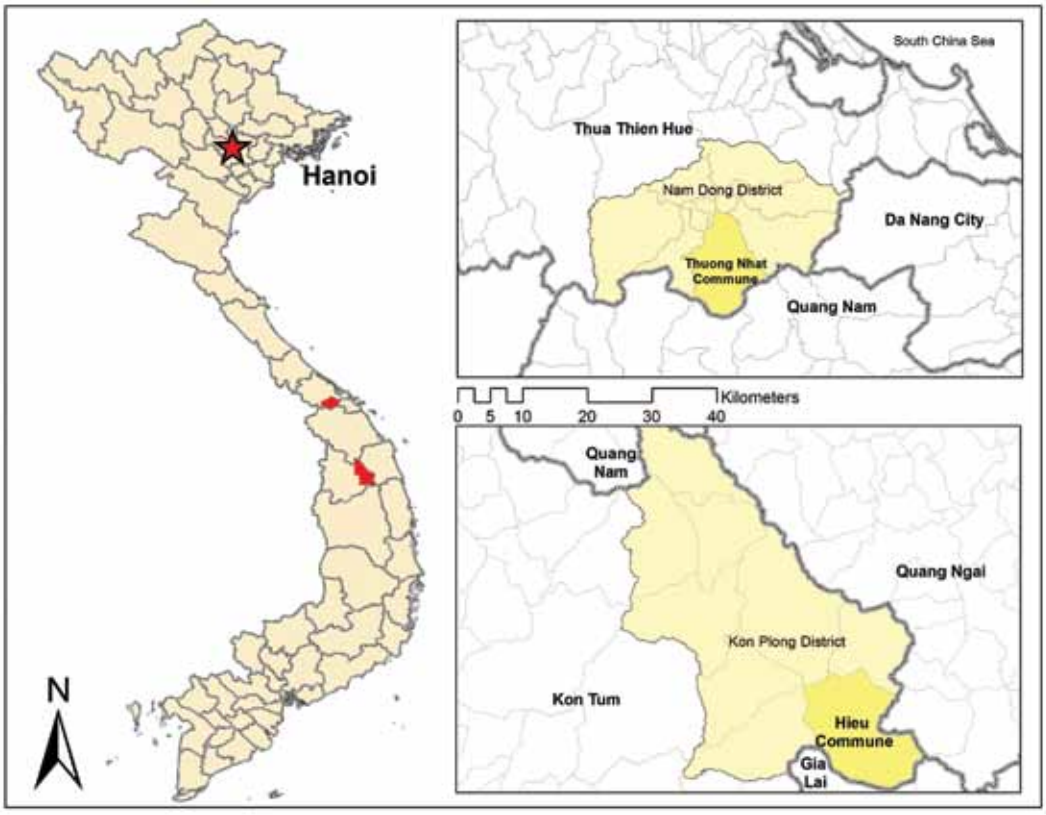
Measurement, Reporting and Verification (MRV) system; mainstreaming REDD+ into national and regional planning; dialogues with the poor on how to implement and share the benefits of REDD+; and afforestation/reforestation activities. Vietnam will receive US$ 30 million for Phase II.

The Ministry of Agriculture and Rural Development (MARD) will be the National Executing Agency, and MARD's Administration of Forestry, VNForest, will be the Project Owner (UN-REDD 2012). In addition to the government of Vietnam and UN agencies, various NGOs, both domestic and international, are involved in REDD+ pilot projects. At the moment, there are 12 REDD+ projects in Vietnam.

Methods and context

Two communes with predominantly forest-dependent indigenous communities were chosen for this research: Hieu commune in Kon Plong district and Thuong Nhat commune in Nam Dong district (Figure 1).

Figure 1. Map of research sites



Hieu commune is involved in a pilot project of the REDD+ Community Carbon Pools programme. The programme is managed by Fauna & Flora International (FFI) working in close partnership with the NTFP-Exchange Programme and PanNature. In order to gather information about FFI's approach to REDD+ and community involvement the authors interviewed the National Coordinator of the REDD+ project and analyzed several policy documents and newsletters of the programme, which are available online (REDD+ Community Carbon Pools programme 2013). Since the project is still in its preliminary phase, it is important to note that future research needs to address whether the REDD+ project successfully takes into account the local communities' customary forest management systems and classifications. It needs to coordinate FFI's views with direct observations of and discussions with villagers in the commune. This article reflects only an analysis and interpretation of FFI's approach to REDD+ in Hieu commune.

In Thuong Nhat, where BSM arrangements have been implemented, the authors interviewed several villagers and village headmen involved in benefit sharing. In addition, several focus group discussions were carried out with government officials, forest rangers, villagers and community forest management boards.

REDD+ in Hieu commune

Within the REDD+ Community Carbon Pools programme, FFI is undertaking pilot activities focusing on forest land allocations to communities, and is supporting the development of REDD+ community carbon pools in Kon Plong district. The targeted forest area covers approximately 6,000 hectares (ha) at an altitude of 1,000 metres ASL. The project started in 2011 and will last until 2014. Its main aim is to comply with the Climate, Community and Biodiversity (CCB) and Verified Carbon Standards (VCS); see Box 1.

Box 1. The Climate, Community and Biodiversity Standard and the Verified Carbon Standard

The Climate, Community and Biodiversity Standard (CCB) and the Verified Carbon Standard (VCS) are quality guidelines for the voluntary carbon offset industry. The standards create criteria for the validation, verification, measurement and monitoring of carbon offset projects such as REDD+. VCS is mainly concerned with carbon offsets; CCB also evaluates the social and environmental impacts of a project.

Hieu commune consists of seven villages.[1] These villages are primarily inhabited by indigenous communities belonging to the Xe Dang and Mo Nam ethnic groups.[2] The communities in the villages practice shifting cultivation, but also raise cash crops. They use the forests to collect non-timber forest products (NTFPs), firewood and timber for housing. They have customary ways to manage the natural forests, including maintaining sacred forests and watershed protection forests. Illegal logging by the villagers and by people outside the village is considered to be a big problem in the commune.

Vi Chon Ring village in Hieu commune has a community Red Book right to the natural forest land. In 2007, the village received forest land covering 808 ha. In total, approximately 4,000 ha of natural forest land will be allocated to the villages in the commune. However, the customary boundaries of the villagers in the commune cover approximately 6,000 ha of natural forest land. The additional 2,000 ha of natural forest land is now being managed by the Watershed Management Board, an agency of the provincial government, and by the State Forest Enterprise.

The discrepancy between formal and customary forest boundaries could cause conflicts between the communities and the other stakeholders who manage the natural forests. Therefore, the first step of the REDD+ project was to demarcate the boundaries in compliance with the communities' customary use. The villagers mapped and demarcated the customary forest area of 6,000 ha using GPS and have requested the local authorities to formally allocate the remaining 2000 ha to the villages through community Red Books. This is an ongoing negotiation process between the villagers, Kon Plong district, the Watershed Management Board and the State Forest Enterprise.

In addition to customary land demarcation, the project has several other main components:

- policies dealing with the carbon rights of communities and benefit-sharing mechanisms;
- guidelines/procedures to implement REDD+;
- community-based forest management (CBFM);
- biodiversity assessment and planning; and
- the Free Prior and Informed Consent (FPIC) of the local communities.

Free Prior and Informed Consent

What do local communities think about REDD+? The first phase of FPIC has been finished, but FPIC should be applied throughout the life cycle of the project. If a villager agrees to be involved in a REDD+ project, he or she might wonder the following things: "What do I have to do? What am I now allowed to do? What are the benefits and what are the risks?" The FPIC process dealt with the potential risks that the villagers could face in a REDD+ scheme.

Basically, every aspect of villagers' relationship with the forest — such as conducting shifting cultivation, collecting NTFPs and firewood, and cutting wood for housing — needs to be reconsidered. The benefits of REDD+ have also been pointed out to the villagers. They will have a stronger case to local authorities to be able to own their customary forest land and to have land-use rights. They can receive carbon revenues and they have the right to protect the forest. Furthermore, if villagers are extensively involved in the REDD+ project, they can reorganize their forest management systems in a culturally appropriate and sustainable way.

The next phase of the FPIC process will try to avoid the negative impacts of REDD+ on livelihoods: in a REDD+ scheme there are always trade-offs. The REDD+ project could

revive the communities' customary forest boundaries through formal forest land allocation. However, other customary practices, such as shifting cultivation, need to be reconsidered and several issues need to be resolved.

- land tenure conflicts between local communities, the Watershed Management Board and the State Forest Enterprise; e.g., through re-demarcating the forest land according to customary classifications;
- the possibility that REDD+ will threaten land used for cultivation; e.g., shifting cultivation could be banned and reforestation activities could put more pressure on cultivation land; and
- ensuring that people can still make use of the forest, e.g., through collecting NTFPs.

CBFM could be a good way to preserve some customary forest management practices. However, it remains to be seen whether the financial benefits of carbon credits and formal rights to customary forest land can make up for restrictions on the use of the forest. It also remains a question whether villagers really have the option to refuse to participate in a REDD+ scheme.

Benefit sharing in Thuong Nhat commune

Thuong Nhat commune is home to 500 households, who belong to the indigenous Co Tu group. They mainly earn their living from growing rubber, acacia and other cash crops. Shifting cultivation has been banned almost completely in the commune and people depend on wet-rice cultivation, livestock rearing and collecting NTFPs for their food security. The villagers have a village headman and a village patriarch. Some villagers in Thuong Nhat, though not all, believe in their sacred forests, which are described as ghost forests.

In Thuong Nhat commune, the total forest land area covers 11,377 ha, including natural forest land (8,146 ha), rubber plantations (350 ha) and acacia plantations (700 ha). Seedlings for acacia trees are subsidized, and in order to prevent people from practising shifting cultivation, poor households receive 15 kg of rice every month and subsidies to plant cassava. Of the total area, 7,701 ha of natural forest is managed by Bach Ma National Park (BMNP) and 2,755 ha of natural forest is managed by the Commune People's Committee (CPC), which is responsible for allocating the forest land to the communities. The natural forests of the commune are of poor quality and are highly degraded.

Benefit-sharing mechanisms in Thuong Nhat take two forms. First, each village has a community forest and a community forest management board (CFMB). Most of the households are represented on the CFBM; a few households are chosen by the village headman to monitor the forest on a monthly basis for a small fee. Village No. 6 in Thuong Nhat, for example, owns 88.8 ha of natural forest, and its CFMB consists of five households, representing 50 households in the village. The CFMB is responsible for reporting

any violators to the forest rangers of the district. The forest rangers are responsible for catching and fining the violators. The villagers are allowed to collect NTFPs in the community forest and are allowed to cut wood for housing. However, since the community forest is heavily degraded, they reap few benefits. In 2012, the Interchurch Organization for Development Cooperation (ICCO), a Netherlands-based NGO, supported villagers to plant native Hopea species to enrich and demarcate the community forests and bamboo trees to generate alternative income.

Second, in 2012 BMNP and the local authorities decided to set up regulations for local people concerning their use of the forest in the park. For instance, the people of village No. 6 have access to 1,100 ha within the park. They are allowed to collect seven types of NTFPs (rattan, honey, bamboo, snails, mushroom, Malva nuts and wild pigs), but they need to apply for permission beforehand. They also need to ask for permission to enter the park. Logging timber is strictly prohibited. To have access to the natural forest, the village needs to assign five households who do not belong to the CFMB to patrol and monitor the natural forest in the park, which they do together with the BMNP staff and forest rangers. The BSMs of Thuong Nhat are shown in Table 1.

Table 1. Two forms of benefit-sharing mechanisms in Thuong Nhat commune

Issue	Community forest	Natural forest in BMNP
allowed to enter	yes	yes, but only after getting permission from the BMNP forest station
allowed to collect NTFPs	yes	yes, but only after getting permission from the CPC chairman and the Director of BMNP; plus, villagers have to register the NTFPS they collect and pay a fee to the local authorities
allowed to cut timber	only for housing and after getting a permit from the CPC	no
monitoring and fines	CFMB (only monitoring), and forest rangers (also fines)	CFMB (only monitoring), and BMNP forest rangers (also fines)
legal title/Red Book	yes, to the community	no
major stakeholders	community, CPC, Forest Protection Unit (FPU), ICCO and other NGOs	community, CPC, FPU, BMNP
size	approximately 50–100 ha	approximately 1,000 ha
biodiversity	low	high
number of NTFPs	low	moderate – high

The BSM programme offers a reason for local communities to invest in sustainable forest management, since they reap multiple benefits. These benefits include formal forest land allocation and financial compensation for forest patrols. Local communities are also involved in reforestation activities in the community forests, which allow them to selectively log wood for housing and participate in bamboo and rattan production.

Formal institutions pay little attention to the relevant customary forest arrangements, however. Local communities are "educated" instead of listened to. Customary forest management systems have not been incorporated in either form of BSM. For example, even though the Co Tu people's ghost forests are located in BMNP, formal agencies do not include them in their forest management arrangements. Utilizing ghost forests in BSMs not only benefits conservation, it also strengthens and preserves the socio-cultural aspects and values of the Co Tu communities. Furthermore, in the BSM process the village headman was in charge; the village patriarch, although still being respected, was completely left out. The village patriarch traditionally played a very important role in customary forest management systems and classifications of the Co Tu people. However, local authorities often prefer to negotiate with the village headman, who is the formal representative of the village.

Future steps

The REDD+ project in Hieu commune is founded on restoring the communities' customary boundaries. Therefore, REDD+ could have a positive impact on the affected communities' customary forest management arrangements. REDD+ is being piloted in Vietnam, and it is essential that policy-makers pay attention to people's customary forest arrangements, such as sacred forests, watershed protection forests and shifting cultivation. Utilizing customary laws and formal laws could contribute to better forest governance, and to carbon stock enhancement and conservation. The question should not be only whether REDD+ is economically viable, but also whether it will harm people's overall relationship with their forests.

Future research should focus on the following topics:

- Linking research in the field with remote sensing and GIS. Seeing what is happening on the ground and from above are important ways to study REDD+, community involvement and climate change adaptation more thoroughly. For example, research needs to systematically address whether the maintenance of customary forest classifications, such as sacred forests, contributes to biodiversity conservation and carbon sequestration. Participatory rural methods such as participatory mapping could be combined with remote sensing.
- Studying the importance of CBFM in relation to REDD+, PES and BSMs. How can CBFM ensure that the REDD+ benefits from a community forest are shared in an equitable manner?
- Studying the conditions in which CBFM can make a positive contribution to customary forest management systems.

- Developing a comprehensive framework for REDD+, CBFM, customary forest management systems and carbon sequestration. REDD+ will involve many formal and informal stakeholders, forest regimes and land tenure systems. A framework is needed that addresses the trade-offs to be made in relation to customary forest management systems, carbon sequestration and CBFM.

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Endnotes

1. The lowest administrative entity in Vietnam is a commune. Communes that belong to a district usually consist of several villages.
2. Vietnam officially recognizes 54 ethnic groups. Although some of the groups are indigenous to the area, such as the communities in this research, they are named according to their formal ethnic label.

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4.4 Local participation from VPA to REDD+ in Cameroon

SOPHIA CARODENUTO, JOCHEN STATZ, DIDIER HUBERT and YANEK DECLEIRE

Introduction

Cameroon's engagement in REDD+ and FLEGT places national and international pressure on the country's government to increasingly include local forest communities in the design and implementation of forest policy. The multi-stakeholder participation of the negotiation of the FLEGT Voluntary Partnership Agreement (VPA) is often commended for successfully involving a wide gamut of stakeholders, including often-marginalized forest communities. In order to meet the strict social safeguards for REDD+, Cameroon requires the Free, Prior and Informed Consent (FPIC) of all forest communities potentially affected by REDD+ activities.

Stakeholder engagement will require close attention to secure the level of participation sought under REDD+.

This article examines how the achievements and challenges of the VPA stakeholder involvement process can make REDD+ more inclusive and participatory and provide insights for the country's FPIC goals set out in REDD+. It is based on the authors' experience and peer-reviewed and grey literature,[1] including online media articles, informal interviews with key stakeholders and internal GIZ programme documents.

Participation in the Voluntary Partnership Agreement negotiation process

FLEGT VPA in Cameroon

In 2003, the European Council stated that the FLEGT process — and VPAs in particular — should, "strengthen effective participation of all stakeholders, notably of non-state actors and indigenous peoples in policy-making and implementation."[2] In Cameroon, as in many other VPA countries, the degree of stakeholder participation that characterized the country's VPA processes is often cited as one of the greatest strengths of the FLEGT initiative (FERN 2013).

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The role of civil society

In order to organize and ensure the participation of those representing the wide range of non-state and not-for-profit interests in the VPA negotiation process, the EU funded the creation of a civil society platform. The European Community Forest Platform (ECFP) was supported by FERN, a European non-governmental organization (NGO). It gathered around 30 different Cameroonian NGOs active in forest and environmental issues, as well as those representing the interests of communities and indigenous peoples.

The VPA negotiation process has shown that given the diversity of Cameroon, it is often difficult to achieve consensus on certain topics among the interests of indigenous groups and forest communities. The VPA negotiation process, including informal negotiations, spanned a period of five years. In the case of REDD+, it will also take time for these groups to come to consensus in order to have more influence on the REDD+ strategy. Experience during VPA negotiations has shown that one consistent message delivered through the voice of a strong negotiator allows for a greater degree of stakeholder influence.

Adopting the same approach as FLEGT, civil society organizations have now established a national platform on REDD and climate change with the support of DANIDA/IUCN and CARPE. Members of the platform, including representatives of indigenous populations, have been involved at all stages of the Readiness Preparation Proposal (R-PP) formulation. This resulted in an unprecedented level of confidence and trust among local stakeholders and representatives of the Ministry of the Environment, Nature Conservation and Sustainable Development (MINEPDED), who were in charge of coordinating the national REDD+ strategy formulation. This cooperation has expedited the validation of the R-PP, which was presented to the participants' committee of the FCPF in October 2012 by a multi-stakeholder group of Cameroonian representatives, including two representatives of indigenous peoples.

Stakeholders and representatives

Forest communities and indigenous people living in Cameroon's forests did not participate directly in the VPA negotiations; the Cameroonian government considers that it is the role of civil society to represent these groups (Loggingoff 2010). This demonstrates the importance of the 30 NGO representatives in the ECFP. During negotiations, the collective voice of the ECFP was communicated through one negotiator/representative, who spoke on behalf of the ECFP. Interviews with those familiar with the negotiation process highlight the importance of electing a negotiator with a powerful personality who can influence the process.

It is obvious that for decisions to be reached in both the VPA and REDD+ process, it is simply not feasible to have all the stakeholders at the table all the time. Thus, it is important that representatives be identified who can help to present the collective interests and concerns of a group of stakeholders and ensure that they are aware of the options being discussed and the decisions made. Effective representation relies on

stakeholder groups identifying legitimate individuals and holding these people to account as their representatives. It also relies on the organizers of the process to ensure that the representatives have sufficient information to keep their constituents updated, and that they are given adequate notice to consult with the groups they represent.

In the context of REDD+, there is a great need for legitimate representation. On the one hand, forest communities require effective representation at the national level so that their voice is included in the REDD+ strategy development process. This may pose an important challenge; for example, there is currently no agreed mode of representation for Pygmy groups at the national level in Cameroon. On the other hand, to ensure the legitimacy of the FPIC process for REDD+, local representatives of indigenous groups and communities affected by REDD+ activities must be selected in a transparent manner so that it is clear to all stakeholders how and why these persons are able to speak and make decisions on behalf of others.

Law reform

Cameroon has been engaged in a process of forest law reform since 2008. The multi-stakeholder participation achieved during the VPA negotiation was carried over into the forest law reform process, with the private sector, civil society and development partners being consulted. National and international civil society groups put significant pressure on the Government of Cameroon to respect international legal obligations (such as the UN Declaration on the Rights of Indigenous Peoples and the Universal Declaration of Human Rights) by enshrining the full bundle of property rights of forests for communities with customary rights to those forests and by incorporating the principles of FPIC into its revised forest law. Specifically to the VPA, civil society groups stress that the lack of de jure recognition of certain forest community rights is among the main underlying causes of illegal logging (Loggingoff 2010).

Recent research on REDD+ in Cameroon highlights the importance of resolving tenure ambiguity and ensuring community participation in project development and implementation (Awono et al. 2013). Global evidence indicates that community participation is required for successful REDD+ design and implementation. There is a risk that REDD+ schemes may result in government or project proponents carving up forest lands and pursuing forest protection approaches that marginalize forest people.

In many places, including Cameroon, land tenure reform is perceived as a precondition for conditional REDD+ payments to communities and thus for community member participation in REDD+ projects. A recent review of REDD+ projects in six villages in Cameroon shows that in most cases REDD+ clearly provided some new opportunities for securing local tenure rights; however, these piecemeal interventions at the local level are insufficient to influence broader national initiatives for land tenure reform. In the meantime,

the absence of official recognition of customary institutions and of customary rights to land and resources may hamper the implementation of REDD+ in Cameroon.

In Cameroon, the community forest concession model as enshrined in forest law (1994) is often seen as a weak response to customary claims, providing only temporary and easily revoked use rights to small and degraded forest areas. The community forest model could be reinforced by the two regimes, however, as it is seen as a promising option for procuring legal timber for the domestic/informal markets and as a model for payment for ecosystem services in the context of REDD+.

Access to information

Public access to information is required in order for Cameroon's civil society to effectively carry out its watchdog function in the forest sector. The country's legal framework relating to environmental management (1996) outlines the right of citizens to information concerning the environment.[3] However, there is no implementing decree that spells out the procedure for access to this information (Njamnshi, Nchunu and Galega 2008). In consequence, civil society is limited in its ability to effective participate in matters of public policy and forest governance. During VPA negotiations, the ECFP prioritized transparency, requiring that measures ensuring access to forest sector information be included in the VPA. Civil society achieved this goal through the integration of Article 21 (Published Information) in the VPA.

Now that the VPA has been ratified in national law, Cameroon's Forest Ministry is legally required to publish the information listed in Annex 7 (Published Information). The ministry is also required to respond to specific demands for information in a timely and systematic manner. Procedures regarding who is responsible for publishing which information and when are now being discussed within the Forest Ministry. Given that forest sector information is relevant to both REDD+ and FLEGT, the successful implementation of VPA Article 21 could be an important prerequisite for achieving the "Informed" principle of FPIC and could help to legitimize the REDD+ consultation process. Although the VPA and REDD+ may not always require the same set of information, the VPA would provide lessons for changing norms of public information sharing, which could be shared with other ministries.

