FOREST LAW

ENFORCEMENT AND

GOVERNANCE PROGRAM

Review of Implementation

Arnoldo Contreras-Hermosilla
August 10, 2007

The World Bank
Washington, D.C.
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Many individuals provided inputs to this review. They include Charles Barber, John Bazill, Mario Boccucci, Duncan Brack, Jon Buckrell, Kerstin Canby, David Cassells, Mike Davis, Maria Ana de Rijk, Gerhard Dieterle, Julia Falconer, Daniela Goehler, Nalin Kishor, Hannu Kivelä, Andrey Kushlin, Jag Maini, Edgar Maravi, Fausto Mejia, Richard Modley, Eva Muller, Robert Obendorf, Tapani Oksanen, Oliver Pierson, Prabianto, Esa Puustjärvi, Aarne Reunala, Jean-Marie Samyn, Jade Saunders, Markku Simula, Bill Singleton, Fred Stolle, Luca Tacconi, Agustinus Taufik, Ahmet Ulukanlı, Anne Vehviläinen and Bernard von der Heyde. Their valuable contributions are gratefully acknowledged.
Acronyms and Abbreviations

ACICAFOC Coordination Association of Indigenous and Farmers of Agro-Forestry
ADIE Association for the Right to Economic Initiatives
AFLEG Africa Forest Law Enforcement and Governance
AFP The Asia Forest Partnership
ALFA Implementation of Forest Laws in Amazon Countries
APEC Asia-Pacific Economic Cooperation
ASEAN Association of Southeast Asian Nations
ASOF Asean Senior Officials on Forestry
ATO African Timber Organization
CCAD Central American Comisión for Environment and Development
CED Center for Environment and Development
CEFDHAC Conference of Dense and Humid Forest Ecosystems in Central Africa
CIFOR Center for International Forestry Research
CITES Convention on the International Trade of Endangered Species
COMIFAC Central African Forest Commission
CONADEH National Commission on Human Rights
CPF Collaborative Partnership on Forests
CMU Country Management Unit
DFID UK Department for International Development
DRC Democratic Republic of Congo
DR-CAFTA Dominican Republic -Central American Free Trade Agreement
EAP East Asia and Pacific Region
EAPFLEG East Asia and Pacific Region Forest Law Enforcement and Governance
ECOSOC Economic and Social Council of the United Nations
ENA Europe and North Asia
ENAFLEG Europe and North Asia Forest Law Enforcement and Governance
ESW Economic and Sector Work
EU European Union
FAO Food and Agriculture Organization
FCPF Forest Carbon Partnership Facility
FESP Forest and Environmental Sector Development Program
FLEG Forest Law Enforcement and Governance
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>FLEGT</td>
<td>Forest Law Enforcement and Governance Trade</td>
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<td>FOMAS</td>
<td>Forest Monitoring and Assessment System</td>
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<td>FPCF</td>
<td>Forest Carbon Partnership Facility</td>
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<td>FSEFI</td>
<td>Financial Market Integrity Unit</td>
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<td>G8</td>
<td>Group of Eight</td>
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<td>GAC</td>
<td>Governance and Anti Corruption</td>
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<td>GFA</td>
<td>Global Forest Alliance</td>
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<td>GIS</td>
<td>Global Information Systems</td>
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<td>GLB</td>
<td>Guidance Note</td>
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<td>GLOBE</td>
<td>Global Legislation Organization for a Balanced Environment</td>
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<td>GTZ</td>
<td>German Development Corporation</td>
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<td>IAP</td>
<td>Indicative Action Plan</td>
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<td>IFC</td>
<td>International Finance Corporation</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>INAFOR</td>
<td>Nicaragua Forest Authority</td>
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<tr>
<td>INPRES</td>
<td>Instituto Nacional de Prevención Sísmica</td>
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<td>ITTC</td>
<td>International Tropical Timber Council</td>
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<td>ITTO</td>
<td>International Tropical Timber Organization</td>
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<tr>
<td>IUCN</td>
<td>The World Conservation Union</td>
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<tr>
<td>KPK</td>
<td>Anti-corruption commission</td>
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<td>LEGEN</td>
<td>The Environmentally and Socially Sustainable Development and International Law (World Bank Unit)</td>
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<tr>
<td>LFI</td>
<td>Liberia Forest Initiative</td>
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<td>LULUCF</td>
<td>Land Use and Land Use changes and Forestry</td>
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<td>LTPA</td>
<td>The Legal Timber Protection Act</td>
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<tr>
<td>MASRENACE</td>
<td>Sustainable Management of National Resources and Promotion Industry Competitiveness</td>
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<td>MCPFE</td>
<td>The Ministerial Conference on the Protection of the Forests in Europe</td>
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<td>NEPAD</td>
<td>New Partnership for Africa’s Development</td>
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<tr>
<td>NGO</td>
<td>Nongovernmental organization</td>
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<tr>
<td>NLBI</td>
<td>Non-Legally Binding Instrument</td>
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<tr>
<td>OCFSA</td>
<td>Organisation for the Conservation of Wild Fauna in Africa</td>
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<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
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<td>OTCA</td>
<td>Organization of Amazon Cooperation Treaty</td>
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<td>PERFOR</td>
<td>Central America Strategy on Forests</td>
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<td>POLEX</td>
<td>Forest Policy Experts</td>
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<td>PPATK</td>
<td>Pusat Pelaporan dan Analisis Transaksi Keuangan</td>
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<td>PROFOR</td>
<td>Program on Forests</td>
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<td>RAAS</td>
<td>The Región Autónoma del Atlántico Sur</td>
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<tr>
<td>RECOFTC</td>
<td>Regional Community Forestry Training for Asia and the Pacific</td>
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<tr>
<td>REDD</td>
<td>Reduced Emissions from Deforestation and Degradation</td>
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<td>REM</td>
<td>Resources Extraction Monitoring</td>
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<tr>
<td>REPAR</td>
<td>Sustainable Management of Central African Forest Ecosystems</td>
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<tr>
<td>SDN</td>
<td>Sustainable Development Network (New World Bank VP established in late 2006)</td>
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<tr>
<td>SEA</td>
<td>Strategic Environmental Assessment</td>
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<tr>
<td>SP/OTCA</td>
<td>Permanent Secretarial/ Organization of Amazon Cooperation Treaty</td>
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<tr>
<td>TFD</td>
<td>The Forest Dialogue</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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<tr>
<td>USDA</td>
<td>United States Department of Agriculture</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNFF</td>
<td>United Nations Forum on Forests</td>
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<tr>
<td>VPA</td>
<td>Voluntary Partnership Agreement</td>
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<tr>
<td>VERIFOR</td>
<td>Forest Verification Project</td>
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<td>WB</td>
<td>World Bank</td>
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<td>WBI</td>
<td>World Bank Institute</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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<td>WWF</td>
<td>World Wildlife Fund</td>
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The Forest Law Enforcement and Governance Program was initiated in 2001 to respond to the increased awareness of the undesirable effects of illegal forest actions occurring in the main producer and exporting countries. Founding international partners assigned the World Bank a central coordinating role. The Program aims to coordinate initiatives with other international and national institutions as well as partners of the private sector and civil society to combat illegal logging and associated trade. The Program strategy is first, to increase knowledge of the causes of inaction, as well as the economic, social and environmental consequences, to enhance the level of awareness among government officials and main stakeholders. This will provide a solid basis for generating enough political commitment to deal with this sensitive problem. Second, political commitment and explicit pledges to action by high-level government officials are sought at regional ministerial conferences, which also typically endorse concrete Indicative Lists of Action to be implemented by countries. Third, the Program encourages implementation of reforms agreed at the Ministerial Conferences by supporting national action plans, conducting analyses at the country level, creating country platforms for action, and mobilizing resources required for implementing country reforms.

This reviewexamines the accomplishments of the FLEG Program and the main obstacles it has faced over the years, and recommends ways to increase its effectiveness in the future. The review looks at the Program’s activities in the following thematic areas: (a) knowledge creation and dissemination, (b) development of political commitment and a multistakeholder platform for action, and (c) catalytic support to country initiatives to improve forest law enforcement and governance.

KNOWLEDGE CREATION AND DISSEMINATION

The Program has effectively expanded the body of knowledge on illegal logging and trade, both through its direct involvement in research activities and by encouraging research in other institutions. One of the Program’s most important contributions has been collection and systematization of the information, disseminated in numerous studies, into a coherent global and regional picture that in turn has spurred better-informed international debate on the subject. The Program has helped create a body of high-quality knowledge, and articulate a more realistic, nuanced, and integrated view of forest law enforcement. In doing so, it has also been instrumental in establishing a platform, previously lacking, dedicated exclusively to the international debate on illegal forest activities.

However, several knowledge gaps still remain and will require substantial additional research. As forest law enforcement and governance constitute a relatively new and evolving area of action, future analytical work will likely be considerable.
Demands on the Program for analytical work will arise from the integration of FLEG processes into existing regional and subregional institutions, as well as from implementation of country-level initiatives. It appears that the balance of demands for analytical work will shift from regional themes toward acquiring the knowledge to implement FLEG reforms in countries.

The FLEG Program can detect remaining regional knowledge gaps and demands by including such an item for discussion in its technical regional meetings, in meetings of the regional task forces and advisory groups, and, when possible, in the agenda of other international gatherings related to forest law enforcement and governance.

Requirements for analytical work at the country level will arise mainly from specific national action plans, and therefore will vary from country to country. Given that FLEG country programs are generally quite complex, systematic examination of experiences in implementing national plans will likely provide valuable lessons that could improve planning in other countries.

When it comes to dissemination of knowledge, the review shows that the program has effectively used various avenues to disseminate knowledge and raise awareness of the causes and impacts of illegal logging and trade (as well as the remedial options available). Knowledge has been widely disseminated to decision makers and other stakeholders regarding preparation and implementation of the regional processes, their follow-up activities, and to participants in the numerous technical meetings associated with regional FLEG processes. Together with conventional publications, the Program has also effectively used international forums and associated programs within the Bank and outside it to disseminate knowledge. The Program maintains a Web site and publishes a FLEG Newsletter containing information about FLEG activities worldwide, including relevant initiatives undertaken by other programs.

The review finds there are opportunities for more effective dissemination of knowledge to government decision makers, particularly those that work in institutions outside the forest sector public administration, and for increased distribution to technical audiences outside the Bank. There is also a need to further raise awareness among Bank staff and decision makers. Increased, more effective use of Internet resources is advisable.

**DEVELOPMENT OF POLITICAL COMMITMENT AND CREATION OF A MULTISTAKEHOLDER PLATFORM FOR ACTION**

The FLEG Program has been successful in deploying the Bank’s convening power and global reach in creating an international platform for action on illegal logging and trade. Had the Program not been housed at the Bank it is unlikely that any other organization would have been able to muster the ability to bring together the large number of governments, private sector institutions, and civil society now working toward the common objective of controlling illegal activities in the forest sector.

The regional FLEG processes raised general awareness of forest illegal activities and their consequences significantly. The regional processes resulted in expressions of high-level political commitment—engaging some 90 governments, and numerous organizations of the international community, the private sector, and civil society—to improve the rule of law in the sector. The regional ministerial processes have increasingly intensified the dialogue and participation of stakeholders of civil society and the private sector in the debates, and made it possible to integrate their contributions into FLEG Ministerial Declarations. Thus, although ministerial-level officials are the ones formally issuing the Declarations, these implicitly embody the concerns and priorities of several other stakeholders.

The Program has helped elevate illegal logging and trade as issues of high importance in numerous international forums, and on the agenda of other institutions of bilateral and multilateral assistance. The review shows that the Program has motivated and facilitated an intensive dialogue between producer-exporting and consumer-importing nations, and the design of joint and voluntary strategies to regulate the international trade of illegally sourced wood, such as the European Union Forest Law Enforcement Governance and Trade Initiative. Other international agreements, such as the recent DR-CAFTA, between the United States and a group of Central American countries, have included safeguards related to illegal logging and trade. The Pro-
gram also supports some countries in Central America to ensure better compliance with Convention on the International Trade of Endangered Species (CITES). Because of the Program’s influence, various regional agreements and institutions such as Association of Southeast Asian Nations (ASEAN), Central African Forest Commission (COMIFAC), and Central American Comisión for Environment and Development (CCAD), have adopted (or are adopting) illegal logging and trade as a priority theme in their programs of action. The Program has also been influential in eliciting action in related nongovernmental and private sector institutions, including, among others, The World Conservation Union (IUCN), Center for International Forestry Research (CIFOR), Forest Trends, Global Witness, and the World Wide Fund for Nature (WWF).

The FLEG Program has established linkages with several highly relevant Bank programs, for instance with the World Bank/WWF Alliance and PROFOR, the Environment and International Law Unit, and the Financial Intelligence Unit. The FLEG Program provides inputs to the World Bank Governance and Anticorruption Strategy. Since 2001 some 60 percent of all Bank forestry projects have included components to improve governance. Still, it is believed that increasing awareness among Country Management Units’ staff and other decision makers at the Bank would improve the integration of FLEG issues in the Bank’s Investment Program and country dialogue.

In the immediate future FLEG initiatives are likely to gain considerable strength in forestry-related Bank programs, including prominent emerging initiatives for reducing greenhouse emissions from deforestation and forest degradation. The latter are critically dependent on adequate levels of sector governance for their success. The review concludes that the various linkages the Program has established with other programs in the Bank would benefit from a more programmatic approach that would enhance synergies, reduce transaction costs, provide a better basis for scaling up activities, and mobilize needed financing. The current concept of a Global Forest Alliance to achieve greater harmony and accommodate emerging programs is a welcome development in this respect.

Outside the Bank, demands on the Program in the near future will probably include those to maintaining the momentum of existing FLEG regional initiatives, as well as those arising from subregional processes in Africa, Latin America, and the Caribbean. Further demands for Program support will arise from the integration of FLEG in existing regional institutions in Africa, Latin America, and the Asia regions (such as ASEAN and COMIFAC). Otherwise the emphasis of program activities on raising awareness, fostering political willingness, and encouraging action will need to shift toward greater focus on countries.

**FOLLOW-UP ACTION AT THE COUNTRY LEVEL**

The growing international preoccupation with illegal logging and associated trade has created a better environment for designing reforms for law enforcement in key producing countries affected by these problems. Nevertheless, progress in introducing reforms at the country level has been highly variable. Some countries appear to have a high level of political determination and have substantially boosted their efforts to control illegal logging and trade, while in others progress has been slow.

An examination of the Program’s experience in promoting concrete action in countries shows that significant obstacles remain:

- The translation of Ministerial Declarations into action at the country level is frequently impeded by the sheer complexity of reforms. Experience shows that complex reforms of the policy and legal framework, particularly those associated with politically contentious issues, typically take a long time to materialize, and once introduced, are difficult to sustain.
- Policy reforms to address illegal logging risk creating unexpected perverse incentives. Sound analytical work is an important requirement to adequately identify these undesirable impacts and design appropriate safeguards. This is a time-consuming endeavor, requiring expertise that is generally scarce in affected countries.
- Strong government ownership is key to ensuring progress but is frequently absent. The main barriers are as follows:
  - Lack of awareness of political leaders—particularly those outside the forest sector that
are key to controlling illegal logging—of the
causes and consequences of illegal logging
• Poor understanding of the environmental,
economic, social, institutional, and political
comparative costs of proceeding with
reforms as opposed to continuing the status
quo
• Resistance from powerful illegal loggers and
enterprises that depend on them
• The prevalence of corruption
■ Poor donor coordination and uncertainty about
their sustained support over relatively long peri-
ods of time hamper progress.
■ Insufficient participation of stakeholders from
the private sector and civil society, as well as of
the public at large, results in lack of consensus.
■ Indiscriminate emphasis on pure enforcement
and relative disregard of preventive measures
chills stakeholders’ willingness to participate.
■ In some countries, the occurrence of violent
conflict reduces the likelihood of achieving
measurable progress.

SUMMARY OF RECOMMENDATIONS

Recommendations to improve knowledge
creation and management

Recommendation 1. The FLEG Program should
determine the knowledge-critical needs that remain
and establish strategic analytical work priorities at
the regional and country levels. At the regional
level, the Program should base its analysis of
demand by encouraging discussion of analytical
work needs at the meetings of the regional task
forces, advisory groups, and at regional and subre-
gional institutions, such as ASEAN, CCAD, Organi-
zation of Amazon Cooperation Treaty (OTCA),
and COMIFAC, that have integrated FLEG issues
into their programs. These venues are where analyt-
ical work is likely to create the greatest impact. At
the national level, the Program research should
examine and respond to demands from specific
country FLEG initiatives.

Recommendation 2. The Program should give pri-
ority to expanding knowledge in themes for the
effectiveness of FLEG initiatives considered of criti-
cal importance by experts. These include (i) how to
generate and sustain political commitment to
reform in those countries where government polit-
cical will is weak or nonexistent, (ii) assessment of
the benefits and costs of transitions to greater legal-
ity in the sector, including their economic, environ-
mental, social, institutional and political dimen-
sions; (iii) analysis of the political economy of
transitions to explore how costs and benefits are
distributed among key stakeholders over time, and
along the logging and trade chain; (iv) assessments
of market financial incentives to comply with the
law, including the expansion of market share, pref-
erential treatment in government procurement
contracts, and linking forest law enforcement ini-
tiatives and outcomes to promising schemes such as
the Reduced Emissions from Deforestation and
Degradation initiative; (v) research on how FLEG
initiatives can be shaped to maximize alleviation of
poverty; (vi) strategies and methods to deal with
corruption; and (vii) the systematic study of experi-
ence acquired in applying country-level FLEG ini-
tiatives, with emphasis on interventions that more
likely to be successful in specific country settings.

Recommendation 3. The Program should dissemi-
nate knowledge more widely, with more intensive
use of Internet resources, and deliberately target key
decision makers as well as technical audiences out-
side the Bank. It should also increase awareness
among country managers and relevant staff at the
Bank to ensure greater integration of FLEG issues in
the Bank country dialogue and investment pro-
gram.

Recommendations to sustain
commitment to action

Recommendation 4. The Program should support
task forces and foster regional and subregional
processes, particularly those now in the initial
stages of implementation. It should also expedite
the integration of FLEG processes in existing
regional and subregional institutions.

Recommendation 5. With regard to the large num-
ber of international initiatives to combat illegal log-
ing and trade, the Program should examine the
potential for productive synergies in implementing
FLEG processes with selected priority programs and
initiatives outside the Bank, such as the FLEGT.
Recommendation 6. Inside the Bank the GFP process will ensure coordination of activities with other global programs at the forest team level, but further analysis is needed to explore productive interactions with other programs of the Bank—particularly the investment program and the country dialogue, as well as the governance and anticorruption (GAC) strategy. Particular attention should be given to the linkages between FLEG and the governance component of Program on Forests (PROFOR), and between FLEG and the Forest Carbon Partnership Facility (FCPF). Furthering awareness of FLEG issues and how the Program could be better integrated in Bank operations among Bank decision makers is also advisable.

Recommendations to foster follow-up action at the country level

Recommendation 7. Ensure focus, selectivity, and continuity. The Program should strengthen its support to country strategies for controlling illegal logging and associated trade. In doing this, the Program should be selective, concentrating its efforts on those that offer the best opportunities for effective action, and thus avoid ineffectual dispersion of its scarce resources. In countries where illegal logging is important but conditions are less favorable (for example, where government leadership shows weak or nonexistent commitment to reform), the Program should engage in more restricted fashion, working in less controversial areas and concentrating on technical issues.

