

# **FGI: Improving Forest Governance**

## **Illegal Logging & Corruption in the Forestry Sector**

*Manoj Nadkarni*

# Transparency International



- Transparency International is a global civil society organisation leading the fight against corruption.
- TI's mission is to create change towards a world free of corruption.
- Transparency International is a global network of more than 90 locally established National Chapters and chapters-in-information.
- NCs bring together relevant players from government, civil society, business and the media to promote transparency in elections, in public administration, in procurement and in business. TI's global network of chapters and contacts also use advocacy campaigns to lobby governments to implement anti-corruption reforms.

# Why is Transparency International in the forestry sector?



Demanded by the National Chapters in the Asia Pacific region

...Because forests and forestry are economically important to the region economically and socially

*Revenues, taxes, ancillary industries, transport, livelihoods*

- Illegal logging robs countries of natural, financial, and social resources
- Corruption drives illegal logging and its timber trade...

# What is corruption?

TI Definition:

**The misuse of entrusted power for  
private gain**

# Illegal timber trade needs corruption to survive

- Logs, timber and wood products can only be sold with the **connivance** of a number of institutions (transport, customs, environmental protection agencies, police, port authorities)

This is why the  
Chapters wanted  
us to design a  
forestry  
programme for  
them.



Source: inWent 2005

# The FGI Programme

- Based on the idea that corruption is a primary driver of illegal logging and poor forest management

**Phase 1: Papua New Guinea, Solomon Islands, China, Malaysia and Indonesia.**

- EU and AusAid funded, finished May 2011

**PAC REDD: Vietnam, Papua New Guinea and Indonesia.**

- Funded by NORAD

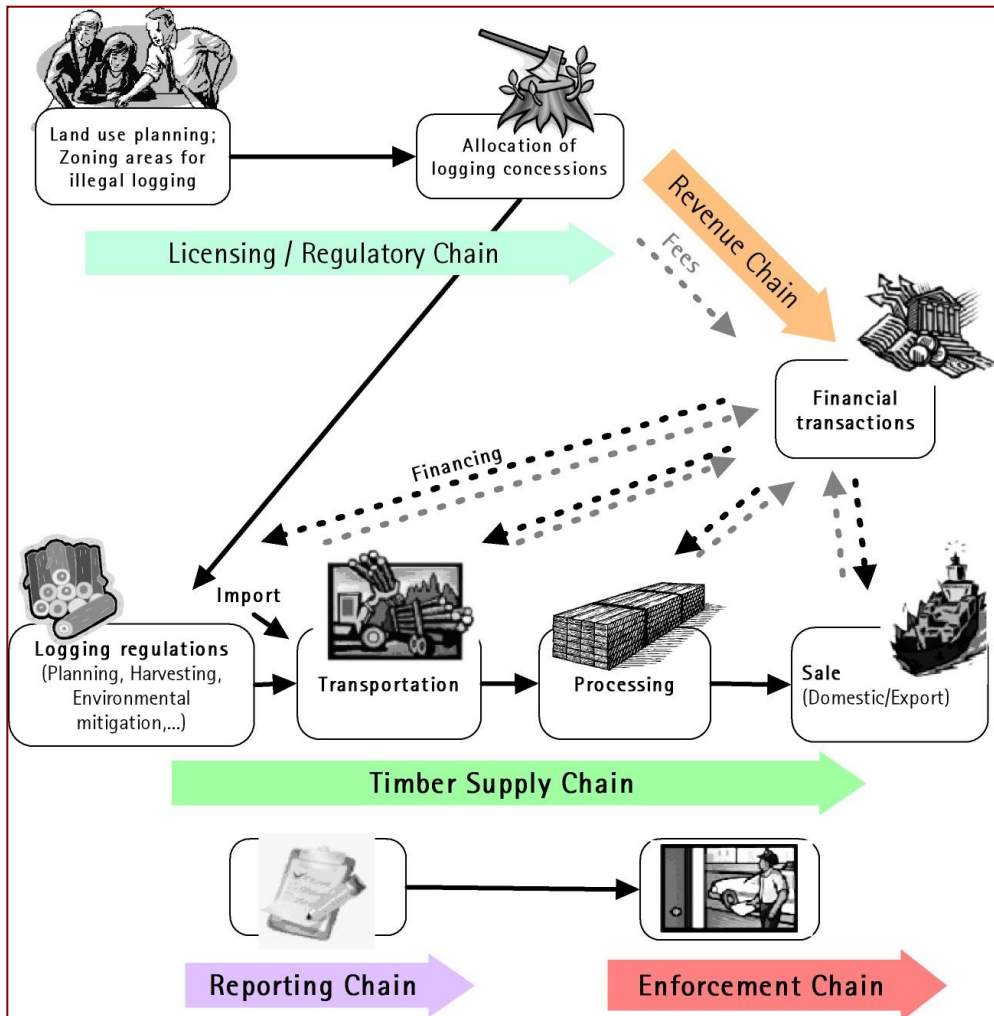
**Phase 2: Papua New Guinea & Indonesia**

