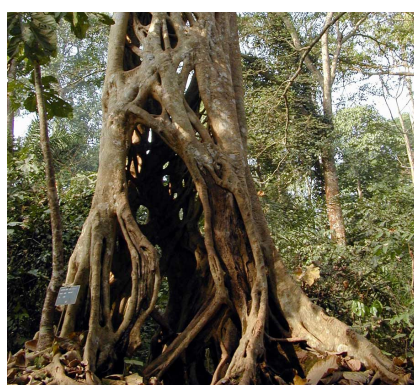


Briefing Note

05

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Is REDD undermining FLEGT?



Vines in Ghana still standing despite the tree that supported them having died and rotted away.

Image: Big foto

With proper safeguards, FLEGT has the capacity to bring about real improvements in forest governance – but concerns have been raised that this could all be undermined by the Reduced Emissions from Deforestation and Forest Degradation (REDD) schemes currently being developed by the UN and the World Bank’s Forest Carbon Partnership Facility (FCPF). This briefing looks at the case of Ghana and concludes that the Ghana experience should alert us to the dangers of rushing REDD processes.

Illegal logging is a global problem, which will be best tackled by cooperation between countries and implementation of improved governance that takes into account the rights of local communities to their land. With this understanding in mind, the European Union (EU) has designed an Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT) and FERN has been monitoring progress since its inception.

Practically, this monitoring consists of working with a wide range of grassroots organisations in partner countries to establish proper consultation processes, which amongst other things, aim to clarify the rights of local communities, increase transparency and fight corruption. FERN believes that these issues are key underlying drivers of legal and illegal deforestation and need to be addressed to keep the forests standing.

With proper safeguards, FLEGT has the capacity to bring about real improvements in forest governance – but concerns have been raised that this could all be undermined by the Reduced Emissions from Deforestation and Forest Degradation (REDD) schemes currently being developed by the UN and the World Bank's Forest Carbon Partnership Facility (FCPF). Despite FLEGT and REDD both being schemes with forest use at their heart, in many countries such as Indonesia and Cameroon they are perceived as such separate initiatives and are therefore being handled by different ministers or ministerial departments that do not seem to see the need to communicate with each other.

Although the global picture is still unclear, evidence gathered by FERN in individual countries draws attention to the potentially disastrous consequences of the way that REDD schemes are being implemented. This briefing note goes into detail about the experience of Ghana and shows that if their experience is replicated elsewhere, it is likely that REDD will both fail to achieve its own objectives and make the possible benefits of the FLEGT process unattainable.

How World Bank and UN REDD schemes could undermine FLEGT

There are two main ways in which the implementation of REDD could conflict with the ongoing FLEGT process. These are:

- **The tight timeframe reduces the possibility of a proper consultation process.** The process of creating successful FLEGT agreements (known as VPAs – Voluntary Partnership Agreements) is time consuming. It takes time to ensure that all rights holders and stakeholders are involved, it takes time to investigate the issues around illegality and it takes time to clarify land tenure. Against this, there is a very strong political push to ensure that REDD programmes are implemented fast. The parties to the United Nations Framework Convention on Climate Change (UNFCCC) aim to conclude a forest and climate deal by December 2009. This is a very tight and largely arbitrary deadline, which encourages governments and international institutions developing REDD schemes – such as the FCPF, to move too quickly, rather than take the time to create a proper consultation process with representatives of

those groups that will be directly affected. Governments may move towards REDD money rather than going through the process to achieve a FLEGT VPA as the VPA process will be seen as more demanding.

- **Clear demands for good governance and the recognition of community rights are not a prerequisite for REDD.** Most of the studies into what works to protect forests in the long term are clear that ensuring good governance and the rights of local communities and indigenous peoples are pre-requisites for long-lasting forest conservation, and therefore the lasting emissions reductions that are the objective of REDD. As with the previous point, it is easy to see why, if REDD promises funds for the same forest resource but without an insistence on good governance and recognition of rights of local communities and indigenous peoples, governments will be keen to sign up to REDD schemes and bypass the painstaking consultation processes (and when relevant, the governance and law reforms) that are part of the FLEGT process.