Recommendation 8. The Program should strengthen analytical work at the country level to better understand the costs and adjustments of a transition to higher levels of legality, and the possible measures that would put in place a system of incentives and disincentives that would effectively reward legal operators and penalize illegal ones. Analytical work should also include initiatives to understand the political economy of transitions to legality, including the incidence and impact of corrupt practices. Analytical work should also direct adequate critical attention to studies that estimate indirect effects on incentives elsewhere, which could lead to undesirable impacts on the forest sector.

Recommendation 9. The presence of corrupt networks considerably undermines efforts to strengthen the rule of law in the sector. The presence of independent monitors is important to expose corrupt activities; however, the Program should examine ways to leverage the substantial experience and knowledge accumulated in the Bank on a broader array of initiatives, to detect, monitor, and control corrupt practices and explore ways to integrate this knowledge in FLEG National Plans of Action.

Recommendation 10. The Program should secure a high degree of coordination among donors in its support of country actions. It should also plan for support that can be sustained over extended periods.

Recommendation 11. Because of the advantages of the Program’s location at the Bank, it should explore opportunities for further integration of FLEG issues in the Bank investment program. The first step appears to be increasing awareness of FLEG issues among Bank decision makers.

Recommendation 12. The Program should ensure that the design and implementation of country FLEGs are intensively participatory processes, with strong emphasis on local knowledge, innovation, and adaptation to the peculiarities of national contexts. In cases where constituencies are not well organized, the Program should strive to support and consolidate them through assistance that can be sustained over extended periods.
The FLEG Program emerged in 2001 as a response by the international community to the difficulties many countries were experiencing in controlling pervasive illegal activities in the forest sector.

Until the mid-1990s, issues related to criminal forest activity such as illegal logging, unauthorized industrial utilization, and trade in illegally sourced forest products, were absent from the international debate on forests. The problem, recognized in some countries, was considered more a matter for national attention rather than an issue meriting international action. Increased awareness of the impacts of illegal logging on the environment, the economy, and the poor, as well as the growing trade and investment linkages between countries as globalization gathered speed, finally propelled this issue to the international agenda. In 1996, the Intergovernmental Panel on Forests stated that it would dedicate attention to assessing the nature and the extent of illegal logging in forest products. In 1998, at its summit in Birmingham, the G-8 adopted an Action Programme on Forests, including combating illegal logging through initiatives involving both timber-producing and timber-importing countries as one of its main priorities for action.

In 2001 the governments of the United Kingdom and the United States, the World Bank, and other institutions of international development, nongovernmental organizations, entities of civil society, and the private sector launched an international initiative—the FLEG Process—with initial focus on East Asia. Within this coalition partners assigned the World Bank the responsibility for organizing and coordinating this initiative. Shortly after, as the first step, the Bank and its partners organized a regional ministerial conference on illegal logging to raise awareness among key regional decision makers, secure political commitment to control illegal logging in countries of the region, and design a definitive blueprint for action that countries could adopt to combat illegal logging.

The regional conference, attended by participants from governments of 20 countries (11 at the ministerial level), various national and international NGOs, and international agencies, attracted wide attention. The meeting produced an exceptional Ministerial Declaration that, for the first time in an international forest forum, expressed explicit political backing of initiatives to tackle illegal logging and other forest crimes in the producing countries of the region. A list of “indicative” actions, which countries could undertake at their discretion and with the necessary adaptation to their unique national circumstances, was also approved and appended to the Declaration.

Subsequently the Bank and interested governments organized similar efforts in other regions where illegal forest activities and associated trade of forest products were key forest governance issues.
FLEG Ministerial regional processes were launched in Africa (AFLEG Process, 2003) and in Europe and North Asia (ENAFLEG Process, 2005). At the time of this review, similar processes were taking shape in Central America and the Amazon countries.

The World Bank organized its support of these initiatives by creating a partnership program, the World Bank Forest Law Enforcement and Governance Program (hereinafter the “FLEG Program”). The FLEG Program is supported by a multilateral trust fund to foster governmental and other stakeholder commitment to address illegal activities in the forest sector through consensus-building approaches, and to support priority follow-up action identified during these regional processes.

This review examines accomplishments of the FLEG Program, the main obstacles it has faced over the years, and recommendations for increased effectiveness in the future.

Review of a program such as FLEG, which is largely geared toward inducing catalytic action by a variety of other institutions, poses special methodological challenges. Section 2 discusses some of the issues in estimating the program’s outputs and impacts. Section 3 describes the FLEG Program’s regional activities. Section 4 examines the Program’s knowledge creation and dissemination outputs. Section 5 looks at the Program’s results in creating an effective platform for action, and section 6 focuses on the impacts of the Program on generating and sustaining tangible action in countries.
The review builds on a previous examination of the FLEG Program carried out as part of the broader Review of Implementation of the World Bank Forest Policy, completed earlier this year, and on recent work carried out by the Bank Forest Team. This work focused on experiences in combating forest crime by the FLEG Program and on studying various options for future action.

2.1 THE FLEG DOMAIN

An investigation of the impacts of the FLEG Program must first establish the program’s domain and objectives. An important feature of the FLEG program is that its domain and objectives are neither straightforward nor static, with variations introduced as implementation has proceeded.

From the thematic perspective, the FLEG domain was initially understood to embrace all sorts of illegal activities besides illegal logging and trade, including corruption, arson, wildlife poaching, financial crimes, and other crimes, as well as broader problems arising from “poor governance” in the sector. In practice much of the Program’s focus has been on illegal logging and the associated trade in illegally sourced timber, as well as forest primary products and closely related forest crimes (bribery, timber smuggling, and laundering proceeds from illegal forest operations).

International trade of forest products can be both a driver of illegal logging as well as an entry point for reforms to increase legality. Since many importing countries belonged to the industrialized world whereas exporter countries with illegal logging problems were developing or transitional economies, importing countries were part of the “FLEG Domain” early in the process, engaged both as donors and as active agents sharing the responsibility for combating illegal logging and trade.

Further, from very early in the process it was understood that problems created by the prevalence of illegal forest activities required solutions involving much more than exclusive government action. Various stakeholders, ranging from private logging, industrial, and trading enterprises to forest-dependent communities and various institutions of civil society, were affected by illegal logging and could at the same time help control it. Corrective measures therefore needed to be designed and implemented by coalitions of interested stakeholders, rather than solely by governments. The partici-
participation of NGOs, other institutions of civil society, and the private sector, was considered essential to success in tackling illegal logging and trade.

Thus, the FLEG domain is vast, including a variety of unlawful forest deeds, producer and consumer countries, multiple stakeholders, and various governmental institutions, national and international.

### 2.2 ATTRIBUTING CAUSALITY

Every review of a program’s accomplishments must deal with clear cause and effect attribution. Ideally, for each category and scale of results a review should be able to establish unambiguous links between program objectives and activities, its outputs, and ultimate impacts. However, in practice there are problems in establishing causality in a program such as FLEG, which is mainly catalytic, with impacts that are for the most part indirect. The critical difficulty arises from a number of related programs, institutions, and stakeholders linked to FLEG (but not necessarily as a consequence of FLEG), that have put in place initiatives to combat illegal logging and trade. When there are multiple “actors” operating in the FLEG domain, the degree to which results can be confidently attributed to the FLEG Program clearly diminishes with the number of other institutions that become involved and undertake related initiatives. Changes observed over time and spatial dimensions—national, regional, and global—and even in related Bank programs since FLEG inception in 2001, may therefore be due to the FLEG Program, to independent but related activities and influences initiated by other programs and institutions, or only partially to FLEG as it interacts with these other “actors.” A “no-FLEG” scenario that would have allowed measuring the differences with and without the Program is of course out of the question.

To avoid this difficulty, this review examines changes in the FLEG domain in various cases correlated with the FLEG Program without initially attempting to establish any cause and effect linkage. If the degree of association between changes observed in the FLEG domain and those advocated by the FLEG program were extremely weak or altogether nonexistent, it would be reasonable to conclude that the FLEG Program had no significant impact on its domain. If on the other hand a degree of association could be observed between changes in the FLEG domain and activities and outputs of the FLEG Program, the possibility of a cause and effect linkage arises. But correlation does not constitute proof of impact. To better understand the nature and relative strength of this possible linkage, the review relied on opinions obtained during interviews with experts both inside and outside the Bank.

### 2.3 DATA SOURCES

The review is based on documentary evidence in the FLEG Program and other Bank databases, analytical work carried out by the FLEG Program, and other relevant Bank files. It also integrated inputs from extensive Internet research. Further, the review relied on opinions from 34 experts from inside and outside the Bank and from various stakeholder groups expressly interviewed for this purpose (see annex 1). The review relied on a substantive effort by the Bank’s Forest Team to gather relevant documentary materials, and for data assembly as well as key analyses.
The FLEG Program aims to do the following:

- Increase the knowledge base that serves as a basis for building consensus and political will
- Develop political commitment from governments to combat illegal logging and associated trade, both from “producer” and “consumer” regions of the world, with special focus on key wood-producing countries
- Build wide stakeholder involvement in combating illegal logging and associated trade in both “producer” and “consumer” regions of the world, with special focus on key wood-producing countries
- Support catalytic follow-up programs of work in targeted countries

In pursuing these objectives the FLEG Program seems to have evolved from its earlier focus on (i) increasing the visibility of forest crime internationally, and (ii) obtaining a clear expression of political resolve to curb illegal logging and trade through measures in both producer and consumer countries, toward a more recent focus on securing significant action on the ground.

As the first step, the Bank FLEG Program organizes its activities on a regional basis. Initial activities focus on developing the knowledge base on illegal logging and other forest crime affecting producer countries of the region in question, including the magnitude of illegal logging taking place, its causes, and the possible policy measures that can be adopted to combat it. The Program holds various regional technical meetings to discuss issues of general interest in the region. At this stage attention is also given to the practical preparations for a regional ministerial-level conference, involving governments of interested producer and consumer countries. Although regional conferences are primarily intergovernmental initiatives, representatives from the private sector and civil society are invited to attend and contribute to the debates and negotiations. The Regional Ministerial Conferences facilitate informed debate on illegal forest acts and aim to create the political space in both producer and consumer countries to adopt national, bilateral, and multilateral measures to combat illegal logging and trade in participating producing countries. Ministerial Declarations typically achieve a degree of operational specificity by issuing a list of coherent “indicative” priority actions that governments
can apply at their discretion, after tailoring them to the specific governance environment of their countries. Typically, a regional task force is also formed to facilitate implementation of the indicative lists of actions, and an advisory group is created by NGOs, civil society, the private sector and other interested stakeholders. The advisory group supports the task force and facilitates integration of its views into the design of action plans.

The FLEG program attempts to induce actions to control illegal activities in producing countries, whether or not those countries are exporters. Although the role of importing countries in creating demand conditions that encourage illegal logging in producer countries is well recognized, international demand-side measures aimed at restricting imports of illegally sourced wood—while by no means unimportant—receive comparatively less attention in the FLEG Program.

The following sections describe the main activities of the FLEG Program implemented in each region.

3.1 THE EAST ASIA AND THE PACIFIC FLEG PROCESS

After the Bank convened a regional preparatory meeting in Jakarta in April 2001, the World Bank and the Government of Indonesia hosted the first FLEG East Asia and Pacific Regional Ministerial Conference in Sanur (Bali, Indonesia), in September 2001. The primary aims of this conference were to share knowledge on forest law enforcement, conduct deliberations on priority issues related to forest law enforcement in the East Asia region, and agree on a high-level statement pledging to adopt national and regional measures to combat illegal logging and trade. This expression of political commitment was considered an essential step in securing the policy, legal, and institutional reforms needed to improve the rule of law in the countries concerned.

One hundred and fifty participants from 20 countries representing governments, international organizations, institutions of civil society, and the private sector attended the conference. The conference dedicated two days to technical discussions covering nine themes related to forest law enforcement. During the second part of the conference, ministers and other ministerial-level officials from Cambodia, China, Indonesia, Laos, the Philippines, Thailand, and Vietnam met and issued a declaration that committed participating countries to undertake initiatives to address violations of forest laws. The declaration included a pledge to create a task force to promote implementation of an indicative list of 50 national actions falling under eight main areas, as well as 20 regional and interregional actions in four areas. The declaration also urged NGOs and the private sector to form an advisory group to provide inputs to the regional task force.

As a follow-up to the regional conference, in May 2002 the Government of Indonesia and the FLEG Program jointly organized a meeting in Bali with the participation of 10 countries, as well as the World Bank and the European Union, which resulted in the formal establishment of the regional Task Force and the Advisory Group.

The first official meeting of the task force and Advisory Group took place in January 2003 in Jakarta, Indonesia. Seventy representatives from 11 countries and observers from various international organizations attended the meetings. The task force identified four specific actions to translate the intentions of the Ministerial Declaration into concrete results:

- To develop a clearinghouse mechanism for transparency reporting of matters related to forest governance
- To develop and compile a format to share information on progress achieved at country and regional levels on FLEG implementation
- To develop an overall strategic framework for FLEG implementation at national and regional levels
- To carry out research on timber supply and demand

5. These were as follows: (i) Data/Information Exchange, (ii) Trade and Customs, (iii) Bilateral Issues, and (iv) Research.
6. Cambodia, Canada, Indonesia, Japan, New Zealand, Papua New Guinea, the Philippines, the United Kingdom, the United States, and Vietnam. China, Lao People’s Democratic Republic, and Malaysia were invited but did not attend.
However, little concrete action subsequently occurred with respect to these more restricted targets of the task force. Concerned by the lack of progress, the Advisory Group met in October 2004 to discuss ways to relaunch the FLEG process and urged the task force to meet for this purpose early in 2005. The Advisory Group focused on ways to energize the FLEG political process, and recommended creating a steering committee to guide activities in this respect. At that point it was clear that financial resources and a director capable of leading the group were needed to sustain momentum.

At a gathering in May 2005 convened by the Philippines as chair of the task force, an interim steering committee was created to provide further guidance to the regional task force. On that occasion, two priority areas for FLEG were identified, as follows: (i) transparency and national action plans, and (ii) regional timber trade.

Subsequent meetings on technical issues took place, some initiated by the FLEG Program and others by leading governments. For example, the FLEG Program organized discussions on key subjects of common interest, and planning meetings as side events to global gatherings such as those of the United Nations Forum on Forests (UNFF). In November 2005 the FLEG Program hosted a Technical Expert Meeting on Timber Theft Prevention and the Philippines, a customs and law enforcement workshop, in Cebu, the Philippines. The first meeting shared experiences on how land managers could prevent timber theft at the forest management unit. The customs workshop agreed to establish a formal interagency regional working group, including representatives of the ministries of Forestry, Finance, Trade, and Transportation, as a forum for considering and recommending reforms and initiatives in addressing the illegal timber trade. The workshop also recommended actions to (i) improve coordination among government agencies, (ii) improve the approval process for timber products and exports, (iii) expand enforcement efforts relating to smuggling, and (iv) address activities of importing countries. Also, in November 2005 the Indonesian Ministry of Forestry, the Indonesian Financial Transactions Reports and Analysis Center, and the World Bank sponsored a workshop on implementation of the new law on the Crime of Money Laundering, enacted in 2003, which included crimes related to forest and other environmental laws. An ad hoc meeting on investigating and prosecuting illegal logging cases took place in Manila in March 2006 to examine options to enhance detection and suppression of illegal logging by investigating money laundering, and by using antimoney laundering and asset forfeiture legislation in illegal logging cases.

A second official meeting of the task force and advisory group, this time attended by 86 delegates, took place in Manila in March 2006. On that occasion, the regional steering committee was formally created under the continuing chairmanship of the Philippines, and including equal numbers of members from the task force and the advisory group. At that time, the steering committee was tasked with organizing a second ministerial meeting in the region. Countries agreed to establish a national secretariat for the Asia FLEG process and mobilize financing to implement the Bali Declaration.

An informal meeting of the regional steering committee, including members of the task force and the advisory group, was held in September 2006. The meeting identified three areas for priority discussion: (i) regional customs cooperation, (ii) forest sector transparency, and (iii) country reporting. At that meeting, the Philippines agreed to take up the Steering Committee Secretariat duties. Also, the ASEAN Secretariat agreed to serve as the Asia FLEG “institutional home.” In February 2007 the ASEAN Senior Officials of Forestry reviewed the three thematic areas of FLEG action. The Regional Steering Committee met again in February 2007 to discuss the integration of FLEG into the ASEAN.

A further EAP FLEG strategy meeting was organized by the Department of Environment and Natural Resources of the Philippines in New York in April 2007, as a side event to the UNFF Meeting. The Asia FLEG’s three areas of priority were then confirmed, thus ending a long search for a concrete focus for FLEG action. It was also agreed that the next steps should include linking the regional FLEG Process with other regional initiatives, especially the ASEAN Strategic Alliance on Sustainable Forest Management, the Asia Forest Partnership, and the G-8 Illegal Logging Initiative. Japan, the country

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that leads the latter two initiatives, will take over the G-8 Presidency from Germany in 2008, and is likely to dedicate considerable attention to illegal logging. Given these developments, the idea of holding a second ministerial regional conference was abandoned for the time being. In June 2007, a technical workshop held back to back with the Roundtable of ASEAN Senior Officials on Forestry (ASOF) meeting in the Philippines, focused on the details and procedures to develop the three thematic priority areas of action. The ASOF Roundtable discussed a possible ASEAN Ministerial Statement on FLEG and the assimilation of the three FLEG priority themes in the ASEAN Program of Work.

3.2 THE AFRICA FLEG PROCESS

Governments of various countries in Africa already had publicly raised the issue of poor forest governance in various international forums during the late nineties. For example, at the Yaoundé Summit in 1999, heads of state of the Western Congo Basin committed themselves to undertaking coordinated work to ensure improved management and sustainability of their countries’ forests. Later, ministers of several African countries manifested a keen interest in organizing initiatives for combating illegal logging and other unlawful activities in the forest sector. In 2002 the International Tropical Timber Council (ITTC) adopted a decision on forest law enforcement that focused on collecting data in the Central African Republic, the Democratic Republic of Congo, and the Republic of Congo, to provide basic knowledge to support better forest concession and protected area management. The ITTC also sought to support initiatives for improved forest management in the Congo Basin by fostering a partnership to establish a regional strategy for better forest concession management.

The Africa FLEG Process initiated activities in this favorable environment and in the framework of the New Partnership for Africa’s Development (NEPAD).9 At the outset the AFLEG Process sought to confirm and strengthen the political will of producing and consumer countries and other stakeholders to (i) implement strategies for better forest law enforcement and improve governance, (ii) address the need for joint actions and shared responsibilities, and (iii) develop a program of action.

An AFLEG Organization Committee coordinated by the World Bank was formed. In June 2002 the Republic of Congo hosted a planning meeting in Brazzaville to discuss the organization of a ministerial conference. The planning meeting analyzed the main issues related to forest governance as well as the experience acquired in the East Asia FLEG, and tentatively identified the elements of a regional Ministerial Declaration. The FLEG Program supported analytical work, which helped guide preparations for the conference. The World Conservation Union (IUCN) and other NGOs held several intensive preconference subregional consultations and discussions, to coordinate participation and contributions of NGOs to the regional process.10

In October 2002 the Africa FLEG Ministerial Conference took place in Yaoundé, hosted by the Government of Cameroon and the World Bank. Participation was far more extensive than in the Asia FLEG, with more than 300 specialists, representing governments, NGOs, international organizations, and the private sector from 39 countries.11 A distinctive feature of the AFLEG was the in-depth, organized participation of NGOs. The NGOs made unprecedented efforts to influence debates and negotiations, thus suggesting a higher degree of regional ownership of the FLEG Process. The Africa FLEG Process included a broader range of countries, endowed with very different types of forest resources, and with a greater variety of governance.