- Funded by FAO and BMZ

**Forest governance advocacy and REDD research in Malaysia**

- Funded by Embassy of Norway in KL

# FGI Phase 1: a simple, globally adaptable methodology



- **Diagnostics to identify corrupt practices in the forestry sector that pose the greatest risk to governance. (*The risk map*)**
- **Identify existing anti-corruption tools and initiatives within countries (*The monitoring tool*)**
- **Monitor their performance and identify opportunities for governance and legal reforms**
- **Conduct advocacy interventions aimed at raising awareness and addressing governance weaknesses**
- **Develop and disseminate advocacy materials on national and international forest corruption issues.**

# Some areas where anti-corruption work needs to be done



- foreign bribery and political influence
- land and forest concessions (procurement systems)
- tenure
- timber laundering
- judicial corruption
- unsustainable demand for forest products
- due diligence of financial institutions funding forestry operations



# Overall Approach

- Through developing **cooperation with partners and forming networks**,
- Programme supports ongoing programmes and initiatives seeking to achieve similar goals and objectives and to develop advocacy strategies and activities through...
- **...multistakeholder processes and consultations**
  - Note: Donors are partners, not just sources of funding!

Links to TI's other tools: CPI, BPI, integrity pacts, private sector work, and the Global Corruption Report

# Successes



- Illegal logging Risk Manual
- Advocacy Publications
  - Country reports, 7 working papers, regional overview
- After initial work supervised by TI-S, NCs undertake their own FGI projects: ownership of forestry work
- Other CSOs using risk maps etc
- FAO, UNDP, UN REDD, WB, Govt agencies, EU delegations use our work
- Regularly asked to lead in governance events and training programmes
- Transparency + accountability is now considered an integral element of good governance

Corruption in forestry is now not ignored

# ***Plans to replicate the programme In the Central African region***



- ***Workshop held on 23-24 November 2011 in Yaoundé, Cameroon***
- Workshop brought together local stakeholders to take part in the conception phase of the programme
- Representatives of civil society and governments from Cameroon, Gabon, Central African Republic (CAR), Republic of Congo and Democratic Republic of Congo (DRC)
- The objectives of the workshops were to evaluate the needs and expectations of the stakeholders, identify the main corruption risks and the priorities to address, as well as strategies to adopt.
- Discuss possible partnerships.

# What the main focuses should be according to stakeholders



- Capacity building of private sector, governments, and CSOs to recognise, corruption and incorporate anti corruption tools in their activities
- Strengthening of national anti corruption institutions and laws
- Monitoring of the forest sector
- Creating citizens' demand for integrity and accountability in the forest sector

# Main issues identified

- Knowledge about corruption
- Low civil servants salaries
- Undue influence by elites
- Non participatory decision making
- Lack of capacity in enforcement and monitoring agencies, lack of incentive for behaving with integrity
- Lack of harmonization within various forestry related laws. Lack of cooperation between forest agencies.
- Outdated laws, not pertinent to current context
- Insufficient demand for monitoring
- Lack of traceability of forest products and revenues
- Information on forestry not accessible to the public.

# Based these issues: some recommendations

- Civil society demanded a long-term programme to be established making sure that all stakeholders are involved: victims, actors and witnesses of corruption.
- Build synergies and have a holistic approach. Form strategic alliances with the government. Work with and reinforce what already exists, for example national anti-corruption strategies
- Citizen engagement: awareness-raising, especially using the media, outreach campaigns, working with youth, trainings and education.
- Put anti-corruption work on the agenda of other forestry organisations.
- Facilitate the emergence of networks of CSOs, thereby building their capacity.
- Capacity building of officers in charge of enforcement and sanctions
- Strengthen laws, in particular access to information.
- Do not just criticise, but also reward integrity

# Partnering with TI's FGI



Regional project development and project coordination

Workshops

Publications and translations

Participation in international events

... donor country events

Learning exchanges

Access to experts

Opening doors

Talk to us!

[mnadkarni@transparency.org](mailto:mnadkarni@transparency.org)