Continuous stakeholder identification

Despite the positive feedback regarding multi-stakeholder participation during the VPA negotiations, it is possible that some groups were overlooked or dropped out of the process due to lack of support or weak representation at the national level. Although stakeholder mapping preceded VPA negotiations, certain stakeholder groups, especially informal operators serving the domestic timber market, received increasing attention. Research regarding the extent of small-scale commercial timber production for local markets made it clear that the informal forestry sector must be an important part of VPA design and implementation (Cerutti and Lescuyer 2011), although it is particularly difficult to find representation mechanisms for this sector. In the case of REDD+, Somorin

et al. (2013) have highlighted that actors involved in the main drivers of deforestation — such as agriculture at various scales, from subsistence to industrial — have not been sufficiently involved in the REDD+ process to date.

REDD+

Free, prior and informed consent (FPIC)

Free, prior and informed consent (FPIC) is a principle based on the collective right of communities to participate in decision-making and to give — or withhold — their consent to activities affecting their lands, territories and resources. Consent must be given freely, i.e., without coercion or manipulation. It must be obtained before activities are implemented. It also must be founded on an understanding of the full range of issues arising from the activity or decision in question (Colchester and MacKay 2004). International law now recognizes FPIC as a legal norm that imposes clear duties and obligations on states. As mentioned above, Cameroon has committed itself to upholding several international agreements related to FPIC.

REDD+ and FPIC

Numerous countries engaged in REDD+, including Cameroon, have proposed integrating FPIC in the development of national REDD+ strategies to ensure that all future REDD+ activities meet FPIC requirements. Although the interpretation and application of FPIC in the context of REDD+ is still evolving, it has the potential to shift the balance of power and give local forest communities a strong voice in national decision-making processes and influence over the development of the REDD+ strategy. FPIC implies that the rights holders, including often-marginalized indigenous peoples and forest communities, must say "yes" or "no" to all REDD+ activities (Colchester and MacKay 2004).

Cameroon's REDD+ Secretariat is developing national FPIC guidelines with the support of national and international environmental NGOs and development partners. The guidelines will be the standard for how potentially affected local communities are consulted during the development and implementation of the REDD+ strategy. They will also be required for all REDD+ projects and actions in order to ensure that the consent of affected communities has been properly acquired. It is hoped that the experience gained during VPA negotiations will influence the development of these guidelines.

FLEGT and REDD+

Most people agree that the stakeholder participation achieved to date through the VPA negotiation process in Cameroon has been commendable. However, the degree of stakeholder participation proposed for the development and implementation of the REDD+ strategy arguably goes even further in seeking to require the free, prior and informed consent of all forest rights holders to any REDD+ activities that affect their forests.

Capacity reinforcement

Stakeholders need the capacity to not only understand the issues and options, but also to present their ideas and concerns in a way that can feed directly into the process. In the case of Cameroon, civil society has called for the direct participation of local communities and indigenous populations during VPA implementation (Loggingoff 2010). This requires identifying and reinforcing a legitimate representation structure for forest communities, especially those indigenous groups who do not have such a mechanism.

Similarly, R-PP implementation will require the participation of these stakeholders in order to ensure that the REDD+ strategy integrates their interests and that the national REDD+ meets FPIC principles. Effective stakeholder participation requires a certain level of capacity and organization of stakeholders and facilitators. Achieving that takes time, resources and external support, without which these communities may be unable to effectively participate or provide consent. In the early stages of the REDD+ process it is particularly important to ensure that stakeholders understand basic concepts and that suitable structures are established to promote discussion, with appropriate individuals to represent the various stakeholder interests. Individuals who represent remote communities or minority interests may have little experience and it is important that they are not excluded from the process due to their lack of capacity or familiarity in how to engage.

Effective feedback mechanism at the national level

In order not to lose momentum or interest in the process, stakeholders must see the impact of their efforts at the national level. Ensuring that stakeholders have influence over the process and its result — whether VPA or REDD+ — requires the commitment of government ministries (MINEPDED in the case of REDD+ and MINFOF in the case of the VPA) to show that they have paid attention to the contributions of the various stakeholders. Agreement and clarity are needed on what issues can be raised and discussed in the context of these forest policy instruments and what is beyond their scope. At the same time, there needs to be a commitment by those making decisions that the results of participation will be respected in order for stakeholders to want to commit to engaging with the process. During VPA negotiations, trust was built between stakeholders and the government because stakeholders knew that although not all of their points of interest were directly incorporated into the VPA, they at least had been addressed and responded to. Stakeholders will engage in a process only if it is relevant to them and if they believe they can truly influence it. The engagement of civil society in preparing the R-PP indicates a level of mutual trust between civil society and government organizations. This momentum must continue during REDD+ strategy development and implementation.

Equitable land tenure reform

Although land reform processes can easily span decades, the clarification of land tenure for both REDD+ and FLEGT must be addressed as soon as possible. In the context of Cameroon, reinforcing community customary land rights is a promising approach to avoiding large-scale forest conversion by agro-industrial investments. It can help prevent large amounts of illegal timber entering the supply chains and avert significant forest

carbon emissions. In the dense and high biodiversity forests of Southwest Cameroon, for example, much hype related to the American palm oil company Herakles has led to efforts by international environmental activists such as Greenpeace to recognize that communities have not given their consent or permission to the company to operate on their customarily owned lands.[4] The strengthening of community land tenure is on the agenda of both REDD+ and FLEGT in the immediate term in Cameroon in order to avoid the illegitimate loss of large areas of forests that marginalized forest communities call their home.

Endnotes

1. Grey literature is informally published written material (such as a report) that may be difficult to trace via conventional channels such as published journals and monographs because it is not published commercially or is not widely accessible. It may nonetheless be an important source of information for researchers, because it tends to be original and recent (http://en.wikipedia.org/wiki/Grey_literature).
2. See Council Conclusions, Forest Law Enforcement, Governance and Trade (FLEGT) (2003/C 268/01).
3. See Article 7 in Law No. 96/12 of 5th August 1996 Relating to Environmental Management.
4. For more information, see www.greenpeace.org/international/en/campaigns/forests/africa/deforestation.

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4.5 Conflicts in Vietnam's forest areas: Implications for FLEGT and REDD+

THOMAS SIKOR and PHUC XUAN TO

Introduction

Conflicts over land are rampant in Vietnam. Some erupt into physical violence and catch the attention of the media, while others linger without attracting wider attention. Land conflicts are the subject of more than 70% of the written complaints received by Vietnamese government offices in recent years. Vietnam's Ministry of Agriculture and Rural Development (MARD) acknowledges these conflicts in the uplands, but presents widely varying estimates (likely underestimates) of the extent of disputed land, from a mere 7,684 hectares (ha) to as much as 150,000 ha. The Vietnamese National Assembly acknowledged in late 2012 that "conflicts occur in many locations but are not adequately attended and resolved."

Uniform, top-down solutions may not address the injustices experienced by villagers.

Most land conflicts in the uplands date back to the 1950s, when State Forest Enterprises (SFEs, later restructured into Forest Companies, or FCs) were given formal control of large areas of land in remote areas without prior land uses being adequately considered. The situation was exacerbated by a lack of productive land and increasing pressures from the in-migration of lowlanders. The desires of FCs and the timber industry now conflict with villagers' need to cultivate land for subsistence and income.

Land conflicts could undermine Vietnam's initiatives on Forest Law Enforcement, Governance and Trade (FLEGT) and Reducing Emissions from Deforestation and Degradation (REDD+). However, these initiatives also present an opportunity to resolve conflicts, since they offer platforms and incentives for the government and stakeholders to reach agreements on land disputes. Conflict resolution and successful implementation of FLEGT and REDD+ offer benefits for both FCs and villagers; they facilitate legal timber production and provide access to climate mitigation funding, respectively.

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Incomplete SFE restructuring, tenure reform and land transfers

Shortly after gaining independence in 1954, Vietnam nationalized all forests and established a system of SFEs to manage large forest areas and provide for national development, local employment and social services in remote areas. By 1992, however, most of the 412 SFEs were defunct; logging quotas and central government subsidies had declined from their peak in 1976–80 (Nguyen Van Dang 2001).

The Government of Vietnam initiated several efforts to reform SFEs into financially independent FCs. In 1993 the government began transferring tenure rights to local households and communities on a significant portion of SFE land. Starting in 2005, SFEs have been restructured into 148 FCs; the number of permanent staff dropped from 16,000 in 2005 to only 3,087 in 2012 (Vietnam Administration of Forestry 2012).

Despite these reforms and the fact that many FCs still receive funding from the central government or provincial authorities (e.g., through reforestation projects, forest protection programmes, or preferential access to state loans and government funding), many FCs face financial shortfalls. They are under pressure from authorities to rent land to rubber companies while also facing an outcry from villagers who demand land for cultivation.[1]

By the end of 2012, Vietnam's 13.86 million ha of forest were divided into three categories (MARD 2013):

- special-use forest or protected areas (2.02 million ha);
- protected forest (4.68 million ha);
- production forest (6.96 million ha); and
- other forests (0.20 million ha).

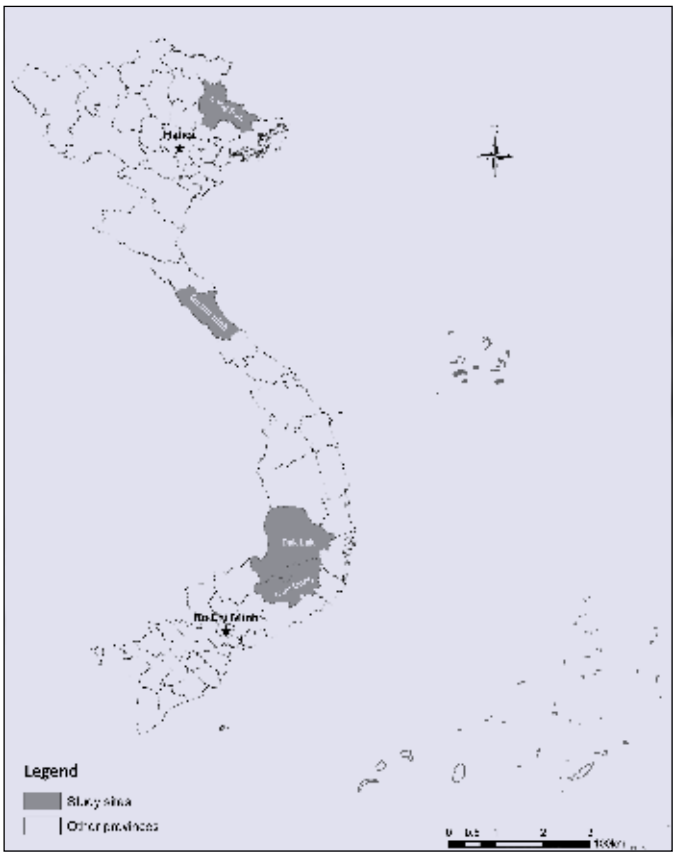
The first two areas are primarily managed by Management Boards (MBs), who are subject to MARD or provincial authorities.

FC reform is incomplete and the government is reviewing the situation as part of a wider assessment of all state-owned enterprises. MARD submitted a draft report to the Prime Minister's Office in March 2013 recommending, among other things, that 21 companies be dismantled and their land and forests be transferred to local governments for allocation or lease to other entities, including local households.

Conflicts over forest: the evidence

Four case studies provide insight into the scale, nature and intensity of conflicts between FCs and local villages. Field research was conducted in four areas in 2002–13 (Figure 1) and supplemented by interviews of forestry officials.

Figure 1. Study sites



Prepared by Dang Viet Quang, 2013.

The Dong Bac company in Lang Son province

This was established immediately after Vietnam's independence in 1954 to produce wood from natural forests for coal mines in sparsely populated and remote ethnic minority areas.[2] When ethnic Vietnamese immigrants arrived in the 1960s, they settled on land that formally belonged to the company and eventually asserted customary rights to that land. By 2009, villagers were using 78% of company land for cassava and tree plantations. The company stopped harvesting the trees it had planted for fear that villagers would encroach on more land as soon as harvesting was finished. Locals complained about unfair sharecropping arrangements, a lack of promised technical and marketing assistance, and large plantation contracts being given to outsiders without regard to customary land rights.

No suitable conflict resolution mechanisms exist. The company indicates a willingness to transfer 12,777 ha to the local government for allocation to villagers, but to date only 1,516 ha have been transferred. Commune and district authorities are inundated with

petitions, but feel they lack the expertise and resources to mediate disputes. They also say they do not have the legal authority to deal with the FC since it belongs to Vietnam's Forestry Corporation under MARD's oversight. The situation remains deadlocked.

The Long Dai company in Quang Binh province

This company was set up in the 1960s to exploit the local forests. Today, it manages the remaining forests, both natural and planted, and engages in reforestation, timber harvesting and wood processing. In 2010 the company received a Land-Use Right Certificate (LURC) for 100,035 ha of forest land covering 96% of Truong Son commune. This left local households in Cat village reliant on government aid due to a shortage of production land. Cat villagers felt they had no choice but to encroach upon the company's land; this engendered conflict.

The company claims that the LURC gives them exclusive rights to the timber and land and renders the villagers' logging and cultivation illegal, even though villagers and the Commune People's Committee have repeatedly raised with the company the issues of the villagers' lack of productive land and dire living standards. Villagers engage in clandestine logging and cultivate fields around their houses, which technically lie on company land. In 2010, under pressure from villagers, the company transferred 1,637 ha to local households, including some in Cat village. Tensions persist, though, since the land is distant from villages and of poor quality. Villagers continue to voice their discontent, but are largely ignored.

M'Drak company in Dak Lak province

This was established in 1975. Today it manages 26,769 ha of natural forest, tree plantations and barren land, for which it received a LURC in the late 1990s. One of the five communes bordering the company's land is Krong Jing. About 70% of Krong Jing's residents are indigenous or recently arrived ethnic minority immigrants. Villagers rely on agricultural production, yet most land around the village is classified as FC forest land and is unavailable for household cultivation. Today, six of the commune's fifteen villages grow crops on the company's land, even though the practice is illegal. Ongoing in-migration adds to the pressure. The company has stopped plantation harvesting in some cases, concerned that villagers will encroach on the land after harvest.

To maintain control over the land, the company contracted approximately 1,000 villagers to work with them under sharecropping arrangements. However, most households violated their contracts and planted cassava or sugarcane for their own income instead of trees. The 3,000 ha of land that was transferred by the company as part of a restructuring program in 2007 was reserved by the District People's Committee for lease to private companies. This produced a strong outcry among villagers and encouraged them to encroach on the company's land. The company called for local authorities to back their legal claims to the land, citing the LURC. District officials say they lack the financial and technical capacity to allocate land and resolve disputes, but they support the company's efforts to enforce compliance with their legal land rights. Local officials and company

staff visited households, asking them to stop cultivating and defer to company contracts for the planting of trees. Only some households complied with this request.

Loc Bac company in Lam Dong province

This was established in 1975, around the same time as a state resettlement project that helped immigrants build houses and open agricultural fields on land that formally belonged to the company. In 2000, the construction of the Dong Nai hydro-electric power plants brought improved local roads, allowing villages to shift to agro-industrial crops for export, such as tea, coffee and cashews.

Today, 25% of all households lack productive land and conflicts flare. Provincial authorities converted 5,000 ha of forestland managed by the company (about 25% of the company's total land) to agriculture and then leased this land to 19 rubber companies. In principle, forest conversion is allowed only in degraded or poor-quality forests. However, large volumes of timber were taken out of forests that were reportedly not degraded, triggering villagers' anger. Villagers continue to request 5,000 ha of land for cultivation. Bao Lam Rubber company, one of those that received land for rubber plantations, has seen villagers carve out small coffee and cassava plots. Land conflicts have increased in number and intensity, as observed by To et al. (2013).

Analysis of the case studies

The four case studies suggest that several issues predominate:

- The spatial extent of conflicts is larger than indicated by government statistics, covering a significant portion of the 2 million ha under formal FC control. One FC alone reports conflicts over at least 17,000 ha.
- Competition for land — more than for timber — lies at the core of these conflicts, although this may reflect the depletion of timber in these areas. The lack of access to productive land fuels villagers' insecurity over basic subsistence and deeper frustrations with the company and, more broadly, the government.
- The provisions in company reforestation contracts, coupled with lack of support from the company, cause local resentment about benefit-sharing arrangements for forest product harvesting, land allocations or contracts being given to outsiders, dissatisfaction with the support received from the company and restrictions imposed on agricultural uses of the land.
- A sense of injustice is the trigger for most land conflicts. Villagers are more likely to oppose companies if they feel their customary rights to land or livelihood are being violated and/or they perceive that land is unfairly allocated to outsiders (e.g., private companies).
- Authorities lack effective mechanisms to address land conflict at the local level. Even where FCs agree to transfer land to villagers, transfers are often stalled because a) local authorities lack the human and financial resources for implementation, b) land is given to private companies, or c) land is too distant from villagers or is not productive. LURCs have been ineffective in resolving conflicts since they are often issued without due diligence and they ignore established land uses by villagers as well as their customary rights to forest land.

Implications for FLEGT and REDD+

Forest conflicts undermine the potential of FLEGT and REDD+ to achieve their primary objectives: legal timber harvesting, processing, domestic sales and export as well as maintaining and increasing carbon stocks in forests. In fact, FLEGT and REDD+ could even aggravate these conflicts if conflict-resolution processes are not designed and implemented effectively. The following challenges may occur:

- Inability to demonstrate the legality of wood products from contested lands for domestic consumption or EU export, as required under the FLEGT VPA. At the very least, the conflicts may deter retailers who want to avoid any controversy associated with wood products. Villagers, for example, cannot produce "legal wood" if they are not recognized as legal landholders on forest land. Companies, in turn, may be the legal land-holders, yet be unable to grow trees due to encroachment by villagers. Local communities contest the LURCs granted to FCs due to lack of prior consultation or consideration of preexisting claims on land. The M'Drak company has been unable to be certified by the Forest Stewardship Council, in part for these reasons.
- Inability to demonstrate sustainable forest management for carbon stocks while meeting local livelihood needs, in line with REDD+ safeguards. The clearance of land for agricultural crops (subsistence or otherwise) or rubber plantations does not increase carbon stocks, but leads instead to further degradation. In addition, the failure to recognize villagers' customary rights and promote participatory decision-making may prevent global financing due to non-compliance with REDD+ safeguards.
- a potential increase in conflicts due to the increased value of land, either from increased access to EU and potentially other markets or new sources of income for forest management from REDD+ funding mechanisms.

Recommendations for FLEGT

The Vietnam FLEGT VPA process should facilitate a review process for the forest sector. This could facilitate the resolution of many of these longstanding land conflicts, particularly during the development of a national legality definition and Timber Legality Assurance System (TLAS). Vietnam's VPA process would need to prioritize several issues within a legality definition process or TLAS.

Clarification of forest tenure rights

This is especially important with regard to the framework for legal timber. This would include clarification of who holds the rights to forest land and resources, particularly in situations where LURCs conflict with land use or customary rights. Furthermore, conflicts prevent more LURCs from being issued across the country, yet no wood producer can produce demonstrably legal wood without an LURC. This calls for a reform requiring existing LURCs to be accompanied by some sort of proof that adequate consultation has taken place, or a nationwide initiative to review forest tenure, conflict resolution and

mandate the inclusion of Free Prior Informed Consent (FPIC). An enabling framework should be established for civil society organizations (CSOs) to monitor and facilitate all LURC processes.

Perceived injustices associated with reforestation contracts

Villagers often perceive sharecropping arrangements and the allocation of contracts to outsiders or local elites as unjust. Even when contracts comply with laws and regulations, conflicts impede producers from obtaining LURCs or producing wood products that are free from controversy. Options for resolution include accepting such contracts only if they comply with minimum standards for the protection of villagers' rights and interests. Standards could include obtaining FPIC before contracts are signed, monitoring of compliance (supported by TA and training of FCs and CSOs), and allowing media coverage of conflicts.

Implications for REDD+

Conflicts between villagers and FCs will directly affect the success of the REDD+ Action Plan in Vietnam and could undermine planned support from the Forest Carbon Partnership Facility. The Vietnam REDD+ Action Plan would need to place a priority on at least four critical issues to lay the foundation for successful implementation:

- address conflicts leading to forest conversion;
- ensure that rubber plantation projects[3] respect land rights and encourage smallholder rubber schemes;
- improve forest management practices by forest companies;[4] and
- implement Cancun safeguards.

Address conflicts leading to forest conversion

FC land is often encroached on due to villagers' subsistence and income needs. Villagers sometimes feel that land encroachment for agricultural production is the only option that allows them to benefit from forest land. Any effort to contain agricultural uses and enhance carbon stocks in the landscape, therefore, must involve villagers to avoid risking failure or further impoverishing them. FCs and villagers should both be involved in the development of carbon-rich landscapes on the basis of existing use and customary rights, which may have to be preceded by a land claims process.

Ensure that rubber plantation projects respect land rights and encourage smallholder rubber schemes

Provincial authorities have allocated presumably underused or degraded forests to private rubber plantations. This has caused negative — sometimes violent — reactions from and impacts on villagers who claim prior use of (and hence rights to) the land. The development of these plantations will likely stall unless customary rights are provided for, or company-community partnerships for rubber plantations are developed that make available unclaimed land and follow FPIC processes.

Improve forest management practices by forest companies

Due to conflicts over land use, FCs cannot be assumed to be effectively managing all the forest land officially listed in their LURCs. Any efforts to assist FCs to obtain global funds for climate change mitigation through high-carbon-offset management of tree plantations will need to involve villagers as active participants. They must have a central role in efforts to improve the management of degraded forest lands, and will likely need to be included in any land claims process.

Implement Cancun safeguards

REDD+ affirms the value of local knowledge and the rights and local people to be informed and consulted on REDD+ actions, but pays less attention to local peoples' forest tenure or customary rights. Stakeholders, particularly local communities, should be involved in the design and implementation of REDD+ actions. While implementing the National REDD+ Action Plan, the Vietnamese government is committed to Cancun Safeguard 4,[5] and it is now time for FPIC to be integrated into institutional commitments and monitored during REDD+ implementation.[6] Existing procedures under Vietnam's Decree on Grassroots Democracy fail to ensure meaningful participation in public decision-making. The implementation of the Action Plan can support the safeguard processes to address forest tenure issues, particularly conflicts between FCs and villages. It can also support the independent monitoring of safeguard implementation. This may include expanding procedures under the Decree on Grassroots Democracy to include FPIC and enabling independent organizations to conduct and monitor FPIC stakeholder consultations to implement Cancun Safeguard 4.

