Independent Forest Monitoring in Honduras
Second Summary Report
May 2005 – April 2006
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Global Witness is a British based non-governmental organisation which focuses on the links between environmental and human rights abuses, especially the impacts of natural resource exploitation upon countries and their people. Using pioneering investigative techniques Global Witness compiles information and evidence to be used in lobbying and to raise awareness. Global Witness’ information is used to brief governments, intergovernmental organisations, NGOs and the media. Global Witness has no political affiliation.

CONADEH is a Honduran institution created with the objective of ‘guaranteeing the rights and freedoms recognised in the Constitution of the Republic’ and strengthening the functions of the State. It is independent from the government in all its work. It works primarily on issues of human rights, where it acts as an independent observer and a credible witness in different official missions.

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Conclusions and Recommendations

At the end of the first year of IFM in Honduras, the monitor can confirm that all levels in the forest authority have shown interest in implementing more effective control missions. This interest has been particularly apparent in the way the forest authority has collaborated by providing the monitor with information as well as its readiness to take part in joint field work. However, limited resources in terms of personnel and equipment are clear obstacles to control illegal logging and the associated timber trade.

Furthermore, it is evident that the lack of incentives, combined with the high value of logged timber, means that forest authority personnel are susceptible to corrupt practices.

Despite the encouraging first steps in terms of cooperation between the monitor and AFE-COHDEFOR for inspection activities, these have been ad hoc, and more formal mechanisms, such as a MoU, must be established to allow a more effective coordination of efforts. There is also potential to improve synergies with other institutions, such as FEMA and PARN, with a view to maximise the effectiveness of the available resources and hence the impact of the work.

It is particularly concerning that some aspects of the forest legislation are often interpreted in an arbitrary manner. This makes it difficult for operators genuinely concerned to operate within the law to know what is required. Equally, it frustrates action to bring offenders to account for their actions and take the necessary punitive measures against them.

Most of the illegal activities observed during the monitor’s work involved logging outside authorised boundaries and the fraudulent use of transport permits. The latter are particularly open to abuse as there is scarcely any control over the use of these documents. The official system of legality verification in the forest sector should undergo a careful review in order to diminish the opportunities for fraud, and AFE-COHDEFOR should increase its capacity to effectively apply the revised system.

Two further factors illustrate the project’s good progress in establishing IFM as a consistent component in a system of checks and balances in the country’s forest sector. First, the support and collaboration of civil society groups in the area where the project has been implemented. Second, the observation that some people involved in the timber industry have shown an interest in IFM, expressing their desire to remove those who operate illegally from the market and clean up the image of the sector.

In conclusion, the first year of the project has been received in a very positive manner by a wide range of stakeholders involved in the forest sector. These stakeholders have explicitly expressed an interest in continuing IFM and expanding the scope of its work both in terms of time and geographical coverage. It should be emphasised that all the activities documented in this report were carried out by a team comprising just two people working on a part-time basis (with the support of the Global Witness office in London), at a cost of approximately US$ 80,000 which, when compared with a total of between three and five million Lempiras (approximately US$ 160,000 to US$ 265,000) which could be gathered in fines as a result of the evidence collected by the monitor in its reports, gives an idea of the cost-effectiveness of the project. There are, in addition, significant non-economic benefits, since, as this report makes clear, illegal logging is responsible for much more harm than merely financial losses. The environmental damage and social conflict that have resulted from such activities will have an effect over a much longer term.

In summary, the results of this first year of work show that IFM has been a very useful tool in improving the governance and transparency of the Honduran forest sector, and could contribute significantly to the fight against forest corruption. There is a growing consensus that its impact could increase, in a similar way to what has happened in other countries, if the monitoring function continues and if the forest authorities in Honduras increase their engagement with it.

Implementation of a pilot project for just one year is insufficient time to reach definitive results but does allow some recommendations to be suggested, as described below:

Institutional recommendations

As the institution responsible for overseeing the sustainable management of forests, AFE-COHDEFOR should:

• Enter into a MoU with the monitor in such a way that the project objectives and protocols are expressed in a clear manner. This would assist in improving the effectiveness of the project which would benefit both AFE-COHDEFOR and civil society in Honduras.

• Follow up and expand the area of activities and timescale of IFM in Honduras, given its proven
utility and the level of interest in the initiative. AFE-COHDEFOR should become more actively involved in supporting the continuation of IFM, assisting in identifying potential sources of financing and negotiating options in this respect with possible donors.

