



Options for forest verification



The VERIFOR Project

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Introduction

- 1. VERIFOR project: brief outline**
- 2. The concept of a verification system**
- 3. Learning from experience:**
 - ⇒ **Extra-sectoral**
 - ⇒ **Forest sector**
- 4. Conclusions**



Options for forest verification



1. THE VERIFOR PROJECT



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THE VERIFOR PROJECT:

- A research partnership of 4 institutions
- Three partners cover the 3 main blocks of tropical moist forest
- Additional high-level Associates

Funding

- ⇒ European Commission 80%
 - *Budget Line 'Program on Tropical Forests and other Forests in Developing Countries'*

- ⇒ Government of the Netherlands 20%

- ⇒ Government of Germany
 - Latin America Programme Support (2005 & 6)

VERIFOR's Objectives

Through its programme of applied and comparative research:

1. To combat illegal logging by helping producer countries to build credible systems for forest verification suited to their own needs & realities.

2. To do so in ways that are:
 - ▶ *equitable*
 - socially just & serve the public interest
 - ▶ *developmentally sound*
 - develop & strengthen national policy processes

We focus on:

➤ ***Institutional dimensions of verification***

- Policies
- Institutions ~ rules, principles, relationships
- Social Issues
- Mechanisms of inclusion and participation

➤ ***Producer – countries***

- National constituencies
- Integrating international concerns with national agendas and needs
- Knowledge sharing and lessons learnt
- Demand-driven practical advice

Project Sequencing

1. Phase One:

- Learning from existing systems & practices:
 - within the forest sector
 - extra-sectoral models & experiences
- Sharing of experience & developing principles for future implementation

2. Phase Two:

- Policy process development
 - Advise to requesting parties to build verification systems
 - Networking & sharing of knowledge

Phase One Case Studies

- **Forest Sector:**

- Cameroon
- Ghana
- Brazil
- Costa Rica
- Ecuador
- Cambodia
- Indonesia
- Malaysia
- Philippines
- Canada (BC)
- *In view:* DRC, Liberia, PNG, Solomon Islands, Nicaragua, Tasmania

- **Extrasectoral:**

- Kimberley Process
- Nuclear safeguards
- CITES
- UNFCCC/Kyoto
- Meat hygiene standards
- *In view:* NEPAD APRM, international election monitoring, labour standards, ombudsmen



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2. The concept of a verification system

A Broad Perspective on 'Verification'

As an example:

'A Process covering the entire set of measures aimed at enabling the parties to an agreement to establish that the conduct of other parties is not incompatible with the obligations they have assumed under that agreement.'

[Sur, 1991]

Thus:

- **A process of investigation and validation**
- **One that is broad and multilayered**
- **Not reducible to a single activity**

The Verification Regime

The verification regime is the sum total of the arrangements for ensuring verification, including:

- legal commitments,
- data exchange and notification arrangements,
- monitoring methods,
- communication, consultation and clarification mechanisms
- an agreed method for making verification judgments.

~ Sometimes taken to include the compliance mechanism.'

(VERTIC)



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3. Learning from extrasectoral experiences

Extra-sectoral learning - 1

- **Verification Systems ~ variable aims:**
 - Good governance
 - market confidence
 - public protection
 - environmental controls
 - efficiency of non-marketed services
 - quasi-judicial functions
- **Complexity of verification systems a function of:**
 - The number of authorities to make a decision
 - The number of interested actors, their interests and powers
 - The mutual confidence of the actors
 - The objectivity of the verification decision
 - The limits of tolerance in the diagnosis

Effective VS design -1

- Managing *multiple objectives*
 - The concept of ‘mandate limitation’
 - *But:* the problem of social issues
- Key elements of *systems of compliance control*:
 1. Information gathering
 2. Reviewing mechanism
 3. Taking measures ~ the supreme authority

Effective VS design -2

- *Reciprocity*
 - Confidence-building surrogates (eg. NEPAP APRM)
- *Control over the parties*
 - Prevent migration to non-parties
- Include *all stages in the chain of custody*
 - & doubly secure the most vulnerable