Conclusions

FLEGT and REDD+ can offer opportunities for overcoming conflicts between villagers and forestry companies only if they find ways to address villagers' perceptions of injustice. Cooperation between FCs and villagers will not only benefit FLEGT and REDD+, it will directly contribute to improving Vietnam's forest governance in the long run. However, turning conflict into cooperation requires the Vietnamese government to undertake a thorough assessment of the legal and regulatory framework applicable to forest tenure and FCs. It must also more broadly assess existing forest-related law enforcement and coordination between forest and forest-related agencies (e.g., land, rubber, coffee). In particular, fair solutions to forest conflicts need to be locally specific. Uniform, top-down solutions may not address the injustices experienced by villagers in each community, and may even become a new source of injustice. Legal and regulatory reforms will have to support the emergence of cooperative solutions from the ground up.

Acknowledgement

This article summarizes the findings of longer reports and case studies: *Conflicts over Forests in Vietnam: Implications for FLEGT and REDD+* (forthcoming, Forest Trends) and *Land Conflicts between Forest Companies and Villagers* (To et al. 2013). These reports sought

to estimate the extent and scope of forest land conflicts, as well as assessing structure, underlying causes and economic and political ramifications.

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Endnotes

1. Vietnam's 2009 Strategies for Rubber Sector Development (until 2015) and Vision (until 2020) call for a rapid expansion of rubber plantations, often at the expense of the forest. A detailed description of forest conversion into rubber plantations and its socio-economic and environmental impacts can be found in *Chuyen doi rung sang trong cao su tai Viet Nam* (Forest conversion into rubber plantation in Vietnam) by To Xuan Phuc and Tran Huu Nghi (2013).
2. Vietnam has a total of 54 ethnic groups; the Kinh/Vietnamese group is the most prominent, accounting for 80 per cent of the total population of 88 million people. The remaining groups are ethnic minorities, most of whom live in remote mountainous areas.
3. The UN-REDD Programme for Vietnam plans interventions in four pilot provinces to convert degraded natural forest to rubber plantations (11,000 ha, potentially affecting 92,000 households).
4. The FCPF aims to support the reform of FCs, allowing them to obtain global funds for climate mitigation through high-carbon-offset management of tree plantations.
5. Safeguard 4 in REDD+ promotes and supports the full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities.
6. For example, Output 2.3 of the UN-REDD proposal for Phase 2 in VN does not specify indicators for measuring local stakeholder participation in the development of site-based or provincial REDD+ Activity Plans, or indicate how participation will be monitored and evaluated.

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4.6 Smallholders in Thailand and REDD+ and FLEGT linkages

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Introduction

FLEGT and REDD+ have common interests and goals. Both work towards reducing pressures on natural forest by addressing underlying causes of deforestation and degradation. Both can have important impacts on climate mitigation by effecting important land-use changes.

This article highlights a potential opportunity for FLEGT and REDD+ initiatives that focus on smallholders in Thailand. Smallholders are individual farmers or farmer families whose primary livelihood activity is farming. Their farm areas may include trees that support household needs, either through cash transactions or direct use.

Smallholders in Thailand are contributing to reducing deforestation and forest degradation and mitigating climate change.

Smallholders throughout the tropics grow and manage trees on farms (Zomer et al. 2009), which may include small plantations. In some regions, including Southeast Asia, the number of industrial forest plantations has grown (STCP 2009); these include smallholder plantations and large plantations. Some countries also have successful community-managed forests (Porter-Bolland et al. 2012).

This article discusses two examples of smallholder plantations and one community-managed forest in Thailand[1] (Figure 1):

- the Inpang Network, an farmer cooperative in Northeast Thailand that is growing and managing trees, including small woodlot plantations, as part of their farmland mosaic;
- rubber plantations in Nakhon Phanom Province along the border with Lao PDR; and
- a group of 31 villages in Mahasarakham Province who manage or co-manage community forests with government agencies.

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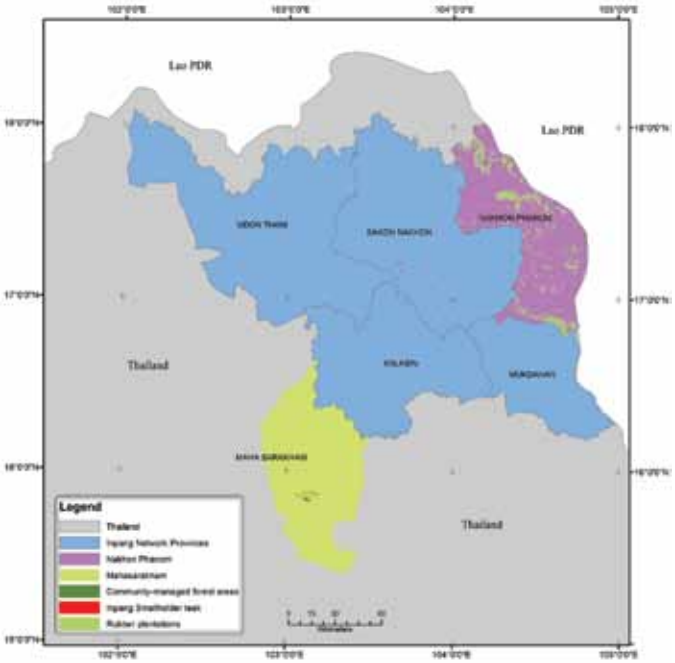
Figure 1. Map of small-holder plantations and community-managed forests, Thailand



Communities and small-holders who are actively managing trees that produce resources to support livelihoods can contribute to both FLEGT and REDD+ goals. The long-term storage of carbon in woody biomass on farms and the renewable nature of smallholder plantations both help mitigate climate change.

They are net positive,
however, only when they do not replace natural forests. There is a great opportunity for a linkage between smallholder land-use activities and the FLEGT and REDD+ initiatives. Smallholders can be potential and important participants in both REDD+ and FLEGT activities.

FLEGT, REDD+ and forest carbon policy in Thailand

Thailand is one of nine countries currently in negotiations with the EU to establish a FLEGT Voluntary Partnership Agreement (VPA).[2] The Thai Royal Forest Department began discussions on FLEGT in 2009 and started negotiating the VPA in 2013. This came after the Government of Thailand (GoT) formalized an agency management structure within the Ministry of Natural Resources and Environment (MONRE) to support FLEGT initiatives in Thailand and after the Thai National Assembly endorsed the VPA negotiations (RFD 2013). The VPA is expected to be finalized in early 2014 (RFD 2013). Thailand is also developing a National Single Window (NSW) tracking system to support a Timber Legality Assurance System, or TLAS (Suwannawimon 2013).

Unlike Brazil, the DRC or Indonesia, where vast tropical forests still exist and where REDD-related investments are substantial, Thailand's forest resources are more modest. Thailand is one of eight Asia-Pacific countries participating in the World Bank Forest Carbon Partnership Facility (FCPF).[3] Thailand received a US$ 200,000 grant to develop a REDD Readiness Preparation Proposal (R-PP; FCPF 2013) and submitted a revised R-PP in December 2013, which is under review by the FCPF (FCPF 2013). As with FLEGT, MONRE plays a central role in REDD+ policy and implementation in Thailand.

Thailand's land-use and forestry sector was a net sink of GHG gases (minus 3.44% of emissions) in 2000 (ONEP 2011); the energy sector accounted for 70% of national GHG emissions. It is therefore not surprising that the GoT's focus on mitigation strategies and low-carbon development is heavily weighted towards the energy sector. In spite of this fact, Thailand has developed policy and institutional capacity for including land-use change and forestry activities in its mitigation efforts.

National assessments of Thailand's forest cover show that it has stabilized at around 30–35% of the country area for the past five years. However, there is still ongoing deforestation and forest degradation in certain areas of the country due to encroachment for development, conversion for agricultural crops, mining, illegal logging and fire. Thailand's efforts to reduce deforestation and forest degradation as outlined in its R-PP, and its efforts at improved governance and timber trade as shown in its involvement with the EU FLEGT initiative, indicate the value the government places on its forest resources.

Smallholder plantations and community forest management

An increasing area in Thailand is used for industrial forest plantations. This includes both smallholder and large-scale plantations. Plantations are dominated by eucalyptus, teak, rubber (for wood and latex) and acacia, and to a lesser extent by exotic hardwoods other than teak.

The farms of the Inpang Network are a good example of smallholder plantations. Formed in the mid-1980s by a handful of people seeking to break the burdensome debt cycle they faced from farming cash crops, the Inpang Network[4] has grown to more than 4,000 members across five provinces in northeast Thailand. The network is a farmer cooperative that supports farmer-to-farmer training. Members also maintain a number of learning centres that support micro-enterprises (such as wine- and juice-making, herbal medicines and bio-diesel).

In 2008 the authors conducted surveys with 957 Inpang members, with a focus on their planting and management of trees, including smallholder plantations. Members listed 254 different woody perennial tree species. They plant trees for timber, fruit, latex and resins. Some species provide spices for cooking and some are grown for their medicinal properties. More than half of the species identified have multiple purposes (Samek et al. 2011). The ten species most frequently grown by the respondents are shown in Table 1.

Shorea obtusa, like teak, is a valuable hardwood. All of the species listed in the table, except mango but including rubber — which also produces valuable latex — are used for

construction and furniture. In addition to the importance of these species for timber, Inpang members also grow them in small, single-species or mixed-species plantations for environmental and livelihood benefits. These deciduous trees enhance soil nutrients, which is an important goal for a number of Inpang members who experienced severe soil degradation from planting annual cash crops such as cassava and sugar cane with high fertilizer inputs. Soil improvements are not the only benefit: the leaves of the *Xylia xylocarpa* are a favorite nesting habitat for Weaver ants, whose eggs are considered a delicacy. *Xylia xylocarpa* and other species (*Dipterocarpus alatus*, *Pterocarpus macrocarpus*, *Irvingia malayana*, *Adenanthera pavonina*, and *Hopea odorata*) also create favorable habitat for edible mushrooms.

Table 1. Tree species planted on farms by Inpang Network members, 2008

Species	Number of trees reported	Number of households reporting
Shorea obtusa	146,564	509
Dipterocarpus tuberculatus (garjan tree)	129,306	426
Hevea brasiliensis (rubber)	99,720	114
Xylia xylocarpa (iron wood)	93,210	510
Pterocarpus macrocarpus (Burma padouk)	78,456	491
Eucalyptus	59,268	72
Sindora siamensis var. *maritima*	50,741	246
Mangiferina indica (mango)	38,133	360
Tectona grandis (teak)	30,769	116
Cratoxylum formosum	20,034	135

Smallholder plantations

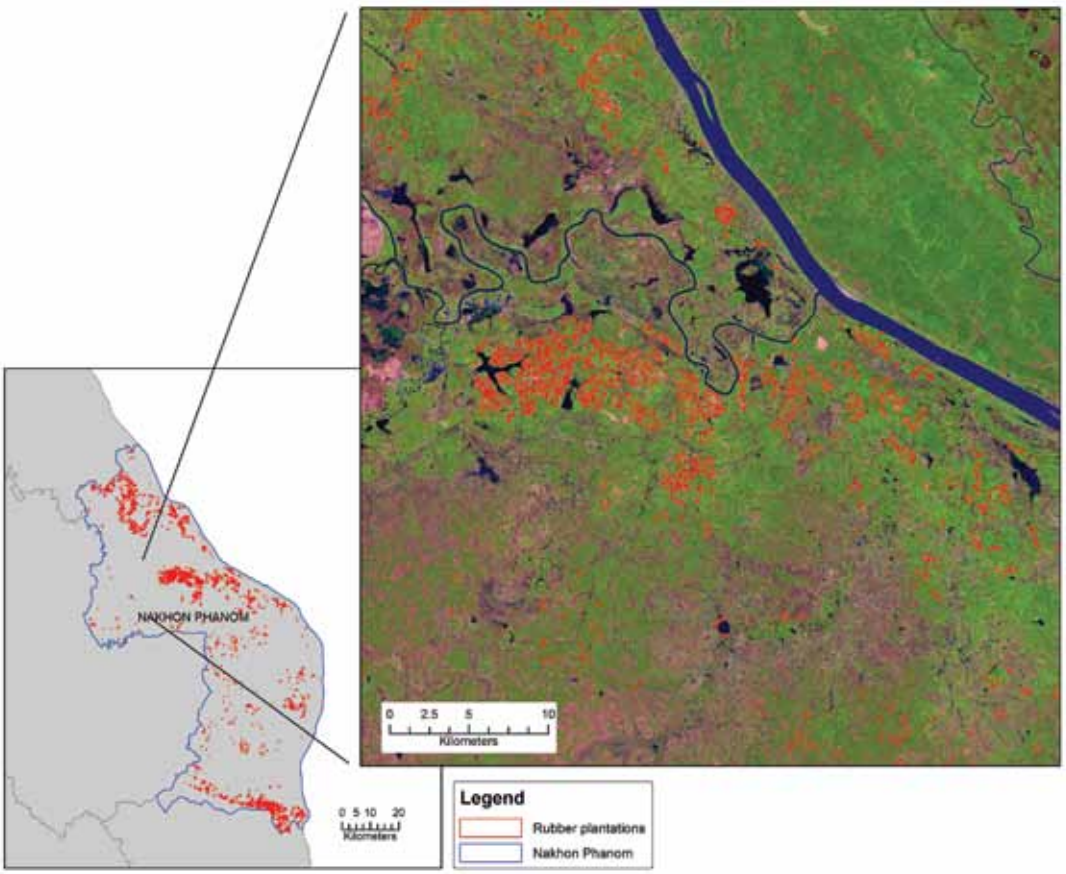
In addition to annual crops, Inpang farmers also plant two perennial species: teak and rubber. These are often intercropped with annuals and other perennials. The authors analyzed data for the age class, plantation size and carbon stock and sequestration rates of the Inpang smallholder teak and rubber plantations:[5]

- 49 teak plantations totaling 83 hectares (ha) were analyzed. The average plantation size was 1.68 ha; nearly half were less than 2 ha and only two plantations were greater than 5 ha. These are truly smallholder plantations and are recently established on lands previously planted in annual crops. In 2008 the average plantation age was 13 years (planted in 1994), with all plantations planted after 1990 and three areas established in 2000. At a sequestration rate of 10.65[6] tonnes of CO_2 per ha per year, and using a simple linear ex ante calculation appropriate for a short growth period with young trees, these teak plantations could sequester approximately 13,250 tonnes of CO_2 over a 15-year period.

- Analysis of the survey data for the rubber plantations shows that 104 respondents (11%) plant and manage rubber trees on 114 plantations (some respondents own more than one plantation). The total area planted is estimated to be approximately 150 ha, at 667 trees per ha and a reported 99,720 total trees. Using the same plant spacing estimator, 79% of the rubber plantations are less than 2 ha and the largest is only a little over 6 ha. These are also smallholder plantations similar to the teak areas established by Inpang farmers.

The authors also analyzed GIS data for rubber plantations in Nakhon Phanom Province for 2009–11 to determine the expanse of smallholder plantation versus large plantations and to understand patterns of plantation expansion (Figure 2).

Figure 2. Map of rubber plantations in Nakhon Phanom Province, Thailand



Source: derived from 2009–11 SPOT 5 satellite data

The data show polygons of rubber plantations between four and six years old and those greater than six years old. Polygons also delineate ownership. In total, 1,815 plantations are identified, covering an area of 13,425 ha. The number of polygons in each age class are similar (4–6 yrs = 980; > 6 yrs = 835), as are the total areas (4–6 yrs = 6,374 ha; > 6 yrs = 7,051 ha), indicating that plantation establishment is rapidly expanding in the province. The plantation sizes are indicative of smallholders. The average parcel is 7.40 ha, and nearly three quarters of the polygons (73%; n= 1335) are between 1 and 7 ha. Only 25 parcels (1% of the total number) are greater than 100 ha. Like the Inpang teak plantations, these rubber plantations actively sequester carbon from the atmosphere as they grow. Teak and rubber plantations that replace annual cropland and degraded land are net sinks of CO_2.

Community-managed forests

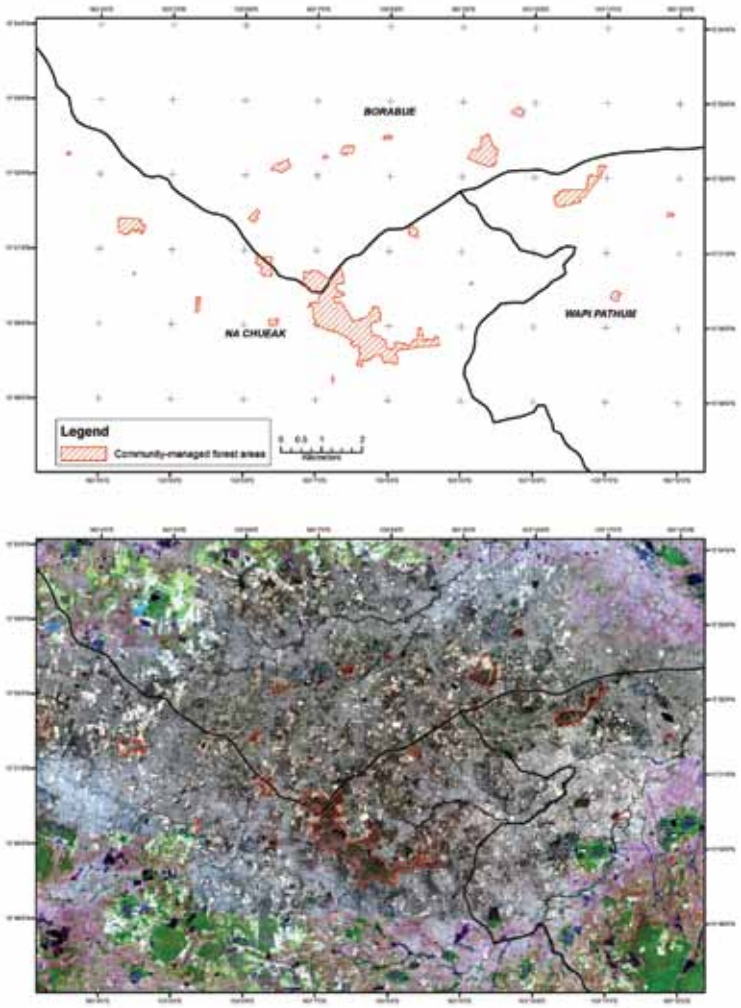
Many communities in Thailand also actively manage natural forest areas or co-manage them with Thai government agencies. Through regulatory mechanisms these communities help maintain biodiversity and standing stocks of natural forest areas. These communities are important to REDD+ because of their management responsibilities and activities. In the districts of Borabue, Na Chueak and Wapi Pathum in Mahasarakham Province 31 villages are responsible for managing a number of forest parcels. The largest, Kok Pak Kud-Pong Dang Forest, is a conservation forest area of 336 ha under the Royal Forest Department but co-managed by communities with limited use and access.

In addition, the communities are involved in managing 20 additional forest parcels; these include sacred or traditional conservation forests and public community forests (Figure 3). These additional forest areas range in size from less than 1 ha to more than 30 ha.

The carbon stock in the total area of community forests (474 ha) is estimated at 13,561 tonnes.[7] These communities work very closely with provincial authorities from the Thai Agriculture and Land Reform Office (ALRO). Together, they have developed rules for access to and extraction of resources (non-timber forest products, fuelwood, etc.) from these forest areas. A combination of common law (civic) and customary law (traditional) supports the sustainable management of these forest areas by communities.

Community involvement in the management of these remnant natural forest parcels does not guarantee the continued storage of carbon through reduced deforestation and degradation. However, given the Thai government's limited policing and enforcement resources to keep people out of these forest areas, community management may be the only solution to sustain these forest parcels and retain their carbon storage. Historical analyses of changes in forest cover using satellite data can be used to determine if these forest areas are shrinking; such analysis was beyond the scope of this research. It is possible that some community forest types are managed better than others and are not degraded. Many factors contribute to how sustainably these forest patches are managed and to the effectiveness of community use of forest resources and carbon loss or carbon storage.

Figure 3. Community forest areas in Mahasarakham Province, Thailand



Opportunities to link to REDD+ and FLEGT implementation

The area under smallholder plantations in Thailand is expanding. Smallholders are growing and managing trees for a variety of reasons that support their livelihoods. Smallholders in Thailand, as in other tropical developing countries, are likely supplying, at least in part, timber for the international trade. In the case of the Inpang members growing teak, some of their trees are being planted to supply the future construction need of their children, and some are sold.

These teak plantations are established on land that was previously devoted to cash crop agriculture. They are sequestering carbon; even when the trees are harvested, much of the sequestered carbon remains stored long term in wood products. The Inpang members who are growing species for timber and wood products are also reducing pressure on the local

protected forest area of the Phu Pan National Park in Sakon Nakhon Province by obtaining products from their own lands rather than extracting them from the natural forest. This is not to say that all pressures on the Phu Pan National Park have ceased, only those impacts now replaced through tree planting by Inpang members. Inpang members do use the nearby natural forest as a seed bank for the establishment of tree nurseries for a number of timber and non-timber species that sustain their households. One founding member, Serm Udomna, has planted more than 300 tree species on his small farm; some people say that he has transported the Phu Pan forest to his home.

Conclusions

Smallholders in Thailand can make important contributions to sustainable forest management and climate mitigation policy and projects, which can in turn support FLEGT and REDD+ objectives. Smallholders in Thailand are actively contributing to reducing deforestation and forest degradation and mitigating climate change by helping to conserve natural forest areas (as in Mahasarakham) while still using them and by sequestering carbon from planting and managing small-area plantations (e.g., Inpang teak and rubber plantations and small-area rubber plantations in Nakhon Phanom).

Furthermore, for REDD+ initiatives, local people and communities are required to be part of actions as set out in Free, Prior and Informed Consent (FPIC) and safeguards under Social and Environmental Standards. The link of smallholders to FLEGT/VPA objectives is perhaps less clear. For smallholders to have an impact on illegal logging, for example, their role in the international trade would likely need to be expanded. It can be inferred, however, that the expansion of areas under smallholder plantations in Thailand results in part from a growing demand for timber, including the international market. As demand increases and market supply chains grow to support the export of smallholder timber — in Thailand and elsewhere — so does the potential to reduce illegal logging.