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9. NEPAD, an African Union program designed to achieve various development objectives, held a thematic workshop on forests in Yaoundé in 2003 to identify forest activities that should receive attention for priority action. The results of the workshop constituted a main input to NEPAD’s Action Plan of the Environment Initiative.


conditions than those of the Asia FLEG. This variety of contexts complicated negotiations related to the Ministerial Declaration, as the search for a common denominator was more complex than in the Asia FLEG.

The regional conference technical segment dedicated discussions to several crucial issues related to law enforcement and governance, and the integration of the FLEG process into existing institutional, regional, and international frameworks. Negotiations led to agreement on themes and wording of the Ministerial Declaration, which was approved by acclamation during the last day of the conference. As in the case of the Asia FLEG, the Africa Ministerial Declaration contained a list of indicative actions, 38 in all, in national implementation, legislative and policy reform, capacity building, law enforcement and monitoring, wildlife resources, forest management practices, financing, and markets and trade. The Declaration also included the intention to create subregional task forces and invited NGOs and the private sector to form advisory groups to support these task forces. However, despite manifested intentions, in practice there was no decisive push for creation of the subregional task forces, as many country governments preferred to integrate FLEG within existing regional structures, rather than create new bodies.

In May 2004 an AFLEG Support Group composed of consumer and producer countries was set up to maintain momentum in the implementation of the AFLEG indicative list of actions.

In February 2005 during the second Central African Heads of State Summit in Brazzaville, the Central Africa Forests Commission (COMIFAC) Treaty was signed. Ten central African countries formally designated COMIFAC as the entity responsible for forests in the region. Member countries also officially adopted a subregional convergence plan for the sustainable management of the forests and environment in Central Africa.

National and international partners recognized the convergence plan as the reference framework for organizing their activities.

In July 2005 the Bank, in cooperation with the Government of Gabon and COMIFAC, supported Intercooperation and the IUCN in organizing a subregional meeting in Libreville to follow up the AFLEG process. The meeting recommended creation of a subregional task force within Conference of Dense and Humid forest Ecosystems in Central Africa (CEFDHAC) in charge of the AFLEG process. CEFDHAC/COMIFAC produced revised terms of reference for the task force in October 2005. A further workshop organized by The World Conservation Union/German Development Corporation (IUCN/GTZ), to review the initial terms of reference of the task force, develop its plan of action, and secure the integration of the COMIFAC Convergence Plan with the FLEG and FLEGT processes in Bafoussam, Cameroon, in November–December 2005. According to these terms of reference, the task force is responsible for coordinating with other relevant subregional initiatives (African Timber Organization [ATO], Association for the Right to Economic Initiatives [ADIE], and Organisation for the Conservation of Wild Fauna in Africa [OCFSA]). COMIFAC prepared its operational work plan, including numerous aspects related to FLEG in 2006 (see examples of main activities in annex 2). This was followed by debates at the First Conference of Parliamentarians on the Sustainable Management of Central African Forest Ecosystems in Yaoundé in October 2006. More than 400 parliamentarians and experts discussed the role of COMIFAC and established actions to promote the harmonization of forest laws and policies in the context of FLEG/FLEGT in the subregion. Parliamentarians issued the Yaoundé Declaration and draft action plan. The Yaoundé Declaration encouraged the Network of Parliamentarians for the Sustainable Management of Central African Forest Ecosystems (REPAR) and the Parliament of Cameroon to organize subregional gatherings on forest governance. The action plan, modeled on COMIFAC’s convergence plan, refers to FLEG and to actions to combat transboundary forest crime.

12. Although COMIFAC had been created in 2000, it had no viable legal basis enabling it to benefit from financial contributions from donors. The Treaty on the Central Africa Forests Commission, adopted by the extraordinary Council of Ministers in September 2004 in Libreville, provided this needed legal structure.

13. These countries included the six founding members of the Congo Basin Forest Partnership, in addition to Burundi, Chad, Rwanda, and São Tomé and Príncipe.

The Eastern Africa Community countries (Kenya, Tanzania, Uganda, Burundi, and Rwanda) are planning meetings to examine policy and legislative options for mainstreaming FLEG processes into existing structures of regional cooperation. A synthesis of national studies is now in preparation. The FLEG Program has supported analytical work in Uganda and Kenya. A common approach is expected to be implemented to improve governance in the sector. This group of countries will hold a FLEG subregional forum to discuss implementation issues later in 2007.

The FLEG Program has designed a program to sustain the AFLEG Process, particularly in the Congo Basin countries, and includes components to (i) assist the Regional Network of Parliamentarian/REPAR, with a view to strengthening stakeholders’ participation in and political commitment to reforms, (ii) piloting independent monitoring in Gabon and DRC, to contribute to increasing transparency and as a step toward facilitating the implementation of these countries’ prospective Voluntary Partnership Agreements (VPAs) with the European Union, (iii) help NGOs monitor social benefits of reforms and their impact on livelihoods, and (iv) facilitate stakeholder participation in FLEG-related international forums to help maintain momentum for FLEG reforms and assist the regional dialogue. The program also has a component to support countries of eastern Africa and Madagascar.15

3.3 THE EUROPE AND NORTH ASIA FLEG PROCESS

In the case of the ENA Region, the Russian Federation took an early and decisive leadership role in 2004 when it announced its support for the FLEG regional process and its willingness to host a Ministerial Regional Conference in 2005.

An international steering committee composed of representatives of 13 regional and extraregional countries, in addition to the European Union and the World Bank, was formed to guide the ENA FLEG Process. The committee encouraged inputs from civil society and the private sector. It organized a preparatory conference in June 2005 in Moscow that produced key contributions to the organization of the regional conference and drew substantial attention to national initiatives. After the preparatory conference, the steering committee continued to sort out procedural issues and provide guidance on other organizational matters. It also drafted the basic elements of a possible Ministerial Declaration and of an Indicative List of Actions, in the process soliciting and receiving inputs not only from governments but also from civil society and industry. As in the case of the Africa Region, civil society, and the private sector carefully organized their contributions to the regional process. IUCN led numerous preparatory consultative workshops in Russia to identify key civil society messages to the ENA FLEG Process.16 World Wide Fund for Nature (WWF) arranged a workshop that included government representatives, NGOs, and industry to discuss objectives and perspectives of the ENA FLEG process. Similarly, the World Business Council for Sustainable Development (WBCSD) also hosted a workshop in September 2005 in Geneva to develop a unified position of WBCSD member companies and the International Council of Forest Paper Associations, as a contribution to the debates of the ENAFLEG Process. The Forest Dialogue (TFD) discussed the elements of a shared understanding of NGOs and industry of FLEG issues, also with a view to enriching the FLEG debates. The Ministerial Conference on the Protection of the Forests in Europe (MCPFE) also examined ways to coordinate efforts with the ENAFLEG Ministerial Conference. The Chinese State Forest Administration hosted an interagency meeting in preparation for the ministerial conference. Thus, preparations for the ENAFLEG Process were quite intensive, and included, from the initial steps of the process, the active participation of all stakeholder groups and their point of view.

The ministerial conference was held in November 2005 in St. Petersburg, Russian Federation, and

16. These included a Launching Meeting of Russian NGOs in Moscow in January 2005; civil hearings on the issues of Forest Governance and Prevention of Illegal Logging in St. Petersburg, February 2005; Regional Seminar Civil Society in Forest and Forest-related Law Enforcement Governance Use and Trade; The ENAFLEG Process Development, Khabarovsk, March 2005; and Meeting on the Preparation to the Ministerial Conference, ENAFLEG in Moscow, Russia, March 2005.
was attended by nearly 300 participants from government, international organizations, research institutions, private sector institutions, and NGOs from 48 countries.

The conference technical segment consisted of two thematic and learning sessions, including key governance issues related to improving the investment climate and private sector incentives, and securing access of local populations to resources and equity in resource utilization. There was intense interaction in the dialogue between government negotiators and stakeholders of the private sector and civil society.

The conference dedicated great attention to asserting the imperative of international cooperation to control illegal logging and trade. The large flow of illegal timber moving across the Russia-China border was a main issue during the debates. China is a fast growing actor in international trade of forest products with log imports growing by 300 percent in volume between 1997 and 2005, and with some 70 percent of its imports being then reexported as processed products to the rest of the world. Russian exports of illegally sourced wood will clearly persist unless China’s cooperation in controlling such trade can be enlisted.

The St. Petersburg Ministerial Declaration, approved by 44 governments from the ENA region, other countries attending,17 and the European Union strongly emphasized the concept that combating illegal logging should be shared by producer and consumer countries. It stressed the need to secure cooperation between governments and with international organizations, civil society, and the private sector. The Declaration noted that global economic expansion, changes in energy supply and demand balances, and the rapidly evolving roles of the public and private sectors were creating growing pressure to reform forest institutions as well as policy, legal, and institutional frameworks. It requested the World Bank to facilitate and support the principles of the Declaration and the implementation of its intended actions. It also invited the international steering committee to assist countries with the Ministerial Declaration implementation. The Declaration contained an Indicative List of Actions setting a general framework for implementation by governments, institutions of civil society, and the private sector. Following the structure of the Ministerial Declaration, the Indicative List of Actions lists national and international activities. National actions are clustered in six groups dealing with the policy framework, legislative system, institutions and capacity building, sustainable forest management, rural development, livelihoods and poverty alleviation, and trade and customs. In the international realm, actions include policy collaboration, trade and customs, and collaborative implementation.

The ministerial process differed from the two previous processes in several significant ways. First, a very important country, the Russian Federation, provided effective leadership in getting the regional process underway. Second, an international steering committee provided structure for a more effective organization of the process and for collaborating to facilitate interaction, not only among government members of the committee, but also with institutions of civil society and the private sector. Together, civil society and industry organized themselves early to provide timely and clear inputs to the international steering committee and the ministerial regional process. Although greater participation of these groups of stakeholders may have made negotiations much more complex, the sense of ownership and identification with the Declaration and its Indicative List of Actions were probably higher than in the other regional processes.

Just six months after the Declaration, in May 2006, the Turkish Government and the World Bank hosted a three-day workshop in Antalya to explore practical ways to produce national action plans to implement the Ministerial Declaration and the Indicative List of Actions. Since many of the ENAFLEG governments and stakeholders had made clear that practical tools were required to organize concrete action, the Bank supported the preparation of document on practical guidelines for formulating and implementing national action plans for combating illegal logging and other forest crime. The guidelines document was distributed in advance and its application discussed, tested, and refined at the workshop. The workshop was well attended.

16. These included a Launching Meeting of Russian NGOs in Moscow in January 2005; civil hearings on the issues of Forest Governance and Prevention of Illegal Logging in St. Petersburg, February 2005; Regional Seminar Civil Society in Forest and Forest-related Law Enforcement Governance Use and Trade; The ENAFLEG Process Development, Khabarovsk, March 2005; and Meeting on the Preparation to the Ministerial Conference, ENAFLEG in Moscow, Russia, March 2005.
bringing together more than 110 people from 30 countries, representing government, civil society, and the private sector. The guidelines are being tested further in real-world situations in various countries.

### 3.4 Amazon Region and Central America

The Bank’s FLEG Program initiated support of FLEG processes in Central America and the Amazon countries in 2004, when it started carrying out several country studies to create an adequate analytical base for a regional process.

Building on experience gained in implementing FLEG processes in other regions, and reflecting the political realities of the region, the Program has followed a different approach in Latin America. The Program strongly relies on existing regional bodies and initial actions with more inclusive debate and analysis of country situations. The FLEG program in Latin America focuses on two subregional schemes being developed in the Amazon Treaty countries and Central America.

The Amazon Treaty Cooperation Organization (Organização do Tratado de Cooperação Amazônica, OTCA)\(^ {18} \) has led in tackling the problem of illegal logging and trade in member countries, thus taking advantage of anchoring programs in an already established regional institution. Such a regionally inspired process should have a high degree of ownership, particularly countries that are sensitive to foreign initiatives and that perceive some international programs, such as the FLEG, as infringing on their sovereign right to use their resources as they see fit.

Already in 2003, in the Manaus Declaration, OTCA countries made a firm commitment to combat illegal logging and related trade. The Iquitos Declaration of 2005 strengthened OCTA countries’ commitment to the Manaus objectives, and on that occasion member countries decided to adopt concrete actions to mitigate illicit practices such as manmade forest fires, illegal mining activities (mainly gold mining), and the illegal traffic in forest products, flora, and fauna, as well as illegal access to and use of genetic resources and traditional knowledge.

The OTCA, with assistance from Food and Agriculture Organization/International Tropical Timber Organization (FAO-ITTO), organized a workshop on the “Implementation of Forest Laws in Amazon Countries,” (Aplicação da Legislação Florestal na Amazônia, ALFA) in Guararema, Brazil, in late August 2006 as the first step in this regional initiative. The ALFA approach is that of producing national analyses and debates, which will provide the inputs for a regional agenda within the OTCA framework.\(^ {19} \) The FLEG Program is providing financial support to realization of the country analyses and to the organization of additional regional meetings. It has already supported national studies on governance and law enforcement in Peru, Bolivia, Ecuador, Guyana, and Suriname. At the same time the Program, together with other international institutions, has supported initiatives involving active participation of organizations of civil society and the private sector to establish national mechanisms to increase transparency and verification of legality in the forest sector of Ecuador, Peru, and Bolivia. The FLEG Program is also considering a rapid country assessment of remote sensing and global information systems capacities of the Amazonian countries.

A project to be implemented by TRAFFIC-VERIFOR consortia with FLEG financing is under consideration at present to facilitate independent participation of various levels of local government (provinces, municipalities) civil society (NGOs, indigenous groups, community groups), and the timber industry in support of Implementation of Forest Laws in Amazon Countries (ALFA). Such participation aims to promote political dialogue at the subregional level, manage conflict among interest groups, and design and validate regional and national proposals for systems of participatory forest controls and transparency.

Further, the Program supports ALFA through a project recently agreed with OTCA. The project will assess forest sector governance and compliance with the law in Brazil, Colombia, Ecuador, and

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18. Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname, and Venezuela.

Venezuela, and sponsor preparation of a regional synthesis document to serve as a basis for initial regional discussions and to identify ways to facilitate regional policy dialogue on forest sector law compliance.

In Central America, the Forest Technical Committee of the Comisión Centroamericana de Ambiente y Desarrollo (CCAD)\(^{20}\) has taken the lead in designing a regional process to work toward improved forest law compliance in member countries.\(^{21}\) The Executive Secretariat and the Forest Technical Committee of CCAD, working with the IUCN Office for Mesoamérica, the Asociación Coordinadora Indígena y Campesina de Agroforestería (ACICAFOC), Tropenbos, and GTZ have prepared a project to implement a FLEG process in this group of countries. As in the Amazon countries case, the strategy adopted by CCAD is based on analysis of illegal logging, experiences, and opportunities in the countries, which will then drive the regionwide process. Accordingly, country studies to analyze the state of forest governance in Central America and the Dominican Republic will be carried out to provide the basis for a regionwide strategy on FLEG issues. The Bank’s FLEG Program supports CCAD’s Regional FLEG initiative financially in organizing a regionwide process. The process includes developing guidelines for a regionwide strategy to combat the transboundary, regional, and extraregional trade in illegally harvested forest products. The guidelines will be used to facilitate country studies and dialogue platforms at the national and regional levels, as well as the forest ecosystems governance components of the Central America Strategy on Forests (PERFOR).

The Program is helping CCAD to verify the legality of timber sourcing to meet Convention on the International Trade of Endangered Species (CITES) requirements for mahogany exports and commitments acquired in the context of Dominican Republic-Central American Free Trade Agreement (DR-CAFTA). Experience acquired in applying such verification schemes will also provide valuable knowledge for the design of systems for tracking and controlling exports. This work will provide the foundation for a FLEG-sponsored regional workshop aimed at (i) exchanging experiences; and (ii) fostering the flow of information and technical assistance between countries, to design options for improving compliance with CITES and discourage the illegal logging and trade of mahogany.\(^{22}\) At the same time, the Program is helping relevant national actions in countries. These are discussed in section 6, Follow up action at the country level.

### 3.5 COMMON THEMES OF THE REGIONAL MINISTERIAL DECLARATIONS

The three Ministerial Declarations are important statements of commitment of countries to join efforts internationally and support national agendas to combat illegal logging and associated trade. Common themes present in these Declarations indicate areas of priority perceived by main stakeholders. These constitute areas for international action and others to be implemented at the national level (see annex 3).

#### 3.5.1 International action priority themes

All three declarations stress the guiding principle that both producer and consumer countries share responsibility in combating illegal logging and trade. This clearly goes beyond the sole provision of technical and financial assistance from consumer countries: it includes actions consumer countries can take in their own domestic markets to influence trade in favor of legal imported timber, as well as bilateral and multilateral trade agreements to control trade in wood that cannot be demonstrably shown to originate from legal sources. The ministers also exhorted other countries to join in the initiatives and create a level playing field. This would


21. DR-CAFTA and its strong support of the implementation of environmental laws has provided a favorable environment for a regional drive to improve forest law compliance, building on existing national and regional processes. The possibility of a Free Trade Agreement between Peru and the United States and its environmental safeguards has also been a factor in stimulating debate and action in controlling the legality of exports of mahogany (and other species such as Spanish cedar) from that country in the context of CITES.

22. Primer Taller sobre la Implementación de CITES para Mejorar el Comercio Internacional de la Caoba del Atlántico (Swietenia macrophylla), Managua, Nicaragua, August 15–17, 2007.
discourage flows of illegal wood to undiscerning markets that, if allowed to continue, would threaten efforts to control illegal logging and associated trade. The declarations also stress cooperation among producing countries and voice the hope of integrating strategies to combat illegal logging and trade into existing regional bodies. In apparent recognition of the global values lost due to illegal logging and the politically difficult reforms to be implemented, the Ministerial Declarations also include a pledge to keep this issue high on the agenda of the international debate on forests. The creation of task forces and corresponding advisory groups will ensure an appropriate channel for civil society and the private sector to provide inputs to the FLEG process.

### 3.5.2 National action priority themes

Regional declarations coincide on several actions considered as high priority in all regions. The Declarations include statements of principles to be safeguarded, but most of the themes focus on ways in which the policy and institutional setting could be enhanced.

On matters pertaining to strong values and principles, the Declarations emphasize cooperation through partnerships with all key stakeholders, including institutions of civil society and the private sector: all three Declarations refer specifically to partnerships with forest communities. In Asia and Africa the Declarations ask countries to respect and enforce property and usufruct rights, including those affecting traditional communities. All Declarations agree on the importance of raising awareness of the harmful impacts of illegal logging. The Asia and the Africa Declarations state that corruption should be tackled but are timid in suggesting ways to carry out research and reduce the potential for corruption. The ENA declaration faces this issue with considerably stronger language, asking countries to develop concrete strategies and tools to deal with corruption. Interestingly, none of the declarations refer directly to the need to ensure that actions against illegal logging also help reduce poverty. The ENA Declaration did note that illegal logging can affect poverty, but the issue was not given importance in the other two declarations. Since, depending on circumstances, stricter rule of law may or may not contribute to poverty alleviation, this is a key omission in the EAPFLEG and AFLEG processes.23

On institutional issues, all three declarations emphasize strengthening the capacity to enforce the law in the sector and ensure cooperation between government agencies. Only two, Africa and ENA, emphasize the collection of information and dissemination, and East Asia and ENA state the need to review the policy and legislative framework of countries. Africa and ENA consider it advisable to support independent monitoring of activities in the sector. None of the declarations state strongly that research may be needed for country implementation of actions, although the Indicative Lists of Action do include initiatives in this respect.