- Instruct the heads of the UEPs, regional offices and DATA to follow up field inspections carried out by the monitor in a more responsive and prompt manner.
- Together with other relevant government agencies, ensure that the monitor can undertake its work without risk to its integrity, providing support personnel when necessary and not allowing any persons threatening the monitor to continue to do so with impunity.
- Establish a validation committee to review the monitor’s reports and further strengthen their credibility. The committee should comprise representatives from all interested parties, including FEMA, PARN, timber industries, and civil society groups. It would afford more authority to the reports and thus also to specific actions taken in response to the documented findings. It would also protect the monitor’s reports from being suppressed or from attempts at interference from vested interests.
- Review and strengthen its official system of legality verification of forest activities and establish effective collaboration with other organisations competent to apply forest laws (such a FEMA, PARN and the police) in order to coordinate actions, maximise available resources and ensure that all cases of illegal activities in the forest sector are subject to a legal follow-up.

### Technical recommendations

From a technical point of view, AFE-COHDEFOR should:

- Promote the definition of *legality standards* for the most contentious and undefined parts of the legal framework, primarily for the legal norms concerning water resources preservation. This in order to reduce the arbitrary approach to the application of forest-related laws, and in collaboration with academic institutions, industry representatives and civil society groups. Such work should start with a consensus-based and clear definition of illegal extraction and trade of forest products.
- Jointly with other institutions with competence in forest matters, establish procedures for regular consultation with local populations affected by logging activities and actively include these populations in the decision-making process. These procedures should include safeguards to reduce the possibility of manipulation by external vested interests.
- Geo-reference the boundaries of all authorised logging areas using GPS units, this in order to avoid ambiguities of the limits or their fraudulent alteration, two situations observed in multiple occasions by the monitor. Likewise, all seedling trees should also be geo-referenced in order to allow their future identification, as it is already done in other Central American countries.

### Political recommendations

The Government of Honduras should:

- Ensure that AFE-COHDEFOR (or any new forest institution if established) is provided with the financial, technical, logistical and human resources to guarantee that the institution can apply the law in an efficient and transparent manner.
- Ensure that the new President’s commitment to allocate 1% of GDP to reforestation activities, given in his inauguration speech in January 2006, is acted upon.
- Draw up an effective, appropriate strategy for the use of these financial resources and ensure that they are employed in a transparent manner in order to realise the potential of the forest sector in Honduras to contribute to poverty alleviation.
- Prioritise the sustainable use of natural resources by local populations in its forest policies.
- Regularly publish complete, up-to-date information on the public revenues derived from the forest sector as well as their use.
- Regularly publish complete, up-to-date information on the names of individuals and logging companies breaching the forest law, as well as the legal proceedings taken against these parties and the penalties imposed.
- Establish mechanisms for regular communication with other governments in Central America with the objective of combating illegal activities in the forest sector in the region.
- Establish regular dialogue with the international community such that efforts to combat the illegal logging and trade of timber may be coordinated between producer and consumer countries.
Executive Summary

Independent Forest Monitoring (IFM) is the use of one or more independent, credible organisations which, by agreement with relevant state authorities, observe and support the official system of law enforcement in the forest sector. The aim of IFM is to reduce illegal logging, while not hindering or stopping those companies that operate within the law.

This report presents the results of the Independent Forest Monitoring Pilot Project in Honduras carried out in the Department of Olancho between May 2005 and April 2006. It summarises the main progress achieved and lessons learnt in the first year of activities.

Project objectives and progress achieved

The first objective of the IFM pilot project was to establish the institutional basis for an IFM system in Honduras by means of developing working relationships with the State Forest Administration (AFE-COHDEFOR), other governmental institutions, civil society and the private sector.

The work also took into consideration three further objectives that are fundamental to IFM irrespective of the country in which it is implemented. These objectives are: (i) production and publication of reliable information on illegal logging activities and associated trade; (ii) evaluation and verification of the objectivity and transparency of monitoring operations conducted by AFE-COHDEFOR; and (iii) strengthening the operational capacity of the latter institution.

Field missions and reports

During the 12 months of the project, the monitoring team focused its efforts on field missions. A total of 28 missions were carried out, which were documented in 13 mission reports. In general terms, access to information and the collaboration with various interested parties was good. With one exception, the monitor did not encounter any significant obstacles to its work.