Challenges remain for REDD+ and in FLEGT in monitoring smallholder areas. These areas are often geographically dispersed and smallholders are individuals who do not always have goals in common with each other, let alone with the objectives of REDD+ and FLEGT. Monitoring many dispersed smallholders through TLAS may be difficult and expensive. The same is true for monitoring carbon stock in these plantations. The use of GIS, remote sensing satellite data, web portals and community outreach efforts can support such monitoring efforts. Monitoring, Reporting and Verification (MRV) is required for REDD+. An MRV system may be developed that uses tools to support the quantification of carbon stock, emission factors, and rates of sequestration using scientifically robust and internationally accepted methods (e.g., UNFCCC CDM or VCF).[8] Web-based GIS can be used to aggregate smallholder plantations or small-forest areas under community-based management.[9] Carbon sequestration by smallholder plantations could easily be incorporated into

a REDD+ project where carbon fluxes in projects areas that include smallholder areas as well as forest areas can be measured and monitored as a whole system.

The NSW tracking system to support a TLAS that Thailand is working to develop is similar to a REDD+ MRV system. The NSW design begins at the farmer level (Suwannawimon 2013). Challenges for monitoring smallholders as part of FLEGT efforts are not minor, but countries such as Thailand can draw on past efforts and experiences in monitoring agricultural commodities and building the infrastructure required. In addition, for many commodities there are national bodies, such as the Thai Rubber Association, which can also support monitoring.

The current draft of the R-PP, which Thailand submitted to the FCPF on February 25, 2013, includes a section on civil society organizations. It highlights the Inpang Community Carbon Offset Project, through which smallholders who enrolled in the project sold two years of carbon offsets sequestered in their teak plantations. The subsequent section in the R-PP is "Forest Governance in REDD+," which focuses on the importance of customary rights, user access rights and land tenure. It is followed directly by the statement, "Thailand has been productive in terms of producing legal instruments within the forestry and other Sectors that are both socially progressive and environmentally sound. However, the government has been facing enormous challenges to fully implement these policies and legislation" (GoT 2013). These two short back-to-back sections demonstrate the focus of the Thai government on developing REDD+ capacity, which exemplifies the linkage between FLEGT and REDD+ and the important central role that smallholders and communities can play in both these initiatives.

Endnotes

1. The Inpang Network smallholder trees on farm research was funded by the Asia-Pacific Network for Global Change Science (ARCP2009-09NSY) and the Carbon2Markets program at the Global Observatory for Ecosystem Services, Department of Forestry, Michigan State University. The Mahasarakham Community Forest research was funded by Sustainable Mekong Research Network - Stockholm Environment Institute (Sumernet-SEI). The rubber plantation analysis in Nakhon Phanom Province was supported by the United States NASA Land Cover Land Use Change (LCLUC) Program.
2. This is as of May 2013, according to the EU FAO FLEGT Program web site: www.fao.org/forestry/eu-flegt/78034/en. Retrieved 15 August 2013.
3. This is listed on the World Bank FCPF web site: www.forestcarbonpartnership.org/redd-country-participants. Retrieved 15 August 2013.
4. Sometimes spelled "Inpaeng", the Inpang Network embraces the tenets of the "sufficiency economy" model promoted by Thailand's King Bhumibol Adulyadej. For a good review of sufficiency economy and the Inpang Network, see UNDP 2007.
5. The data are part of a project for Carbon2Markets a program at the Global Observatory for Ecosystem Services, Department of Forest, Michigan State University. Approximately 300 ha of smallholder teak plantation (n = 114) in four different areas in Thailand, including the Inpang member areas, were registered in a carbon accounting system. Two years of

sequestered carbon were purchased by Michigan State University in 2011 as part of its commitment to the Chicago Climate Exchange.

6. Using fixed area field plot inventories, the age of the plantations, and an allometric equation for teak in Thailand developed by Petmark and Sahunalu (1980) the authors estimated the rate of carbon sequestration for the teak plantations to be 10.65 tonnes of CO_2 per ha per year.
7. The carbon in the forest areas was estimated using fixed area field plot inventories and an allometric equation developed for dry dipterocarp forests in Thailand by Ogawa, Yoda and Kira (1961).
8. The United Nations Framework Convention on Climate Change Clean Development Mechanism (UNFCCC CDM) and the Verified Carbon Standard (VCS) publish protocols and methods for forest carbon measurement and monitoring.
9. Examples of such tools can be viewed at www.carbon2market.org and www.goes.msu.edu. MRV systems have been developed for the GEF Carbon Benefits Project and the USAID Forest-PLUS (India) project.

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Section 5

FLEGT and REDD+ supporting each other

Photo credits
p.145 Forest in Bach Ma National Park, Vietnam. TBI Vietnam
p.147 Community of Biakato, Oriental Province, DRC. Patrick Matata
p.151 Market in Kisangani, DRC. TBI DRC
p.155 A researcher in Vietnam. TBI Vietnam
p.164 Artisanal milling in Ghana. TBI Ghana
p.166 River and forest in the mist, Santa Cruz, Bolivia. René Boot
p.173 Road in the forest near Kisangani, DRC. Charlotte Benneker

5.1 TLAS and REDD+ measurement, reporting and verification in DRC

VALÉRIE MERCKX, SEBASTIAN SCHRADER, MICHAEL OBERSTEINER, LEO BOTTRILL and CARLOS RIANO PARAMO

The successful implementation of a results-based payment scheme such as REDD+ depends on the credible measurement and reporting of performance. Likewise, successful implementation of FLEGT Voluntary Partnership Agreements (VPAs) relies on transparent, credible and robust means to ensure that timber products are produced and traded legally.

In the case of REDD+, countries need to develop a National Forest Monitoring System (NFMS) to monitor and report the outcomes of their efforts to reduce forest-related greenhouse gas (GHG) emissions.[1] Emissions are measured according to how much they deviate from a reference level; a reference level provides a business-as-usual scenario against which actual emissions can be compared.

Opportunities for synergies between the TLAS and MRV systems will become apparent as their design and implementation progress.

Under the UN-REDD approach,[2] an NFMS provides a monitoring function and a Measurement, Reporting and Verification (MRV) function. The monitoring function of the NFMS is primarily a domestic tool; it allows a country to assess a broad range of forest information, including in the context of REDD+. The MRV function for REDD+, on the other hand, refers to the estimation and international reporting of national-scale forest emissions and removals. Developing a Monitoring and Measurement, Reporting and Verification (M&MRV) system and ensuring its sustainability over time is one of the components of the REDD+ readiness process.

Two sets of information are required to estimate forest-related GHG emissions:[3]

- activity data: areas under various categories of land use[4] and their evolution over time (for example, forest land being converted to cropland, grassland converted to forest); and
- emission factors: information on carbon stocks per unit of area for relevant categories of land use and on carbon stock changes over time.

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Monitoring activity data requires observations of historical trends and current changes in forest cover through satellite images, validated by "ground truthing" (field data) of the satellite data. Since satellite imagery from optical sensors cannot measure forest carbon directly, measuring emissions requires field-based carbon stock estimates or remote sensing approaches such as radar or optical instruments (e.g., Laser Imaging Detection and Ranging, or LIDAR) to map carbon stocks in the vegetation and their changes.

According to the UNFCCC,[5] countries are required to develop national monitoring systems that use a combination of remote sensing and ground-based forest carbon inventory approaches. They also need to provide estimates that are transparent, consistent and as accurate as possible, taking into account national capabilities and capacities.

In the case of FLEGT, countries develop a Timber Legality Assurance System (TLAS) to provide a credible and robust means to ensure that timber products were produced legally. FLEGT licences are issued for legally produced forest products by the Partner Country. This requires a system that includes checks of forest operations and control of the supply chain, from harvesting to the point of export or domestic use. A TLAS consists of five strongly interconnected components.

First, a national timber legality definition (LD) sets out clearly which laws of the Partner Country must be met and provides criteria and indicators with which to test compliance with these laws. The LD focuses on specific laws that address key issues of illegal logging and the three pillars of sustainability: economic, environmental and social objectives. Selecting these laws is the result of in-country dialogue and interests among various national stakeholders.

Second, a Supply Chain Control system ensures that the origin of wood products covered by the TLAS can be established throughout the production chain, from harvesting to the point of export or domestic use. A supply chain control system at the national level will make available comprehensive, systematically collected and regularly updated data such as this:

- extent of clearly delineated areas with allocated forest resource rights;
- volume of standing timber, and felled and extracted timber; and
- volume of temporarily stored, processed, exported or locally consumed timber.

Third, a Verification System sets out mechanisms to verify compliance with both the legality definition and control of the supply chain. The verification methodology is documented and ensures that the process is systematic, transparent and evidence-based, and is carried out at regular intervals. It also provides for addressing non-compliance.

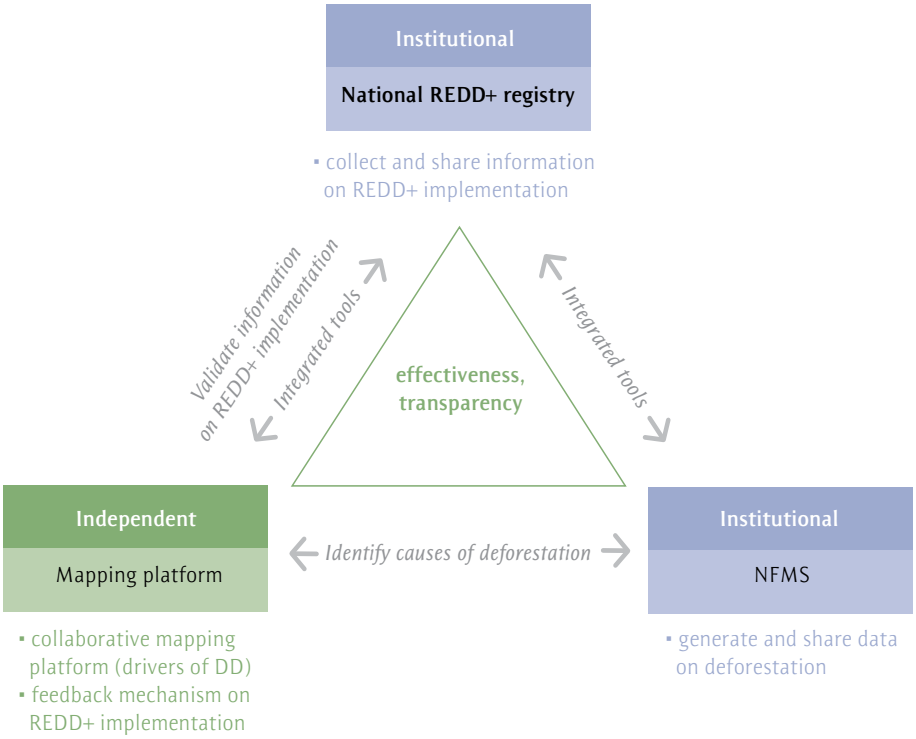
Fourth, a Licensing System describes how the data generated through the Verification System informs the licensing authority as to whether to issue a licence, and how this will be done.

Fifth, an Independent Audit of the system by a third party provides credibility by ensuring that all requirements of the TLAS are being implemented as prescribed.

Developing the REDD+ monitoring system and TLAS in DRC

The REDD+ monitoring system being developed in the Democratic Republic of Congo (DRC) has three components: the National Forest Monitoring System *(Le Système National de Surveillance des Forêts)*; the National REDD+ registry *(Le Registre National REDD+)*; and the independent Moabi monitoring system (Figure 1). Each of these three components will be accessible through the internet, providing access to the information contained in the system to as many people as possible. The use of cell phone technology is foreseen to facilitate the exchange of information among local, national and international levels.

Figure 1. Web-based platforms for effectiveness and transparency of REDD+ in DRC



The National Forest Monitoring System

The National Forest Monitoring System (NFMS)[6] is designed to observe actions and measures put in place to implement DRC's national REDD+ policy. It includes a satellite land monitoring system named TerraCongo, which is implemented by a team of experts from FAO and Brazil's *Instituto Nacional de Pesquisas Espaciais* (INPE). It includes GIS and image analysis capacities, database management functions and data access. This allows users to link biometric and tree-related parameters with indicators such as forest area, type of ecosystem, protected forest area, participation of indigenous peoples and stakeholders. It will allow every DRC citizen (or every final user) to check on deforestation online and to report online whether the data and its interpretation are correct, thereby increasing the transparency and ownership of REDD+ policies at the field level.

The system is designed to incorporate existing monitoring systems or elements of them, and can be combined with newly developed systems such as TLAS. The NFMS will be used by DRC to monitor and report on results obtained by REDD+ demonstration activities, the implementation of REDD+ policies and measures, and result-based activities. Data compilation and training are ongoing, as is system improvement. The transfer of the system to technical divisions of the Ministry of Environment, Nature Conservation and Tourism (*Ministère de l'Environnement, de la Conservation de la Nature et du Tourisme*/MECNT) is planned for late 2013.

The national REDD+ registry

The national REDD+ registry, established through Ministerial Decree,[7] makes official the procedure for the registration and authorization of REDD+ projects. Currently under development by the *Observatoire des Forêts d'Afrique Centrale* (OFAC), the registry will centralize information related to the implementation of REDD+ in the country. Managed by the MECNT and accessible on line, the registry will make it possible to follow public and private funding for REDD+ and the results of such funding. In particular, it will allow users to follow impacts on local communities and estimate REDD+ contributions to economic growth.

The National REDD+ registry will be coupled with the NFMS, making it possible for all stakeholders to see REDD+ intervention areas and have access to deforestation statistics within project boundaries. The registry is also the main tool for the approval process of REDD+ projects, notifying REDD+ project developers of the information required at various phases of the agreement procedure (and the renewal of it).

Moabi RDC

Moabi RDC is an independent collaborative mapping platform to share, improve and discuss spatial information related to REDD+ in DRC. It provides an independent forum for observing the impacts of REDD+ at both the local and national level. It has two main objectives:

- independent monitoring of REDD+ environmental and social safeguard implementation on the ground; and
- collection and consolidation of information on drivers of deforestation and forest degradation.

Moabi was initiated by WWF and is currently implemented by the International Institute for Applied Systems and Analysis (IIASA) through a consortium of DRC-based organizations, led by *Observatoire Satellital des Forêts* (OSFAC) and *Observatoire de la Gouvernance Forestière* (OGF). OGF is a local independent forest-monitoring NGO whose primary aim is to develop and conduct monitoring activities on forest management and exploitation. Moabi integrates an online map with a network that allows users to create profiles, add their own spatial data, edit information, post on discussion forums and contact other users. It provides access to a wide variety of national data on subjects such as mining and logging permits and road projects. This data is provided through various organizations,

including government ministries, national and international civil society groups, and research institutions. These users contribute geographic and other complementary information. It is the largest publicly accessible spatial database on drivers of deforestation in DRC. The data has identified more than 300 competing land uses such as forest concessions, mining or oil exploration areas, and protected areas that partly or fully overlap REDD+ pilot project areas.

In Moabi's second phase, it will further support monitoring REDD+ implementation at the local, national and international level. It has been proposed as one of the possible channels for the REDD+ grievance mechanism. On the ground, a planned cell phone and smart phone application will facilitate the collection of monitoring data directly from REDD+ project locations.

Data will include local community comments and grievances, socio-environmental safeguard implementation, and local information on subjects such as illegal logging. These tools will aid in the independent verification and documentation of information provided by project developers to the national REDD+ registry. They will also support the formation of a national information network of civil society groups in all regions of the country, including all REDD+ project intervention areas. This will expand the existing consortium of data providers, so that Moabi can build information on deforestation dynamics at various scales.

With the exception of the supply chain control system (see next paragraph), the TLAS in DRC is still in the development stage. Draft Legality Definitions (LDs) have been completed for industrial concessions and artisanal permits. These are being translated into a practical and efficient Verification System by the VPA Technical Committee under the MECNT. The committee includes representatives of government agencies, civil society and the private sector.

Development of a national supply chain control system has been concluded by *Société Générale de Surveillance SA* (SGS) and MECNT in 2012 under the Programme for Control of Wood Production and Commercialisation (PCPCB). It is based on the online database application SIGEF (Forest Information and Management System), which features specific user interfaces for the various involved parties. Since early 2013, forest operators have had to make mandatory declarations of their current stocks. These are complemented by inspections and reconciliations by SGS and the Department for Internal Supervision and Verification (DCVI) at selected control points in the Kinshasa area. Mandatory quarterly declarations of inventory and production data, as well as decentralized inspections, will gradually be phased in. The supply chain control system is gradually becoming operational, despite remaining issues with system design and enforcement. The availability and reliability of forest industry data is expected to improve significantly over time.

Harnessing the LDs, supply chain control system and Verification System in a coordinated national TLAS system that is capable of issuing credible FLEGT licences, managing non-compliance and improving overall transparency are the major remaining tasks of the VPA negotiation and implementation process.

How can MRV and TLAS benefit from each other?

The MRV and TLAS being developed for the DRC will both collect, organize and generate geo-referenced information related to forest-cover, forest areas, trees and species and forest management.

The two systems can be synergistic in several ways:

- Collection of information and quality control through, for example, remote sensing, can help detect, localize, describe and monitor large-scale forest exploitation, whether legal or illegal, across the entire country. Geo-referenced management data collected through the TLAS system, such as estimation of the standing and harvested volume of wood originated from a particular area, as well as species information, can be used to support cross-check estimates of area-specific emission factors, eventually allowing for the development of Tier 2 and 3 emission estimates[8] of both deforestation and degradation processes.
- Coordinated IT infrastructure and data management systems will likely benefit from the progress achieved in building the MRV and TLAS, which will lead to economy of scale and scope.
- MRV and TLAS can coordinate the identification of illegal logging hot spots, and the design and implementation of intervention strategies to control forest exploitation and reduce illegal activities.
- Improved data for forest management and policy planning, including improved spatial planning, will help target policies more precisely and increase their effectiveness.

The development of DRC's MRV system has already started. The development of the country's TLAS is still at an early stage, and will benefit from the experience acquired through the PCPCB project run by SGS and DCVI since 2009. It is expected that more opportunities for synergies between the two monitoring systems will become apparent as their design and implementation progress.

At this stage, two areas appear promising in terms of economies of scale and scope:

- the possibilities offered by the MRV system to refine the analysis and description of logging processes in the field; and
- a new phase of the development of the Moabi platform.

The MRV system makes it possible to better understand the issues at stake and inform the design of control strategies that will be put in place in the context of the TLAS. DRC's Ministry of Environment has expressed the need for the EU REDD Facility to engage in this issue, together with its directorate in charge of forest inventory and forest manage-

ment plans (*Direction de l'Inventaire et de l'Aménagement Forestier*, or DIAF) and with the TerraCongo team within the DIAF.

The new phase of the development of the Moabi platform started in 2013 with three aims:

- Strengthening civil society participation in REDD+ monitoring, land-use planning and mapping of informal and illegal land clearance. Moabi will work with field teams who are mapping community land tenure, such as Rainforest Alliance, WWF-DRC and the Woods Hole Research Center, to agree on data-sharing standards and to share mobile mapping technology. A registry of civil society organizations working on REDD+ in DRC will be developed and efforts to map informal and illegal clearance across multiple sectors (e.g., artisanal mining and logging) will be coordinated.
- Implementing continuous and regular REDD+ field monitoring through a collaborative mapping platform that is simple to use by those with little or no GIS experience, yet capable of responding to the needs of specialist users. Field monitors will also be able to validate land use and communicate potential violations using mobile tools.
- Improving deforestation baselines and REDD+ reference levels by providing additional social and economic data related to deforestation hot spots and sharing widely analytical products — including dynamic land-cover maps, agricultural suitability products and spatial predictions of REDD+ policy impacts — with REDD+ implementing authorities in DRC and internationally.

OGF involvement in the development of the Moabi platform supports the incorporation of knowledge and experience accumulated through the OI-FLEG project carried out by Resource Extraction Monitoring (REM) over the past two years, which focused on independent observation of logging operations. Collaborations between IIASA, OGF and EFI are foreseen to build on-the-ground capacity for independent observation and test the potential of Moabi to become the independent observation platform for the implementation of both REDD+ and FLEGT processes in DRC.

A series of Moabi initiatives were launched at a consortium meeting in July 2013. The first aims to build maps of land uses such as mining permits, logging, and agricultural expansion that compete with REDD+ projects. The maps are being developed by OSFAC and will be published in both hard-copy format and on the Moabi RDC platform.

The second initiative is an independent monitoring program for the Mai Ndombe REDD+ project. This includes establishing a network of local partners to support the mapping of community livelihoods and customary rights, and to collect information on safeguard implementation and community grievances. OGF conducted a scoping mission in Mai Ndombe in September and will conduct the first independent monitoring mission in November; it will include the pilot use of smart phone monitoring tools.

The third initiative is to test the mapping of indigenous territories and customary rights using mobile mapping tools. In partnership with the Extreme Citizen Science (ExCiteS)

research lab at University College London, the project will run a training course in mobile data collection for civil society monitors. Participants will learn how to use the ExCiteS toolkit and will test the tools in field training to collect data in partnership with a Baka pygmy NGO. The training is scheduled for January 2014. Data collected in these three initiatives will be shared through new Moabi platform being developed. The first iteration will be launched at the end November 2013, with a fully revised platform scheduled for launch in June 2014.

Endnotes

1. "Emissions" in the context of this article stands for net emissions, i.e., the sum of emissions resulting from activities leading to deforestation, forest degradation, depletion of carbon stocks in forest soils and removals resulting from afforestation, reforestation activities or activities aiming at restoring forest carbon stocks.
2. In the context of REDD+ activities in the UN-REDD programme, National Forest Monitoring Systems (NFMSs) include Monitoring and Measurement, Reporting and Verification (M&MRV).
3. See the 2006 IPCC Guidelines for National Greenhouse Gas Inventories for Agriculture, Forestry and Other Land Use (2006 IPCC Guidelines for AFOLU).
4. The 2006 IPCC Guidelines for AFOLU identify six broad land-use categories for estimating and reporting greenhouse gas emissions and removals from land use and land-use conversions: Forest Land, Cropland, Grassland, Wetlands, Settlements and Other Land.
5. See UNFCCC Decision 4/CP.15: Methodological guidance for activities relating to reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.
6. See www.rdc-snsf.org.
7. See *Arrêté nº 004 du 15 février 2012*.
8. IPCC Guidelines provide three methodological tiers, varying in complexity, to be chosen on the basis of national circumstances. Tier 1 is a simple first-order approach; Tier 2 has a more accurate approach; and Tier 3 has higher-order methods.
9. The Mai Ndombe REDD+ project was submitted as an Emission Reduction Project Idea Note (ER-PIN) by the Government of DRC to the Carbon Fund of the Forest Carbon Partnership Facility in June 2013.