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23. Similar considerations apply to the effect of law enforcement on environmental and economic dimensions. Forest laws often suffer from deficiencies, and therefore stricter and indiscriminate enforcement without previous reform of the legislative framework can easily lead to negative impacts on poverty, the environment, and economic efficiency.
4.1 ANALYTICAL WORK AND KNOWLEDGE CREATION

The Program directly produces or supports research on FLEG issues carried out by others. Global, regional, and national themes are researched. At the global and international level the Program produces studies on a wide range of subjects. Annex 4 lists the main analytical work produced by the Program or by associated programs within the Bank.

At the global level the Program has produced several analyses on FLEG issues of generalized interest and relevance to all regions. The most recent is the study, “Strengthening Forest Law Enforcement and Governance: Addressing a Systemic Constraint to Sustainable Development,” which examined experiences of the Bank and others in implementing approaches to forest law enforcement, and reviewed strategies for moving from dialogue to concrete action on the ground.24

Regionally focused research tends to be geared to the needs of regional conferences and increasingly, their follow-up activities. The program produces regional analyses to inform debates at each ministerial conference. These show growing sophistication and empirical content with successive implementation of the regional processes. For example, the ENA FLEG process produced an analysis based on detailed research in various countries of the region.25 The Program is also conducting various country studies to provide a strong knowledge base on which to build regional processes in the Amazon and the Central American regions.

In addition the Program, or its partner global programs at the World Bank, contributes research on topics of regional or global importance identified at regional meetings of the FLEG task forces, advisory groups, or technical discussion gatherings. These research topics are, to a great extent, determined by “demand and problem.” Examples are “Tools for Civil Society Action to Reduce Forest Corruption,”26 “The Role of CITES in Combating Illegal Logging: Current and Potential,”27 and the aforementioned “Guidelines for Formulating and Implementing National Action Plans to Combat Illegal Logging and other Forest Crime.”

25. See “Forest Law Enforcement and Governance (FLEG) in Europe and North Asia (ENA),” reference paper prepared for the Ministerial Conference, St. Petersburg, Russia, Nov. 22–5, 2005. The 10 countries were Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Georgia, the Kyrgyz Republic, Moldova, Serbia, Tajikistan, and Uzbekistan. See “Ensuring Sustainability of Forests and Livelihoods Through Improved Governance and Control of Illegal Logging for Economies in Transition,” by SAVCOR INDFOR OY, Helsinki, May 2005.
Country level research is primarily determined by the context of specific national initiatives, and the associated and highly variable demands for analytical work created by country strategies and programs. This type of demand for country-oriented analytical work typically arises from the Indicative Lists of Action. An example is the testing of the guidelines mentioned previously in six ENA FLEG countries.

In addition, FLEG-related programs within the Bank support much of the analytical work at the country level. For example, in Indonesia, the Bank (through the World Bank/WWF Alliance) and other donors have sustained a three-year policy dialogue on forest governance that has required solid analytical work. This initiative rests on the twin foundations of enhancing transparency and improving law enforcement. Transparency-related activities aim at providing access to up-to-date information on illicit actions and fostering accountability. Public scrutiny of government management of forest resources has become possible through design of a comprehensive disclosure policy. Ten detection, prevention, and suppression measures to improve law enforcement have been designed. In Bosnia-Herzegovina, both entities, the Federation of Bosnia Herzegovina and Republika Srpska, researched action plans for controlling illegal logging and improving governance levels in the sector. The Bank also supports analytical work to enrich the policy dialogue in Russia; for instance, an analysis of illegal logging in that country.

4.2 KNOWLEDGE IMPACTS

During the FLEG Program’s existence, there has been a crucial transformation of knowledge concerning the causes and impacts of illegal logging at the global level, and about the challenges and opportunities of promoting better forest governance. Directly and indirectly, the FLEG Program has influenced this change.

First, the Program’s analytical work—by illustrating the gravity of illegal logging and its negative consequences and the dissemination of this knowledge at the ministerial regional processes—helped raise the levels of awareness and visibility of a subject previously treated as taboo, or at least as a suspicious governance issue in the international debate on forests. This enabled frank discussions of the causes of illegal logging and the options to control it. In particular, the conceptual work and debates developed at that time made clear that the often-stated international goals of controlling deforestation and achieving sustainable forest management would not be achieved in environments in which unlawful forest actions were allowed to persist.

Second, it became clear that attempts to control illegal logging and trade, far from being a primarily technical challenge, instead possess a high political content. Controlling illegalities requires dealing squarely with powerful vested interests and corruption, and with reforming the quality of legislative and policy frameworks. Research showed that although some initiatives—such as the introduction of technological improvements to enhance government capacity to track forest products through the chain of production—are quite important, they must be complemented by better knowledge of social, economic, and, above all, political circumstances that create the favorable conditions for illegal logging to occur and persist. It is also better appreciated that policies are often wrong, and so are legislative frameworks which, for example, only imperfectly recognize traditional property rights or the limited capacity of government institutions to actually enforce the law. It is understood that raw law enforcement in situations where these elements of governance are ignored are likely to result in either ineffectiveness or undesirable, unintended social and environmental outcomes.

Third, new knowledge also rejected ascribing responsibility for illegal logging almost exclusively to poor itinerant farmers invading public and private lands to support their livelihoods, in favor of a more nuanced comprehension of the complex causes of illegal logging. The FLEG analytical work and debates contributed to the understanding that a variety of actors, with very different motivations and power, are responsible for illegal logging. Some, mainly poor individuals and communities, may be driven to act illegally because of their basic need for housing and energy. This is completely different from situations in which powerful illegal loggers with a great deal of political and economic clout are driven to obtain commercial profits. There is now better understanding of the role of large, organized, commercial groups in illegal logging and of the nature of their interactions with local communities, influential trading and industri-
al concerns, and various government officials to determine outcomes.

Fourth, research has also increased knowledge of the causes that operate through international markets, and of the key role that consumers in importing economies play in illegal logging in exporting countries. This has led to a fundamental change in thinking on corrective measures, which now emphasize the joint responsibility of importing, as well as exporting, countries for the occurrence of illegal logging and trade.

Fifth, and related to the preceding, new knowledge acquired regarding the causes and consequences of illegal logging and associated trade has led to the realization that the problem is so large and complex that action by governments alone is not likely to achieve success. Therefore, decision makers now recognize that strategies to control illegalities in the sector must necessarily enlist the active participation of both civil society and the private sector in broader coalitions for action. It has also become clear that combating illegal logging requires coordinated initiatives by various government institutions such as the police, the judiciary, customs, and trade agencies, and not merely the forest public administration. It is also clear that these other institutions usually are ill-prepared to face such responsibilities.

Although the Program was not the first effort that resulted in better understanding of the complexities of illegal logging and trade, much of the analytical work conducted under the FLEG Program, or inspired by it, helped change perception of the causes of illegal logging and trade, and of the strategies needed to improve forest governance.

At the regional level, one of the Program’s most important contributions to knowledge has been the collection and systematization of information disseminated in several studies in a coherent global and regional view of the illegal logging and trade issues. This in turn has provided the basis for an intelligent international debate on the subject. Especially at the beginning of the FLEG Process, even the comparatively simple research produced at that time contributed greatly to gathering quantitative evidence of illegal forest acts, their causes, impacts, and of possible remedial avenues that countries could adopt. This initial push also appears to have stimulated increasingly voluminous and more sophisticated analytical work by other institutions of the international community, the private sector, and civil society, to the point that today illegal logging is one of the dominant environmental management subjects in specialized as well as popular literature, and in the media.

Further, indications are that global and regional analytical work carried out or induced by the Program has been of above-average quality (see box 1).

Although impact is hard to prove, expert opinion is that the Program, both in the Bank and outside it has triggered a demand for analytical work at the country level, demand that is often met by related programs. For example, complementary Bank programs, notably PROFOR and the Bank/WWF Alliance, as well as Bank ESW and country-oriented

**BOX 1**

**Quality of analytical work**

The number of technical reports produced gives an imperfect indication of the impact of analytical work on the state of knowledge because its quality may be poor. A way to measure the quality of FLEG research is to examine opinions by specialists in the subject. Expert opinion can be detected by looking at the number of citations a given report receives in the specialized literature. A large number of citations related to FLEG Program’s knowledge outputs would strongly suggest a high quality of research and a significant impact on specialized analytical work elsewhere in the world, whereas a lack of references would strongly suggest the opposite: either absent or insignificant impact on the state of knowledge.

The review selected eight main FLEG reports and traced their impact on published scholarly literature. It concluded that the median citation rate for these reports was four per year. This figure compares quite favorably with citations of similar research reports on agricultural issues, which are about 1.3 per year. This is a good indication that the program has effectively contributed to the creation of high-quality knowledge on the subject. Further, it should be kept in mind that the impact of the FLEG Program knowledge activities goes beyond the scientific interest, to also embrace the need to raise public awareness and political commitment to action.

*Source: Author.*
work (see section 6 on country follow-up) have produced abundant FLEG-related research in various countries where the problem of illegal logging is particularly serious, for example, Indonesia and Cambodia.

4.3 WHAT IS THE NEED FOR ADDITIONAL ANALYTICAL WORK?

Despite the Program’s own analytical work and that it has elicited from other institutions, considerable knowledge gaps remain. As the forest law enforcement field is quite new and still expanding, there is uncertainty—not so much on what needs to be done to improve the rule of law, but rather on the strategies to be followed and tools to be employed to achieve desired outcomes.

Advocates of improved law enforcement have based their rationale on the concept that illegal logging and associated trade result in serious problems of misallocation of economic resources and undermine economic expansion and investment in the sector. Similar arguments apply to the linkages between illegal logging and environmental deterioration and the condition of the rural poor. Although these arguments are compelling and appear self-evident, concrete evidence is still lacking that these negative impacts are always present in conditions where illegal logging is substantial. In at least some countries with widespread illegal logging, economic development of the sector has been remarkable. Illegal logging may not have pronounced negative environmental effects if it takes place, for example, in areas already allocated for conversion. And improved law enforcement may also have an immediate detrimental impact on the condition of the poor. Very little is known as to how FLEG activities could be designed to address poverty eradication objectives.

Therefore, while recognizing that illegal acts in the sector carry costs, so does the transition to legality. There is very little knowledge of the costs of law enforcement and how they affect different stakeholders and interests along the logging, production, and marketing chain. Improved law enforcement may lead to short-term events such as industrial restructuring, reduced rural and industrial employment, lower government revenue resulting from reduced exports, and decline of economic activity in the sector, but the magnitude of these impacts has not been calculated in most cases. The dearth of information may be part of the reason of the apparent reluctance of some governments to implement reforms for better law enforcement. In addition, adequate knowledge of the magnitude of these economic impacts and their evolution over time is essential to understand how reforms affect power groups, vested interests, government revenues, and the political economy and feasibility of law enforcement.

In fact it is possible to imagine a combination of circumstances in which stricter law enforcement could impose unacceptable economic costs, lead to increased environmental degradation, and worsen the condition of the poor. Thus, there is substantial ambiguity and lack of good knowledge of the conditions that can determine various outcomes and therefore, even more critical, on which specific policy tools should be used to impose the rule of law in the sector.

When it comes to specific mechanisms to achieve greater law enforcement in producer countries, the possibility of using international trade as a vehicle has attracted considerable attention and effort. The idea is to establish—in agreement with exporting countries (to avoid exposure to WTO challenges)—favorable market conditions in importing countries for wood that can be proven to be legally sourced, while simultaneously closing the market to wood that cannot be demonstrably proven to have a legal origin. However, leaving aside the fact that illegal logging is mainly for the domestic, not the international market, voluntary agreements face many unknowns. For practical reasons, these agreements initially have focused on roundwood, sawnwood, plywood, and veneer, and do not include forest products with a higher level of processing. Third countries not covered by voluntary agreements can continue to export unchal-


Even in Cameroon, a country that has implemented various programs to enhance law compliance in the sector, basic data on the magnitude and extent of illegal logging as well as its economic, social, and environmental effects are still imperfect. See P. O. Cerutti and L. Tacconi, “Forests, Illegality, and Livelihoods in Cameroon,” Working Paper No. 35 (Bogor, Indonesia: CIFOR, 2006).
lenged illegally sourced wood as before. Voluntary agreements are difficult to negotiate and in fact not one has yet been completed. All this makes it difficult to reach a critical number of countries to participate, and creates many opportunities for leakages of illegal wood through third countries, or through the avenues open to exports of industrialized forest products.

A key research issue is how international approaches can be shaped to induce the participation of key third countries in creating a level playing field in international trade. In this respect, the inclusion of China in working toward an international trade flow of legally sourced timber is of key importance.30 Another priority area is analysis of the impacts of preferences to trade in legally sourced but unprocessed wood on producer and exporter costs. These preferences may result in various indirect impacts that have not been studied in necessary detail. Trade restrictions concentrated on unprocessed wood could conceivably be conducive to increased industrial processing and subsequent export of products with a high content of illegally logged wood raw material. Also, higher costs for legal wood may induce illegal conversion of forest lands to other uses, which in addition to being subject to less regulation, may turn out to be more profitable as well.

Research carried out by the FLEG Program and others has explored the possibility of employing other instruments to control illegal logging and trade, such as antimoney laundering laws, customs agreements, adoption of Lacey Act-type legislation to discriminate against illegally sourced products, and so on. Yet, there still exists considerable lack of knowledge on the relative effectiveness of these various instruments, in which combinations they could be deployed in various contexts, and how realistic it is that their institutional requirements on both importing and exporting countries may be satisfied. For example, although the precise value of illicit international financial flows of illegal logging proceeds is not known, it is reasonable to ask whether it is realistic to monitor and control such flows, given the astounding magnitude originating in other sources. This is conservatively estimated to reach between US$1 and 1.6 trillion per year, and no western nation has been able to control it. Assuming unrealistically that the whole value of world illegal logging, estimated at US$10-15 billion per year, were to cross borders, this amount would pale in comparison with the figures mentioned previously, being just equivalent to 0.9-1.5 percent of the total amounts (see box 2).

A critical knowledge deficit appears to exist on the design of operational mechanisms to move from concept to action at the country level. The FLEG “Draft Guidelines for Formulating and Implementing National Actions Plans to Combat Illegal Logging and other Forest Crime” analyzed at the FLEG Antalya meeting, and its subsequent testing in a number of countries is a good start in this direction, but the application of this general model to individual countries will require specific analytical work in countries.

In connection with this, a fundamental issue at the national level is the need to better grasp how the change for improved rule of law actually occurs. Thinking has progressed from introducing adequate monitoring technologies to identify illegal logging and products to promoting changes in key institutions, including, of course, the public forest administration, police, and judiciary. But then it was understood that law enforcement involved more than merely adding institutions, and that introduction of effective reforms also required main actors within those institutions to be infused with the political will to reform. Thus, reflecting on how the process of change takes place changed focus to supporting “agents of change” or “champions” in the leadership of those institutions. Reforms would occur only when key leaders in those institutions wanted them to occur. This has brought thinking on institutional reform for better forest law enforcement to the point that appropriate incentives must be created for major stakeholders to support policy and institutional reforms. Neither modern tracking technologies nor institutional strengthening will cure poorly performing forest administrators, the police, or the judiciary if the interests of their officers are aligned more with those of powerful economic groups than with those of society and good government. There is practical-

30. China’s log imports swelled nearly ninefold during the last decade to $5.6 billion in 2006 and, according to Forest Trends, are expected to double again during the next decade. China is now the largest importer of tropical logs, and takes in more than half all log exports from Papua New Guinea, Indonesia, and Myanmar, as well as about 40 percent of those of the Russian Federation, primarily from the Far East.
ly no empirical research to determine how better law enforcement in the sector affects incentives of various stakeholders, such as illegal loggers themselves, the industry that depends on them, key government officers, and forest communities. Much less is known about how to introduce a system of incentives for the key players to tilt in favor of reforms. Knowing that the structure of incentives is distorted to permit continuation of illegal logging and to resist change is one thing; it is quite another to know what to do about it. Until research can show how the “political economy” of transition to improved law enforcement can be managed, it would be realistic to expect a continuing lack of “political will” and the usual introduction of mainly cosmetic reforms that almost always focus on enforcing the law on those who lack the power and means to influence government policy.

Still another related area where greater knowledge is needed concerns the integration of FLEG actions into the broader context of overall governance. Combating illegal logging is often seen as a possible entry point for attacking other related governance problems in countries, but there is still a great degree of uncertainty as to how these linkages—for example—to the judiciary and the financial sector, can be managed and integrated into FLEG initiatives.

If, as expected, increasingly FLEG Program activities focus on follow-up actions at the country level, the need for knowledge on these and other themes will surely increase.

### 4.4 KNOWLEDGE DISSEMINATION

The ministerial processes target high-level government officials; such engagement has provided a unique opportunity to disseminate knowledge among other stakeholder groups. The Program carried out several regional initiatives to facilitate knowledge dissemination and to foster capacity in various themes. For example it sponsored workshops to discuss high-priority technical FLEG issues. The Program hosted a technical workshop in the Philippines to share experiences on how land managers can prevent theft at the level of the forest management unit and, together with other part-

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**BOX 2**

**Monitoring and controlling “dirty” money**

Global illegal financial flows are of astonishing magnitude. They are mainly of three types: (i) earnings from corrupt deals and theft by government officials, (ii) earnings from criminal activities such as drug trading and illegal forest products trade, and (iii) proceeds from abuse of transfer pricing and tax evasion. Very conservative estimates show that some US$1 to 1.6 trillion crosses borders illegally every year. Many analysts think actual flows are much larger, as the following table indicates:

<table>
<thead>
<tr>
<th>Origin of illegal financial flow</th>
<th>Globally</th>
<th>From developing and transitional economies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corruption</td>
<td>$30 to $50</td>
<td>$20 to $40</td>
</tr>
<tr>
<td>Criminal activity</td>
<td>$331 to $549</td>
<td>$169 to $238</td>
</tr>
<tr>
<td>Tax evasion and abuse of transfer pricing</td>
<td>$700 to $1,000</td>
<td>$350 to $500</td>
</tr>
<tr>
<td>Total</td>
<td>$1,061 to $1,599</td>
<td>$539 to $778</td>
</tr>
</tbody>
</table>

ners, also supported a workshop to analyze how cooperation among customs authorities in Asian countries could help initiatives to reduce the trade in illegal wood products. The Program has also taken advantage of international gatherings to organize side events that, in the opinion of participants, have been important in creating both knowledge and capacity to deal with specific FLEG issues of common interest.

Further, the Bank, in cooperation with the USDA, recently initiated a series of seminars under the Global Distance Learning Network on strengthening forest governance with spatial analysis technology—the “operational use of remote sensing and GIS based information tools to support government decision making.” The target audience is decision makers in Cambodia, Indonesia, Laos, the Philippines, and Vietnam.31

Various studies produced by the Program are parts of wider analytical exercises and are mainly disseminated through these publication avenues, which generally reach a substantial readership. These include, for example, a feature article in the World Bank publication “Environment Matters,”32 and a chapter in the World Bank publication, “The Many Faces of Corruption.”33 Further information on the FLEG Program is disseminated during the numerous meetings the Program staff attends in various parts of the world.

A welcome development was publication of an Internet newsletter to disseminate news related to the FLEG Program in September 2005. Six issues have been posted so far on the World Bank FLEG site, and distribution volume reaches some 380 addresses.34

![Knowledge Creation and Dissemination](http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/EXTEAPREGOPENVI RONMENT/0,,contentMDK:21288827~pagePK:34004173~piPK:34003707~theSitePK:502886,00.html)


The level of awareness among high-level government officials, experts in various development agencies, and the public in general has undoubtedly increased because of the Program. Nevertheless, although the situation varies from country to country, some note that key decision makers outside the forestry ministries still do not adequately understand the purpose of FLEG, or what could be done to combat illegal logging and other forest crime.