The 13 mission reports detail some positive aspects but also, more often, illegal practices of various types. These illegal practices include both problems in the field (logging trees outside designated areas, the extraction of a greater volume than authorised, failure to respect protection of water sources, non-compliance with technical regulations, the fraudulent use of timber transport permits and the processing of undocumented timber in sawmills) as well as problems of an institutional and legal nature (arbitrary attitude regarding technical aspects, lack of institutional capacity, abuse of power and capture of community-based organisations).

Follow-up of mission reports

AFE-COHDEFOR has been slow to follow up mission reports. It should be mentioned that the elections of
November 2005 led to a transition period of some months for the government which possibly contributed to the lack of follow-up of the reports. However, the new AFE-COHDEFOR administration has frequently declared its support and offered its assistance to IFM work and is also displaying greater interest in following up cases documented by the monitor. Thus the political will seems now to exist for AFE-COHDEFOR to initiate appropriate proceedings in cases of evident illegal activity and conduct verification missions for those cases that require this.

**Impact on access to markets**

The subject of illegal logging often arouses conflicting opinions and causes bitter dispute, but there is one point upon which all agree: timber of an illegal origin has much lower production costs than legal timber. In other words, it is much cheaper to pay bribes than to produce proper management plans, pay taxes and harvest timber in compliance with forest management regulations.

The saturation of the market with cheaper illegal timber clearly undermines the price structure of forest products, weakening those companies trying to abide by the law. This reduces the economic viability of both large and small companies, although clearly the greatest implications are for community-based forest enterprises formed by the rural poor. This is because the participation of the poor in forest markets is already obstructed by other market weaknesses: monopolies controlled by purchasers and intermediaries, or by contrast highly fragmented markets to which access is restricted due to high transaction costs; usage rights for rural populations often limited to forest resources of lower commercial value; the isolation of communities and high transport costs.

**Lessons learnt and next steps**

Despite being only a pilot project, the first year of IFM activities offers several relevant lessons. These concern the current system of control and supervision implemented by AFE-COHDEFOR; the networks of power and political influence that exist in the country’s forest sector; the collaboration with other institutions in addition to AFE-COHDEFOR; the cooperation with civil society and the private sector; and the distinctiveness of the IFM experience in Honduras.

The next steps should focus on ensuring that the IFM project continues to work effectively and possibly expands its scope both in terms of time and area. A more formalised working relation with AFE-COHDEFOR, including the establishment of a MoU with clear protocols, is likely to contribute to strengthening the project.

**Conclusions and recommendations**

The conclusions and recommendations of this first year of IFM in Honduras are presented in the first pages of this report.
2. Introduction

Honduras is one of the poorest countries in the western hemisphere and has experienced some of the worst cases of illegal logging and timber trade. This not only results in substantial losses of income for the country, but also causes environmental damage and is a source of serious social conflicts. Illegal forest-related activities are also often related to other illegal activities, such as drugs and arms trafficking, illegal hunting, etc. Although the forest sector contributes approximately 5-10% of the GDP of Honduras, some studies suggest that it could generate more than 25%. It is for this reason that the Poverty Reduction Strategy (2001) considers the forest sector as one of the four areas with the greatest potential for increasing production and employment in the country (together with agro-industry, small-scale industrial assembly and tourism).

This potential, however, is at risk. The Poverty Reduction Strategy identifies deforestation as the most important environmental problem in the country and describes four main causes: (i) the change of use of forest lands; (ii) the use of wood for fuel; (iii) forest fires; and (iv) irrational logging. The latter cause is a problem mainly associated with illegal forest operators.

Although it is very difficult to estimate the scale of illegal activity in Honduras, some preliminary estimates suggest that between 75 and 85% (125,000-145,000 m³) of timber from hardwood forests and between 30 and 50% (350,000-600,000 m³) of timber from coniferous forests is extracted illegally. Thus the estimated loss to the Honduran exchequer is in excess of US$10 million a year (taking into account only taxes on production, income tax and the opportunity cost of ineffective public expenditure in forest management).

A clear obstacle in the struggle against illegal logging and timber trade is the institutional weakness in enforcing the established regulations. In addition to this there is the undeniable existence of corruption at various levels which often undermines the efforts of those trying to proceed legally. The result is an environment of impunity in which illegal activities go unnoticed and are rarely sanctioned. Even when fines are imposed, they are often not substantial enough to constitute a genuine disincentive, as the profits obtained from illegal activities continue to exceed the potential losses through fines.