5.2 Synergies between the TLAS and the National Forest Monitoring System

ANTOINE DE LA ROCHEFORDIERE
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FLEGT and REDD+ information systems

FLEGT recognizes the responsibility of timber consumers in global illegal logging and the related trade, and aims to ensure that only legally harvested timber is exported to the EU from VPA partner countries. A Voluntary Partnership Agreement (VPA) is a key element of FLEGT and ensures that only legally verified timber is exported to the EU. A Timber Legality Assurance System (TLAS) is a key component of a VPA.

At the core of any robust TLAS are mechanisms to control timber supply chains. Other key elements include a Legality Definition (to determine the scope of what will be verified), verification of legal compliance (along controlled supply chains), licensing of legally produced timber products (for exports), and periodic independent audits (to ensure that the system is fully implemented).

Potential synergies exist between a TLAS for FLEGT and the National Forest Monitoring System for REDD+.

In most VPA countries, timber supply chain control mechanisms take the form of an electronic information system (herein referred to as Forest Sector Information System, or FSIS)[1] that is implemented at the central government level.[2] The FSIS provides or supports nationwide monitoring, traceability and legality verification for timber production and commercialization throughout the supply chain, from the forest to the point of export or local sale.

The FLEGT Action Plan addresses illegal logging, which it regards — among a number of other negative impacts — as contributing to the process of deforestation, which in turn can increase the vulnerability of forests to fires. Both problems have climate change implications.

In a different context, REDD+ recognizes the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in reducing the net

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global emissions of carbon dioxide (CO_2) and other carbon-based greenhouse gases (GHGs) such as methane (CH4), from tropical forests.Emissions from land-use change, which includes deforestation and forest degradation, are estimated to be responsible for up to 29 percent of the world's net carbon emissions.[3]

Under REDD+, developing countries that reduce emissions or enhance removals of emissions from forests (for example, by increasing carbon stocks through sustainable management) will be financially compensated. REDD+ requires these countries to conduct a periodic inventory of national forest carbon stocks and net emissions or removals.

Net GHG emissions are generated in three ways:

- the release of carbon in the atmosphere in gaseous form, such as CH4 from rotting biomass or $C0_2$ from combustion;
- reduction in biomass (removal of carbon stocks) through harvesting or other off-take processes, which are then considered to have been released as GHGs into the atmosphere;[4] and/or
- the removal of a carbon sink (vegetation that previously sequestered carbon through photosynthesis).

REDD+ defines five activities that are eligible as emission reductions and enhanced removals: reducing emissions from deforestation; reducing emissions from forest degradation; conservation of forest carbon stocks; sustainable management of forests; and enhancement of forest carbon stocks.[5]

In Decision 4/CP.15 of the COP to the UNFCCC, countries that implement REDD+ are requested to establish National Forest Monitoring Systems (NFMSs) that have the following features:

- Use a combination of remote sensing and ground-based forest carbon inventory approaches for estimating, as appropriate, anthropogenic forest-related greenhouse gas emissions by sources and removals by sinks, forest carbon stocks and forest area changes;
- Provide estimates [of green house gas reductions and emissions] that are transparent, consistent, as far as possible accurate, and that reduce uncertainties, taking into account national capabilities and capacities;
- Are transparent and their results are available and suitable for review as agreed by the Conference of the Parties[6] (UNFCCC Decision 4/CP.15).

The NFMS integrates the three MRV functions: measurement, reporting and verification. The reporting function provides the periodic inventory; every four years, developing countries must produce a new National Communication that includes reports on forest land and REDD+ activities, with a biennial update report on major developments.[7]

Although the UNFCCC is still developing guidelines for the NFMS, many developing countries are in the process of REDD+ readiness: preparing for the implementation of REDD+ at the national level with financial support from industrialized countries and

multilateral institutions. These activities invariably include preparations for the NFMS and MRV, such as capacity building in basic skills such as remote sensing, spatial analysis and forest inventory. No country has a functioning NFMS at this time.

All of the 15 countries with a VPA or negotiating with the EU also have some major REDD+ funding; see Table 1.

Table 1. VPA countries and major REDD+ activities

Country	VPA	UN-REDD[i]	FCPF[ii]	FIP[iii]	Other major REDD+ support
Cameroon	I	p	▪		GEF funding to COMIFAC[iv] countries
Central African Republic	I	p	▪		GEF funding to COMIFAC countries
Côte d'Ivoire	N	p	C		
DRC	N	I	▪	√	GEF funding to COMIFAC countries
Gabon	N	p	▪		GEF funding to COMIFAC countries
Ghana	I	p	▪	√	
Guyana	N	p	▪		Bilateral agreement with Norway
Honduras	N	p	▪		
Indonesia	I	I	▪	√	Australia support for MRV
Lao PDR	P	p	▪	√	Finland supporting REDD+ development, aligned with FIP
Liberia	I		▪		EuropAid support
Malaysia	N	p			Australia support for MRV; EuropAid support to State of Sabah
Republic of the Congo	I	I	▪		GEF funding to COMIFAC countries
Thailand	P		▪		
Vietnam	N	I	▪		FAO Finland Forestry Program; JICA support for remote sensing assessment

VPA: I — Implementing; N — Negotiating; P — Preparing to negotiate
UN-REDD: I — Implementing (fully budgeted); p — Partner country (limited budget)
FCPF: ▪ — Partnership agreement signed and activities funded; C — Candidate.
FIP: √ — FIP country
Other: This column lists only those activities with major NFMS/MRV support.
i: UN-REDD = United Nations Collaborative Programme on REDD; ii: FCPF (Forest Carbon Partnership Facility); iii: FIP (Forest Investment Program); iv: COMIFAC = Central African Forest Commission *(Commission des Forêts d'Afrique Centrale)*

TLAS and NFMS linkages

Potential synergies exist between a TLAS for FLEGT and the NFMS for REDD+, especially in reducing emissions (from deforestation or forest degradation) and sustainable management of forests under REDD+ and through avoiding illegal logging under FLEGT. In order to minimize transaction costs these synergies could be harnessed in developing countries that enter into a VPA and establish a national REDD+ programme.

Linkages between the TLAS and NFMS are possible in many areas, such as institutions, policy development, legislative and regulatory frameworks, and operational implementation for reporting and control (i.e., methodology, data gathering and processing). This article focuses on forest resources, timber for FLEGT and carbon stocks for REDD+ and their associated information systems; and some governance aspects.

An FSIS implemented to monitor timber production and timber product movements creates potential synergies with REDD+/NFMS, not only in VPA countries but in other nations where similar systems are being implemented to control logging and trade.

An FSIS operates at the level of individual forest management units, and then aggregates and consolidates the data at the national level. It therefore has the potential to provide the various levels of the national inventory in the NFMS with useful information and help meet some of the MRV requirements of REDD+.

Neither an FSIS nor the corresponding information system in an NFMS, however, are forest management tools as such. Timber companies will have their own information systems that suit their business and operations. In order to comply with FLEGT and/or REDD+ these companies will need to meet the corresponding information requirements. One question is how to minimize efforts and costs related to data management for these companies. This suggests links and shared routines between the information systems of FLEGT and REDD+.

As a rule, businesses must provide the obligatory data in a format appropriate for transfer to the relevant system. This can be achieved by gradually introducing increasingly sophisticated data transmission techniques: conventional, paper-based transmission of legal declarations that are manually retyped into the central system; the use of data cards or e-mail or mobile phone to send formatted files for automatic data upload; and eventually, fully integrated electronic processes with automatic interfaces between company and government systems.

Forming a national electronic data network implies that every operator at some point becomes a participant in the system as information technology is introduced and evolves. Appropriate incentives and individualized support to these operators must be carefully planned.

FSIS and NFMS functionality as information systems

FSIS

A typical FSIS reflects the usual sequence of forestry activities and covers the corresponding information needs, from trees to logs to processed wood products throughout the processing and trading chains:

- It will include or link to a Geographical Information System (GIS) component for mapping the nation's conservation and production forests, thereby contributing to detailed baseline information that can be verified on the ground. This includes cadastral and forestry data on boundaries, ownership, areas, occupation, forest

types, stratification, forest management regimes, and management and harvesting plans as well as any land-use change.
- It will require forestry operators to generate GIS-related forest inventories, including detailed pre-felling inventories of all harvestable and other trees above a certain diameter. These inventories can be used to compute the amounts of biomass as Harvested Wood Products, secondary REDD+ benefits, and transfers of roots, canopies and branches to other carbon pools after harvesting.
- It will also include the data that forestry and timber operators normally provide as part of their regulatory declarations of felling (i.e., converting trees into logs), transport to processing mills (i.e., changing location and possibly ownership), primary processing (i.e., converting logs into bundles of sawn timber or veneer), further transport, and further processing or manufacturing into different products.

The data sets contained in those declarations provide information related to 1) origin (forest, geographical coordinates); 2) identity (tree species, unique ID number); 3) quantity (measurement, calculated volumes) of the products; and 4) location and ownership. All this information is also potentially useful for planning, analysis and benefit distribution under REDD+.

Information will be verified for authentication and accuracy, and for traceability and legal compliance. The verification process includes a range of methods, including data checks through the system (for formatting, completeness, accuracy and validity, plus cross-checks for consistency of information) and sample field inspections to confirm that the declarations reflect reality. After any correction (following procedures for adjustment and dispute resolution), the information is validated. The result is the final set of data used for enforcement, taxation, statistics and other purposes.

NFMS

In comparison, the NFMS implements the three MRV functions, with an emphasis on measurement and reporting.[8] Reporting has to follow the IPCC Guidelines on National Greenhouse Gas Inventories, as mandated by the UNFCCC. The measurement protocols are determined more by the country, but the UNFCCC decisions and IPCC Guidelines shape the general design:
- the entire forest estate of developing countries is covered by the NFMS (countries report on all forest land in their National Communications to the UNFCCC);
- forest land is stratified into homogeneous units (considered good practice in the IPCC Guidelines);
- a detailed account of forest land areas — and changes over time — is provided (called Activity Data in the IPCC Guidelines, it is part of calculating emissions and removals); and
- a detailed account of carbon pools in all strata of forest land — and changes in them over time — is also provided (called Emission Factors in the IPCC Guidelines, it assists in calculating emissions and removals).

Collection of the Activity Data and Emission Factors, using a combination of remote sensing and ground-based forest carbon inventory approaches, constitutes the measurement part of MRV. Considering this and the national scope of REDD+, the use of stratified forest land, and other REDD+ requirements (such as the development of and comparison to Reference Levels), the NFMS will in practice be GIS-based and applied uniformly over the national forest estate. This implies that the NFMS will be centrally managed, even though operations may be decentralized, as is indeed the prevailing design of current REDD+ readiness activities throughout the developing world.

A typical NFMS involves multiple systems performing individual functions. These include remote sensing assessment of forest cover and forest inventory or registration of forest land and management activities. This results in a system that brings together all inputs, merges and analyzes them and produces reports. Given the requirements of the UNFCCC and IPCC with regard to verification and possible reassessment of previously reported emissions, the system has to maintain all relevant information for as long as the REDD+ mechanism exists.

FSIS and NFMS synergies

Both national TLAS and NFMS set out certain tasks:

- encourage, verify and monitor compliance with relevant regulations and approved (management, operating) plans;
- generate accurate reporting of forestry and policing activities by private- and public-sector entities;
- foster good governance and support law enforcement based on capacity building and on increased transparency and accountability;
- stimulate communication with communities, civil society and the general public through the publication of forestry data on relevant web sites; and
- open up forest management and control to public scrutiny.

The two systems also share many features. They are both based on centralized information systems, with access to relevant stakeholders. They both require information on forest land, boundaries, ownership and licensing, ecological and other natural properties, and volumes of timber and carbon. They both support the implementation of forest policies and the identification of infractions.

Integrating FSIS and NFMS

Integrating the two systems would therefore likely be beneficial in most cases. There are several benefits of such integration:

- A forest concession holder would need to submit concession details only once, including spatial information of forest blocks and forest ecological properties, for registration under both systems.
- Logging operations already registered in an FSIS would be submitted once, to the TLAS/NFMS system, to track the timber under FLEGT and to calculate the exact removals of carbon that result from logging and associated operations (i.e., clearing, tracks, roads and collateral damage).

- Reduced emissions — either from a reduction in deforestation or enhanced removals from sustainable forest management — could be traced back to their source, just as timber is traced to its place of harvest for FLEGT. This would help validate these emission reductions and qualify them as tradeable carbon credits, where relevant.
- Effective implementation of controls in FLEGT makes it possible to identify illegally harvested timber and report it to the relevant law enforcement authorities. Controlling illegal logging under FLEGT will also facilitate conservation (in protected areas) and management (in production areas) for REDD+ purposes.

Carbon benefits of TLAS

In terms of carbon, TLAS will also promote sound forest management and emission reductions, if for example, over-mature trees are removed as a result of forest management plans and not left to rot and release carbon, and if the corresponding carbon is further stored in building materials or burned to produce carbon-neutral energy.[9]

TLAS will also help control fires in forests and peatland, an important source of emissions, through more effective monitoring and control, including surveillance and on-site ground inspections useful to both FLEGT and REDD+.

Other benefits of combined systems

With appropriate analysis oriented to REDD+ and collaboration with other sectors, FSIS data also has the potential to accomplish several other things, possibly feeding combined FSIS/NRMS data systems:

- help establish the current state of forests (the baseline);
- help establish a "without REDD+" scenario and develop relevant models on the basis of much-improved knowledge of past and current trends in terms of legal and illegal logging and forest protection, conversion and growth rates;
- help establish a "with REDD+" scenario and models based on much better monitoring of land-use planning and changes, and of the extent of all types of production, conservation and conversion forests and of conversion areas (to land use other than forest), and of authorized logging under tightly controlled forest management; and
- in particular, it will allow users to calculate the exact amount of "conversion timber" (timber produced on land that was converted from natural forest into plantation and timber produced when land was cleared for other uses) and include this information when calculating net emission reductions.

In other words, it will help quantify two factors:

- "pluses" such as the enhancement of carbon stocks and sinks through the growth of natural and plantation forests and through afforestation and reforestation activities; and
- "minuses" such as the removal of carbon stocks and carbon sinks through deforestation activities for purposes other than logging (mainly conversion).

Governance and organizational structures

In VPA countries the operational responsibility for implementing and managing the national FSIS — and the related tasks — has so far either been taken on by government or contracted out to a private-sector operator in an initial phase for reasons of cost efficiency and capacity-building (e.g., the Republic of the Congo, Ghana and Liberia).

The potential synergies of the FLEGT and REDD+ systems could be captured and maximized if the national REDD+ agency is implemented in the same way and works hand in hand with the VPA agency in charge of the FSIS system. Both agencies would be provided with operational capacity, including offices, trained managers and operational staff, equipment, etc.

Similarly to FSIS, the development, implementation and operational management responsibilities of the REDD+ agency could be carried out by government or contracted to the private sector. It could be funded initially by donors and then become financially self-sustainable through the sale of carbon credits and the collection of fees or fines paid by forest operators for carbon-based services or sanctions. (An example is the recent establishment of a national, ministerial-level REDD+ agency in Indonesia.)[10] It remains to be seen whether the two agencies would be able to share common components of their systems or, more realistically, create interfaces between their systems.

To verify carbon reductions, REDD+ projects could use voluntary carbon certification schemes if they are credible and meet certain requirements, similarly to practices under FLEGT where producers use third-party verification of legal production. Some of these requirements can be met through forest or timber legality certification schemes, which would provide further linkages between the two systems.

Because of similarities in concepts, a REDD+ agency would also be well positioned to monitor and verify the broad range of ecosystem services and revenues, not just monitoring the co-benefits from REDD+.

Conclusion

An FSIS implemented as part of a national TLAS to address illegal logging and deliver verified, traceable and legal timber, in combination with an NFMS implemented by a REDD+ agency, has the capacity to more effectively support the generation of verified, legal and traceable carbon credits under REDD+ and to offer synergies between the two initiatives.

Endnotes

1. To date, this system has been known in Cameroon as the National Timber Traceability System (*Système de Traçabilité des Bois et Produits Dérivés du Cameroun*, or lately, *Système Informatisé de Gestion des Informations Forestières*/SIGIF); and in the Republic of the Congo as the *Système national de traçabilité des bois et produits forestiers en République du Congo*. In Ghana it is called the Wood Tracking System (WTS); in Liberia is it called the Chain of Custody System (COCS). Names tend to evolve to reflect the increasing incorporation of the legality verification function of the TLAS within the information system.
2. The exceptions are Indonesia and Malaysia, where the TLAS relies on individual company-based audits and does not as yet include a centralized information system.
3. See Philip Fearnside, 2000, "Global warming and tropical land-use change: Greenhouse gas emissions from biomass burning, decomposition and soils in forest conversion, shifting cultivation and secondary vegetation." *Climatic Change* 46: 115–158.
4. The use of wood in construction timber, furniture or even paper may be accounted as Harvested Wood Products according to the latest IPCC Guidelines, which effectively delays their emission as a GHG by a period ranging from 2 to 50 years, depending on the use.
5. See UNFCCC Decision 1/CP.16, paragraph 70.
6. See UNFCCC Decision 4/CP.15, paragraph 1(d).
7. See UNFCCC Decision 1/CP.16, paragraph 60(b)-(c).
8. Verification is carried out by the UNFCCC, not the country implementing REDD+. Obviously, though, information contained in the NFMS will provide one of the important sources for verification of the country reports.
9. Carbon neutrality is obtained from burning renewable wood. Unlike the combustion of fossil fuels, the regrowth of wood will sequester as much carbon as was released through its combustion.
10. The new agency, established September 2, 2013, will focus on monitoring, reporting and verifying emission reductions related to forestry and managing incentive disbursements from developed countries. It will also coordinate the nationwide REDD+ strategy alongside ministries and institutions (www.thejakartapost.com/news/2013/09/07/govt-forms-redd-agency.html).

5.3 Addressing risks in REDD+ through carbon payments and buffering rates

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Introduction

The latest reports from the Intergovernmental Panel on Climate Change confirm that since 1750, CO_2 emissions from deforestation and other land-use changes are estimated to be roughly one-third of total anthropogenic emissions. Climate models remain inconclusive on whether carbon will continue to accumulate in natural terrestrial ecosystems, or whether ecosystems will become a net source, due to the combined effects of climate and land-use change over the course of this century.

FLEGT is emerging as an effective way to reduce risk and provide non-carbon benefits

In order to fight land degradation, biodiversity decline and climate change, millions of hectares of forest landscapes would need to be restored.[1] The largest and most ambitious international catalyst of such efforts is REDD+, whereby developing countries receive results-based payments (RBPs) for verified emission reductions[2] from forests under the guidance of the UNFCCC.

This article aims to demonstrate that RBPs with comprehensive risk reduction strategies can help incentivize both sustainable mitigation and non-carbon benefits (NCBs).

Trees planted to reduce emissions will reach maturity in a different world (World Bank 2012). By 2050, mean temperatures and precipitation will have changed substantially, and forests and agriculture will need to produce more than 60% more calories for human consumption globally (Wheeler and von Braun 2013), more than 200% more in Africa, with less fossil fuels, fewer energy-intensive chemicals and more frequent climate extremes, especially in the tropics (Coumou and Robinson 2013). The IPCC lists forests and agriculture among the sectors that would feel the greatest impact from climate extremes (IPCC 2012).

In November 2013, Parties to the UNFCCC therefore recognized the importance of incentivizing NCBs such as poverty alleviation and biodiversity benefits, ecosystem resilience and the linkages between adaptation and mitigation for the long-term sustainability of REDD+, beyond RBPs.

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The Carbon Fund of the Forest Carbon Partnership Facility (FCPF)[3] is the lead multilateral initiative for piloting large-scale demonstration activities and RBPs for REDD+. Between 2015 and 2020 its Methodological Framework and Pricing Approach (MFPA) will form the conceptual basis for five emission-reduction programmes (ERPs) and a blueprint for national implementation of REDD+. The draft MFPA acknowledges the need to minimize and prevent risks, and to address the long-term sustainability of ERPs.

- At the international level, RBPs have to rely on simple and comparable performance indicators so that scarce climate financing can be allotted to the best performing REDD+ programmes. Forest carbon (i.e., removals or avoided emissions, calculated in tCO2/year), is an appealing yardstick to allocate positive incentives (i.e., RBPs) among developing countries, based on concrete climate achievements. If a country has the capacity to make, detect and report meaningful changes in forest emissions, it would be paid ex-post — i.e., at the end of multi-year "crediting periods"[4] — after these changes are verified.
- At the national level, however, policy approaches would have to anticipate, frame and complement RBPs. Incentives alone are unlikely to modify underlying economics or compete with foregone revenues from more profitable, yet unsustainable, land activities. Parrotta, Wildburger and Mansourian (2012) stress that poorly designed and implemented REDD+ policy approaches can have serious adverse impacts on biodiversity and forest-dependent peoples. This compromises the biological and socio-economic resilience of rural landscapes, and the REDD+ goal of halting and reversing CO_2 emissions in the long term.

Remaining gaps in REDD+ rules

Within current REDD+ rules, there are ways by which a country could arguably claim RBPs while minimally respecting safeguards, and providing few if any NCBs:

- providing only basic forest data;
- fencing protected forests;
- planting large areas with fast-growing mono-specific trees;
- running expeditious consultations; and
- disregarding the possible displacement of land activities (agriculture, roads, etc).

Most REDD+ countries aspire to a better REDD+. It is in their self-interest (NCBs are by definition positive outcomes of REDD+), and it makes REDD+ more legitimate in the eyes of the general public, companies and forest users. This enhances REDD+ credibility globally and the prospect of sustained RBPs in several ways:

- increasing trust and transparency: providing accurate, spatially explicit and comparable information on forests and agriculture, including land tenure and land planning in reference levels, measurement, reporting and verification of results;
- preventing reversals: promoting agroforestry and community-based forestry, fire prevention (prescribed burning, fire breaks), protecting soils, water catchments, biodiversity hot spots and traditional forest knowledge, reviving sustainable agriculture in degraded areas, and maximizing the diversity of tree species and stand structures to increase forest resilience and enduring ecosystem services; and

- preventing leakage: decoupling rural development (poverty alleviation, food and energy security) from environmental degradation, promoting fair trade, sustainable production and consumption patterns, and fostering regional cooperation and equitable sharing of benefits.