Further raising national awareness in the general public through effective communication possibly would help create broader popular support and political pressure from below to control illegal forest activities.

This has important implications for the ability of the FLEG Program to transmit and secure a high degree of ownership in countries, both in government and the general public, and dispel the perception created by some critics that FLEG is an exclusively donor-driven program. (In fact, the ENA, ALFA, and Central American FLEG processes show that this is far from the case.)

According to Bank staff, there are also opportunities to increase inclusion of FLEG issues in country dialogues and in the investment program. The Program could take advantage of these opportunities by intensifying awareness raising and knowledge of FLEG issues among Bank country managers.

The review therefore suggests that the FLEG Program should design a more aggressive communication and dissemination strategy. In so doing, the potential of widespread, inexpensive communication using the Internet merits consideration. For example, FLEG Program knowledge dissemination could be enhanced by including technical papers now absent from its Web site. Many of these missing papers represent the result of substantial research efforts by the Program.35

35. For example, the FLEG Web site could include a section on Central America or the Amazon initiatives on its “Key Topics” Law Enforcement and Governance front page. A page on Latin America and the Caribbean can be found in “Regional Ministerial Forest Law Enforcement and Governance (FLEG) Initiatives,” but no technical reports can be found there. Both subregional processes have triggered important analytical work by the FLEG Program. Similarly, the FLEG site could include much of the material generated by the technical meetings.
The Internet is an efficient, inexpensive tool for sharing knowledge; it appears that the Program could distribute FLEG news and its abundant technical reports more aggressively.36

4.5 SUMMARY OF FINDINGS AND RECOMMENDATIONS

4.5.1 Summary of findings

The Program has effectively expanded the body of knowledge on illegal logging and trade, both through its direct involvement in research activities and by eliciting research from other institutions. One of the Program’s most important contributions has been the collection and systematization of information disseminated in a large number of studies, into a coherent global or regional view, which has in turn supported an enhanced and better-informed international debate on the subject. The Program has helped create a body of high-quality knowledge and articulated a more realistic, nuanced, and integrated view of forest law enforcement. In so doing, it has also been instrumental in establishing a platform (previously absent) dedicated exclusively to the international debate on illegal forest activities.

Because this is a relatively new, evolving area of activity, the future need for analytical work will likely be considerable. Demands on the Program for analytical work may arise from the integration of FLEG processes taking place in existing regional and subregional institutions. The emphasis on demand for analytical work is likely to shift from regional themes toward implementation of FLEG reforms in countries.

The FLEG Program can detect remaining regional knowledge gaps and demands by including such an item for discussion in its technical regional meetings, in meetings of the regional task forces and advisory groups and, when advisable, in the agenda of other international gatherings related to forest law enforcement and governance.

4.5.2 Summary of recommendations

Recommendation 1. The FLEG Program should determine the knowledge-critical needs that remain to design options to address forest law enforcement and governance issues, and establish a strategic system of analytical work priorities at the regional and country levels. At the regional level, the Program should base its analysis of demand by fostering discussion of analytical work needs at the meetings of the regional task forces, advisory groups, and at

36. As mentioned, the FLEG Newsletter is being distributed to some 380 addresses. The POLEX list has some 19,000 subscribers. The Chatham House illegal logging news is distributed to some 1,800 addresses, and the recently started FLEGT news has already been circulated to 500 addresses.
regional and subregional institutions, such as CCAD, OTCA, and COMIFAC, which have integrated FLEG issues in their programs. These are the venues where analytical work is likely to create the greatest impact. At the national level the Program research should examine and respond to demands from specific country FLEG initiatives.

Recommendation 2. The review has individualized themes in which the level of knowledge is still inadequate, and which the experts agree to be of critical importance to the effectiveness of future FLEG initiatives. These include (i) how to generate and sustain political commitment to reform in countries where government political will is weak or nonexistent; (ii) how to assess the benefits and costs of transitions to greater legality in the sector, including their economic, environmental, social, institutional, and political dimensions; (iii) how to analyze the political economy of transitions to explore how costs and benefits are distributed among key stakeholders and along the logging and trade chain over time; (iv) how to assess market financial incentives to comply with the law, including developments such as the expansion of market share, preferential treatment in government procurement contracts, and linking forest law enforcement initiatives and outcomes to schemes such as the Reduced Emissions from Deforestation and Degradation initiative; (v) how to study the relative potential effectiveness of policy instruments (such as money laundering legislation and monitoring smuggling) in controlling illegal logging; (vi) how to research the way FLEG initiatives can be shaped to maximize their positive impact on poverty alleviation; (vii) how to formulate strategies and methods to deal with corruption; and (viii) how to initiate the regular systematic study of experiences acquired in applying country FLEG initiatives, with emphasis on identifying the type of interventions more likely to be successful in specific country settings.

Recommendation 3. The Program should expand its knowledge dissemination approach with more intensive use of Internet resources, deliberately targeting key decision makers as well as technical audiences outside the Bank. It should also increase awareness among country managers and relevant staff at the Bank to ensure greater integration of FLEG issues in the Bank country dialogue and investment program.
5.1 MOBILIZING POLITICAL WILL

The FLEG Program has effectively deployed the Bank’s convening power and global reach to elicit an intensive international dialogue to create high-level political awareness and momentum to combat illegal logging and trade. This can be achieved by supporting regional processes, and providing the knowledge and venue for international debates unencumbered by the limitations of established multilateral schemes and rules. In fact, had the World Bank not been the driving institution behind the launch of the FLEG Program, it is difficult to think of another organization with comparable global convening power to bring together the large number of governments, institutions of the private sector, and civil society to work toward the common objective of improving compliance with the law in the forest sector.

That the FLEG Program has been effective in mobilizing a global drive for action is evident in several areas. The Ministerial Declarations and Indicative Lists of Actions are convincing evidence that the FLEG Program has been successful in creating decisive initial political momentum. The Declarations are significant, unprecedented expressions of political willingness to fight illegal activities in the forest sector. Approximately 90 governments have been involved in at least one FLEG regional process, and have endorsed Ministerial Declarations and Indicative Lists of Actions.

The FLEG process and its regional ministerial conferences attracted considerable attention, successfully catalyzing the international debate and initiatives on a subject previously shunned by high-level officials. In contrast with the past, the need to deal with illegal logging and trade is now a commonly accepted concept in the international debate, as shown in statements issued by groups such as the G8, the UNFF, and ITTO.

The FLEG Program has also been instrumental in keeping the illegal logging issue prominent in international forums. Through the World Bank’s participation in the work of the UNFF, the Program contributed to decisions by UNFF/ECOSOC to promote better law enforcement and to increase the quality of forest governance. The FLEG Program’s regional processes also contributed to keeping illegal logging and trade as an international priority theme, and thus to inclusion of this issue in initiatives such as the UNFF debates on a nonlegally binding instrument (NLBI). In actual fact, the NLBI emphasizes control of illegal logging as a matter of priority in various parts of the recently negotiated agreement. Further, the Program has facilitated discussion and planning meetings with various stakeholders as side events in various international forums, helping to keep illegal logging and trade high on the international agenda for action.

Further, the Program has involved institutions of the private sector and civil society in a discussion of remedial actions that could be implemented by
the collaboration of key stakeholders. Since beyond governments of producer and consumer countries, institutions of civil society and the private sector have all had the opportunity to contribute to the regional declarations, these declarations can be considered to represent a multistakeholder commitment to action.

The FLEG Program is mentioned in the World Bank’s governance and anticorruption strategy as an effective and truly global coalition to mobilize pressure on governments to improve sector governance.37

5.2 STIMULATING PRODUCER-CONSUMER COUNTRY DIALOGUE

By involving both sets of countries—exporters and importers—the FLEG process also has provided a forum for productive communication between consumer and producer countries. As stressed, largely owing to the FLEG process, illegal logging is no longer viewed exclusively as a problem of governance in producer countries, in a world in which consumer-rich countries merely provide technical and financial assistance to help eradicate it in producer countries. Because of trade linkages, some of the drivers of illegal logging are in consumer importing countries. Responsibility to combat illegal logging therefore must be shared by both groups of countries. This key concept, expressed and accepted early in the Asia Ministerial Declaration and restated in the Ministerial Declarations in Africa and ENA, provides the basis for debating and designing common actions for better governance as a combined exporting-importing country responsibility.

The FLEG process has also elicited productive dialogue and bilateral initiatives to control illegal logging. For example, in 2002 the governments of Indonesia and the United Kingdom signed a memorandum of understanding committing both countries to reduce illegal logging and international trade in illegally sourced timber. The memorandum makes explicit reference to the FLEG process. The Government of Indonesia also signed memoran-


5.3 MAINSTREAMING FLEG INITIATIVES IN REGIONAL AGREEMENTS AND INSTITUTIONS

FLEG has provided support and sustained momentum for the integration of FLEG processes in regional and subregional agreements and institutions (see section 3.4). In Africa, COMIFAC’s Plan of Convergence prominently includes implementation of the Africa FLEG, and combating the illegal exploitation of forest resources and poaching among its priority activities.38, 39

In addition, the 2003 Vienna Living Forest Summit Declaration of the Ministerial Conference on the Protection of Forests in Europe (MCPFE) committed parties to “take effective measures to promote good governance and forest law enforcement, and to combat illegal harvesting of forest products and related trade, and contribute to international efforts to this end,” not only in Europe but also in other regions of the world.

In the case of the Amazon countries (OTCA),
governments had already expressed a commitment
to control illegal logging and related trade at the
Manaus Declaration in 2003, commitment that was
further strengthened and expanded at OTCA’s
Iquitos Declaration in 2005. In 2007 an agreement
was signed between the Bank and OTCA to support
the process.

In Central America, various countries have
undertaken initiatives to control illegal logging, and
the FLEG Program is now supporting formulation
of a FLEG process in Central America, led by CCAD.

In Asia, ASEAN already has integrated the fight
against illegal logging in its forest strategy, and the
Program is working for the ASEAN to provide the
institutional home for that process in the region.

5.4 STIMULATING ACTION IN
RELATED PROGRAMS

5.4.1 World Bank programs

5.4.1.1 Global forest programs

Besides FLEG, the Bank has in the last few years
engaged in two other global forest partnerships
with institutions outside the Bank Group: the
WB/WWF Alliance for Forest Conservation and
Sustainable Use (the Alliance) and the Program on
Forests (PROFOR). The Alliance was created in
1998 to take advantage of the comparative strengths
of the World Bank (WB) and the World Wide Fund
for Nature (WWF) to address shared concerns
about global deforestation and forest degradation.

The Alliance concentrated on the challenges
resulting from global deforestation and forest
degradation to forest conservation and the liveli-
hoods of the poor. The linkage to the FLEG Pro-
gram related to the role of poor governance and
illegal logging in preventing wasteful deforestation
and forest resource degradation. Although the link-
age between illegal logging and deforestation and
forest degradation has yet to be empirically demon-
strated, and contexts vary widely, logging in areas
where such activity is normally prohibited, such as
in national parks, along river banks, and other envi-
ronmentally sensitive areas is bound to cause degra-
dation of forests and environments. Further, by
reducing the price of wood, illegal logging may also
reduces incentives to invest in the forest and to keep
forest areas under forest cover, as other competing
uses of land become financially more attractive.
Illegal logging is also frequently associated with for-
est fires and with increased accessibility of forest
areas, making them more vulnerable to conversion.
The Alliance work on expanding the area of forests
under certification had a direct impact on the
objectives of the FLEG program, as one of the main
requirements of certification is compliance with
forest laws. The Alliance also carried out analytical
work on various key issues that have direct rele-
vance to the FLEG Program.40

PROFOR is a multidonor program designed to
enhance the contribution of forests to poverty
reduction, sustainable development, and protection
of environmental services by creating and dissemi-
ning knowledge on livelihoods, governance,
finance, and cross-sector cooperation issues. One
of its four major thematic areas of action is forest
governance. PROFOR’s forest governance knowl-
edge activities focus on how to improve govern-
ments’ decision-making processes, and regulatory
as well as institutional frameworks to ensure high-
quality governance, including better enforcement
of regulations, improved incentives, and enhanced
transparency and accountability. The analytical
material produced by PROFOR to support these
objectives is quite substantial, the largest in terms of
number of activities.41

The question arises as to how the common
ground covered by both the PROFOR governance
component and FLEG knowledge creation activities
should be organized. Until now the relatively mod-
est size of the programs and the fact that the Bank
Forest Team manages them both has facilitated
coordination, which mainly takes place in informal
ways and without a blueprint for explicit division of
responsibilities. This approach has been largely sat-
sfactory, but expansion of activities may require
more precise definition of the linkages between the

40. For example: Legal Origin of Timber as a Step Toward Sus-
tainable Forest Management in Africa (2003), Technologies for
Wood Tracking (2003), Restitution and Forest Certification in
the ECA Region (2002), Software Program for Tracking of
Wood in Nicaragua (2004), Database management program
two programs, based on their respective comparative advantages. PROFOR seems better suited to concentrate on strategic thinking, FLEG themes, and research on issues that transcend the limits of national and regional relevance. PROFOR may also concentrate attention on governance issues that go beyond illegal logging and trade. It would appear that FLEG’s increasing focus on designing and facilitating implementation of country initiatives to control illegal logging and trade suggests a greater concentration on research to illuminate operational issues related to field action.

At the time of this review, interest in setting up a mechanism to reduce carbon emissions from deforestation and forest degradation (REDD) is gaining momentum. Globally, some 20 percent of emissions of greenhouse gases originates in land use and land use changes and forestry (LULUCF). It is the main source of emissions in developing countries. Reducing emissions from deforestation and forest degradation appears to be one of the least costly options. The UNFCCC is examining how to generate incentives to operationalize REDD. An agreement on carbon payments for REDD could provide strong financial incentives for many countries to reduce deforestation, improve forest governance, and cover the inevitable and immediate costs of transition toward greater compliance with the law.

The Bank is setting up a Forest Carbon Partnership Facility (FCPF) to establish a market for carbon retention when forests are kept from burning, logging, and any other type of conversion and degradation. Although the international schemes that may govern REDD are still embryonic, it is clear that REDD will require a credible mechanism to track the evolution of deforestation and forest degradation, which in turn will impose demands on stricter application of the rule of law in the sector. The value chain to estimate REDD impacts will necessarily depend on adequate levels of governance to reduce forest loss and forest degradation, and hence clearly there will be strong linkages between FCPF and the FLEG Program.

In view of these developments, the Bank’s Forest Team is developing a framework for a Global Forest Alliance (GFA) that would better structure its response to emerging opportunities and demands. The framework would integrate FLEG and the other global forest programs, including the emerging FCPF, under a common operative framework. The Alliance is being designed to take advantage of enhanced synergies, focusing on selected key global targets while rationalizing coordination requirements between the current individual initiatives and reducing the transaction costs associated with program management.

5.4.1.2 Other related World Bank programs

In addition to the current global programs directly targeted to forest issues, the World Bank has several other programs that aim to improve governance in countries (see box 3). The expertise and experience accumulated in these related Bank programs are relevant to the FLEG programs.

The World Bank governance and anticorruption strategy (GAC) helps countries, in partnership with other international organizations, to improve governance and tackle corruption by crafting reform programs, building supporting coalitions, and monitoring impacts. The GAC strategy is based on a comprehensive approach but the central effort of the Bank support remains at the sector level, and there exists an opportunity for productive synergies with the FLEG Program. In fact, as mentioned, the strategy refers to the FLEG Program as an example of a global coalition organized by the Bank to induce governments to improve the quality of their governance. The FLEG Program also provides staff inputs to the design of the operational mechanisms to implement the Bank’s GAC. The implementation of GAC is expected to achieve greater coordination and integration of actions among the various sectors that are essential to forest law enforcement, as well as expand engagement of the private sector and advanced countries in tackling corruption.

Collaboration with the Bank’s Financial Intelligence Unit (FSEFI) already is taking place. The Program has also benefited from linkages to the Bank’s Environment and International Law Unit, which recently completed a major study: “Forest Law and Sustainable Development: Addressing Contemporary Challenges through Legal Reform.” Given that illegal logging and trade are commonly facilitated by faulty legal frameworks, the study provides a
practical guide to improve the design of forest laws as the basis for sustainable and legal forest management.43

Establishing closer operational links with other Bank programs has the potential to benefit the FLEG initiative, but such linkages need careful study of the potential transaction costs involved.

5.4.1.3 FLEG in the World Bank investment program

Bank-supported investments in forest governance activities are considerable. These activities are varied, from policy reforms to training, public awareness, development of resource monitoring tools, increasing transparency, and strengthening institutions, and are included as components in a number of forestry and other projects.

Since 2003—a year after the FLEG Program started operations—the Bank has approved 27 forestry projects for a total of US$1,665 million. Nineteen of these projects have activities that are “FLEG-like,” or well aligned with FLEG. These activities represent investments of US$184 million, or some 11 percent of the total project costs.44

During this period, there have been five projects with activities specifically aimed at controlling forest illegal activities. In these cases, project components have dealt with selected aspects of law enforcement, such as poaching control, measures to expand transparency, or the establishment of transport control posts.

The FLEG Program has indirectly contributed to the mobilization of these resources by helping with project design. In the opinion of specialists involved in preparing and negotiating these projects, many of the activities included in the investment projects would probably have occurred even without the program. Evidence on the volume of investments suggests that that is, in fact, the case. A look at the history of the Bank’s involvement in the forestry sector before 2003, taking 37 projects approved by


44. This latter figure underestimates the total value of FLEG activities in projects because in several that are known to have FLEG-aligned activities, it was not possible to separate the investment figure assigned to forest governance efforts (data provided by the World Bank SDN Forest Team).
the Board before 2003, reveals that total cost of these projects was US$2,200 million. With FLEG-aligned components during this period that the FLEG Program did not yet exist, the cost was US$246 million. This is about 11 percent of the projects’ total cost, and shows that the proportion of governance-related investments in Bank-supported projects has remained remarkably stable over time, both before and after FLEG inception. It is recognized that investment volumes paint an incomplete picture of the strength of Bank engagement in forest governance issues. Nevertheless, forestry experts at the Bank believe that an effort to increase awareness of staff at the country management units and decision makers at the Bank could help obtain better integration of FLEG issues in the investment program.

5.4.2 FLEG, the UNFF, and CPF

The illegal logging issue has been present in the UNFF debates since the mid-1990s. The FLEG Program has provided inputs to the United Nations Forum on Forests (UNFF), and to the Collaborative Partnership on Forests (CPF), thus helping to maintain the high profile of forest law enforcement as a theme for international action. In February 2006 the Forum agreed on Global Objectives on Forests, and the corresponding ECOSOC Resolution of July of the same year reaffirmed the UNFF commitment to strengthening forest law enforcement and governance. During debates of the Seventh Session of the UNFF in April 2007, the issues related to forest law enforcement and governance received a great deal of attention, and the agreed text on a NLBI contains various references to strengthening forest law enforcement, promoting good governance, and combating illegal practices. The FLEG process was probably instrumental in informing the consensus achieved during the NLBI negotiations by keeping FLEG issues visible in the international agenda. The FLEG Program has also established linkages with the Forum Secretariat with regard to implementation of regional processes.

World Bank participation in the CPF has facilitated cooperation on FLEG processes with other institutions, including ITTO, FAO, and the World Conservation Union (IUCN).

