

Monitoring Governance and REDD

Building Confidence and Reducing Risk

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Figure 2: Estimated proportion of illegal and legal timber exports from 15 REDD countries in 2007

Source: based on estimates from <http://globaltimber.org.uk/IllegalTimberPercentages.doc> except Columbia (World Bank estimate)

COFACE Risk Ratings

- French export credit insurance company – provides State guarantees for French exports
- Supports business operating in high risk markets
- Assesses sovereign risk and assigns ratings to countries

Ratings

- 2 types
 - Country ratings – macroeconomic political data
 - Business climate ratings – legal & institutional framework good for business?
- 7 levels - A1 (least risk), A2, A3, A4, B, C, D (highest risk)

Table 2: Coface risk ratings assigned to 41 REDD countries¹¹

REDD countries*	Business climate rating	Country rating	REDD countries*	Business climate rating	Country rating
Chile	A2	A2	Paraguay	C	C
Thailand	A3	A3	Uganda	C	C
Costa Rica	A3	A4	Zambia	C	C
Brazil*	A4	A4	Bolivia	C	D
Mexico	A4	A4	Nicaragua	C	D
Panama	A4	A4	Mozambique	D	B
Columbia	B	A4	Papua New Guinea	D	B
El Salvador	B	B	Tanzania	D	B
Peru	B	B	Ethiopia	D	C
Argentina	B	C	Republic of Congo	D	C
Sri Lanka	B	C	Cambodia	D	D
Gabon	C	B	Central African Republic	D	D
Guatemala	C	B	DRC	D	D
Indonesia	C	B	Equatorial Guinea	D	D
Vietnam	C	B	Guyana	D	D
Cameroon	C	C	Lao PDR	D	D
Ecuador	C	C	Liberia	D	D
Ghana	C	C	Nepal	D	D
Honduras	C	C	Suriname	Not rated	Not rated
Kenya	C	C	Vanuatu	Not rated	Not rated
Madagascar	C	C			

* All countries are members of the FCPF and/or UN-REDD except Brazil

Business climate in REDD countries

- 80% of 40 REDD countries in FCPF and UN-REDD rated at B or below

B = unstable, largely inefficient, company transactions run appreciable risks

- 33% of countries rated at D

D = highly risky, company transactions very difficult to manage

Business climate in 40 countries in UN-REDD and FCPF

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UNFCCC Draft REDD Text

Monitoring Safeguards

- *requests* that a developing country Partydevelop:
- [A robust and transparent national forest monitoring system for the monitoring and reporting of ...[...the safeguards referred to in paragraph 2 above]....]

UNFCCC Draft REDD Text

Safeguards on Governance

Safeguards to be [promoted] [and] [supported]:

- Transparent and effective national forest governance structures
- Full and effective participation of relevant stakeholders, including in particular indigenous peoples and local communities
- Respect for the knowledge and rights of indigenous peoples and members of local communities

FCPF R-PP Template

Monitoring other benefits & impacts

- How will the monitoring system address key governance factors?
- How will it monitor social and environmental impacts?
- How does it provide for establishing independent monitoring and review, involving civil society and other stakeholders?

Governance Monitoring Initiatives

- Forest management, logging and timber trade
- REDD

Forest management, logging & timber trade

- ***Independent Forest Monitoring*** (IFM) – REM, Global Witness, CONADEH, SGS, Imazon (1999)
- ***Illegal logging indicators*** – Chatham House (2006)
- ***Forest Transparency Report Card*** – Global Witness (2008)
- ***Forest Governance Integrity Programme*** – corruption monitoring tool - Transparency International (2009)
- ***Analytical Framework for Governance Reforms*** – World Bank (2009)

REDD

- ***Governance of Forests Initiative*** – WRI
- ***Country-led governance assessments*** – UN-REDD
- ***IM-REDD*** – Global Witness
- ***Global Comparative Study on REDD*** - CIFOR
- ***REDD+ Social & Environmental Standards*** – CCBA / CARE

How do we reduce risk and build confidence in REDD?