The gap between "minimal" REDD+ and "ideal" REDD+ is sobering. Failing to address this gap (when setting the basic principles of incentives that could shape tropical forest management for 20 to 40 years) would amount to dire negligence. Even from a narrow mitigation perspective the risks of climate change causing forest die-back (releasing even more CO_2) underscores the importance of resilient REDD+ strategies. Such negative carbon feedbacks would indeed be one of the most obvious tipping points in climate change (Barnosky et al. 2012).

There are opportunities to encourage improvements. Clarifying equitable land tenure, for example, is in itself a crucial yet challenging NCB. Reinforcing tenure rights to land and resources will provide a strong incentive for stakeholders to participate in REDD+ in the long term, thus preventing reversals.[5] Similarly, increasing the sustainable yields of resilient crops within REDD+ intervention areas would reduce the risk of leakage. Granted, some NCBs may not necessarily reduce the risks, and those risks might also be mitigated without delivering NCBs. Overall, however, there is an excellent match between policies and measures that reduce risks and those that promote NCBs (Table 1).

Risk factors

We are still limited in our capacity to monitor and forecast the changes that forest carbon cycles undergo at local and global levels. In order to maintain environmental integrity, the Methodological Framework requires a share of primary emission reductions (pERs)[6] to be set aside as the default response to key risks. For example, 10 to 40% could be buffered against reversals, up to 15% for data uncertainty and more for the possible inability of ERP to transfer uncontested ER titles. RBPs would be disbursed only on the basis of remaining, creditable ER (cER); the rest of pER would otherwise be either retired (cancelled) or buffered (bER, see below). Other accounting aspects could also be factored in as appropriate (e.g., through a leakage buffer or a conservation buffer to encourage the participation of least developed and/or forest-rich countries). Let 1-(cER/pER) be the Composite Risk Factor (CRF) for a given ERP over a given time period, i.e., the share of pER that would not be credited.

Table 1. Likely convergence between NCBs and risk prevention policies and measures

Policies that promote non-carbon benefits	Risk reduction
Promoting adaptive forest management; i.e., diversity in landscapes, tree species, and stand structures, fire prevention	▪ provides a range of alternative livelihood strategies, increases climate resilience and the provision of ecosystem services ▪ limits the risk of natural die-back and disasters › **lowers the risk of reversal**
Promoting transparent and participatory governance	▪ increases project ownership and alignment with the cultural, social and economic priorities of forest users ▪ limits the risk that the programme will be abandoned › **lowers the risk of reversal**
Providing spatially explicit information, reconciling land-use maps between various ministries, such as agriculture, mining, transports, energy and environment/forest	▪ clarifies tenure and rights, prevents land-use conflicts, facilitates benefit sharing and land-use planning ▪ avoids overstating the emissions baseline (Forest (Emissions) Reference Level, FRL) and maintains long-term participation in REDD+, reduces inconsistencies between national GHG inventories and REDD+ reporting › **lowers risks related to institutions, reversal and leakage**
Developing climate-smart agriculture, short-rotation plantations for fuelwood and agro-forestry, promoting fair trade of legal/sustainable commodities	▪ improves food/energy security, addresses possible trade-offs between adaptation and mitigation, increases revenues › **lowers risks related to reversal and leakage**
Reporting on improved social benefits (rights, healthcare, training, extension services) as a result of transparent and fair benefit sharing, as provided in the REDD+ strategy	▪ increases transparency and prevents risks of corruption, double counting or manipulations of reporting › **lowers risks related to institutions and leakage**
Identifying and restoring degraded forest landscapes, with a view to enhancing ecosystem services	▪ improves monitoring capacities to estimate impacts on natural forests, degradation and restoration through appropriate proxies or higher IPCC Tiers[7] › **lowers risks of falsifying, skewing or selectively omitting monitoring data**

Source: Adapted from Dutschke, M. 2013. Key issues in REDD+ verification. Study commissioned by CIFOR. Occasional Paper 88.

Risk factors and their relationship to FLEGT

As part of its Forest Law Enforcement Governance and Trade (FLEGT) Action Plan to address illegal logging, the EU uses a legality matrix in Voluntary Partnership Agreements to relate principles and criteria for legality standards against relevant pieces of national legislation in host countries. This fosters a country-owned process to put in place or revise legislation and institutions that are lacking or ineffective. The objective is to foster permanent, legally binding, country-specific improvements in governance and legal frameworks while strengthening participatory governance and national sovereignty. Since 2005 the World Bank has also authorized the use of "country systems" (i.e., national laws and institutions), instead of scrutinizing the full suite of its own safeguard policies (CIEL 2008). The voluntary carbon standard has also identified factors and remedies to estimate[8] the risks of reversal or leakage within jurisdictional programs.

With REDD+, delivery partners (e.g., World Bank, Green Climate Fund), markets and regulators, public and private banks, land-related investors, and NGOs apply various criteria and indicators when they select programmes/projects, design loans, monitor implementation, set a price for ERs or limit market access (whether for carbon or commodities). In order to avoid a proliferation of competing standards and opaque, burdensome reporting procedures REDD+ risk assessments could build on the approaches outlined above by summarizing the sustainability level for each ERP country or province in its CRF.

The CRF could be assessed and updated by an independent panel before each crediting period, based on peer review among fund/UN participants and on information already reported by the country as part of its mandatory REDD+ framework.[9] This could accommodate a diversity of country situations and strategies; the risk assessment would first and foremost be based on concrete, nationally/locally appropriate policy milestones. The country would therefore define (and get external feedback and support for) its national approach to resilient, low-emissions rural development:

- the country would define and prioritize legal and institutional milestones;
- the panel would assess the risk factors associated with reaching or missing these milestones;
- taking these steps and meeting these milestones would result in higher proportions of creditable ER under REDD+, in effect quantifying the carbon (and RBPs) potential of policy processes, such as FLEGT; and
- the country could then make an informed decision on whether reaching the milestone was worth the effort in terms of resources and political capital.

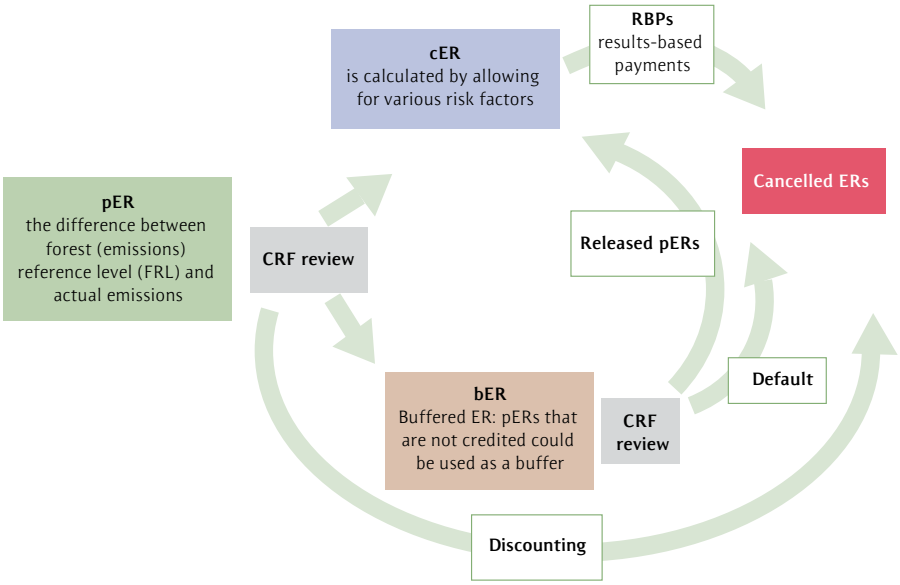
In addition, reaching the milestone and having it recognized by the panel would also send a signal to public and private investors. Interested banks and companies would get evidence that land investments in that ERP are safer, i.e., not only less emissive but also less likely to lead to leakage, reversal or policy problems, compared to other areas. This would also make products and company sourcing from that region more attractive to consumers, citizens and public and private investors, who are increasingly aware of sustainability issues in land management.

Buffers and withholding/release rates

Some or all of the pERs that are not credited could accumulate in a reserve carbon account as a buffer (bER; Figure 1). The bERs would have to be stored until they were either deducted from the buffer pool in subsequent crediting periods or released:

- if a country experienced a catastrophic fire season, it could use its national buffer to compensate for emissions (default in permanence) for the sake of environmental integrity;
- a major flaw in a country's carbon accounting system could justify the need for a downward adjustment of previously issued cER by neutralizing an equivalent amount of bER from its buffer (previously paid cER would therefore not be affected);
- deforestation could increase significantly in neighbouring countries/provinces, suggesting leakage. The countries/provinces involved could (on a voluntary basis) decide to pool their buffers to share the risks;
- if no risks materialize the country could capitalize on its buffer — for example, buffered bER could become creditable (cER) after two subsequent crediting periods if the above conditions were not triggered; or
- the country could also propose to cancel part of its own buffer in case of, or to contribute to, more ambitious global climate mitigation targets.

Figure 1. Emission reductions, buffers and results-based payments



The buffer is therefore equivalent to a comprehensive risk insurance system. Those countries with the highest CRF should contribute the most (which discourages free riders), but could receive payouts if the insurance was not triggered. By pooling and spreading different types of risk, the CRF leads to relatively high buffering rates, which allows less conservative buffering rates to be used for the various categories of risks. One negative

aspect is that cumulative discounts on pER seem at first sight to reduce credited volumes of ER, which would therefore reduce cash-flow incentives for ERP. The underlying hypothesis — that RBPs would be made on a fixed price basis (e.g., US$5/tCO2), irrespective of supply levels — may be to blame.

Less (ER) could mean more (money)

In reality, the global amount of money available in a fund to buy REDD+ cER, or the volume of REDD+ cER that could be bought on markets, will always be limited over a given Crediting Period (CP). In the case of the Carbon Fund, it is assumed the fund would buy $US150 million of cER at the end of CP1 (2015–17; Table 2) and US$150 million of cER at the end of CP2 (2018–20; Table 3).

The price of cER should depend on the amount of cER available for sale from all ERP before a cut-off date. If very few cERs were generated, the value per unit should increase to cover costs. If greater volumes of cER were generated, the value would decrease, consistent with the availability of funds. Achieving the EU goal of a 50% reduction in emissions from global deforestation and degradation by 2020 would thus require a total global REDD+ abatement (total pER; see Kanak and Henderson 2012) much greater than what could realistically be absorbed by carbon funds or markets by this date (total cER).

In other words, organizing scarcity (cER/pER), through higher CRF and lower creditable volumes, would contribute to maintaining price level and participation. Early movers could still capitalize on their bER in subsequent CPs, which means that all pER could ultimately be recognized, while improving the stability and predictability of REDD+ revenues for the countries involved.

Table 2. Baseline: results-based payments for three ERPs, in CP1 (2015–17)

ERP	pER in CP1 (in MtCO2)	X carbon price in CP1	= RBPs 2017 (million US$)
Country A	10	US$150 million/ 30 MtCO2 = US$5/tCO2	50
Country B	15		75
Country C	5		25
Total	30		150

Note: without discount/buffering factors; creditable ER=primary ER.

Table 3. Baseline: results-based payments for three ERPs, in CP2 (2018–20)

ERP	pER in CP2 (in MtCO2)	X carbon price in CP2	= RBPs 2020 (million US$)
Country A	15	US$130 million*/ 23 MtCO2 = US$5.6/tCO2	15 X 5.6=84
Country B	–3*		0
Country C	8		8 X 5.6=45
Total	20		130*

Note: without discount/buffering factors; creditable ER=primary ER. *The reversal of ERP B would require the fund to restore environmental integrity by somehow compensating 3 MtCO2 of previously issued cERs, thus reducing the money available for RBPs to ERP A and C.

Applying CRF and buffering to three virtual REDD+ countries over crediting period 1 (Table 4) would modify the distribution of RBPs between countries:

- Countries A and C receive more RBPs than in the baseline case (despite a 40% CRF);
- Country B gets fewer RBPs, but builds up a larger buffer, which means its cER could arguably have the same market value, despite higher perceived risks.

Table 4. Results-based payments for three ERPs, CP1 with CRF and buffer

	pER in CP1 (in MtCO2)	CRF (%)	cER =pER x (1-CRF) (in MtCO2)	X carbon price in CP1	= RBPs 2017 (cER price) (million US$)	bER in CP1 = pER-cER = pER*CRF (in MtCO2)
Country A	10	40	6	US$150 million/ 15 MtCO2 = US$10/tCO2	60	4
Country B	15	60	6		60	9
Country C	5	40	3		30	2
Total	30		15		150	15

Note: crediting period 1 (CP1: 2015–17) with discount/buffering factors, i.e., cER=pER x (100% minus CRF).

In CP 2, (comparing Tables 3 and 5), RBPs are roughly similar to what would have happened without buffering with these exceptions:

- A is rewarded for having increased its pER by 50 percent (from 10 to 15);
- C is rewarded for having increased its pER by 60 percent (from 5 to 8) and reduced risks (from 40 to 25 percent); and
- B has not received RBPs in CP2, but the fund has also not suffered liabilities. B can quit the system and make use of its 6 MtCO2 buffer as it sees fit, or can continue and improve in subsequent crediting schemes.

Table 5. Results-based payments (RBPs) for three ERP, CP2 with CRF and buffer

	pER in CP2 (in MtCO2)	CRF (%)	cER =pER x (1-CRF) (in MtCO2)	X carbon price in CP2	= RBPs 2020 (cER*price) million US$	bER in CP2 = bER in CP1 + pER CRF in CP2 (in MtCO2)
Country A	15	40	9	US$150 million/ 15 MtCO2 = US$10/tCO2	90	4+6=10
Country B	–3	60	0		0	9–3=6
Country C	8	25	6		60	2+2=4
Total	20		15		150	20

Note: crediting period 2 (CP2: 2018–20), with discount/buffering factors, i.e., cER=pER x (100% minus CRF).

Several results are apparent over Crediting Period 1 and 2:

- of the 50 MtCO2 of total pER, only 30 have been credited at $10/tCO2, with CRF, whereas 50 MtCO2 of cheaper yet unreliable pER would have been sold without CRF, for the same total amount of money (but not per tCO2);
- no price premium has been paid on the basis of NCBs, but they have been strongly incentivized nonetheless (C receives more RBPs in CP2, thanks to improving its CRF); and
- the 20 MtCO2 in buffers create a strong financial incentive for further improvements, since bER could be released at a later stage.

Conclusions

The CRF/buffer approach addresses three core difficulties of REDD+:

- establishing the right price for forest carbon given limited climate financing and lingering doubts about the sustainability of REDD+ ERP;
- addressing risks and building trust without hindering RBPs; and
- incentivizing the provision of NCBs, without dedicated price premiums.

The approach would require limited guidance from UNFCCC on risk assessment procedures and default risk factors to ensure that conditions are fair (similar to that needed for assessing FRL or MRV). REDD+ buyers and sellers may be tempted to underestimate risks in order to generate larger amounts of cheaper REDD+ credits, while environmental NGOs may conservatively overestimate buffering rates. No one can tell how much is enough until a buffer fails (i.e., if reversal, leakage or wrong data cannot be compensated). However, the principle does not depend on the actual risk factors. If 15 years down the line the international community realizes that buffers are too large or too small, the CRF could still be adjusted. The important difference is that REDD+ would have improved not only the present net uptake of CO_2 in forests, but more importantly the longevity of their accumulated carbon stocks (Mackey et al. 2013).

For the purpose of Tables 2, 3 and 4, the total amount of money available for REDD+ cER was deemed to be constant. In reality, the total amount of financing would depend on public, policy and market perceptions of REDD+, which are influenced precisely by how well risks and NCBs have been addressed. In other words, demonstrable improvements in addressing CRF do more than increase the relative amount of creditable emissions in a given country. They might also increase the total amount of money available for agriculture and forests in the future.

FLEGT, participatory forest governance, agro-ecology, integrated landscape management and improved forest information are emerging as effective ways to reduce risk and provide NCBs. They also contribute to protecting/restoring forest carbon and to its climate-proofing. Reciprocally, if the UNFCCC recognized these experiences in terms of quantitative risk reductions (and additional cER), it would send a clear signal to other public and private funders about where it is safest or most profitable/effective to invest, e.g., on legal timber and deforestation-free commodities such as palm oil, soy and minerals. This creates significant co-financing opportunities for REDD+ that include greening the supply chains of agro-business and retail companies.

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Endnotes

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2. Emission Reductions are expressed in tCO2e/y. This article distinguishes primary emission reductions (pER; see Note 5); creditable ER (cER), which could be eligible for RBPs; and buffered ER (bER), which at a later stage could either be cancelled in case of default or released in absence of default (e.g., after two default-free crediting periods).
3. See www.forestcarbonpartnership.org (20 December 2013 version of MF).
4. The Crediting Period is the time in which forest emissions would be compared to a given reference level, at the end of which any emission reductions would be reported and verified and the Forest Reference Level (FRL) adjusted.
5. A reversal occurs when credited ERs are emitted in a later time period; i.e., when an ERP generates more emissions than its FRL over the course of a crediting period.

6. pER equals the difference between emissions in a forest reference level (FRL) and actual emissions as measured, reported and verified (MRV).
7. The 2006 IPCC guidelines include the ability to specify a "tier" to rate the reliability and methodological complexity of emission factors and activity data (http://community.foundationfootprint.com/FoundationFootprintHelpCentre/Miscellaneous/IPCCTiers.aspx).
8. See draft tools for the estimation of jurisdictional reversal/displacement in VCS JNR programmes at www.v-c-s.org.
9. This includes the National REDD+ Strategy, FRL, MRV and the information system on safeguards.

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Section 6

Other interactions

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6.1 FLEGT, REDD+ and agricultural commodities

DUNCAN BRACK

Over the last decade, governments in timber-producing and timber-consuming countries have implemented a range of policies and measures to improve forest governance and reduce illegal logging. Many of them were stimulated by the EU's 2003 Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan. One important category of measures attempts to exclude illegal (and sometimes unsustainable) timber products from international trade through the use of regulatory means such as public procurement policies, licensing systems and legal and corporate due diligence requirements.

These restrictions on market access for exports of timber and timber products usually operate alongside the provision of financial and technical assistance. They provide an incentive for producer country governments to take action and are a valuable addition to enforcement efforts. Effectively, they aim to create protected markets in which legal and sustainable timber can command a fair price and not be undercut by cheaper illegal products. Their goal is to shut out illegal timber from international markets.

An EU Action Plan for sustainable agriculture, governance and trade would stimulate discussion and action on agriculture and deforestation.

Combined with voluntary commitments by the private sector, these measures have had a clear impact on consumer markets. This is most evident in the increasing availability of timber certified under the two major international certification initiatives: the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC). These have emerged as the most important means of demonstrating legality and sustainability for public procurement contracts, and may do the same for due diligence requirements.

By 2010 certified products accounted for around 27 percent of global industrial round-wood production. In the UK in 2008, certified timber and panel products accounted for more than 80 percent of the market, up from 55 percent in 2005 (Moore 2009). In the

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Netherlands, the share of certified timber and panel products grew from 13 percent in 2005 to 34 percent in 2008 to 68 percent in 2011; the share of certified paper and paperboard reached 33 percent in 2011.[1]

The development of legality assurance and licensing systems under the Voluntary Partnership Agreements (VPAs) currently being negotiated and implemented under the FLEGT initiative has been much slower than anticipated, although the VPAs have had positive impacts on forest governance.[2]

Studies by Chatham House, among others, suggest that the combined effects of all the measures taken over the last decade or so — including those listed above as well as many others — has been positive. They have caused a significant reduction (about 25 percent) in illegal logging between 2000 and 2008, and a similar (30 percent) fall in major-country imports of illegal timber from 2004 to 2008 (Lawson and MacFaul 2010).

However, illegal logging and the international trade in illegal timber is not the most important cause of deforestation. Clearance of forests (legal or illegal) for agricultural crops, often for export, is far more significant. An obvious question to ask, therefore, is whether the consumer-country measures used to exclude illegal timber could be applied to the illegal or unsustainable agricultural products associated with deforestation.

This question is also relevant to attempts to construct, within the international climate change regime, effective strategies to reduce greenhouse gas (GHG) emissions from deforestation and forest degradation (REDD+). Since forest conversion for agricultural commodities is the main competitor of sustainable forestry, successful attempts to restrict trade in unsustainable or deforestation-related commodities should make REDD+ policies more viable.

Deforestation and agriculture

Although the rate of global deforestation has slowed in the last ten years, it continues at a high rate in several countries. The net loss of forest area due to natural causes or conversion to other uses is estimated at 5.2 million hectares (ha) each year in the decade 2000–10, a decrease from 8.3 million ha per year in the previous decade (FAO 2010).

Although many complex and interconnected factors drive deforestation, agricultural expansion is the most significant at the global level. A recent study for the European Commission estimated that 53 percent of the global deforestation from 1990 to 2008 was due to agricultural expansion (EC 2013).[3] A 2012 study produced for the British and Norwegian governments, with a different methodology and covering a different period (2000–10), estimated that agriculture was responsible for about 80 percent of deforestation (Kissinger, Herold and de Sy 2012).

Globally, the crops most strongly associated with deforestation are soy, maize, oil palm, rice and sugar cane, while more than half of total deforestation is associated with pasture and feed for cattle. Although most of these crops are consumed in the domestic market, international trade is also important: an estimated one-third of the deforestation related

to crop production (mostly soy and palm oil) and eight percent of the deforestation related to livestock products is a result of international trade. The EU is the largest global net importer of embodied deforestation; in 1990–2008 its main imported commodities associated with deforestation were soy, palm oil, meat products (mainly beef and leather) and cocoa (EC 2013).

The international supply chains for these commodities share a number of characteristics. They tend to be highly concentrated at the point of production, trading, processing or final sale. In each case a small number of countries are responsible for the bulk of production, and a handful of major companies dominate trading, processing and/or sale.

A wide range of voluntary initiatives encourages sustainable production, including the Roundtable on Sustainable Palm Oil (RSPO), the Roundtable on Responsible Soy (RTRS), the Roundtable for Sustainable Biofuels, the Global Roundtable on Sustainable Beef and the Leather Working Group. In addition, organizations such as the Rainforest Alliance and ProTerra carry out certification of farms and supply chains, often using the Sustainable Agriculture Network standards, for these and other agricultural products. Compared to timber, however, certification initiatives for agriculture are still relatively limited, particularly for soy, beef and leather.