Independent Forest Monitoring (IFM) is a methodology implemented by one or more independent, credible organisations which, by agreement with relevant state authorities, observe and support the official system of law enforcement in the forest sector. Its ultimate goal is taken from the forest policy of the country in question, namely to assist the people to benefit from the sustainable use of forest resources in a more equitable manner. In this respect, IFM can play a fundamental role in the reform of the forest sector, including legislative reform as well as enhancing political will and the capacity of the forest authorities to enforce the law. Furthermore, it assists civil society in challenging the state to become accountable. It should be emphasised that IFM seeks to reduce illegal logging and not to impose obstacles or try to stop those companies that operate within the law.

In May 2005, the National Commission for Human Rights (CONADEH) and Global Witness initiated an Independent Forest Monitoring Pilot Project in Honduras. Outputs from the first phase of implementation, lasting three months, included the production of seven field mission reports and a First Summary Report. In recognition of the usefulness of the project and its impact, a further three months of work were carried out between November 2005 and April 2006. The results of this work were presented in a further six field reports and this Second Summary Report. Thus this report gives a general perspective of the first year of IFM in Honduras, summarising progress and identifying lessons learnt. Both phases were made possible thanks to financial support from the United Kingdom’s Department for International Development (DFID), in addition to core costs from Global Witness funds and support in kind from CONADEH.

This report comprises seven sections including an executive summary and this first introductory section. Section 3 records progress made to date against the original project objectives. Section 4 analyses the market impact of the illegal timber exploitation. Section 5 deals with the field work conducted, focusing on the principal aspects of the missions carried out and describing the major results. Section 6 gives updated information on follow-up activities to the mission reports conducted by relevant governmental institutions. Finally, section 7 presents the principal lessons learnt and suggests further steps to be taken. Furthermore, the conclusions and recommendations of this first year of IFM in Honduras are presented in the first pages of this report.
3. Project objectives and progress achieved

The objectives of the IFM project in Honduras were jointly agreed by Global Witness and CONADEH, in consultation with AFE-COHDEFOR, and are as follows:

1. To establish the institutional basis for an IFM system in Honduras by means of developing working relationships with AFE-COHDEFOR as well as other governmental organisations, civil society and the private sector.

2. To generate reliable information on illegal logging and trade in specific regions of the country with the objective of improving forest management, facilitating the access of legal timber to the market and distributing the benefits to local people.

3. To ensure the objectivity and transparency of monitoring operations conducted by AFE-COHDEFOR by means of the participation of an independent monitor with international credibility, which reports and recommendations are made public.

4. To reinforce the operational capacity of AFE-COHDEFOR by developing joint field missions in which experience and skills are shared.

Concerning objective 1, on 18th April 2006, CONADEH and AFE-COHDEFOR signed an agreement to carry out a further 12 months of IFM with increased human resources and expansion of the geographical area of intervention (Figure 1). This new phase will be financed by national funds made available by AFE-COHDEFOR. Furthermore, the new administration of AFE-COHDEFOR has on several occasions declared its commitment to identifying new resources to further assist the IFM work in the country. More than any other factor, this concrete result illustrates the achievement of this key objective.

With regards to Objective 2, the monitor has written and published 13 reports with information on illegal logging and timber trade in Olancho, covering all types of logging permits issued by AFE-COHDEFOR plus transport licences and sawmill operations. The information has been received very positively by both governmental institutions (AFE-COHDEFOR, FEMA and PARN) and civil society groups, as well as by some actors of the private sector.

Thanks to the reliability of the information, there has been recognition of the necessity and usefulness of hosting a monitor in the country, which in turn is reflected in the achievement of Objective 1 as mentioned above. Section 4 provides more details on the field missions and related reports.

Similarly, Objectives 3 and 4 have been achieved, in particular through the implementation of joint field missions with AFE-COHDEFOR. In many cases this has allowed the sharing of experiences and the identification of limiting factors, particularly lack of material resources, under which employees of this institution are obliged to operate. In other cases it has been possible to illustrate the persistence of bad practices in both technical terms and in administration procedures. Broadly speaking, the collaboration with AFE-COHDEFOR has been positive although its follow-up of the findings of the reports has been slow. Section 5 of this report gives more details in this respect.

![Figure 1. Article published in La Tribuna newspaper on the signing of the IFM agreement by CONADEH and AFE-COHDEFOR. (The content of this figure is translated in Annex 2.)](image-url)
4. Impact on access to markets

The subject of illegal logging often arouses conflicting opinions and causes bitter dispute, but there is one point upon which all agree: timber of an illegal origin has much lower production costs than legal timber. In other words, it is much cheaper to pay bribes than to develop proper management plans, pay taxes and harvest timber in compliance with forest management regulations.