- Transparency
- Monitor performance
- Build institutions and enforcement

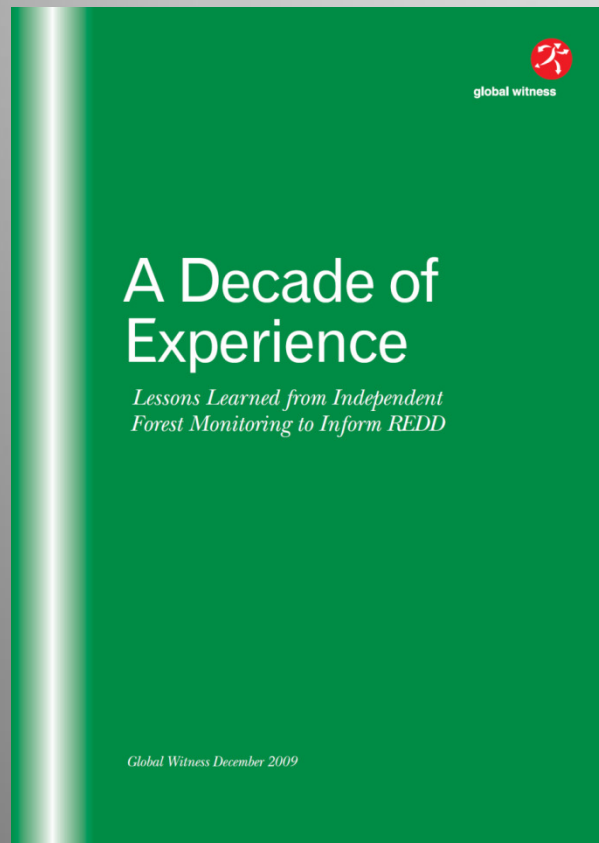
BBC Hardtalk

Have you got sufficient anti-corruption measures in place?

President Jagdeo

... it must have a complex system for monitoring performance and... a transparent financial mechanism

Building transparency & monitoring performance

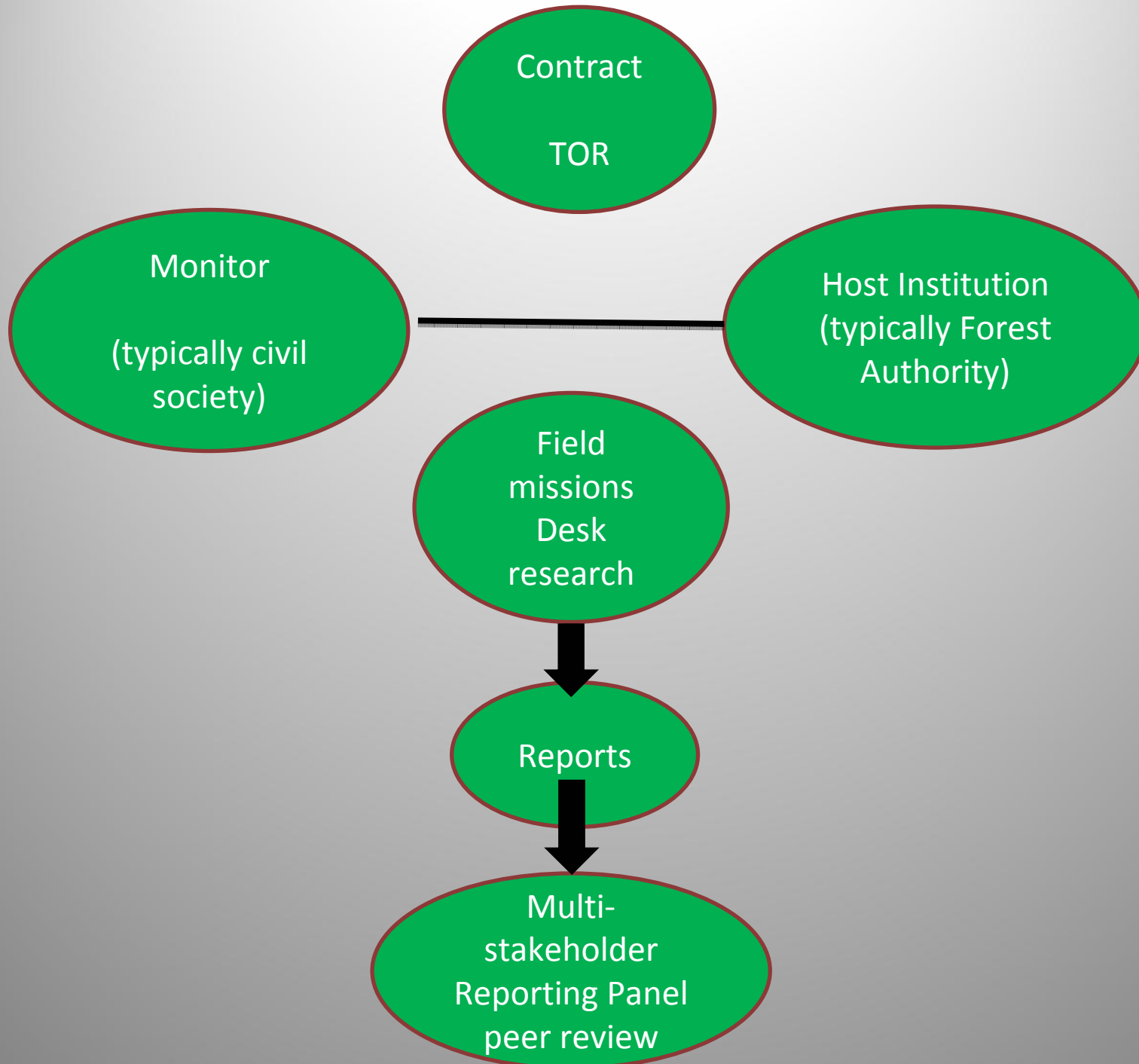


Independent Forest
Monitoring

1999-2009

What is IFM?