5.4.3 FLEG and FLEGT

Apart from the related programs in the aforementioned regional processes and institutions, which mainly involve producer countries and regions, the consumer countries of the European Union have most vigorously tackled illegal logging and trade. Its Forest Law Enforcement, Governance and Trade program focuses on using demand instruments blended with activities in the exporting countries, to discourage exports of illegally sourced timber and favor lawful ones. The FLEG Process contributed to creating the enabling conditions for the EU initiative to materialize.45

In 2003 the European Union issued a communication to the EU Council and the Parliament proposing a Plan on Forest Law Enforcement, Governance and Trade that included support of and coordination with the FLEG process.46 In 2005 the EU Council approved a voluntary licensing scheme, agreed to by exporting countries and importing nations of the EU, to ensure that future imports to the EU would be legally sourced. Unlicensed products would be denied entry into the EU. The scheme is similar to others already in place, including the Convention on International Trade in Endangered Species (CITES), and the Kimberley Process on conflict diamonds. The agreements recommend a set of actions, including those to improve governance in forest-rich exporting countries. Ghana, Malaysia, and Indonesia have entered into formal negotiations, and talks with other countries, including Cameroon, Congo, and Gabon, are well advanced. Several other countries are interested in similar agreements. Since 2005 the EU has dedicated more than ?20 million to fund FLEGT activities.

There are differences between FLEG and FLEGT processes, but also opportunities for taking advantage of synergies. FLEG initiatives so far largely have focused on producer countries affected by illegal logging. The FLEG emphasis has thus been on strengthening governance on the supply side of log-

ging and trade. The FLEGT Program emphasizes managing demand in the key EU market (although, as mentioned, FLEGT also contemplates actions to support exporter countries’ rationalization of their legal systems, create the necessary institutional capacity, and, in general, satisfy the legality requirements of the European market). It consequently targets the more limited number of countries in the developing world that export forest products to the EU area. By influencing demand for legally sourced products, the FLEGT provides direct financial incentives to comply with the law in a main market, whereas FLEG does not generate significant market incentives.

Since 2005 the European Union has contributed to a World Bank Trust Fund for facilitation of the FLEG regional processes. Before that, both processes, FLEG and FLEGT, had progressed in relatively independent fashion, with few linkages going beyond exchanges of information and participation in meetings dealing with forest governance. This approach may have been productive to the extent that FLEG focused on getting the regional processes underway. With near-completion of the cycle of regional processes, FLEG emphasis will likely shift toward greater effort in countries. If this indeed turns out to be the case, opportunities for establishing closer contact between FLEG and FLEGT, and for benefiting from synergies between both processes that embrace supply as well as demand side actions, will certainly increase.

5.4.4 FLEG, ITTO, and FAO

Almost certainly as a result of the FLEG process and associated pressure for international action, the International Tropical Timber Organization (ITTO), and the Food and Agriculture Organization of the United Nations (FAO), have both established initiatives to address illegal logging. Since 1999 ITTO has financed US$9 million in support of 14 governance initiatives, and the third International Tropical Timber Agreement, approved in January 2006 for the first time, explicitly addressed illegal logging in a legally binding multilateral instrument. ITTO and FAO have also cooperated in implementing regional workshops on best practices for combating illegal logging and trade, and FAO has included this theme in meetings of the FAO regional forestry commissions, thus contributing to raising awareness and political support for action. The FLEG Program has not established organic linkages to these initiatives, although in practice its work has contributed to creation of the conceptual framework for debates. Also, the FLEG processes have probably encouraged consideration of FLEG issues in several of the ITTO Country Diagnostic Missions, and the Program has helped fund participation in the ITTO-FAO workshops.

5.4.5 FLEG and CITES

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), a legally binding instrument of global reach, has now been ratified by 169 countries, and is at present the only worldwide mechanism that can control international trade in illegally sourced wood. Its scope is limited to species that are either already threatened or expected to be endangered in the near future. The FLEG Program has no formal linkages to the implementation of CITES, although it is likely that the CITES framework will be important in promoting legality of forest exports in the Central America process and in some OTCA countries. The FLEG Program supports CITES in Central America (see section 3.4).

5.4.6 FLEG, NGOs, and the private sector

International NGOs play important roles in the global quest for improving forest law compliance. They have been instrumental in raising public awareness and the profile of the law enforcement issue, contributed crucial research, helped governments to cope with this issue, and engaged in effective advocacy activities to push governments, international organizations, and private sector corporations into organizing corrective actions. Further, the involvement of key stakeholders from the private sector in the discussions and schemes to control illegal logging and trade is evidently a key factor in shaping the realism of those schemes. All the FLEG regional processes have sought and benefited from the active participation of a broad range of NGOs and institutions of the private sector.

In addition FLEG strategies in the various regions include key actions by NGOs. For instance,
the Europe and North Asia Ministerial Declaration committed countries to “Engage stakeholders, including indigenous people, local communities, private sector owners, NGOs and the industry, in formulation of forest laws and policies and in their implementation through an open and participatory process, thereby promoting transparency, reducing corruption, facilitating equity and minimizing undue influence of privileged groups.”

Besides cooperative actions involved in the global partnership programs described above—many of which are with NGOs—the Program has advanced direct collaboration with various nongovernmental organizations such as the World Conservation Union, IUCN, Forest Trends, and CIFOR, and encouraged wide participation in the quest for international action on the contentious FLEG issues. Thus the IUCN, through its Environmental Law Programme, as well as its Environmental Law Centre, helps develop and implement forest policies (at the national, regional, and international level) by recommending appropriate legal concepts and instruments. IUCN has been involved in organizing NGO inputs to the AFLEG and ENAFLEG processes; it also carries out a variety of actions on illegal logging and trade in West and Central Africa and in other parts of the world. Similarly, policy analysis programs in institutions such as CIFOR and Forest Trends encompass several themes and issues related to illegal logging and forest governance. Global Legislators Organization for a Balanced Environment (GLOBE), and the Com+ Alliance of Communicators for Sustained Development launched a G8 Illegal Logging Dialogue in 2006 and held their first meeting in June 2007. The GLOBE Dialogue aims to increase communication between legislators in producer and consumer countries, on the one hand, and leaders of responsible corporations and civil society organizations, on the other. GLOBE provides a venue to discuss introducing policy reforms to combat illegal logging and trade, and foster sustainable forest management.

5.4.7 FLEG and other international initiatives

There are many other international governmental and intergovernmental programs, created by civil society and the private sector, that support countries in controlling illegal logging and trade. The FLEG Program has linkages to many of these. An example is the U.S. President’s Initiative Against Illegal Logging. In May 2007 the U.S. government included provisions for control of imports of illegally sourced wood in the U.S.-Peru Free Trade Agreement, and funding to help countries control illegal logging is also considered in the DR-CAFTA Agreement. The FLEG Program is supporting a regional process for forest law enforcement in the same group of countries. In March 2007 three members of the House of Representatives introduced a proposal, the Legal Timber Protection Act (LTPA), which would extend the protection of the Lacey Act (which makes it unlawful to import illegally captured wildlife) to foreign plants, including timber. Several other countries are considering similar legislation with obvious implications for the FLEG Program.

At the country level, several governments outside the EU are initiating actions for combating illegal logging and trade. For example, New Zealand and Australia are debating policy reforms to address illegal logging and associated trade. Governments in the United Kingdom, New Zealand, Japan, and various EU countries, including the Netherlands, Belgium, Denmark, France, and Germany, have developed public procurement policies that mandate the purchase of legally or sustainable certified products.

47. See, for example, IUCN’s Forest Conservation Programme, Global Strategy on the Fight Against Illegal Logging in the World and the Congo Basin. Presentation at the Réunion sous-régionale sur le suivi du processus de l’application des législations forestières et la gouvernance en Afrique (AFLEG) Libreville, 13 au 14 juillet 2005.


The Asia Forest Partnership (AFP) is an intergovernmental program launched at the 2002 World Summit on Sustainable Development, which includes the fight against illegal logging as one of its main priorities. Leading governmental partners are Indonesia and Japan, both important countries on the producer and consumer sides. In addition, recently OECD has initiated exploratory work on how the organization can support activities to control illegal logging and trade.

5.5 SUMMARY OF FINDINGS AND RECOMMENDATIONS

5.5.1 Summary of findings

The FLEG Program has been successful in deploying the Bank’s convening power and global reach in creating an international platform for action on illegal logging and trade. Had the Program not been housed at the Bank it is improbable that any other organization would have been able to bring together the large number of governments, private sector institutions, and civil society now working toward controlling illegal activities in the forest sector.

The regional FLEG processes had a significant impact on raising general awareness of forest illegal activities and their consequences. The regional processes resulted in high-level political commitment, engaging some 90 governments as well as numerous organizations of the international community, the private sector, and civil society to control illegal activities. The Program has helped elevate illegal logging and trade as issues of high importance in numerous international forums such as the UNFF, and on the agenda of other institutions of bilateral and multilateral assistance. The review shows that the Program has facilitated an intense dialogue between producer-exporting and consumer-importing nations, and the design of joint and voluntary strategies to regulate the international trade of illegally sourced wood, such as the European Union Forest Law Enforcement Governance and Trade Initiative. Other international agreements, such as DR-CAFTA between the United States and Central American countries and the Dominican Republic, have included safeguards related to illegal logging and trade. The Program also supports countries in Central America to ensure better compliance with CITES. Because of the Program’s influence, various regional agreements, and institutions such as ASEAN, COMIFAC and CCAD, have adopted illegal logging and trade as a theme in their programs of action. The Programs has also been influential in enabling action in related nongovernmental and private sector institutions, including, among others, IUCN, CIFOR, Forest Trends, Global Witness, and the WWF.

FLEG issues have also been tackled in programs within the Bank, both within its forest realm and in other Bank programs, by the World Bank/WWF Alliance and PROFOR, as well as the Bank Environment and International Law Unit and the Financial Intelligence Unit. The Program provides inputs to the World Bank governance and anticorruption strategy, and the World Bank Investment Program supports several projects with components to improve forest law compliance. Still, it is believed that increasing awareness among Country Management Units’ staff and other decision makers at the Bank would improve the integration of FLEG issues in the Investment Program.

FLEG initiatives are likely to gain considerable strength in forestry-related Bank programs. Prominent among these are emerging initiatives to reduce greenhouse emissions from deforestation and forest degradation that are critically dependent on adequate levels of sector governance. The review concludes that the various linkages the Program has established with other relevant programs in the Bank would benefit from a more programmatic approach that would enhance synergies, reduce transaction costs, provide a better base for scaling up activities, and mobilize financing. The current conceptualization of a Global Forest Alliance to achieve greater harmony and accommodate emerging programs is a welcome development in this respect.

Outside the Bank, demands on the Program in the near future will probably include those to keep the momentum of existing FLEG regional initiatives, as well as those arising from subregional processes in Africa, Latin America, and the Caribbean. Further demands for Program support will arise from the integration of FLEG in existing regional institutions in Africa, Latin America, and the Asia regions (such as ASEAN and COMIFAC).
Otherwise the emphasis of program activities on raising awareness, fostering political willingness, and eliciting action will need to shift toward a greater focus on countries.

5.5.2 Summary of recommendations

Recommendation 4. The Program should support task forces and foster regional and subregional processes, particularly those now in the initial stages of implementation. It should also give priority to helping to integrate FLEG processes into existing regional and subregional institutions.

Recommendation 5. Considering the large number of international initiatives to combat illegal logging and trade, the Program should examine the potential for productive synergies in implementing FLEG processes, together with a selected number of priority programs and initiatives outside the Bank, such as the FLEGT.

Recommendation 6. Inside the Bank the GFA process will ensure harmonization of activities with other global programs at the forest team level. Further analysis, however, is needed to explore productive interactions with other programs of the Bank, particularly the investment program and the country dialogue, as well as the GAC. Further awareness of FLEG issues, and knowledge dissemination among CMUs and other Bank decision makers of how the Program could be better integrated into Bank operations, is also advisable.
CHAPTER SIX

The FLEG Program Outputs and Impacts: Follow-up Action at the Country Level

However important as prerequisites for action, the Declarations and other expressions of political commitment are valuable only if they are followed by concrete action in signatory countries. Various countries have launched initiatives to support better governance and control of illegal activities in the forest sector. Whether these initiatives have been the direct consequence of the regional processes is of course a matter of debate. However, many are closely aligned with the actions agreed at the Ministerial regional processes, and there is little doubt that the FLEG Program contributed to creating the pressure and the favorable conditions for these initiatives to get underway.

6.1 MAIN FLEG COUNTRY INITIATIVES

This section examines concrete reforms aligned with the FLEG process undertaken by selected producer countries. It also examines actions undertaken by the countries, with the support of the Bank economic and sector work and its investment program, related to initiatives to improve forest governance. Finally, this section looks at the most important obstacles countries encounter in implementing FLEG-aligned programs and suggests options for future implementation of the Program.

There is no systematic information on actions taken by FLEG partners to implement FLEG in various countries. With a few exceptions—notably in key countries—it appears that programs at the country level have been slow to materialize, which illustrates the political, technical, and institutional complexities of the problem discussed later in the text.

In East Asia the outstanding case of FLEG-aligned actions is Indonesia, described in detail below. In Europe, important follow-up action is being implemented by the Russian Federation, also described in more detail below. In Africa, several countries of the Congo Basin are busy implementing various projects with components that control illegal logging and associated trade.

With the exceptions described in the following text, many of the activities being implemented in producer countries and oriented toward improving governance are parts of broader endeavors to improve forest governance and achieve sustainable forest management. For example, countries supported by the Bank are undertaking a broad range of initiatives, ranging from policy reforms to train-

52. Unfortunately, the international scene is littered with commitments to a variety of principles and actions, which governments of both rich and poor countries, as well as other partners have failed to implement to any satisfactory degree. See D. Humphreys, Logjam: Deforestation and the Crisis of Global Governance (London: Earthscan, 2006); and L. Tacconi, “Illegal Logging and the Future of the Forest,” in Illegal Logging: Law Enforcement, Livelihoods and the Timber Trade, L. Tacconi, ed., (London: Earthscan, 2007).
ing, public awareness, development of resource monitoring tools, increasing transparency, and strengthening institutions. Projects with Bank support in five countries directly focus on initiatives for improved law compliance.

6.1.1 EAP Region

6.1.1.1 Indonesia

After the Bali Declaration, high levels of the Government of Indonesia have expressed and repeatedly confirmed strong political commitment to eliminating illegal logging and associated trade. Because of this, the likelihood of implementing corrective actions is higher now than at any time in the past.

With the support of the World Bank and other donors, the government has carried out extensive analytical work and a policy dialogue on forest governance based on the principles of enhancing transparency and improving law enforcement. Government has already introduced several important reforms.

Transparency-related activities aim to provide access to up-to-date information on illicit actions and encourage a greater degree of accountability. In February 2007, the Indonesian Ministry of Forestry launched a national dialogue on forest transparency. As a result of subsequent policy reforms, public scrutiny of government management of forest resources has now become possible through a comprehensive disclosure policy. A forest sector transparency and accountability initiative known as FOMAS (Forest Monitoring and Assessment System) aims to create a decision-making environment where reliable, accurate and up-to-date information on forest resources and decisions on their management are continuously made available to the public. The core components of this initiative are an information management system, a comprehensive disclosure policy, effective disclosure mechanisms, and a decision support system designed to use accurate forest sector information in daily operations.

On the matter of enforcement, the Indonesian government has implemented measures to curb illegal logging and associated trade. A ban on the exports of logs imposed in 2001 was extended to rough sawnwood in 2004. The current government further strengthened the sawn timber ban in 2006. President Yudhoyono also reaffirmed the government commitment to improve forest governance by issuing a Presidential Instruction (INPRES 4/2005) that directs the heads of 18 government bodies, including the police, the Attorney General’s Office, the Financial Transaction Analysis Agency, and other agencies, to coordinate under the leadership of the Coordinating Ministry for Law, Politics, and Security Affairs (Menko Polhukam) to eradicate illegal logging. This Presidential Instruction is expected to improve interagency cooperation to curb illegal logging and to obtain strict penalties to dissuade forest criminals from engaging in illegal forest activities. An interagency working group on forest crime, with participation of the World Bank and other donors, is developing operational guidelines for implementation of the Presidential Instruction. The Forest Law Enforcement Initiative seeks to implement a comprehensive set of prevention, detection, and suppression measures known as the “10-Step Program to Curb Illegal Logging and Improve Law Enforcement,” and is the result of a series of multistakeholder consultations on illegal logging. The WWF/WB Alliance has supported this initiative.

In January 2005 the Department of Forestry completed a five-year strategic plan with five key objectives for policy reform and management improvement, as follows:

- Eradication of illegal logging from state forest areas and illegal timber trade
- Revitalization of the forest sector, especially the forestry industry
- Rehabilitation and conservation of natural forest resources
- People’s economic empowerment inside and outside the forest area
- Determination of the forest area

Programs related to the first objective, Eradication of Illegal Logging from State Forest Areas and Illegal Timber Trade, include the following:

Providing information on locations prone to forest crime
Mobilizing people that care about the eradication of forest crime
Reducing the forest disturbance
Intensifying coordination measures with the national police, Attorney General, and related parties in overcoming illegal logging and for operations to settle forest crimes
Carrying out operations in eradicating illegal logging and trade

Indonesia also has collaborated with the Government of the United Kingdom and a number of NGOs to develop an auditable definition of “legal” timber for Indonesia. It has engaged with a number of countries, including the United Kingdom, Malaysia, Japan, the Republic of South Korea, Norway, and the People’s Republic of China, in bilateral agreements to jointly combat trade in illegal logging. In April 2006 it started national consultations on developing an agreement (VPA) with the European Union to confirm that timber exports to Europe are of proven legal origin. In January 2007 the Government of Indonesia and the EU officially agreed to work toward the VPA, and negotiations are taking place on its key elements at present.

Further, the Indonesian Financial Transaction Report and Analysis Center (or Pusat Pelaporan dan Analisis Transaksi Keuangan, PPATK) engaged with partners to develop a money laundering law enforcement scheme. It has set a precedent by listing forest crimes as a predicate offence in Indonesia’s new Antimoney Laundering legislation (UU25/03). The government has also conducted several consultations to improve the effectiveness of law enforcement operations targeting forest crimes.

These policies have resulted in various successful operations to stop illegal logging. Authorities have stopped several illegal logging operations, as well as exports, and have seized wood as well as equipment. Some factories are idle because of the scarcity of logs. Factories abroad that previously relied on an abundant supply of logs from Indonesia are also finding them more difficult to obtain. Various provinces where illegal logging is particularly intensive have set up local task forces to deal with the problem. Most important, the political will to control illegal logging and trade at the highest levels of the presidency and the Ministry of Forestry is strong.

However, difficulties remain. One of the main problems the judicial system’s failure to prosecute the most powerful criminals. In many cases the police have taken action against illegal loggers, but prosecutors have thrown out cases on technicalities and judges have failed to impose penalties. Corruption of government officers is still endemic, but the anticorruption commission (KPK) has yet to prosecute a single illegal logging case. Most of the individuals prosecuted for and convicted of illegal operations are those at the lower level of the logging, transportation, and industrialization chain: logging workers at the forest, truck drivers transporting illegal wood, and minor merchants. Thus, although the flow of illegal timber has apparently diminished, the key actors remain at large and still engage in illegal operations. The President himself has expressed frustration with the ineffectiveness of the judicial system, to the point that he has exhorted the public to help: “I have observed that legal enforcers have imposed very light sentences on those committing illegal logging. The government or the President has no right to interfere in the legal process, but I ask the people to control legal proceedings against those criminals.”

Despite these limitations, Indonesia appears to be one of the best performers of the Asia FLEG process countries. As the country with the largest forested area participating in the Asia FLEG process, Indonesia’s progress with these initiatives can create critical momentum for FLEG efforts in other countries.