The saturation of the market with cheaper illegal timber clearly undermines the price structure for forest products, and threatens those companies that try to abide by the law. An international study commissioned by the American Forest and Paper Association (AF&PA) concludes that prices of various forest products would rise by 7-19% if exports of products associated with illegal logging were eliminated. The depressive effect on prices often has a greater effect on national markets, simply because there is a greater proportion of illegal timber in circulation. For example, investigators in Nicaragua estimate that timber prices would rise by at least 20% without illegal logging.

The threat is to the economic viability of both large and small companies, although clearly the greatest negative impacts are felt by community-based forest enterprises formed by the rural poor. This is so because the participation of the poor in forest products markets is already impeded by weaknesses which characterise these markets: monopolies controlled by purchasers and intermediaries, or by contrast highly fragmented markets to which access is restricted due to high transaction costs; the rights of rural populations to use forests often limited to forest resources of lower commercial value; and communities located in isolated areas cut off from markets which results in high transport costs.

The social viability of community-based forest enterprises at local level is closely related to their capacity to act as economic motors for the community itself, generating benefits for themselves and other community members. The impact of illegal logging, exacerbated by barriers to markets, undermines economic profitability and therefore their social viability. The result is a weakening of community-based forest enterprises which then become an easy target for infiltration and capture by local elites using these organisations as a cover for fraudulent practices, as was the case in the Primero de Mayo Cooperative documented in Report no. 8. One of the implications of this evolution has been the criminalisation of community-based forest enterprises which are presented as key players in illegal logging.

This kind of capture of community-based forest enterprises has an additional consequence. Communities who have an investment – social and environmental as well as economic – in the forest resource are more likely to protect the resource against illegal logging. As has been observed in many countries in addition to Honduras, once favourable conditions for the economic and social viability are disrupted by unscrupulous commercial interests, the will to protect the resource is lost.

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5. Field missions and reports

During this pilot project, a total of 28 field missions were conducted in the Department of Olancho, resulting in 13 mission reports and this Summary Report. Table 1 summarises the subject and main findings of each one of these filed reports. It is important to note that missions where no irregularities were found is no assurance that illegal activity is not associated with those operations; only that the monitor did not detect any, given the time, personnel, equipment and documentation available to it. This chapter reports on the performance of the monitor, including access to information, areas inspected, and collaboration with other actors. Some of the underlying trends these reports point to are identified and commented upon in the subsequent sections.

Table 1. Summary of the 13 mission reports

<table>
<thead>
<tr>
<th>Report number</th>
<th>Subject of Report</th>
<th>Permit no.</th>
<th>Site and Municipality</th>
<th>Main Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report 1</td>
<td>Auction of national forest</td>
<td>Contract no. BN-380-2005</td>
<td>La Mina, La Unión</td>
<td>• Partial delays in the payments of the second and third auction quotas</td>
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<td></td>
<td></td>
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<td>• No irregularities detected in the logging activities observed</td>
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<td>Report 2</td>
<td>Auction of national forest</td>
<td>Contract no. BN-378-2005</td>
<td>Platanares I, San Esteban</td>
<td>• Logging outside limits</td>
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<td>• Non-compliance with regulations concerning protection areas of water sources</td>
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<td>• Construction of tracks without authorisation</td>
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<td>• Failure to respect erosion control regulations</td>
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<td>• Delay in payment of the second and third auction quotas</td>
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<td>• Commencement of operations before making due payments</td>
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<td>Report 3</td>
<td>Local sale of timber infested with southern pine beetle (Dendroctonus frontalis)</td>
<td>Local Sale no. J-238/2005</td>
<td>Ejidos de Jano, Jano</td>
<td>• Logging outside limits</td>
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<td>• Logging a higher volume than authorised</td>
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<td>Report 4</td>
<td>Transport of logs</td>
<td>Transport Permit no. J-136672</td>
<td>San Esteban, San Esteban</td>
<td>• Fraudulent and incorrect use of timber transport permits</td>
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<tr>
<td>Report 5</td>
<td>Local sale of timber infested with southern pine beetle (Dendroctonus frontalis)</td>
<td>Local Sale no. J-163/2005</td>
<td>La Tincuta, San Esteban</td>
<td>• Logging outside limits</td>
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<td>• Irregularities in the Technical Report for the outbreak</td>
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<td>Report 6</td>
<td>• Transport of logs</td>
<td>• Transport Permit no. J-143629</td>
<td>San Esteban, San Esteban</td>
<td>• Logging outside limits</td>
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<td>• Sawmill audit</td>
<td>• Record no. 562</td>
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<td>• Logging a higher volume than authorised</td>
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<td>• Two local sales of timber infested with southern pine beetle (Dendroctonus frontalis)</td>
<td>• Local Sale nos. J-408/2005 and J-012/2005</td>
<td></td>
<td>• Fraudulent and incorrect use of timber transport permits</td>
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<td>• Undocumented timber in sawmill premises</td>
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The number of missions is higher than the number of reports because some reports needed more than one mission to be completed. Furthermore, in a few cases it was AFE-COHDEFOR that asked the monitor to carry out a second joint mission to a site already inspected. There were also a few missions in which the monitor decided not to produce a report, because with the time available no relevant aspects, either positive or negative, were detected.
5.1. Access to information