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4. Experiences in the forest sector

The Analytical Framework - Context

- ***Contextual constraints on systems design:***
 - ⇒ **Characteristics of forest estate**
 - ⇒ **Structure of extractive industry**
 - ⇒ **Timber markets**
 - ⇒ **Resource tenure**

 - ⇒ **Cross-sectoral influences and pressures**
 - ⇒ **Governance context**
 - ⇒ **Legal rules/operation of the judiciary**
 - ⇒ **Political framework**
 - ⇒ **Poverty profile**

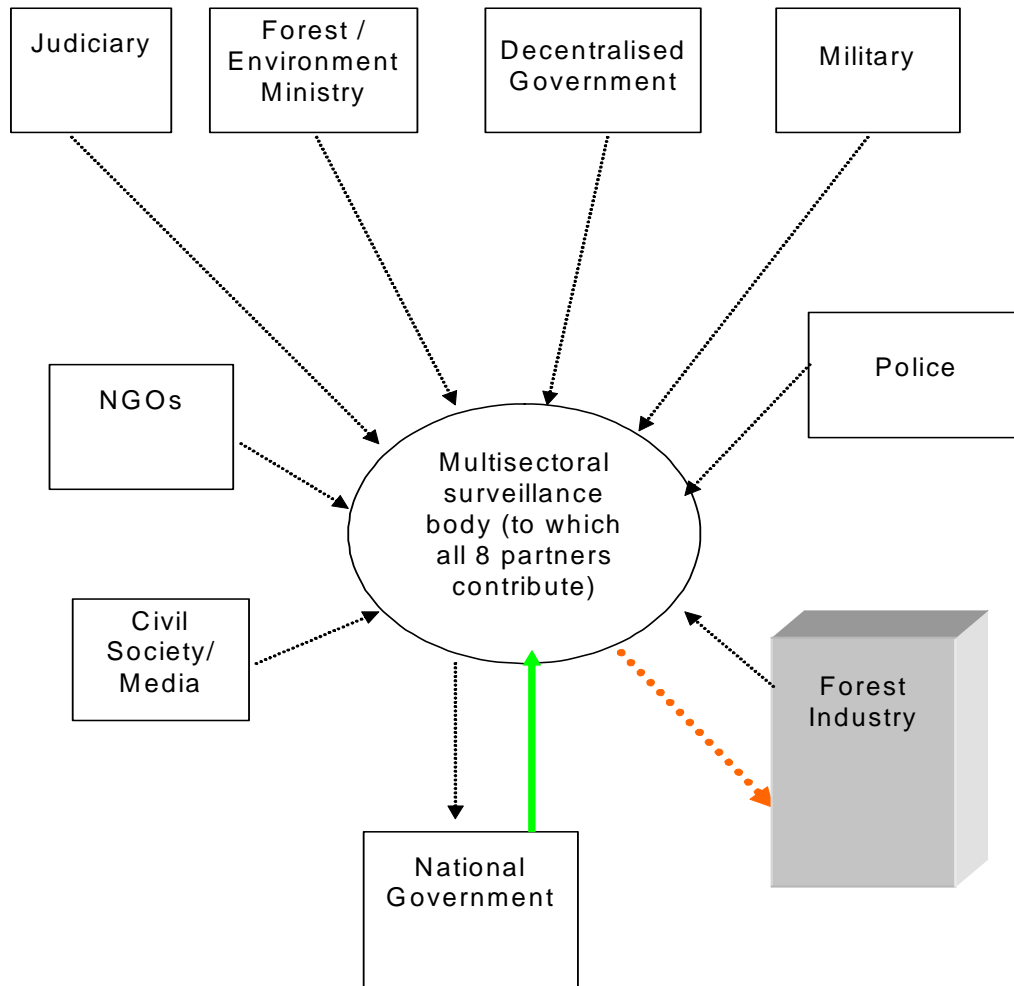
 - ⇒ **International forces**

<i>POLITICAL MANDATE</i>	<i>LEGAL BASIS</i>	<i>DESIGN</i>	<i>RESULTS</i>
<p><i>The object:</i></p> <p>The aims of verification</p> <ul style="list-style-type: none"> -Good governance -Conservation -Growth -Poverty reduction 	<p><i>The object:</i></p> <p>The ‘rules of the