Ghana: a tale of three processes

A comparison of the FLEGT process with what is already happening on the ground with the World Bank REDD process in Ghana clearly demonstrates FERN's concerns about the possible effect of REDD schemes. It also highlights the dominant role the World Bank has in shaping the process.

Ghana's NREG Sector Budget Support framework process (2007 – 2008)

In Ghana, the Natural Resources and Environmental Governance (NREG) Sector Budget Support framework process allows donors to support natural resource and environment programmes where the Government of Ghana has adhered to a governance reform plan that has specific deliverables. The donors involved are the World Bank and the Dutch, British and French governments. The NREG programme was established through negotiations between donors and government officials. It was an open process involving engagement between Ghanaian and donor officials on the one hand and civil society organisations on the other. The Ministry of Lands, Forests and Mines regularly consulted the secretariat of the NGO coalition Forest Watch Ghana about the NREG matrix as it developed.





Climate change would have an extremely detrimental effect on forests, and can turn them from a sink into a source of carbon emissions.

Image: Big foto

Ghana's FLEGT / VPA process (2005 – 2008)

The Ghanaian FLEGT agreement was a bilateral negotiation between the government of Ghana and the EU designed to address the illegal timber trade. It offers a combination of trade sanctions and incentives. This scheme was tied to governance reform grounded in recognition of community rights. It involved about two years of negotiations with NGOs and community representatives. The NREG donors made execution of the VPA a trigger for financial support. Ghana's FLEGT agreement also committed the government of Ghana to a participatory review of forestry sector policy, legislation and institutions over a three to five year period.

Ghana's FCPF process (2008 – to date)

Unfortunately, in July 2008, before the VPA was even signed (a condition for donor support to the sector) the World Bank accepted Ghana's Readiness Project Idea Note proposal (R-PIN) for funding the preparation of a national readiness plan (R-Plan). The World Bank did so even though, contrary to its criteria for R-PIN acceptance, there had been no consultation process in support of REDD in Ghana. The World Bank has now approved the appointment of a consultant to proceed with technical work towards a R-Plan.

All three processes (FLEGT, NREG and the R-PIN for the World Bank's FCPF) were under way at the same time, and yet there does not seem to have been any connection made between them. Several questions, therefore arise, that should be asked of those involved in the Ghanaian process and those who will be involved in similar processes in other countries:

- Were Forestry Commission officials and donors following REDD unaware of the various consultative processes underway within the very same Forestry Commission over a 36-month period – or did they choose to ignore them?
- Why were the civil society representatives, including those of the VPA steering committee, never informed or invited to comment on the R-PIN?
- Why was there no effort, after acceptance of the R-PIN, to build upon the foundations for consultation established during the VPA and NREG processes?
- Why do the Forestry Commission and the World Bank see stakeholder consultations as an external process to be put out to tender to an outside consultant?
- Why did EU officials from institutions and countries that are also NREG donors do nothing to ensure that the World Bank lived up to its commitment to not fund the natural resources sectors until the VPA was signed?
- As NREG donors, which include the World Bank and the EU, claim to support participatory processes, what can be done to improve their commitment to governance reform and their reliability as partners in this process?

Is Ghana typical?

A joint analysis by FERN and the Forest Peoples Programme (FPP) indicates that the situation in Ghana is far from unique. In November 2008, FERN-FPP studied nine of the national R-PINs approved by the FCPF – including the Democratic Republic of Congo, Liberia and Vietnam – and found some worrying trends:

1. The process of developing R-PINs was rushed, directed towards REDD schemes based on carbon trading, and dominated by centralised government with little or no consultation with indigenous peoples or local communities. This breaches the World Bank's agreed principles and the FCPF's own rules.
2. None of the R-PINs deal explicitly with human rights issues, nor describe the need to clarify land ownership and tenure rights as a precondition for any REDD agreement. Most plans are vague about how forest peoples might benefit from REDD programmes, and control of the distribution of benefits appears to remain in the hands of central government.
3. Analysis of the documents suggests that national REDD strategies will not necessarily address the underlying causes of deforestation.