Monitors legal compliance and systems for forest law enforcement in the context of concession-based logging



Outputs

Monitor
Mission reports

Monitor
Periodic reviews

**Monitor /
Reporting Panel**
Recommendations

**Enforcement
Authority**
Action

- Transparency
- Access to information
- Capacity building
- Improved performance

IFM Country Programmes

Cambodia

1999 – 2005

Global Witness

SGS

Cameroon

2000 –

Global Witness

REM

Honduras

2005 –

Global Witness / CONADEH

CONADEH

Congo

2006 –

REM (IM-FLEG)

Nicaragua

2006 –

Global Witness

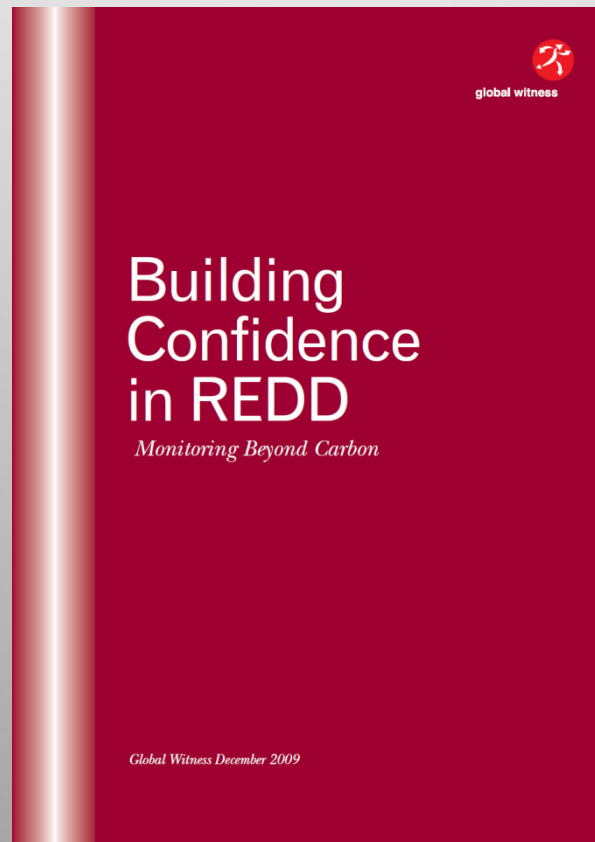
Brazil

Imazon

Cost of IFM

- Varies
 - size and make-up of monitoring team
 - scope of the ToR
 - size of the country or forest zone to be monitored
- Set up & run for a year - US\$630,000 (Cameroon)
- More is invested, more coverage, more capacity building
- IM-FLEG – Congo US\$1 million a year (CS training)

Applied experience to REDD



IM-REDD

What needs to be monitored?

**Policy
Regulations**

**Transparency
Engagement
Accountability**

Enforcement

**Goods & Services
Quality of results of
C-MRV**

**Revenue
Benefit distribution
Rights**

Key monitoring questions?

Policy & Regulations

Are ownership, access & use rights clear?
Policies to address drivers?
Safeguards addressed?

Transparency, engagement, accountability

What are information flows?
Who is participating?
Is MS engagement working?
Are all relevant agencies engaged e.g enforcement?

Enforcement

Are rules being implemented?
Are safeguards being applied?
Does non-compliance result in legal cases against infractors?

Goods & services

How are they quantified & valued?
Quality of the information?

Revenue, benefit distribution, rights

Who is paying what to whom for what goods & services?
Is money reaching beneficiaries?
Are rights respected?
Are tax rules implemented?

Making the Forest Sector Transparent

- Governance and Transparency Fund (DfID) - £3.7 million over 4 years
- *Aim* - build civil society capacity in developing countries to enhance transparency in forest sector
- 8 pilot countries
 - Ghana, Liberia, Cameroon, Peru
 - Partner with local CSO working on governance
 - Identifying 4 more countries

Making the Forest Sector Transparent

- Provide sub-grants to grassroots CSOs for governance advocacy
- Annual Forest Transparency Report Card
 - Launched as a website 21 Jan 2010
 - Tracks change annually on availability of information,
 - Yes / no questions: e.g.
 - Freedom of information laws
 - Taxes, revenues, and redistribution

Making the Forest Sector Transparent Annual Transparency Report 2009

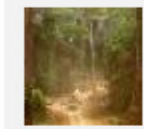




Purpose of the report card

To enable a comparison between the quality, quantity, and accessibility of forest sector information provided to the public by governments in forest-rich countries.

[View 2009 Report](#)

Updates

-  21st Pion web:
-  20th Com publ
-  7th S Gha publ figur

Countries



Cameroon
[Read the report...](#)

About the Pr

Making the Forest with civil society gr to engage with poli capable, responsiv sector governance.

[Read more...](#)

Quote

Engagement



SMS Monitoring

Develop low tech systems

Network communities with enforcement officers

Learn from the fisheries sector