6.1.1.2 Other EAP countries

In Vietnam, the government is initiating the collection of basic data and analyses of various government programs related to forest law enforcement. It has started a national assessment of forest law enforcement and governance conditions and analyses to feed that assessment, including a survey of the judiciary and the police to assess the effectiveness of detection and prosecution of illegal operators. In Lao PDR the “Forestry Vision for 2020,” formulated in 2000, and the subsequent “Forestry Strategy 2020,” in 2001, both recognized the need to reform the legislative framework and improve law enforce-
ment. The creation of a system of National Production Forests Areas aims to bring half a million hectares of forest resources under sustainable management, based on formal benefit sharing arrangements with local communities. This is expected to deter uncontrolled illegal logging. The Bank is supporting various FLEG-related activities, including forest sector policy reform, forest law enforcement monitoring and reporting, forest cover monitoring, and independent monitoring and management audits.\(^{55}\) A Prime Minister Order of August 2006 reaffirms the commitment of government to strict law enforcement, both in the forest and forest industries.\(^{56}\) A further Prime Minister Decision in April 2007 spells out several concrete measures to improve the management of forest resources, including several directly related to better forest monitoring and law enforcement.\(^{57}\)

Malaysia has also begun negotiations with the European Union for a VPA. Malaysia also banned imports of Indonesian logs in 2003, and extended the ban to include squared logs in 2006 as a measure to complement the Indonesian export ban.

### 6.1.2 Africa Region

#### 6.1.2.1 Cameroon

The Government of Cameroon has struggled to enhance the levels of forest governance for many years before the Africa FLEG process. Still, various assessments over the decade of the 1990 revealed widespread illegal logging carried out by various companies, many of them operating in collusion with government officers.\(^{58}\)

With support from donors, including the World Bank, numerous reforms were introduced to improve the government’s direction of forest resources use. A new forest law was passed in 1994, and other legislation was approved to ensure the sharing of benefits from forest exploitation with communities. A National Forest Program was designed to serve as a framework for implementing forest law, including several key aspects of FLEG.

An independent observer, Global Witness, began operations in 2001 in collaboration with the Cameroonian Central Control Unit.\(^{59}\) During the Global Witness period, there were substantial improvements in forest law enforcement. Regulatory and policy reforms focused on several dimensions of legality well aligned with FLEG: (i) reform of the timber concessions contract system to facilitate compliance with fiscal and environmental regulations, (ii) use of public information and independent observers to ensure transparency in forest auctions and law enforcement, (iii) suspension of all nonmonitorable logging permits, and (iv) introduction of auctions for all harvesting rights. The presence of the independent observer increased law enforcement activity significantly. Various financial penalties totalling several million dollars were imposed. Reforms fostered investment, increased government revenue, and promoted further industrialization of wood products. The presence of the independent observer also created significant pressure for greater public information: some 2,500 articles on forests and related issues were published in the Cameroonian press between 2000 and 2004.\(^{60}\)

The government, helped by the Global Forest Watch program, improved (i) its capacity to monitor its forest resources and operations in forest concessions, (ii) the integrity of boundaries in concessions and protected areas, and (iii) location of roads and other information required for monitoring illegal operations. The program has already produced an Interactive Forestry Atlas of Cameroon that provides easily accessible information on forest resources, which can be updated periodically.

In 2004 the government adopted the US$185 million Forest and Environmental Sector Development Program (FESP), supported by a consortium of donor funds, as a comprehensive response to the

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59. Global Witness was the independent observer from 2001 to 2005. Since then that function has been the responsibility of Resources Extraction Monitoring (REM).
sector problems. The FESP is designed to help consolidate and scale up forest policy reforms, strengthen forest and environmental management, and support capacity building, including several actions related to the control of illegal logging such as environmental monitoring, policy oversight, and law enforcement. In 2006 the Bank approved a US$35 million Forest and Environment Development Policy Grant to help Cameroon consolidate and scale up recent sector reforms in the framework of FESP. The project focuses on FLEG reforms, including incentives structures, enhancing transparency and public participation, law enforcement, promoting community management, and protecting the natural resource base.

At the same time in 2005, ministers began preparation of a Voluntary Partnership Agreement with the European Union.

However, despite these encouraging developments illegal logging persists, particularly in the informal sector, and forest loss rates remain high. It appears that forests continue to be used for political patronage and are deeply affected by corruption. As detected by the independent observer, document fraud is still commonplace in community forests and forest management units.61 Only a fraction of fines imposed by government has been actually paid. Similarly, although illegal operators were identified, few have been brought to legal account. The main challenge for the government has been to pursue litigation cases effectively, and this in turn has diminished the deterrent power of better controls. Illegalities in the auction system persist, and attribution of sales of standing volume by government is still less than transparent.

Communication between relevant government offices is not adequate. Also, the participation of civil society and local communities in the law enforcement effort has been sporadic, and contact with enforcement officers imperfect. This has contributed to poor enforcement, as local populations and NGOs are often an effective source of information: civilians, villagers, or community leaders eager to provide information often approached the independent observer with valuable leads, but few results were obtained.62 It appears that the proportion of illegal logging has not changed much since the 1990s, although the last few years seem to have shown a certain decrease.63,64 It is unfortunate that the last report of the independent monitor detects a lessening of government political determination and efforts at forest control, and a lesser degree of transparency in the sector.65 An anonymous witness with long experience in operations in the country has reported that corruption is widespread. The witness presented the minister with a detailed account of the amounts of bribes for different services that loggers and industrialists must pay for obtaining services and authorizations from the government.

This case illustrates that despite policy and institutional reforms and greater capacity of the government to monitor illegal logging operations, corruption undermines the forest law enforcement efforts. Officers and illegal loggers have little incentive, if any, to comply with the law, when noncompliance can produce abundant gains and modest risks.

6.1.2.2 Other African countries

Other countries of the region have also initiated actions that are well aligned with FLEG. Ghana introduced several reforms to control illegal logging in timber concessions, but these have been relatively ineffective. Logging companies continue to operate without hindrance in illegal timber concessions. However, the government has announced its commitment to complete negotiations for a Voluntary Partnership Agreement (VPA) with the European Union. A steering committee to guide this process, with the participation of civil society and the private sector and assisted by IUCN and an NGO Coalition (the Ghana Forest Watch), was formed in 2006. A VPA is expected to be concluded with the EU by the end of the year.

63. WWF, Failing the Forests: Europe’s Illegal Timber Trade (United Kingdom: WWF-UK, 2005).
Gabon has begun to redesign and implement policy reforms in the forest, fisheries, mining, biodiversity, environmental, and oil sectors. In 2005 the World Bank approved a US$15 million Natural Resources Development Policy Loan to support these initiatives; in 2006 it also approved a US$35 million Forest and Development Policy grant to help Cameroon consolidate and scale up recent sector reforms. Operations focus on reforming incentive structures, enhancing transparency and public participation, enforcing laws in the field, promoting community-based management, and protecting the natural resource base.

The forest reform program is a comprehensive undertaking. The government intends to reorganize the commercial forestry sector and set the stage for more socially, economically, and environmentally coherent land use. It has committed to review all logging permits; repossess those in the hands of noncompliant companies and individuals; step up enforcement of fiscal measures and the obligation to prepare sustainable management plans; strengthen forest controls in the field; change the mode of access to permits from discretionary to transparent and competitive, and maintain a moratorium on the allocation of new permits until the new allocation procedures are in place. This would eliminate pricing distortions and bottlenecks in industry development coming from the monopolistic marketing board, and introduce procedures on forest use that protect the rights of indigenous people and other forest-dependent rural poor.

Gabon and the Democratic Republic of Congo are implementing pilot independent monitoring activities. The Eastern Africa Community countries (Kenya, Tanzania, Uganda, Burundi, and Rwanda) are planning meetings to examine policy and legislative options for mainstreaming FLEG processes into existing structures of regional cooperation. Initial assessment studies are being undertaken in Kenya, Uganda, and Tanzania, and multistakeholder round-table consultations are being organized.

Initiatives in Liberia are a unique case of a country taking decisive measures to improve the level of forest governance after a disruptive period of intense and violent conflict that led to the collapse of the state (see box 4).

The Democratic Republic of Congo (DRC) is another country deeply affected by internal conflict. With 120 million hectares of forests, including the second largest rainforest in the world, the DRC makes an attractive target for illegal logging operations. The government adopted a far-reaching forest reform program in 2002, which was embraced by major donors as the frame of reference for their forest support. The program delineated ways of controlling illegal operations and protecting forest resources habitually exploited by interest groups. Legal review of logging concessions was initiated. The government revoked noncompliant logging contracts totaling 25 million hectares, and established a moratorium on new contracts until a transparent procedure for allocating concessions was firmly in place. A review of existing forest concessions was initiated with participation from an independent observer. A new Forest Code is now in place, which includes a commitment to curb illegal logging. However, the legacy of armed strife is that most institutions of government are still in a shambles, and their capacity to detect breaches of the law nonexistent. The World Bank and the government have designed a support project “to enable public institutions and civil society to implement, enforce, and monitor the sector governance reforms and the innovations of the forest code,” which will be geared toward fulfilling priorities established in a Forest Sector Review in collaboration with other donors.

6.1.3 ENA Region

6.1.3.1 The Russian Federation

The ENAFLEG regional process and the national policy dialogue have contributed to a major breakthrough in improving public sector management of Russia’s forestry through policy reforms, improving land use management, protecting and regenerating


forested areas, and developing an enabling environment for private investment in the sector.

In the aftermath of the St. Petersburg ENAFLEG Conference (in which the Russian Government took a decisive leading role), President Putin, speaking in Syktyvkar, Komi Republic (April 2006), emphasized the importance of controlling illegal logging. He instructed ministers to develop an action plan to combat this problem, thus providing additional strong political backing for concrete action. The “Program of Actions for Preventing Illegal Logging and the Associated Trade in the Russian Federation in 2007” was created in February 2007. The program includes the following groups of actions:

- Providing regulatory and legal support for the prevention of illegal logging and associated trade
- Implementing organizational measures to protect forests and prevent illegal logging and associated trade
- Improving timber export regulations
- Developing international cooperation for the prevention of illegal logging and associated trade

Specific activities under the first section will establish an updated legislative and regulatory framework consistent with the new version of the Russian Forest Code, including supervision and control procedures, establishment of a forest management information system, development of modalities for forest declaration and use reporting, and development of procedures for governing interactions with regional authorities, and the authority and mandates delegated to them by the Russian Federation.

Activities under the second group comprise establishment of an effective interagency cooperation mechanism, promoting forest certification, and developing a system of forest use monitoring, based on remote sensing methods and GIS technologies covering the whole forest estate area.

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**BOX 4**

**Liberia**

After intense and violent conflict, Liberia entered a period of transition with a commitment to improve governance in the forest sector. The country’s acute need and political willingness to rebuild institutions and acceptable levels of forest governance coincided with the donor community’s keen willingness to help in such an endeavor. The political conditions for effective forest reform were therefore present, creating a favorable environment for introducing donor-supported governance transformation. A multidonor program, the Liberia Forest Initiative (LFI), was created to support this effort. In addition to the World Bank, members of the LFI include organizations such as the U.S. State Department, the European Union, the U.S. Forest Service, the IMF, FAO, IUCN, the Environmental Law Institute, Conservation International, CIFOR, and Fauna and Flora International, as well as Liberian government agencies and civil society organizations. The initiative was instrumental in helping the government cancel all forest concessions in 2002 and in launching far-reaching sectoral reform. Reforms included new procedures for allocating concessions, reform of the regulatory environment, and financial controls. In July 2006 the UN sanctions were lifted, and in September 2006 Liberia passed a new forestry law opening a new era for the sector in the country, following a long period of mismanagement and exploitation of forest resources that fueled conflict.

A resource analysis identified areas of forest to be dedicated to main preferential uses for commercial, conservation, and community-oriented purposes. These uses cause various social, environmental, and economic impacts. The government, with assistance from the World Bank and LFI partners, recently launched a Strategic Environmental Assessment to identify these impacts and integrate findings in future decision-making processes on forest resource use. The first part of the SEA will analyze the impacts of the commercial and environmental components of the forest policy. Since the forest law does not explicitly address community rights, the second part of the SEA will examine potential impacts of the policy on community forests, and recommend ways to enhance community forestry opportunities. These recommendations are expected to help in formulating legislation on community rights to forest lands.

**Source:** See “Forest Management in Liberia: Strategic Environmental Assessment with a Focus on Community Engagement,” FLEG News (June 2007).
The third group of actions aims to control timber exports of valuable species and those banned for logging.

Activities under the fourth section seek to implement international agreements and initiatives, including the combat of international trade in illegally sourced wood and other areas of control of legal compliance. The government has already adopted several procedures for inspecting and recording activities taking place in forest areas.

Thus, the Program includes a comprehensive set of actions to battle illegal logging and associated trade. Initiatives following national program concepts are taking shape at provincial levels. For example, multiagency reviews of illegal logging and other illegal acts throughout the supply chain were recently launched in Chita Oblast, on the border with China, where forest depletion is such that wood in the economically accessible areas will be completely exhausted by 2015 unless corrective measures are implemented soon. The reviews uncovered various irregularities, and consequently a mechanism of control was swiftly put into place. This is one of a series of regional reviews of illegal logging in Russia. Further, a new national remote sensing forest monitoring system covering 100 million hectares of forests is also beginning to produce concrete results.

6.1.3.2 Other ENA countries

FLEG-aligned initiatives are beginning to take hold in other countries. In Bosnia-Herzegovina, each entity has formulated action plans to address illegal activities in the forest sector and forest industries, which were approved by their respective parliaments in March 2006. They contain specific steps for strengthening external control and developing capacity. In October 2006 a workshop was organized to discuss implementation details. The action plan has already increased law enforcement activities. The government has also launched an initiative for Corporate Governance of Forest Enterprises, as well as a forest inventory and development of a Forest Management Information System. The Bank has supported these initiatives, and in 2007 approved the extension of a project to continue such assistance.

6.1.4 Latin America and the Caribbean Region

6.1.4.1 Amazon countries

Bolivia, Guyana, Peru, and Suriname have completed national analyses and Brazil, Ecuador, Colombia, and Venezuela are planning to conduct national studies to assess forest governance and law compliance. These various national studies are expected to serve as a framework for guiding regional policy dialogue and design of further actions in this group of countries. A project to be implemented by the TRAFFIC-VERIFOR consortia with FLEG financing is currently under consideration to facilitate independent participation of various levels of local government (provinces, municipalities), civil society (NGOs, indigenous groups, community groups), and the timber industry in support of ALFA. The aim is to promote political dialogue at the subregional level, manage conflict among interest groups, and design and validate regional and national proposals for systems of participatory forest controls and increased transparency.

6.1.4.2 Central America

The Comisión Centroamericana de Ambiente y Desarrollo has prepared a project to implement a FLEG process in this group of countries.

Central American countries are planning national studies to analyze the state of forest governance as the basis for a regionwide initiative on FLEG issues. Several country studies have been completed or are in preparation. Honduras is undertaking a participatory review of its forestry policy, and preparing a national forest governance and law compliance scheme. The government is also testing methods of independent monitoring in one or two pilot forest-rich municipalities. Similarly, the government of Nicaragua is reviewing its forest policy, including the economic impact of its logging ban and several other basic studies on the experiences of creating partnerships between enterprises and indigenous communities, and the estab-
lishment of an independent monitoring scheme. Additional national studies in other countries are planned (box 5).

At the same time, various FLEG-aligned initiatives are taking place. For example, the Comisión is designing a regional strategy for controlling transboundary traffic of forest products, and also establishing a verification system to comply with CITES prescriptions regarding exports of mahogany.

### 6.2 SUMMARY OF FINDINGS AND RECOMMENDATIONS

#### 6.2.1 Summary of findings

The growing international preoccupation with illegal logging and associated trade has created a better environment for designing and establishing reforms for law enforcement in producing countries. These countries are increasingly seeking assistance from the international community and the FLEG Program to improve their levels of law enforcement, and of governance in general in their forestry sectors. Nevertheless, progress in introducing changes at the country level has been highly variable. Some countries appear to enjoy a high level of commitment to better law enforcement in the sector and have substantially boosted their efforts, whereas others show a lack of progress.

The review examined the reasons that may be preventing more dynamic country action. These are summarized below:

- The translation of Ministerial Declarations into action at the country level is frequently impaired by the sheer complexity of needed reforms. Experiences in Indonesia, Cameroon, Lao, Gabon, and others, show that creating a sound policy and regulatory framework are critical to controlling illegal logging and trade. But complex reforms of the policy and legal framework, particularly those associated with politically contentious issues such as illegal logging, typi-

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**BOX 5**

The FLEG Program and Nicaragua

Over the past 50 years Nicaragua has lost half of its primary forest cover. Illegal logging, illegal forest land conversion to pastures, and uncertain land tenure are among the leading causes of forest loss. The Nicaraguan government is eager to address this serious environmental, social, and economic problem. INAFOR, the forest administration government agency, has taken steps to modernize government agencies and strengthen their capacity to control extensive illegal logging by establishing an independent system to verify the legality of timber origin and decentralize the forest administration. Other interventions include assistance from the central government to the Región Autónoma del Atlántico Sur (RAAS) to launch a participative process to foster investment and development of community forestry in areas of high environmental vulnerability and severe poverty. Another effort would encourage sustainable forest resource use and conservation of forest protected areas in such areas as Bosawas, Reserva de la Biosfera del Sur Este, and so forth, and indigenous territories.

Effectively addressing these challenges clearly demands a substantial institutional effort to coordinate actions, encourage cross-sector fertilization, and bring together key forest stakeholders, such as local and indigenous communities (particularly those whose livelihoods depend on forests), the forest industry, and regional and local governments in a common effort.

The FLEG Program is helping INAFOR to prevent and control illegal logging, and improve forest sector governance and law compliance, and enable a positive environment for investment in the forest sector, while ensuring fair access rights and opportunities for forest resource use by indigenous and local communities. Specific components include modernization and strengthening of planning, control, and supervision services; prevention and control of illegal logging activities through independent verification of legality of timber sourcing and decentralization of the forest administration authority; promotion of national, regional, and local forest stakeholder policy dialogues to design and validate the forest strategy for the South Atlantic Autonomous Region (RAAS), and fostering best business practices and social responsibility through community forestry in areas of high environmental vulnerability and extreme poverty.

*Source: Author.*
cally take a long time to materialize and once introduced, are difficult to sustain over time. Experience in Indonesia, Cameroon, and other countries shows that even apparently simple endeavors such as reaching agreement on the definition of illegality can be time-consuming. Reforms also require adequate institutional capacity in various parts of the government to prevent, detect, and suppress illegal logging. Where that is absent it cannot be built in a short time.

- Policy reforms to address illegal logging can produce unexpected, undesirable impacts. Previous sound analytical work therefore is important to adequately identify these impacts and design appropriate safeguards. This requires time and expertise that are scarce in affected countries.

- FLEG initiatives can succeed when resolute leadership, devoted to implementing reforms, exists. Strong government ownership is key to ensuring progress. Experience in Gabon shows that government buy-in is even more important than the volume of investments in improving governance. Commitment is needed from leaders in the different parts of government that interact with forest law enforcement. However, generalized political commitment does not come easily. Main barriers are as follows:
  
  • Lack of awareness of political leaders of the causes and consequences of illegal logging, particularly those who, although outside the forest sector (for example, those in trade, finance, and law enforcement institutions), are key to controlling it.
  
  • Poor understanding of the environmental, economic, social, institutional, and political comparative costs of proceeding with reforms, as opposed to continuing with the status quo. In most countries research has not yet progressed to the point of producing hard, irrefutable numbers on the various dimensions of net impacts associated with the control of illegal logging (environmental quality, employment, rights of local communities, government revenues, export levels, land use, and so on).
  