game’</p> <ul style="list-style-type: none"> -Legal framework -Legal tradition -Standards of performance -Rights & responsibilities -Compliance regime -Access to information & justice 	<p><i>The object:</i></p> <p>The design of the verification system</p> <ul style="list-style-type: none"> -Building blocks -Organisational characteristics -Architecture 	<p><i>The object:</i></p> <p>The outcomes of verification</p> <ul style="list-style-type: none"> -Public support -Progressive governance -Effects on poor -Objectives met -Collateral factors
<p><i>Process:</i></p> <p>The drivers</p> <ul style="list-style-type: none"> -Individual and organisational drivers: local, national, international -Political culture 	<p><i>Process:</i></p> <p>Policy closure – actors and authority</p> <ul style="list-style-type: none"> -Supervision -Facilitation -Participation 	<p><i>Process:</i></p> <p>The delivery of verification</p> <ul style="list-style-type: none"> -Participation -Resolution of conflicts -Phasing 	<p><i>Process:</i></p> <p>Measurement and interpretation</p>
<p><i>Key theme:</i></p> <p>- OWNERSHIP</p>	<p><i>Key theme:</i></p> <p>- LEGALITY STANDARD</p>	<p><i>Key theme:</i></p> <p>- INDEPENDENCE</p>	<p><i>Key theme:</i></p> <p>- IMPACTS</p>

Some issues in VS design

- *System or actor orientation?*
 - A sole moral guardian
 - Focus on independent monitoring or observation
 - Accountability structure
 - Architectural approach
 - Checks and balances between the actors
 - ‘Passive’ or ‘active’ system
- *Weaknesses in the system & their management*

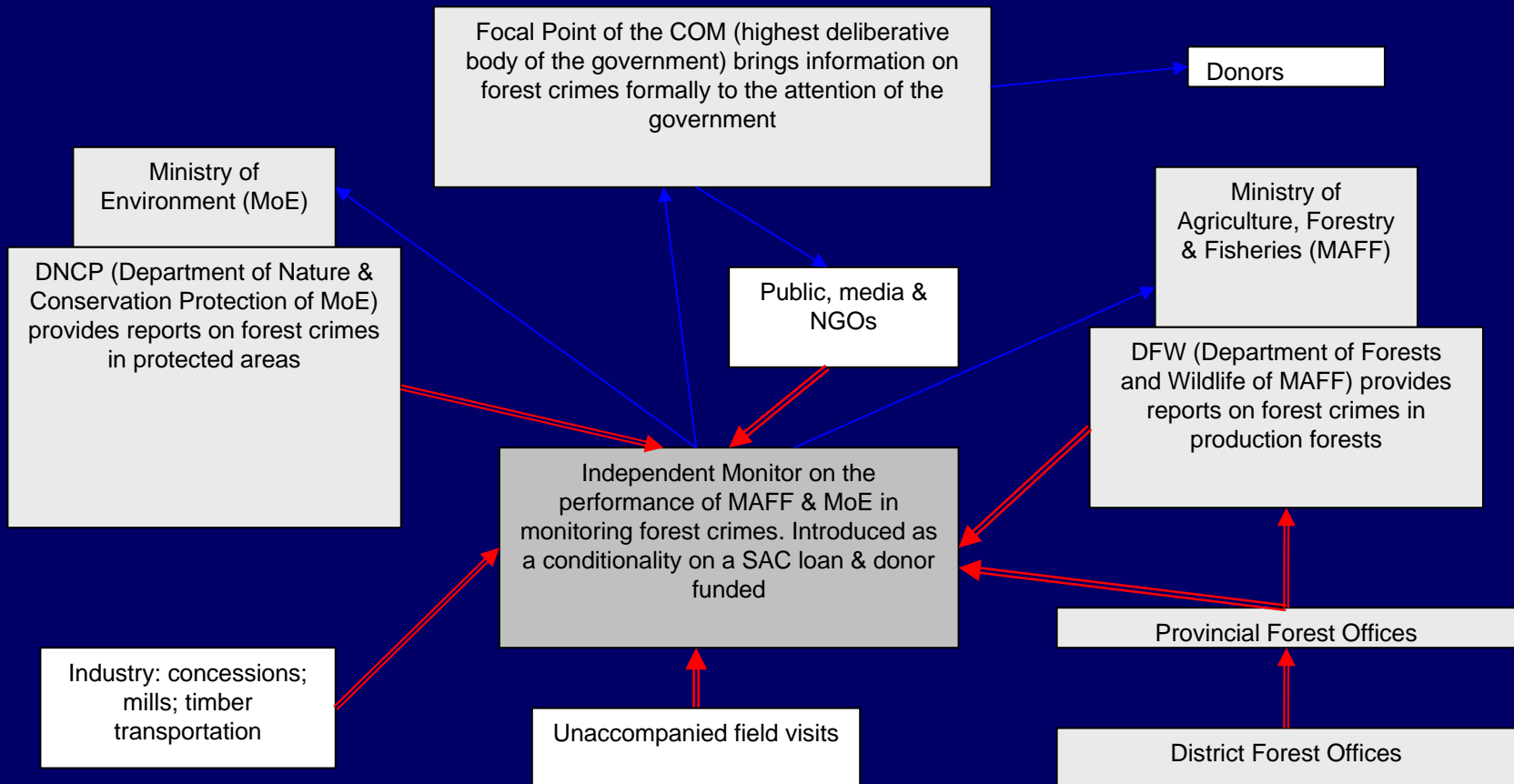
1. Multisectoral Forest Protection Committees (MFPC), The Philippines



Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ Broad national participation and strength in numbers ▪ High public legitimacy ▪ Involvement of key players such as judiciary and police 	<ul style="list-style-type: none"> ▪ A costly system to operate ▪ Dependent on good will of state ▪ Likely to require pre-existing state of 'good governance' ▪ Danger of 'capture' by certain interest groups

----->	Information
.....>	Verification
----->	Funding

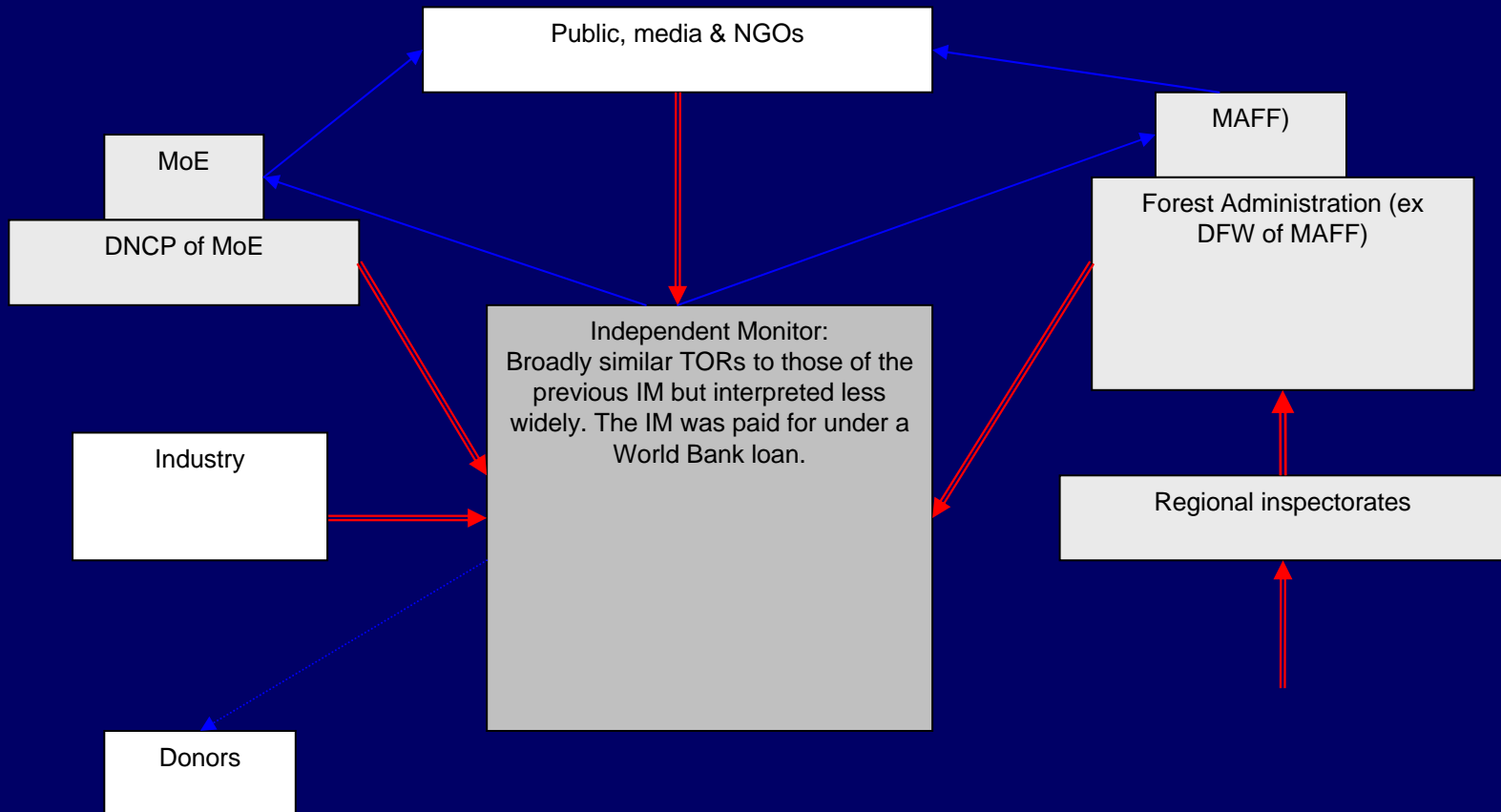
2. Cambodia – 1 (1999-2003)



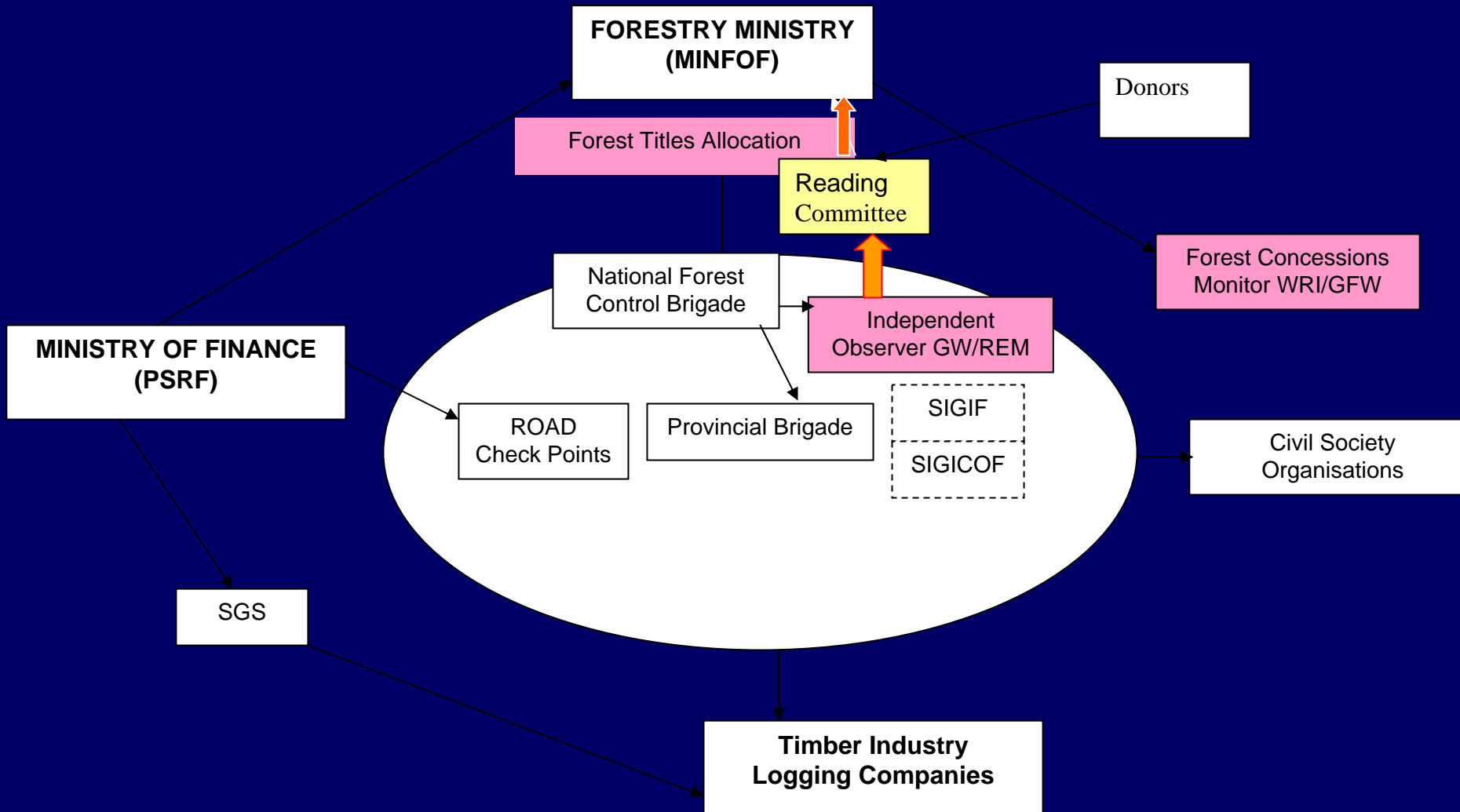
Blue arrows = relationships; red arrows = sources of information; light shaded boxes show state bodies