On a more positive note, several plans - including Paraguay and Vietnam - do propose independent monitoring of REDD, and all propose some form of future consultation with forest peoples and civil society. Unfortunately, plans for these consultations are often vague, and some countries (Panama, Guyana, Democratic Republic of Congo, Lao PDR and Vietnam) intend to only use existing national mechanisms. In addition, the length of time required for meaningful rights holder and stakeholder consultations raises doubts as to whether this is achievable within the World Bank's REDD timescale.

Conclusion and way forward

Whilst it is too early to say that REDD is undermining FLEGT, Ghana's experience should alert us to the dangers of rushing such a complicated process. Ideally, REDD schemes should build on FLEGT-type consultation processes, support governance reforms (like those promoted by FLEGT), help strengthen the rights of forest peoples, and ensure that local communities receive benefits for their role in protecting forests. It is clear that this is not presently happening with the World Bank's FCPF and that donors must spend time ensuring that they coordinate their efforts and make improved forest governance and the recognition of rights a prerequisite for REDD.

It must also be understood that REDD can do more than just fail to protect forests presently in danger. By increasing the monetary value placed on standing forests, it could open the door to corruption in countries where the use over these resources is already contested and lead to a land grab for forests that have previously been considered 'worthless'.

If the customary and collective rights of the peoples who depend on forests are clear, comprehensive and secure, the REDD process could work. If not, it could create incentives for governments and companies to deny these land rights and claim the benefits for themselves. This would undermine all the improvements for governance reform and rights made over recent decades and lead to increased levels of deforestation and corruption, while indigenous peoples and local communities face increased levels of poverty and alienation from their lands. In conclusion then, for REDD to achieve its stated goals, the following steps are urgently needed:

- REDD debates need to focus on how to tackle the underlying causes of deforestation and forest degradation rather than the amount of funding needed to keep forest standing without a discussion on what such funding would be spent on and how it would be spent. If the answers to technical and financial questions are measured against how well they will tackle the underlying causes of deforestation, they are more likely to succeed.
- Attempting to shortcut the forest and climate debate to a discussion on 'emission reductions' will undermine progress made in other areas, such as FLEGT VPAs.
- Programmes should be established now to clarify and formalise the customary rights of peoples living in and around the forest and recognition of indigenous peoples and local communities' land rights must be a pre-requisite for REDD.
- In countries that are working towards a VPA, or that are involved in VPA negotiations, REDD must build on the VPA process. Elsewhere, REDD programmes should be built on similar consultation processes that have been accepted by all right holders and stakeholders. This would mean ensuring that local communities and indigenous peoples are given access to all appropriate information and that their voices are heard.
- Donors need to make sure that they coordinate with each other.



Programmes should be established now to clarify and formalise the customary rights of communities living in and around forests.

Image: Big foto

END NOTES:

1. For more information see FERN documents, "From green ideals to REDD money" and "Cutting corners - how the FCPF is failing forests and peoples." Available at www.fern.org
2. For an overview see www.rightsandclimate.org
3. The Natural Resources and Environmental Governance (NREG) programme is a Ghanaian initiative that focuses on a set of policies and reforms in the inter-related sectors of forestry and wildlife, mining, and environmental protection. On forests and climate in particular the programme aims to ensure long-term predictable funding to these areas, effective forest law enforcement and addressing social issues in forest communities; and developing a climate change strategy.
4. For more information see http://www.fern.org/media/documents/document_4314_4315.pdf
5. FLEGT VPA consultation processes vary enormously in quality between countries. The most inclusive process to date has been Ghana, while a proper consultation process in Malaysia has to date been lacking.

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