Private-sector initiatives for sourcing sustainable products are also common, including the zero net deforestation targets of the Consumer Goods Forum and Nestlé, and the commodity-specific targets of the Dutch Task Forces on Sustainable Soy and Palm Oil, the Belgian Alliance for Sustainable Palm Oil and many individual companies.

Consumer-country measures

The first question to ask is which characteristics of an agricultural commodity supply chain would make the application of regulatory measures easier and potentially more successful. All else being equal, measures should be more effective in these cases:

- an identification scheme for sustainable products already exists;
- voluntary private-sector initiatives are already underway;
- supply chains are simple, with a relatively small number of stages at which controls can be applied, and a narrow range of products made from the raw material;
- market power is concentrated at one or more points along the supply chain (producers, traders, processors or retailers), and there is a strong geographic concentration of production;
- there is a high ratio of exports to domestic consumption and a high proportion of exports to "sensitive" markets;[4]
- for public procurement policies, the product is purchased by the public sector; and
- other opportunities for regulations to affect the market, such as for biofuels, exist.

Although all of the key commodities mentioned above that are imported into the EU qualify under at least some of these criteria, palm oil and cocoa are probably best suited to consumer-country measures, followed by soy. Beef and leather pose more difficult challenges.

Most of the consumer-country measures used for timber have been designed to exclude illegal, rather than unsustainable, timber products. Research on illegalities in the production of agricultural commodities has been less extensive than that on illegal logging, but there are many reports of illegal clearance of forest for oil palm or soy, or pasture for cattle, in most of the countries that produce these crops. Research under way for Forest Trends — based on case studies in Brazil, Peru, Colombia, Cameroon, Cambodia, Indonesia, Malaysia and Papua New Guinea — estimates that most conversion of forest to agriculture in tropical countries (including timber plantations) is currently illegal; this is particularly the case in the clearance for oil palm plantations and cattle pasture.[5]

Illegal forest conversion tends to be more complex and difficult to prove than other forms of illegal behaviour; it is inevitably entangled with issues of land ownership and tenure. In many countries, these issues may be contested or unclear. Consumer-country action against illegal agricultural commodities may therefore be more difficult, in practical and political terms, than it has been against illegal timber.

It may be more practical to target consumer-country action against unsustainable commodities. One of the main reasons is that in most cases there are at least some forms of certification providing evidence of sustainable origin (however they are defined). However, sustainability incorporates a wider range of issues than legality. It also relies on definitions that are not, in general, determined by the country of production, or at least not only there. Restricting trade on the basis of sustainability standards therefore risks accusations that foreign values are being imposed. It could also trigger the development of sustainability standards by the countries of origin that may not meet international criteria.

Compatibility with World Trade Organization (WTO) rules must also be considered. Although there are good reasons to believe that trade discrimination would be permitted on the basis of "process and production methods" (the ways in which products are grown and harvested), this does raise several issues: the need for clear criteria for sustainability; whether the book and claim and mass balance systems used in the RTRS and RSPO would be allowed; and, for soybean oil and palm oil, the "likeness" of vegetable oils in general.[6]

Options for governments

Given this context, could the consumer-country measures used against illegal timber feasibly be applied to agricultural commodities? This article primarily considers options available to the EU and to its main deforestation-related imports — palm oil, soy, beef and leather and cocoa — but in principle they could apply to other consumer-country governments and to other agricultural commodities.

Public procurement policy

There are 13 countries that currently use public procurement policy to source legal and sometimes sustainable timber; evidence from EU member states suggest that this has contributed to a significant rise in the market share of certified timber products. The public sector is an important purchaser of food and catering services, and public procure-

ment policies have clear potential for all the five commodities considered here, except possibly leather. Many local and regional governments already use procurement policies to promote organic and Fairtrade food products, and the UK has recently adopted a central government procurement policy for sustainable palm oil in food and catering; this approach could be extended.

Tariff reductions

Tariff reductions for sustainable commodities were considered for timber, but never pursued, due partly to the low tariffs on most timber products. Although differential tariffs would probably be consistent with WTO rules, adopting them would be a highly controversial move. In any case, as with timber, tariffs are low or zero on most (though not all) agricultural commodities. This option does not seem likely to offer a useful way forward.

Other government regulations can affect markets for sustainable products. In the case of timber, building regulations and criteria for the use of wood as biomass for electricity generation and heat have been used to promote sustainability in production. The main issue for agricultural commodities is sustainability criteria for biofuels. These criteria have potential for palm oil and soy, although this is controversial; the demand for land-based biofuels is likely to be constrained in the future. The criteria for GHG emission savings in the EU Renewable Energy Directive provide a potential alternative model for the use of sustainability criteria, rather than relying only on certification. The use of labelling to inform consumers of the effects of deforestation (e.g., for vegetable oils) is another potential option, though one unlikely to have a significant impact.

Bilateral agreements

Bilateral agreements are an obvious option to consider. For timber, the VPAs agreed to so far[7] have helped to improve standards of governance in the host countries, even though no licensing system for timber products is yet in operation. VPA-type bilateral agreements for sustainable agricultural commodities may be worth considering, particularly in the context of existing VPAs, such as those for Indonesia and Ghana, or those in negotiation, such as for Ivory Coast. Many of the problematic issues in these sectors revolve around decisions and conflicts over land use, and it would make sense for these to be discussed in a single forum (similar in some ways to UNDP's national sustainable commodity platforms). However, it is not clear if the potential partner countries would be interested, and it seems unlikely that licensing systems could be used for sustainable agricultural commodities. The "new generation" of free trade agreements that the EU is pursuing, which include provisions for encouraging trade in sustainable agricultural products, may have some potential.

Regulatory requirements

In recent years, governments have applied regulatory requirements for companies that trade in timber products through the U.S. *Lacey Act*, EU Timber Regulation and Australia's *Illegal Logging Prohibition Act*. These incorporate legal prohibitions (making imported illegal products illegal in the country of import) and "due diligence" requirements on

industry (where companies must put in place procedures to minimize the chance of their handling illegal products). This due diligence is implicit in the *Lacey Act* and explicit in the other two instruments. Such measures may be relevant to trade in agricultural products, given the extent of illegal clearance of forests for agriculture, but applying these kinds of regulations to commodities on the basis of sustainability seems likely to be difficult. It is possible, however, for governments to encourage companies to scrutinize their own supply chains through the use of reporting systems such as that implemented by the Forest Footprint Disclosure project; these could be encouraged on a voluntary basis or required by regulation.

Financing institutions

In both timber and agriculture, financing institutions — such as banks, investment funds, multilateral development banks and export credit agencies — can be critical. These institutions can be encouraged or required to exercise greater due diligence in ensuring that their lending and investment operations do not finance illegal or unsustainable activities. No progress has been made in this area for timber, probably because the sources of forest investment have shifted toward developing-country banks in recent years.
A much wider range of institutions is involved in investment in agriculture in developing countries. Options include stricter safeguard policies for public agencies. Private institutions could be encouraged or required to commit to lending policies that require adherence to sustainability standards; recently, for example, a number of commercial banks, including BNP Paribas, Citibank and Rabobank, have adopted lending policies that require palm oil refiners to purchase palm fruit from growers who meet sustainability standards (Purvis, Wolosin and Springer 2013: 8).

Private-sector initiatives

Compared to the early days of the debate on controls over the timber supply chain, there are far more — and far more ambitious — private-sector initiatives on sourcing sustainable agricultural commodities. This is encouraging the development of identification systems, and helping to add critical mass to bodies such as RSPO and RTRS. It may also eventually increase the pressure for government action as the major companies gain confidence in their supply chains and start to lobby for regulations on their lower-standard competitors. One obvious conclusion is that governments should encourage and perhaps participate in further voluntary initiatives, such as the UK statement on sustainable palm oil, the US-led Tropical Forest Alliance and the Dutch Sustainable Trade Initiative. Action by groupings of companies, such as the Consumer Goods Forum or the Belgian and Dutch task forces on sustainable soy and palm oil, should also be encouraged.

Many other actions can be taken to improve the sustainability of agriculture; for example, by the private sector, and by governments and companies in producer countries. This is particularly relevant in the context of national or sub-national REDD+ processes that redefine incentives to change the way that forests and landscapes are managed. Although these are clearly important and complementary measures, they fall outside the scope of this article.

Conclusion

Many options are available to consumer-country governments. Ten years ago the development of the EU FLEGT Action Plan helped to stimulate discussion, research and action across a wide range of policies and measures aimed at tackling illegal logging. The preparation of an EU Action Plan for sustainable agriculture, governance and trade could be similarly valuable in stimulating discussion and action on agriculture and deforestation.

All of these regulatory options must rest on some form of identification system for sustainably produced commodities, which in most cases means certification. There is no point in imposing consumer-country controls on imports unless the producers can respond; therefore, supporting measures to lower the cost and encourage the uptake of various certification systems and make them more robust should be considered.

Acknowledgement

This article summarizes a longer paper, *Combating Deforestation: Controlling Agricultural Commodity Supply Chains* (Brack, in press).

Endnotes

1. See Probos, "Market share of sustainably produced timber doubled in three years: government target exceeded," 2013.
2. See further in Bollen and Ozinga 2013.
3. The EC study included a category of "unexplained deforestation," accounting for 24 percent, which almost certainly also included some deforestation related to logging and agriculture.
4. This includes countries where governments and consumers are most likely to express concern with the impacts of their consumption on deforestation – chiefly, the EU, U.S. and Australia.
5. See Sam Lawson, presentation at Chatham House, 9 July 2013: "Illegal forest conversion for industrial agriculture, and associated trade in timber and agro-commodities: The scale of the problem and potential solutions," available at www.illegal-logging.info/sites/default/files/Sam%20Lawson%20%282%29.pdf.
6. For a longer discussion, see Brack, in press.
7. To date, VPAs have been agreed to between the EU and six timber-producing countries and are under negotiation in a further eight countries.

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6.2 International experience with REDD+ and national forest funds

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Introduction

At the 16th session of the Conference of the Parties (COP 16) to the UN Framework Convention on Climate Change (UNFCCC) parties agreed to implement REDD+. This would be done through a phased approach that begins with readiness activities and then moves to results-based demonstration activities, and finally to fully measured, reported and verified (MRV) results-based actions. Although the bulk of global REDD+ actions have so far focused on readiness activities, the recent shift of many countries toward piloting payments against results necessitates the development of effective and efficient methods for receiving, managing and disbursing payments.

EXISTING FUNDS SUPPORT A MIX OF NATIONAL AND REGIONAL REDD+, CLIMATE CHANGE AND FOREST PROTECTION.

The focus of this article is a comparative analysis of the operational aspects of REDD+ or forest funds. Best practices and lessons learned are drawn from eight existing funds that support a mix of national and regional REDD+, climate change and forest protection projects. It provides information on the appropriate design and regulation of internationally financed national-level funds operating in developing countries.[1]

Role and function of REDD+ funds

The starting point of the management and administration of international results-based payments for REDD+ is establishing or assigning REDD+ funds. Such funds should allow international contributions to be managed in a transparent, effective and efficient manner. Depending on capacities, the funds may be centralized or decentralized and decision-making may be devolved to a lesser or greater extent.

The design of national REDD+ funds depends on existing economic and legal systems, the domestic policy and institutional framework, and the availability of resources. National REDD+ funds must perform two basic functions.

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They must manage relationships with the entities operating under a) the UNFCCC REDD+ mechanism; b) national or regional REDD+ programmes; and c) international multilateral and bilateral sources of REDD+ funding. This involves several tasks:[2]

- requesting and receiving funding from international sources;
- submitting country REDD+ strategies;
- submitting country REDD+ reports with MRV performance; and
- regularly reporting to the COP or high-level body on REDD+ implementation.

They must agree to and implement four types of processes:

- international funding, fiduciary[3] and reporting procedures;
- standards, MRV methodologies and other technical procedures;
- social and environmental standards and grievance procedures; and
- oversight of relationships with international carbon markets.

The capacities of REDD+ funds will determine the responsibilities that international actors can devolve to national and sub-national institutions. The small number and size of existing independent REDD+ funds still acts as a barrier to the development of a longer-term REDD+ financing structure. Governments and other stakeholders have to take the lead in establishing national and jurisdictional funding structures; this article is aimed at contributing to such efforts.

Comparative review of experience with international funds

The eight funds discussed here have a diverse array of goals, ranging from funding protected areas to receiving, managing and disbursing performance-based REDD+ funds (Table 1). The funds were compared by reviewing primary fund documents and secondary literature, including founding legislation, memoranda of understanding, concept notes, operational procedures, procurement guidelines and other documents or guiding frameworks that describe fund establishment, structure and management. The analysis focuses on five components central to effective, efficient fund management:

- fund structure;
- fund governance and management;
- eligibility and selection criteria;
- evaluation and MRV; and
- social and environmental safeguards.

Fund structure

The majority of funds surveyed, including all the REDD+ funds, are independent stand-alone funds rather than components of other funds. Many of the funds contain several sub-funds relating to thematic issues (e.g., FONAFIFO in Costa Rica) or specific large-scale projects (e.g., Peru's PROFONANPE).

The funds have also utilized different components in order to meet diverse objectives. PROFONANPE, for example, uses a combination of endowment, sinking and mixed funds. Endowment funds are used for projects that have relatively large seed funding and require long-term financial stability; sinking funds are used for projects where a large amount of liquid finance is required; mixed funds are used for projects that require a balance between long-term stability and short-term liquidity.

Table 1. Overview of funds reviewed

Fund name	Funding target
Amazon Fund	REDD+
Congo Basin Forest Fund (CBFF)	REDD+
Guyana REDD+ Investment Fund (GRIF)	REDD+
Indonesia Climate Change Trust Fund (ICCTF)	All climate change mitigation sectors
Mexican Forest Fund (FFM)	Broad range of forestry activities
Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE)	Protected area conservation and management
Costa Rica National Forest Financing Fund (FONAFIFO)	Conservation by small and medium forest owners
Lao Environmental Protection Fund (EPF)	Environmental protection projects

The most successful funds examined have managed to secure a range of funding sources, which helps them limit their exposure to political or economic events. The REDD+ and national climate funds reviewed have thus far primarily relied on international public donors, in particular Norway, Germany and the United Kingdom, although the Amazon Fund has also obtained US$ 4.2 million from the Brazilian petroleum company, Petrobras.

Several of the more longstanding forestry funds have obtained substantial financing from the national private sector, primarily through compulsory taxes or levies; this is the main source of funding for FFM and FONAFIFO. It is worth noting, however, that both funds are heavily focused on payment for ecosystem services, providing a clear link with private-sector payments. Voluntary payments from private-sector entities in the country or region where the fund operates have also been secured by several funds; payments are usually based on the motivation of corporate social responsibility. While in all cases this constitutes a small proportion of funding, it offers a useful complement to other financing sources.

Fund governance and management

The majority of the funds surveyed exist as autonomous or semi-autonomous entities, with a substantial degree of legal and operational independence from the national government. In most cases this involves the fund having an independent legal personality, either as a private non-profit organization, trust, or a decentralized or semi-state entity. The legal form depends to a significant degree on the national legal context. Such independence from government has been strongly linked to the effectiveness of funds and, crucially, to their ability to attract donor financing.

At the same time, it is important that the funds have strong government involvement in order to ensure coherence with national policies and programmes. This is frequently secured through providing for broad government representation on the governing board (see below) or through close cooperation between fund management entities and government bodies. The experience with PROFONANPE also highlights the fact that keeping the fund legally separate from the government can prevent the state's creditors having access to the fund's resources in the event of a default on sovereign debt.

Although the funds studied differ in several aspects of their internal governance structures, all of them have two basic institutions: a governing board (e.g., steering council, board of directors) and a management body (e.g., executive office). The board is typically responsible for providing overall direction to and oversight of the fund, such as developing operational and investment procedures. The management body usually manages the day-to-day operations of the fund and in many cases carries a certain degree of fiduciary responsibility. Several funds, such as GRIF and ICCTF, include specific roles and responsibilities for project implementers within their overall organizational structure.

In most cases members of the governing board are high-level representatives from the public sector (often from multiple ministries/agencies), the private sector and civil society. In several of the REDD+ funds, notably GRIF and ICCTF, civil-society and private-sector representatives have only observer status; however, this has been the subject of considerable criticism and has arguably hampered the funds' ability to attract multiple donors. Similarly, a Global Environment Facility review of the performance of PROFONANPE found that government domination of the Steering Council had hindered diversification and adversely affected its operation (this matter was subsequently addressed). These conclusions are consistent with other reviews of international conservation funds, which have highlighted the importance of avoiding government domination of governing bodies — while also maintaining at least one high-level government representative — as key to the success of funds.[4]

Decision structures and voting powers of entities on the governing board tend to vary widely. Some funds use decision by consensus; others adopt decisions through a majority vote. Similarly, although some funds give each member of the governing body a single vote, the Amazon Fund gives each stakeholder group (national government, local government, civil society) a single block vote. The type of voting rules can have an important impact on the balance of power within the governing board, and should be considered when the composition of the board is being determined.

The responsibilities of governing boards typically include matters such as adopting policies and funding strategies, monitoring and reviewing fund performance, devising investment guidelines and setting rules and conditions for loans/grants. In some cases

they are also responsible for approving budgets or funding requests, particularly for large projects. The experience with the CBFF, however, indicates that where large numbers of funding requests are involved, it greatly increases efficiency to limit the involvement of the governing body to decisions above a certain threshold.

Management bodies typically comprise a full-time team of specialized staff, often headed by an executive director. Their functions often include the operational and financial administration of the fund, devising strategies and plans for presentation to the governing board, approving or pre-screening funding requests and, as in the case of the Lao EPF, providing assistance to funding recipients in preparing funding proposals.

Management bodies are frequently supported by government agencies or international organizations. PROFONANPE, for example, receives support for the financial and technical monitoring of its various programmes and projects from two line agencies: the Department of Finance and Administration, and the Department for Development and Supervision. Under GRIF, meanwhile, partner entities such as the World Bank and UNDP assist the entities who implement projects to develop concept notes and proposals; they are also responsible for supervising such entities in their implementation of projects.

In addition to these bodies, many funds also utilize a service provider to manage the funds. In the case of the REDD+ and national climate funds, this management has frequently been provided by an international organization such as the African Development Bank (as under the CBFF) or UNDP (as under the ICCTF). Most national forest funds, as well as the Amazon Fund, have a national bank as trustee.

The trustee is typically responsible for fiduciary management and for investing the funds in accordance with the policies and directives of the governing body. Trustees are invariably subject to fiduciary responsibilities. In many cases, certain aspects of fiduciary responsibilities are also applied to other bodies. Members of governing bodies, for example, are usually subject to conflict-of-interest provisions, as are executive directors, while staff members must adhere to certain codes of ethics. In the case of the ICCTF, executing agencies are also subject to fiduciary responsibilities.

In a limited number of cases, private-sector entities have also been incorporated in governance structures. In the case of the CBFF, a private-sector Fund Management Agent (FMA), a consortium of the Netherlands Development Organization and PricewaterhouseCoopers, was engaged to oversee small projects. FONAFIFO uses private-sector entities known as regents to monitor the performance of the large number of funding recipients. In each case the use of such entities has been reported to have greatly facilitated efficiency, although the experience under FONAFIFO also highlights the need for regular and thorough audits of such entities to protect against potential conflicts of interest.

Evidence from the REDD+ and national climate funds suggests that private institutions or national banks may be able to administer funds more efficiently than larger international institutions such as the UNDP or World Bank. In the case of the ICCTF, UNDP administrative costs were roughly 12 percent, while the World Bank typically charges between 10 and 15 percent for fund management.[5] The Amazon Fund's trust facility charges just 3 percent in administrative fees; however, significant administrative costs are absorbed by its implementing entity, the Brazilian Development Bank.

Experience with the CBFF shows that the use of an FMA increased the efficiency of project dispersal at a much lower cost than that provided by the Secretariat run by the African Development Bank (AfDB). The FMA was appointed in 2011, a year that saw the value of project approvals increase by 923%. Today the FMA oversees nearly 80 percent of approved projects while operating on a budget (for 2011–14) that is roughly 35 percent lower than the AfDB's administrative expenditures for 2010 alone.

The Amazon Fund and ICCTF have incorporated technical committees in the governing structure of their funds, though these bodies have distinctly different functions in each fund. The technical committee of the Amazon Fund is responsible for developing methodologies for detecting changes in forest carbon stocks and estimating emission reductions for performance-based payments. In comparison, the technical committee of the ICCTF was created to perform technical reviews of project proposals and recommend whether they should be approved.

Eligibility and selection criteria

Eligibility and selection criteria are generally set out by the fund's governing body and reflect the fund's strategic objectives and mandates. The REDD+ funds studied took a variety of approaches to defining eligible activities. GRIF, for example, focuses on capacity building and low-carbon economic development rather than emission reduction projects, since Guyana's forests are not significant sources of greenhouse gas emissions. CBFF, on the other hand, tends to fund only those projects that directly reduce emissions, while the Amazon Fund directs money to projects that directly reduce deforestation and build capacity. Several funds utilize separate sub-funds or funding streams for different types of activities.

The eligibility of entities to receive funding is closely related to the overall purpose and scope of the fund. Funds that seek to conserve government-managed areas, such as PROFONANPE, will primarily direct funding to state entities such as protected area authorities. Funds that seek to conserve privately managed forests — such as FONAFIFO, FFM or the Lao EPF — will direct funding to communities or private forest owners. Several of the REDD+ funds have sought to reach forests managed by private, community and government bodies through a combination of instruments. Allowing a broad range of entities to receive funding can broaden the reach of funds and improve their performance and dynamics.

Procedural requirements vary depending on project type and size. They reflect the importance of striking a balance between ensuring that applications are rigorously scrutinized and taking into account applicants' capacity limitations. In the Lao EDF, a five-to-six-page application form submitted in Lao is required for small projects (up to US$ 60,000); larger projects require a more detailed project proposal to be submitted in English. Support in drafting proposals is also provided to both small and large applicants. For loan schemes, it is common to require proof of credit-worthiness and the provision of collateral. Some REDD+ and National Climate funds, such as the CBFF, Amazon Fund, and ICCTF, use standardized templates for applications; other funds require less rigid project concept notes.