3. Cambodia II (2003-5)

[Blue arrows = reporting relationships; red arrows = sources of information.]



4. Cameroon, 2001 ~



5. The Ecuador Outsourced Monitoring System

Ministry of Environment / National Forest Directorate

Delegates or contracts out three services to private and civic entities and supervises them

Punishes companies/individuals found guilty of illegal operation

Vigilancia Verde (VV)

(MoE, police, armed forces and 5 NGOs)

- Monitor transport of products with 12 road checks & 6 mobile patrols, each of 4 people from:
 - Forest Authority
 - Police
 - Army
 - Civil Society
- Provide civil society control and accountability
- Funded through Trust Fund (received 50% of sale value of seized and auctioned timber) and grants from donors and private sector

Administrative and Verification Services

(Contracted to SGS through competitive tender)

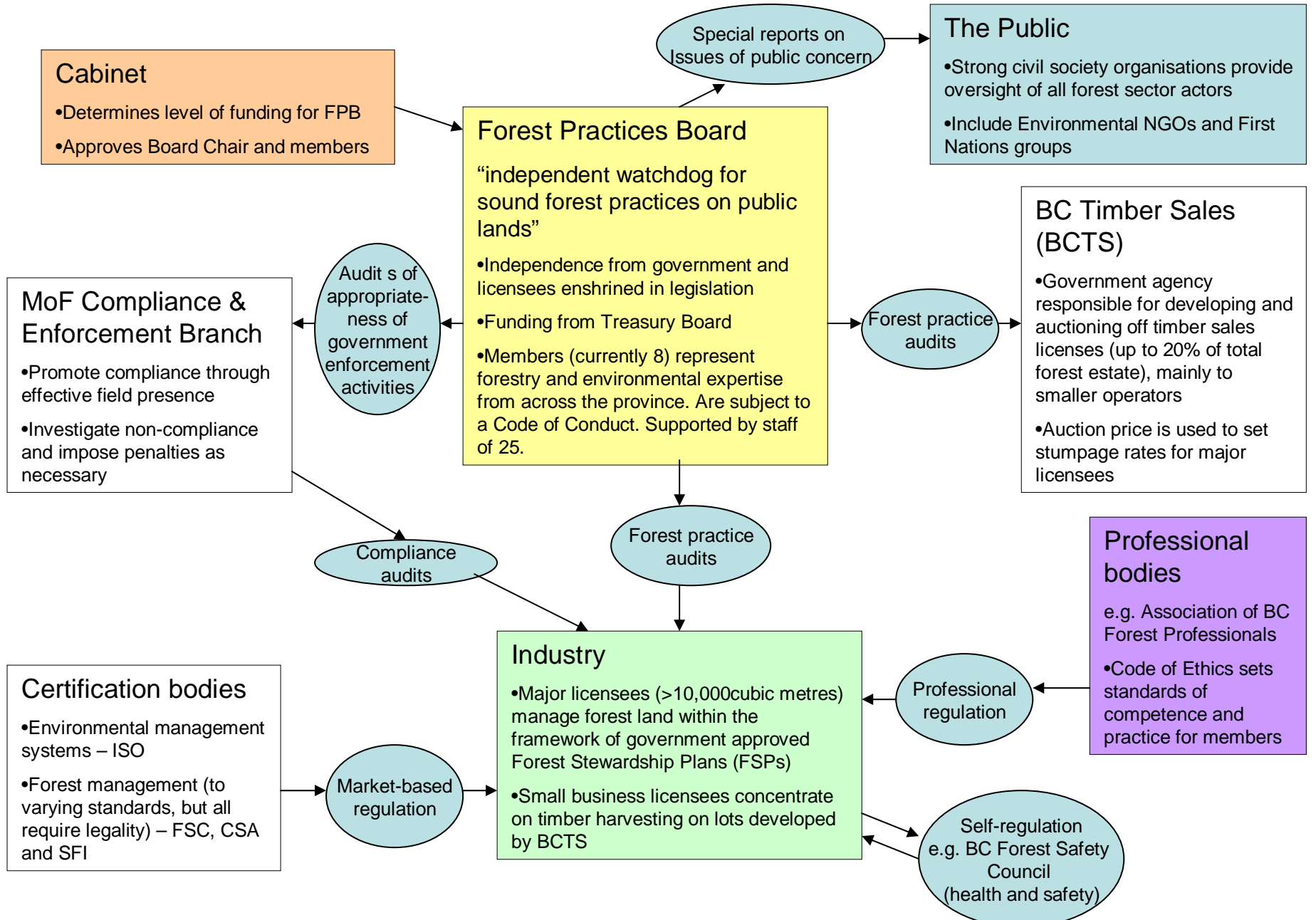
- Establish an online forest information and statistics database
- Check reports of FRs, incl. field inspection of harvesting operations
- Approve and monitor forest management plans (in 8 hours)
- Issue logging licences
- Issue transport permits to FRs
- Collect stumpage taxes for the State
- Funded by user fees per cubic metre licensed in natural forests

Forest Regents (FRs)