  • Resistance from powerful illegal loggers and the enterprises that depend on them. As economic groups that benefit from illegal logging are sometimes very powerful, political resolve to undertake reforms is difficult to mobilize. On occasion vested interest groups have been successful in overturning government policy decisions.
  
  • Prevalence of corruption. In association with the preceding, the power of groups that benefit from illegal logging is much more effective when they are successful in controlling government decisions and actions, either through bribes or intimidation. There are few incentives for government officers and illegal loggers to institute reforms and work for stricter legal compliance.

- Poor donor coordination and uncertain sustained support. Reform processes are lengthy, and success depends on coherent as well as sustained support from the donor community over time. Donor-supported actions work better when there is coordination among donors, sending a coherent signal to all stakeholders interested in controlling illegal logging.

- Insufficient levels of participation. Broad participation in policy debates and implementing measures to control illegal logging are essential. Experience in Cameroon and Indonesia demonstrates that to ensure successful sector reforms, the various development partners should work not only with government institutions but with a broader range of stakeholders, including the private sector and civil society, as well as the public at large. Effective participation is hard to attain in cases where constituencies are not organized. In these cases, building social capital by supporting the emergence and consolidation of legitimate constituencies is a necessary early step to ensure meaningful participation in the policy process. This takes time and demands long-term program involvement.

- Excessive emphasis on enforcement. While “command and control, top-down” measures that emphasize monitoring and supervision still prevail in many countries and are necessary, they also are ineffective in reducing illegal logging. Experience strongly points toward alternatives to replace or complement these measures with policies and interventions that emphasize incentives and targeted awareness raising, as well as information and educational programs.

- Violent conflict. Where government institutions have been weakened by long periods of armed
conflict, such as in DRC and Liberia, subsequent peace can provide a range of opportunities for quick action and for implementing FLEG programs with visible impact in short periods.

6.2.2 Summary of recommendations

Recommendation 7. Ensure focus, selectivity, and continuity. The Program should strengthen its support to country strategies for controlling illegal logging and associated trade, or “country FLEGs.” In doing this, the Program should be selective, concentrating its efforts on those that offer the best opportunities for effective action, and thus avoid ineffectual sharing of its scarce resources. In countries where illegal logging is prominent but conditions are less favorable—for example, where government leadership shows weak or nonexistent commitment to reform—the Program should have a more restricted engagement, working in less controversial areas and concentrating on technical issues.

Recommendation 8. Strengthen analytical work at the country level. The Program should strengthen analytical work at the country level to better understand the costs and adjustments of a transition to higher levels of legality, and the possible measures that would put in place a system of incentives and disincentives that would effectively reward legal operators and penalize illegal ones. Analytical work should also include initiatives to understand the political economy of transitions to legality, including the incidence and impact of corrupt practices. Analytical work should also give adequate critical attention to studies to estimate indirect effects on incentives elsewhere that could lead to undesirable impacts on the forest sector.

Recommendation 9. Devise strategies to deal with corruption. The presence of corrupt networks considerably undermines efforts to strengthen the rule of law in the sector. The presence of independent monitors is an important mechanism to expose corrupt activities, but the Program should examine ways to take advantage of the substantial experience and knowledge accumulated by the Bank on a broader array of initiatives. Such knowledge can be used to detect, monitor, and control corrupt practices and explore ways to integrate it into FLEG National Plans of Action.

Recommendation 10. Ensure a high degree of donor coordination. The Program should strive to achieve such coordination among donors as well as with related Bank programs to support country actions. It should also plan for support that can be sustained over extended periods.

Recommendation 11. Because of the advantages of the Program’s location at the Bank, it should explore opportunities for further integration of FLEG issues into the Bank investment program. The first step appears to be increasing awareness of FLEG issues among Bank decision makers.

Recommendation 12. Foster effective participation. The Program should ensure that the design and implementation of country FLEGs are intensively participatory processes, with strong emphasis on local knowledge, innovation, and adaptation to the peculiarities of national contexts. In cases where constituencies are not well organized, the Program should strive to support and consolidate them for extended periods.
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<th>Name</th>
<th>Position</th>
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<tbody>
<tr>
<td>Barber, C.</td>
<td>NEP, Economic Growth, Agriculture and Trade Bureau, Environment and Science Policy</td>
<td>USAID, Washington, DC, United States</td>
<td></td>
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<tr>
<td>Boccucci, M.</td>
<td>The World Bank, Washington, DC, United States</td>
<td></td>
<td></td>
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<tr>
<td>Brack, D.</td>
<td>Associate Fellow, Royal Institute of International Affairs</td>
<td>London, United Kingdom</td>
<td></td>
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<tr>
<td>Buckrell, J.</td>
<td>Forest Policy Coordinator, Global Witness</td>
<td>London, United Kingdom</td>
<td></td>
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<tr>
<td>Canby, K.</td>
<td>Program Manager, Forest Trends. Washington, DC, United States</td>
<td></td>
<td></td>
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<tr>
<td>Cassells, D.</td>
<td>Director, Asia Pacific Forest Program—The Nature Conservancy, Indo-Pacific Resource Center</td>
<td>Brisbane, Australia</td>
<td></td>
</tr>
<tr>
<td>Davis, M.</td>
<td>Campaigner, Global Witness, London, United Kingdom</td>
<td></td>
<td></td>
</tr>
<tr>
<td>de Rijk, M. A.</td>
<td>Junior Professional Associate. SDN Forests Team. The World Bank</td>
<td>Washington, DC, United States</td>
<td></td>
</tr>
<tr>
<td>Dieterle, G.</td>
<td>Forests Adviser, Agriculture &amp; Rural Development. The World Bank</td>
<td>Washington, DC, United States</td>
<td></td>
</tr>
<tr>
<td>Falconer, J.</td>
<td>Environment, Sustainable Management of Forest Resources</td>
<td>European Commission, Brussels, Belgium</td>
<td></td>
</tr>
<tr>
<td>Goehler, D.</td>
<td>Technical Adviser ASEAN/German Regional Forest Programme (ReFOP), Jakarta</td>
<td>Jakarta, Indonesia</td>
<td></td>
</tr>
<tr>
<td>Kishor, N.</td>
<td>FLEG Coordinator, SDN Forests Team. The World Bank</td>
<td>Washington, DC, United States</td>
<td></td>
</tr>
<tr>
<td>Kivelä, H.</td>
<td>Forest Policy Adviser, Embassy of Finland</td>
<td>Moscow, Russian Federation</td>
<td></td>
</tr>
<tr>
<td>Kushlin, A.</td>
<td>Alternate ENA FLEG Focal Point, Senior Forestry Specialist</td>
<td>Europe and Central Asia Region, World Bank, Washington, DC, United States</td>
<td></td>
</tr>
<tr>
<td>Maini, J.</td>
<td>Senior Facilitator for ENA FLEG Negotiating Parties</td>
<td>Ottawa, Canada</td>
<td></td>
</tr>
<tr>
<td>Maravi, E.</td>
<td>Natural Resources Specialist, SDN Forests Team</td>
<td>Washington, DC, United States</td>
<td></td>
</tr>
</tbody>
</table>
Mejia, F. Coordinator, Independent Forest Monitoring Project, CONADEH. Tegucigalpa, Honduras

Modley, R. MASRENACE Project, GTZ Nicaragua

Muller, E. Chief, Forestry Policy and Institutions Service, United Nations Food and Agriculture Organization (FAO), Rome, Italy

Obendorf, R. VERIFOR Regional Project Coordinator. Asia Pacific RECOFTC. Bangkok, Thailand

Oksanen, T. Senior Forestry Specialist, FLEG Task Team Leader. Agriculture & Rural Development. The World Bank, Washington, DC, United States

Pierson, O. Africa Program Coordinator. USDA Forest Service International Programs, Washington, DC, United States

Prabianto, M. W. Attachment Officer—Natural Resources Unit, ASEAN Secretariat

Puustjärvi, E. INDUFOR Oy, Helsinki, Finland

Reunala, A. Director General, Department of Forestry, Ministry of Agriculture and Forestry, Finland

Samyn, J-M. Program Officer, Intercooperation, Bern, Switzerland

Saunders, J. Associate Fellow, Royal Institute of International Affairs (Chatham House), London, United Kingdom

Simula, M. Ardot Oy, Helsinki, Finland

Singleton, B. Director, International Affairs Division, Canadian Forest Service, Ottawa, Canada

Stolle, F. Program Manager, World Resources Institute, Washington, DC, United States

Tacconi, L. Associate Professor, Crawford School of Economics and Government, Australian National University, Canberra, Australia

Taufik, A. Coordinator, Asia FLEG Secretariat, Jakarta, Indonesia

Ulukanlig_l, A. ENA FLEG Focal Point, Deputy Director General, General Directorate of Forestry, Ministry of Environment and Forestry. Ankara, Turkey

Vehviläinen, A. Senior Adviser, Ministry of Agriculture and Forestry, Department of Forestry, Finland

Von der Heyde, B. Principal Adviser, ASEAN-German Regional Forest Programme, ASEAN Secretariat
## Examples of FLEG Components in the COMIFAC Regional Action Plan

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<tr>
<th>Action</th>
<th>Outputs</th>
</tr>
</thead>
</table>
| Take stock of and conduct a comparative analysis of national SFM policies, laws, institutions, and so on. | 2006: Comparative analysis available  
2007: Regulatory framework available  
2008: Regulatory framework online |
| Organize subregional consultations on forest taxation and policy       | 2006: Preliminary consultations performed  
2007: Law drafts available after compromise  
2008: Compromise validation |
| Grant special status to technical forest staff (paramilitary status)   | 2006: Preliminary study performed  
2007: Status project finalized  
2008: Status approval by the ministers |
| Increase the number of technical staff in the forest sector           | 2006: Need assessment updated  
2007: Staff engagement made possible  
2008: Study on cooperation within the CB countries |
| Strengthen fight against transboundary poaching                       | 2006: National strategies adopted  
2007: Subregional consultation performed  
2008: Guidelines available at a subregional level |
| Promote adoption of deontology codes for all forest activities, in line with SFM concept | 2006: Consultation frame put in place  
2007/2008: Codes diffusion |
| Clean up forest resources exploitation permits                         | 2007: Creation of a subregional forest observatory |
| Adopt a subregional convention on how to proceed to tackle illegal logging | 2008: Convention adopted |
| Strengthen transboundary units in charge of forest control            | 2006: Needs assessment  
2007: Regional workshop for validation  
2008: Operational units with same communication devices |
| Put in place at national and regional level independent systems defining forest activities legality | 2006: Development of national and regional frames of reference to define what legality means  
2007: Legality indicators adopted |

*(Annex continues on next page)*
### Annex 2 continued

<table>
<thead>
<tr>
<th>Action</th>
<th>Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Put together data related to poaching and illegal logging</td>
<td>2008: Achieved computerizing of the data collection related to poaching and illegal logging</td>
</tr>
<tr>
<td>Adopt an action plan addressing poaching and illegal logging in each country</td>
<td>2007: Guidelines approved to tackle poaching</td>
</tr>
<tr>
<td></td>
<td>2008: Guidelines approved to address illegal logging</td>
</tr>
<tr>
<td>Develop and adopt a subregional strategy to involve local communities and civil society into SFM</td>
<td>2006: Strategy draft available</td>
</tr>
<tr>
<td></td>
<td>2007: Validation workshop</td>
</tr>
<tr>
<td></td>
<td>2008: Adoption by the ministers</td>
</tr>
<tr>
<td>Develop a partnership with the private sector to promote Central African wood product international trade</td>
<td>2006: Inventory national and regional initiatives</td>
</tr>
<tr>
<td></td>
<td>2007/2008: Partnership convention template available</td>
</tr>
<tr>
<td>Develop partnership and cooperation mechanisms with all the initiatives and development agencies dealing with SFM</td>
<td>2006: Inventory national and regional initiatives</td>
</tr>
</tbody>
</table>
### Main Statements Included in the Ministerial Declarations

<table>
<thead>
<tr>
<th>International action theme</th>
<th>EAP FLEG</th>
<th>Africa FLEG</th>
<th>ENA FLEG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperative working with groups of producers and consumer countries. Bilateral and multilateral cooperation. Work together with other regions.</td>
<td>1. Take immediate action to intensify national efforts, and to strengthen bilateral, regional, and multilateral collaboration. 2. Explore ways in which the export and import of illegally harvested timber can be eliminated, including the possibility of a prior notification system for commercially traded timber. 3. Request the ASEAN and APEC countries participating in this Conference to inform the next ASEAN and APEC Summits of the outcome of this ministerial conference and to invite their support. 4. Pledge to see that the issue of forest crime is given significant attention in future international forums. 5. Request the G-8 countries and other donors to consider further how they can join in the fight against forest crime, including through capacity-building efforts. 6. Encourage other regions to consider creating similar regional initiatives to combat forest crime.</td>
<td>1. Work together to strengthen institutional reforms already started in the forest sector by African countries, notably good governance programs and the strengthening of the technical capacity of the forest sector. 2. Review bilateral and multilateral relationships to find ways to mobilize and provide financial resources related to forest law enforcement and governance. 3. Advance implementation of the AFLEG objectives within the NEPAD process, as well as COMIFAC, ATO, and other similar organizations. 4. Work together at regional and subregional level where possible through existing structures and institutions. 5. Work in collaboration with other related initiatives such as the EU FLEGT Action Plan and the United States President's Initiative against Illegal Logging. 6. Associate our countries with this Ministerial Declaration and its associated actions, and invite other countries of Africa and other regions of the world to join in this Ministerial Declaration of Intent.</td>
<td>1. Strengthen cooperation, using existing structures as much as possible, for forest law enforcement and governance, and timely exchange of information and experience among countries; in particular, those involved in exports and imports of timber and timber products. 2. Cooperate to combat poaching and illegal trade in wildlife associated with illegal logging, including cooperation with CITES. 3. Give priority to and strengthen transboundary cooperation between countries with border areas that require coordinated actions and effective control to combat illegal logging and associated trade. 4. Enhance international capacity for monitoring, assessing, and reporting on areas such as trade flows and customs data to increase transparency on trade activities, and promote trade in legally harvested timber. 5. Strengthen international cooperation to build and enhance national institutional and human capacity, as well as facilitate technology transfer and information sharing to combat illegal logging and promote trade in legally harvested timber. 6. Invite other countries to associate themselves with the Declaration and support implementation of the Indicative List of Actions.</td>
</tr>
</tbody>
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## 2. National Action theme

<table>
<thead>
<tr>
<th>EAP FLEG</th>
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<th>ENA FLEG</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Enforcement of property rights and traditional rights</strong>&lt;br&gt;1. Improve forest-related governance in our countries in order to enforce forest law, inter alia to better enforce property rights.</td>
<td>Analyze land use laws and policies and take measures to ensure that property and usufruct rights, including traditional forest-related knowledge, are fully respected.</td>
<td>Inform and engage all stakeholders to enhance public awareness on the scope, scale, and significance of illegal logging, associated trade and corruption, and their negative impacts on the benefits forests provide to society.</td>
</tr>
<tr>
<td><strong>Raise awareness</strong>&lt;br&gt;Help raise awareness, through the media and other means, of forest crimes and the threats that forest destruction poses to our future environmental, economic, and social well-being.</td>
<td>Raise awareness in the media of the harmful impacts of illegal logging and associated trade on our social, economic, and environmental well-being.</td>
<td></td>
</tr>
<tr>
<td><strong>Forest communities</strong>&lt;br&gt;Involving communities in decision making</td>
<td>Address traditional and customary laws</td>
<td>Recognize rights of forest-dependent communities.</td>
</tr>
<tr>
<td><strong>Partnerships with other stakeholders</strong>&lt;br&gt;Involving stakeholders, including local communities, in decision making in the forestry sector.</td>
<td>1. Involve stakeholders, including local communities in decision making in the forestry sector. 2. Consider the legitimate interests of all parts of society when developing forest legislation.</td>
<td>Promote cooperation and develop partnerships with the private sector and civil society.</td>
</tr>
<tr>
<td><strong>Dealing with corruption</strong>&lt;br&gt;Reduce the potential for corruption, carry out research.</td>
<td>Reduce the potential for corruption.</td>
<td>1. Assess, identify, and develop strategies to address the underlying causes of illegal 2. Develop and implement anticorruption tools dealing with corruption in, and impact on, the forest sector in line with general anticorruption efforts, including codes of conduct and best practices and professional responsibility. Apply internationally recognized principles to combat organized crime, logging, associated trade and corruption.</td>
</tr>
<tr>
<td><strong>Linkages to poverty alleviation in priorities for action</strong></td>
<td>Only noted that illegal logging can affect poverty.</td>
<td></td>
</tr>
</tbody>
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**Annex 3 continued**
<table>
<thead>
<tr>
<th>2. National Action theme</th>
<th>EAP FLEG</th>
<th>Africa FLEG</th>
<th>ENA FLEG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthening capacity</td>
<td>Strengthen the capacity within and among governments, private sector, and civil society to prevent, detect and suppress forest crime.</td>
<td>Strengthen the capacity of all relevant institutions and groups, including through cross-sectoral coordination, provision of training, technology for forest law enforcement.</td>
<td>Strengthen, as needed, interagency cooperation as well as human and institutional capacity, particularly among law enforcement and judicial authorities to enforce forest-related legislation.</td>
</tr>
<tr>
<td>Cooperation between national agencies</td>
<td>Undertake actions, including cooperation among the law enforcement authorities within and among countries, to prevent the movement of illegal timber.</td>
<td>Invite cooperation between law enforcement agencies within countries.</td>
<td>Strengthen, as needed, interagency cooperation as well as human and institutional capacity, particularly among law enforcement and judicial authorities to enforce forest-related legislation.</td>
</tr>
<tr>
<td>Collecting information and dissemination</td>
<td>Promote the production and dissemination of transparent and readily available information in a form accessible to the public on parks, protected areas, concessions, and other forested areas.</td>
<td>1. Collect and disseminate transparent information on forest resources, and their allocation 2. Monitor and disclose data on domestic and international trade flows of timber and timber products, and exploitation, in a form readily accessible to the public.</td>
<td></td>
</tr>
<tr>
<td>Review policy and legislative frameworks</td>
<td>1. Review existing domestic forest policy frameworks and institute appropriate policy reforms, including those relating to granting and monitoring concessions, subsidies, and excess processing capacity.</td>
<td>Review and as needed update forest legislation and regulations, ensuring their coherence, and harmonize these with legislation and policy in natural resource management and with relevant obligations under international agreements.</td>
<td></td>
</tr>
<tr>
<td>Support independent monitors</td>
<td>Not mentioned, but IAP contains several measures</td>
<td>Establish and strengthen laws for hunting and bushmeat trade in forest industry concessions and across borders, including support for independent monitors.</td>
<td>Promote, as appropriate, the establishment of third-party audited traceability systems.</td>
</tr>
<tr>
<td>Carry out research</td>
<td></td>
<td></td>
<td>On causes of illegal logging associated trade and corruption.</td>
</tr>
</tbody>
</table>
### FLEG-Related Analytical Work

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Year</th>
<th>Title and Details</th>
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<tr>
<th>Author(s)</th>
<th>Year</th>
<th>Title and Details</th>
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<tbody>
<tr>
<td>Public Affairs Foundation</td>
<td>2004</td>
<td>Benchmarking Public Services Delivery at the Forest Fringes in Jharkhand, India. Public Affairs Foundation, Bangalore, India.</td>
</tr>
<tr>
<td></td>
<td>Year</td>
<td>Title</td>
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