In terms of project duration, the REDD+ funds often focus on short to medium time spans. The CBFF, for example, funds projects with a maximum duration of three years; the Amazon fund primarily funds projects that last two to four years. PROFONANPE, which is focused on conserving national protected areas, often funds longer-term projects, though it utilizes regular reviews to ensure that goals can be adapted as needed.

Evaluation and MRV

Evaluation of overall fund performance

In most cases, overall review of fund performance is undertaken by the governing board on an annual or semi-annual basis. Reports are generally prepared by the management body. They include details on both financial and substantive performance and include an overview of projects and their performance. Reports that have been approved by the governing body are usually made public, which is considered best practice by donors.

It is standard practice to hire external third parties to perform annual financial audits according to international standards; some funds also provide for audits of emission reductions or other factors. Some donors may additionally request extraordinary reviews of the fund, usually at the donor's expense. It is considered best practice to make review documents public.

MRV of individual funded activities

The form of MRV employed at the project level generally depends on the type and size of the initiative. PROFONANPE, which funds large projects that are typically run by state agencies, requires quarterly, semi-annual and annual reports on project results, issues and budgets; these are presented to the Steering Council. The approval of annual budgets is contingent on indicators from the previous year being fulfilled.

For smaller projects implemented by the private sector or NGOs, it is more common for monitoring to be undertaken through annual reporting to the executing agency or, as in the case of GRIF, partner entities. In the REDD+ funds, detailed MRV plans — including performance indicators and monitoring schedules — are typically developed on a project-specific basis, and almost all projects are subject to annual financial audits.

Where there are large numbers of funding recipients, such as in PES schemes, outsourcing MRV can reduce costs. Under FONAFIFO, private-sector agents monitor PES participants, who in turn pay them. This creates a risk of conflict of interest, however, which necessitates regular audits of these agents.

If funding recipients have limited capacity, simplified reporting can reduce the burden on participants. Under the Lao EDF, for example, reporting by recipients of small amounts of funding is made orally at collective meetings, since few recipients have the capacity to write detailed reports.

MRV of performance-based payments

Performance-based payments are typically made at the national level and are based on the reduction of emissions below an agreed reference level (RL). At the local level this degree of measurement is frequently too cumbersome and is therefore less common. Funds that receive performance-based REDD+ payments (GRIF and Amazon Fund) were not hindered by the fact that robust RLs or forest carbon MRV systems had not yet been established in-country. Instead, they use conservative estimates and deforestation proxies as interim approaches.[6]

Social and environmental safeguards

A robust system for the implementation of social and environmental safeguards is considered crucial to attracting donor funding to REDD+ funds. A large majority of major international public donors require their safeguard standards — or those that are as or more stringent — to be applied to projects or programmes that they fund.

Where funding is sought from multiple donors, two main strategies have been employed to meet their safeguard requirements. The first is to apply donor safeguards on a project-by-project basis. This approach is applied by FONAFIFO, for example; international donors provide only a relatively small proportion of funding, and this is directed toward specific projects. Funds that use donor money to support a more diverse range of project activities or intend to combine donor funding in a common account will generally adopt stringent safeguards that are likely to satisfy the requirements of most donors.

Endnotes

1. This article is based on a full-length report that contains comparison tables and annexes detailing key attributes of the funds examined (Conway, Pritchard and Streck 2013).
2. See Streck et al. 2009.
3. Fiduciary procedures are put in place to ensure the fulfillment of fiduciary duties, that is, duties of trust and responsibility, in financial management.
4. See Spergel and Taïeb 2008.
5. See Forstater, Nakhooda and Watson 2013.
6. Deforestation proxies refer to figures that are agreed between the donor and the recipient country to represent the level of deforestation in the country for the purposes of the reference level in the absence of more precise information being available.

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6.3 Energy poverty, REDD+ and FLEGT in Ghana

JONATHAN D. QUARTEY

Introduction

Over the past 100 years, forest management in Ghana has led to deprivation, exclusion and marginalization in many forest communities. To succeed, REDD+ and FLEGT VPAs must reverse this century-old legacy.

In November 2009 Ghana was the first timber-producing country to sign a FLEGT VPA with the EU. Ghana estimates it will be ready for REDD+ by 2013 and for FLEGT licensing a short time later. It must address energy poverty[1] in order to ensure the success of any forest-related policy that requires the cooperation of households. Reliance on fuelwood and charcoal as the main source of energy for cooking indicates energy poverty at the household level. Ghana's recent impressive growth in gross domestic product was realized with traditional biomass accounting for over 60% of total energy consumption, making REDD+ and FLEGT relevant for Ghana's energy sector.

This article examines the extent to which fuelwood use can affect the goals of REDD+ and FLEGT. It is expected that the increased living standard obtained through REDD+ will enhance the implementation of FLEGT by reducing the competition between the use of Ghana's forests for energy and timber.

Energy poverty is a potential threat to realizing the goals of REDD+ and FLEGT in Ghana.

It tries to fill the gap in micro-level analysis by providing a bottom-up discussion to inform REDD+ and FLEGT policy in Ghana and other developing countries. It also supports the argument that REDD+ projects will be successful only if the bulk of their actions (readiness, pilots and implementation) are applied at the sub-national level. The article focuses on the savannah and transition zones — where most forest degradation occurs — to provide a better picture of the true effect of REDD+ implementation. The presence of substantial forests and woodlands within the savannah zone would have a significant impact on REDD+ and FLEGT outcomes (Figure 1).

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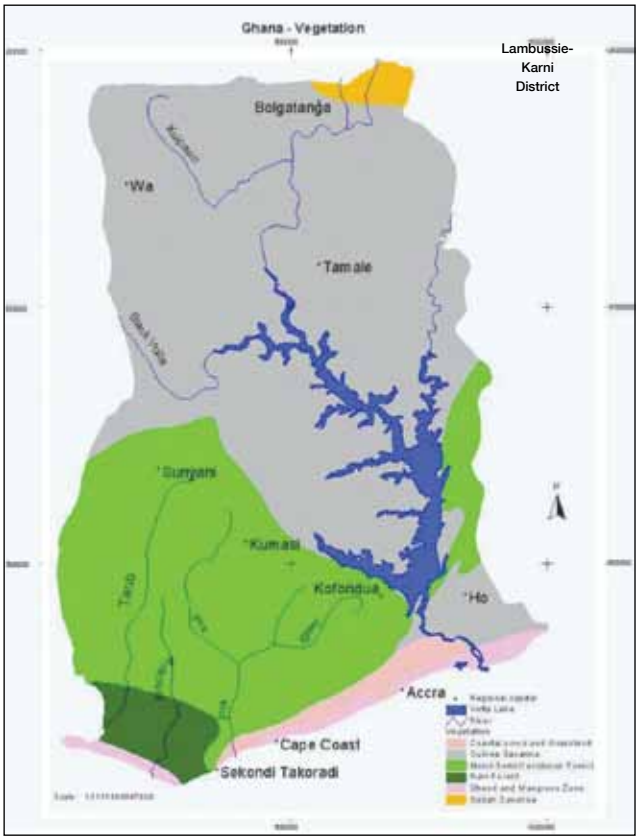
Figure 1. Map of Ghana's vegetation zones



Study problem and objectives

The potential of REDD+ and FLEGT in Ghana appears uncertain, partly due to a lack of detailed information on the costs associated with these programmes. A number of studies on the costs and benefits of REDD+ attempt to estimate the forest area that could be conserved or the volume of CO_2 emissions that could be avoided. But it is uncommon to find micro-level analytical studies that focus specifically on the national, sub-national and project-level costs of REDD+ (Olsen and Bishop 2009) and FLEGT.

In addition, the nature of REDD+ arrangements means that their most important outcomes are delivered at the sub-national level, where land users, communities and local governments are the main stakeholders. Ghana's readiness activities, however, have been dominated by national-level actors, just as its failed forestry policies were. From the outset, the exclusion, marginalization and deprivation that characterized the country's top-down forestry policies are seen in the readiness activities of REDD+. This could jeopardize the success of FLEGT by worsening the already fragile policy context.

In Ghana, REDD+ readiness activities include reforms to forest policy, legislation and administration as well as capacity building (Eliasch 2008). Hansen, Lund and Treue (2009) observed that REDD+ readiness activities in Ghana seem to ignore the massive policy failures that have led to the current predicament of most deforested countries in Africa. The quick acceptance of the idea that transfer payment regimes will work assumes that there is clear and enforceable tenure to forests and trees, which instead is complex and inadequate in most developing countries (Hansen, Lund and Treue 2009). In addition, Ghana's REDD+ and FLEGT readiness activities have been limited to the High Forest Zone (HFZ), almost entirely neglecting the rest of the country. Figure 1 shows that more than 60% of Ghana's biomass supply would be excluded from REDD+ interventions if this restriction is maintained.

The REDD+ model

REDD+ actions are sustainable development policies and measures to reduce and/or enhance removal of GHG emissions. These measures may well extend to the agriculture and bioenergy sectors, insofar as they affect forests. Angelson and Wertz-Kanounnikoff (2008) identified the creation of a multi-level Payment for Emission Reductions scheme through the REDD+ mechanism (Figure 2).

Figure 2. Flow of emission reductions and payments for REDD+

Source: Modified from Angelson and Wertz-Kanounnikoff (2008)

Based on the model in Figure 2, if REDD+ payments to households are lower than the costs at the sub-national level the flow would be disrupted and the system would eventually break down. In order for REDD+ to be successful, payments must be large enough to compensate households for the sacrifices they will be making. In order to improve livelihoods the net cost of fuelwood use under REDD+ must necessarily be less than the net cost of fuelwood use without REDD+. Any other outcome would lead to a leakage of benefits and to reduced economic welfare. This is one of the most important factors influencing REDD+ outcomes.

REDD+ and FLEGT in Ghana

Edjekumhene and Cobson-Cobbold (2011) observed that the primary function of Ghana's forest is undoubtedly as a fuel source, although this fact is absent from much of the discourse on Ghana's forest policies. The FAO (2011) revealed that 94.9% of the wood harvested in Ghana is used for fuelwood, which is the main source of cooking fuel for up to 85% of households in the country.

McFarland (2012) argues that in addition to carbon market uncertainty, the revenue that the Ghanaian government and forest communities can derive through REDD+ is unlikely to be as great a motivation for change as is secure future income from forest resources. This is recognized in Ghana's R-PP (FCoG 2010), where there is an unmistakable emphasis on economic gains from timber production, a trend in Ghanaian forest policy for too long (Boon, Ahenkan and Badoun 2009). According to Ghana's R-PP (FCoG 2010), the lowest opportunity cost method to reduce emissions is by increasing timber value through better industrial efficiency and adding value. Such a measure is not capable of achieving much, however, due to the relative insignificance of this lack of efficiency as a driver of forest carbon loss in Ghana. Although the multi-faceted pressure on Ghana's forests should be guiding the direction of forest management policies, policy-makers are still focused on timber production (McFarland 2012). This makes the bond between REDD+ and FLEGT extremely strong in Ghana; it creates a trade-off in forest use between energy and timber, with timber-related activities having to compete as one entity.

The current readiness and pilot proposals in Ghana target REDD+ in the High Forest Zone (HFZ), not in the transitional zone or savannah regions (FAO 2011). These are the regions where the scope for REDD+ initiatives integrated with other economic activities — for example, cocoa growing and fuelwood production — could also support areas of Ghana where climate change is the greatest threat to livelihoods (EPA and MEST 2011). The current target area increases the uncertainty that REDD+ will succeed in Ghana, which could have an effect on FLEGT operations as well.

The VPA includes a Timber Legality Assurance System (TLAS), which incorporates details on wood tracking and legality verification protocols as well as independent monitoring of the system and review of policy and legislative frameworks. The TLAS supports policy reforms that will engender good governance, transparency and accountability in the country's forestry sector. The greatest challenge for Ghana in preparing for VPA implementation will be meeting the TLAS requirements. This will require cooperation from multiple stakeholders whose handling of forestry issues has created major challenges in the sector in the past. Getting things right with these stakeholders will require a bottom-up approach, as will REDD+.

The ultimate goal of FLEGT is to encourage sustainable management of forests. FLEGT VPAs are doing this through the promotion of good governance, transparency and accountability in the forestry sector by means of the TLAS. This will also address most of the challenges for REDD+. That is because these TLAS requirements continue to be the most difficult issues working against successful forestry in Ghana. If REDD+ can deliver enough payments to satisfy stakeholders whose livelihoods will be affected through forest conservation, then this in turn would enhance the execution of FLEGT. Evidence for this is provided by the empirical assessment of energy poverty in the Lambussie-Karni district of Ghana.

Assessment of energy poverty

The study area

The Lambussie-Karni District, a typical energy-poor area, was assessed for the potential effect of REDD+. The district is located in the northwestern corner of Ghana (see Figure 1). It ranks within the bottom 10% of the poorest districts in Ghana. This makes it particularly suitable for fuelwood policies, especially those implemented through REDD+. The diversity of trees found in the district meets all domestic needs for fuelwood and charcoal.

A systematic sampling approach was used to select every third household to respond to a questionnaire. The respondents were heads of their households or their selected representatives. A sample of 120 households responded to questions out of a generally homogeneous 6,000 households. The survey asked about willingness to pay for forest restoration for sustained fuelwood supply, and also obtained socio-economic data.[2]

Economic benefit of fuelwood use in Ghana

The author used a Contingent Valuation Model (CVM) to assess the economic benefit of fuelwood to residents of the Lambussie-Karni District (Bolt, Ruta and Sarraf 2005). The main question concerned the households' willingness to pay (WTP) for forest restoration, which was necessary due to the degradation caused by fuelwood harvests.[3] Each household's WTP represents its estimate of the total value of benefits it derives from fuelwood used in one month. Extending the valuation results for Ghana's fuelwood sector gives the total willingness to pay (TWTP) shown in Table 1.

Table 1. TWTP per month for forest restoration for sustained fuelwood supply, Ghana

a. WTP (midpoints in US$)	b. Relative frequency (%)	c. Households depending on fuelwood as main source of energy (in millions)	d. Total WTP/month (in millions of US$) (d = a x c)
1.25	37.5	1.65	2.06
1.56	30.8	1.36	2.12
1.88	15.8	0.70	1.32
2.19	4.20	0.18	0.39
5.63	11.7	0.51	2.87
Total	100	4.40	8.76

Source: Calculations from the author's fieldwork, 2010.

Of the 5.5 million households in Ghana, 80% — i.e., 4.4 million — depend on fuelwood as their main source of energy (GSS 2008). Following the TWTP calculations in Table 1, the monthly TWTP for forest restoration to ensure sustained fuelwood supply in Ghana equals US$ 8.76 million. If this is multiplied by 12, the annual TWTP of fuelwood used in Ghana is US$ 105.12 million.

Net cost estimation

Since most fuelwood is collected rather than bought, the net annual economic benefit could approximately equal the TWTP. The Ghana Energy Commission (2006) estimated the average total life-cycle cost[4] per household of using fuelwood to be about US$ 53 each year. For 4.4 million households, this amounts to US$ 233.20 million. This means the net value of fuelwood use in the absence of REDD+ is US$ 233.20 minus US$ 105.12 million, which equals US$ 128.08 million per annum.

The introduction of REDD+ brings both challenges and opportunities for fuelwood users. Since REDD+ will limit the areas that are open to fuelwood collectors, it should also result in a reduction in forest degradation. In the short term, REDD+ will lead to a decrease in fuelwood supply. This will mean that women and children spend more time and effort to fetch fuelwood. The current one-to-five hours spent by women (UNDP 2011) could increase to two-to-seven hours or more, based on an assessment of Ghana Energy Commission (2006) data. This means that the cost of collecting fuelwood would increase.

If REDD+ targets a decrease of 60% of fuelwood from standing forest stocks by 2020 (Ghana Energy Commission 2006), this would increase the cost of fuelwood by approximately 60%.[5] The demand for fuelwood among the energy poor in Ghana would not affect the price since no cheaper alternatives exist in meaningful quantities.[6] A 60% increase in cost would mean that the net cost of fuelwood used as a result of REDD+ would be US$ 204.93 million (US$ 128.08 X 1.60) per year. Thus, the net cost of using fuelwood under REDD+ (US$ 204.93 million) exceeds the net cost of using fuelwood without REDD+ (US$ 128.08 million) by US$ 76.85 million per year.

In order not to worsen the living standard of households, the REDD+ mechanism must be able to deliver this US$ 76.85 million per year to fuelwood users in Ghana. This would, however, not provide the missing 60% of fuelwood supply for REDD+ and would only keep the level of degradation at its current level.

If REDD+ is not able to deliver the US$ 76.85 million per year, it could cause a decrease in the economic welfare of fuelwood users in Ghana. The long-term outcome depends on the effectiveness and efficiency of the transition from energy poverty to more modern sources of energy or on the provision of wood lots for fuelwood.

In order to deliver more than just carbon, the REDD+ mechanism must be able to compensate for the increased net cost of fuelwood use caused by its implementation. If this compensation is achieved, it would be a major breakthrough for REDD+, since it would help free the initiative from local interference with top-down policies. The Lambussie-Karni district will not be considered for any REDD+ action, since it is not within the HFZ, even though it has a significant and indirect effect on FLEGT through REDD+ and changes to economic welfare.

Conclusion and recommendations

Energy poverty is a potential threat to realizing the goals of REDD+ and FLEGT in Ghana. This is because the main use of Ghanaian forests is for fuelwood, which will be more difficult to obtain when these programmes are implemented. The establishment of energy wood lots through REDD+ funding could create jobs for households, which is also relevant to FLEGT as a mitigation measure for potential negative impact on livelihoods. This could prevent households from experiencing negative effects from REDD+ activities. If FLEGT VPA could be expanded to include an energy sector component in its interventions this would support the energy segment of REDD+. Both interventions also need to address their concentration on the HFZ to the neglect of the wooded savannah area, which supplies most of the fuelwood used in Ghana.

Endnotes

1. Energy poverty is the situation where people's well-being is negatively affected by very low consumption of energy, use of dirty or polluting fuels, and excessive time spent collecting fuel to meet basic needs. See http://en.wikipedia.org/wiki/Energy_poverty.
2. These were income levels, household head's highest educational attainment, household size, and sources and uses of energy.
3. Responses were obtained through the "bidding game" approach.
4. Life-cycle costs are calculated by adding up all the costs associated with the initial purchase, installation, operation and maintenance of a system throughout its operational lifetime.
5. This is due to the fact that fuelwood has unitary elasticity of demand among its users, even though there appears to be a theoretical inelasticity (author's observation, 2013).
6. This occurs because the market for fuelwood among the energy poor is not a normal one. Most of the fuelwood used is not purchased but collected from wooded vegetation. It is therefore the cost of access that increases under scarcity, not the price.

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Appendix: VPA and REDD+ initiatives by country

Country	VPA	UN REDD	FCPF	FIP
Argentina		√	√	
Bangladesh		√ (national programme)		
Belize			CC	
Benin		√		
Bhutan		√	√	
Bolivia	IR	√ (national programme)	√	
Brazil				√
Burkina Faso			√	√
Burundi			CC	
Cambodia	IR	√ (national programme)	√	
Cameroon	implementation	√	√	
Central African Republic	implementation	√	√	
Chad			CC	
Chile		√	√	
Colombia	IR	√ (national programme)	√	
Costa Rica		√	√	
Democratic Republic of Congo	negotiation	√ (national programme)	√	√
Dominican Republic			√	
Ecuador	IR	√ (national programme)		
El Salvador			√	
Ethiopia		√	√	
Fiji			√	
Gabon	negotiation	√	√	
Ghana	implementation	√	√	√
Guatemala	IR	√	√	
Guyana	negotiation	√	√	
Honduras	negotiation	√	√	
Indonesia	implementation	√ (national programme)	√	√
Ivory Coast	negotiation	√	√	
Jamaica			CC	
Kenya		√	√	
Lao People's Democratic Republic	negotiation	√	√	√

Note: IR = Information requested (the European Union is providing the government of a producer country with information about the VPA; this precedes a formal request by a country to begin negotiations).
UN REDD: United Nations collaborative initiative on Reducing Emissions from Deforestation and Forest Degradation (REDD) in developing countries; FCPF: Forest Carbon Partnership Facility (World Bank); FIP: Forest Investment Program (World Bank); CC: Candidate country

Country	VPA	UN REDD	FCPF	FIP
Liberia	implementation		√	
Madagascar		√	√	
Malaysia	negotiation	√		
Mexico		√	√	√
Mongolia		√		
Morocco		√		
Mozambique			√	
Myanmar	IR	√		
Nepal		√	√	
Nicaragua			√	
Nigeria		√ (national programme)	√	
Pakistan		√	√	
Panama		√ (national programme)	√	
Papua New Guinea	IR	√ (national programme)	√	
Paraguay		√ (national programme)	√	
Peru	IR	√	√	√
Philippines	IR	√ (national programme)	CC	
Republic of the Congo	implementation	√ (national programme)	√	
Sierra Leone	IR			
Solomon Islands	IR	√ (national programme)		
South Sudan		√	CC	
Sri Lanka		√ (national programme)	CC	
Sudan		√	CC	
Suriname		√	√	
Tanzania		√ (national programme)	√	
Thailand	negotiation		√	
Togo			√	
Tunisia		√		
Uganda		√	√	
Uruguay			CC	
Vanuatu			√	
Vietnam	negotiation	√ (national programme)	√	
Zambia		√ (national programme)		
Zimbabwe		√		

Disclaimer: Many FLEGT and REDD+ activities are ongoing in a large number of developing countries. This table presents only those countries involved in a VPA process and/or REDD+ multilateral process at the time of publishing.

Established in 1991, the European Tropical Forest Research Network (ETFRN) aims to ensure that European research contributes to conservation and sustainable use of forest and tree resources in tropical and subtropical countries.

ETFRN promotes a dialogue between researchers, policy-makers and forest users, the increased coherence of European tropical forest research, and increased collaboration with researchers in developing countries through partnerships and other forms of capacity building.

ETFRN provides a range of services, including *ETFRN News*, which comprises theme-based issues on research relevant to the international development agenda. This issue of *ETFRN News* provides an overview of practical experiences and research on interactions between FLEGT, REDD+ and other forest-related initiatives.

The mission of Tropenbos International (TBI) is to improve tropical forest governance and management in order to support conservation and sustainable development. By making knowledge work for forests and people, TBI contributes to well-informed decision making for improved management and governance of tropical forests. TBI's longstanding local presence and ability to bring together local, national and international partners make it a trusted partner in sustainable development. TBI is ETFRN's coordinating member and national focal point in the Netherlands.

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