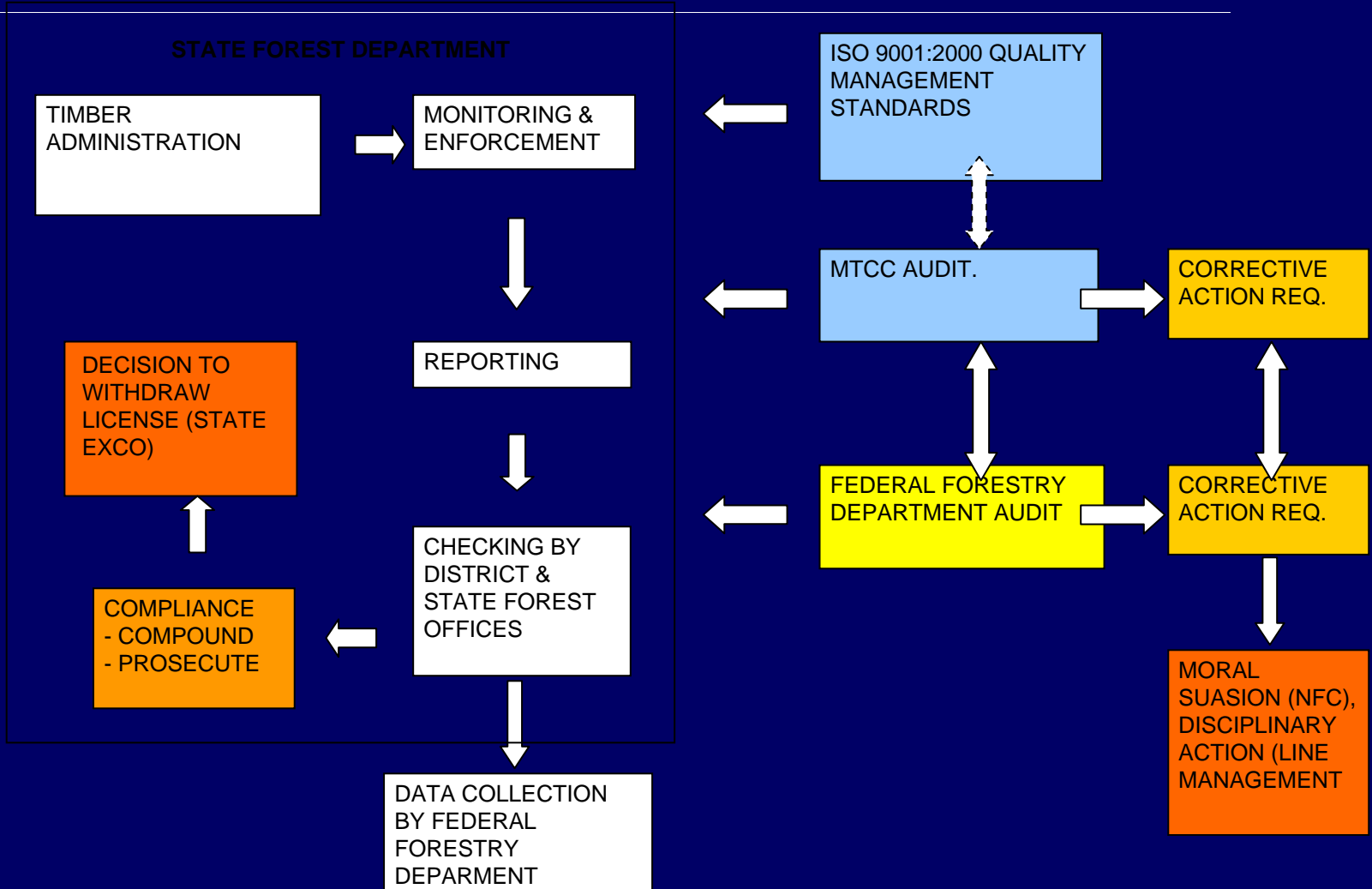
(About 60 professional foresters accredited by MoE)

- Verify elaboration of management plans prior to approval by SGS
- Monitor implementation of management plans and logging licences
- Fill out transport permits (received from SGS) in the forest
- Paid by clients

6. Verification in the British Columbia forest sector



7. PENINSULAR MALAYSIA





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5. Some conclusions

Conclusions -1

- **Need for clear separation of functions:**
 - *Regalian functions* of the state
 - Regulation & standard setting
 - Allocation of rights
 - Making judgements – verification decisions
 - Sanctions
 - *Outsource-able functions*
 - Information gathering
 - Monitoring compliance
 - Evaluating effects
 - Ensuring transparency & public accountability
 - Need for transparent decision making at all level
- **Compliance control: 3 key components:**
 1. Information gathering
 2. Reviewing mechanism
 3. Supreme authority

Conclusions -2

- ***Shared ownership***
 - *Robustness* a desirable goal
 - Broad participation outside *and* within government
- ***Joint responsibilities***
 - Lessen the risks
 - Encourage ‘tolerance’
 - Allow for effective mandate definition
- ***Credibility derives from:***
 - Clear and widely-accepted legality standards
 - Checks and balances
 - Transparency in decision making
 - An element of independence (of all parties)
 - Funding mechanisms that support exercise of independence
 - Democratic links & foundations

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