In order to carry out its work, the monitor team requires official information about timber production operations such as management plans, timber transport permits, sawmill records, etc. Access in this respect has at all times been good and the monitor did not face any obstacles in gathering information needed. On the contrary, AFE-COHDEFOR personnel, both at central and local levels, assisted the monitor in gaining access to the relevant data in all cases.

5.2. Areas inspected

The main reason for this pilot project to focus exclusively on the Department of Olancho was the limited resources available to the monitor. The team comprised only two people on a part-time basis so, given the acute problems of illegal logging in Olancho, the decision was made to operate solely in this region. However, the agreement between CONADEH and AFE-COHDEFOR of April 2006 foresees an expansion of the area of activities to cover other areas of the Honduran pine forest, as well as broadleaf forests.

The field missions in the Department of Olancho were carried out in the Municipalities of Jano, La Unión, Salamá and San Esteban. Of the 13 reports produced, one focused on the first of these municipalities, three on the second, two on the third and seven on the fourth (see Table 1 and Figure 2).
5.3. Collaboration with institutions, civil society and other relevant actors

5.3.1 Collaboration with AFE-COHDEFOR

The relationship with AFE-COHDEFOR during the period of the project was very positive, both in terms of cooperation at a central level and in terms of collaboration during field missions. In the latter case, staff needed to carry out joint missions with the monitor were often made available unconditionally and generously. There was even one case in which a staff member took part in a mission despite being on holiday.

It should be emphasised that, despite the undoubted and reported existence of corrupt practices at institutional level, many of the staff working for AFE-COHDEFOR are extremely sincere and committed to their work and often carry out their activities under very difficult circumstances due to the lack of resources and the pressures put upon them.

On the other hand, the work of the monitor has confirmed the existence of two problems which are already recognised and, unfortunately, deeply rooted within AFE-COHDEFOR, and perhaps point to a structural bias in favour of one type of forest operator over others, as described in Box 1.

There are also reasons to believe that the lack of an institutional agreement of the IFM project with AFE-COHDEFOR with specific protocols has slowed down the latter's involvement in IFM. However, AFE-COHDEFOR has shown an increasing interest in engaging more deeply with the project; hence there is a clear opportunity to strengthen the commitment through a MoU that would clarify the relationship between AFE-COHDEFOR and the monitor, as well as the rights and obligations of each.

Figure 2. Map of the Department of Olancho showing the locations of the sites documented in the reports
Box 1: Inbuilt structural bias in the Honduran forest sector

There exists considerable anecdotal evidence that official forest management decisions are affected by the influence and economic power of the person or company involved. Report no. 8 supports this, indicating that excessive discretionary power exists at local (regional offices and UEPs) and central (Productive Development Department) levels when criteria for the approval of management and/or annual operational plans are applied. Approval procedures can last for months or even years and can be extremely demanding, in particular when the documents are presented by community forest organisations (which do not have the support of an influential external patron). However, these procedures can be much speedier when they directly or indirectly concern well known and influential persons or companies, even if the documentation is incomplete or has anomalies.

On occasions, the bias in favour of some forest operators has also been observed by the monitor at field level. For example, in the San Esteban UEP, this bias appears so accentuated that it suggests a distortion of the roles of the local technical forest administration staff and local forest entrepreneurs. The former, for one reason or another finds it impossible to carry out their function of regulator and administrator of forest resources; while the latter manages to significantly influence the decision-making processes at local institution level.

The bias in favour of industrial operators is much more than a matter of single individuals intimidated by the power of influential entrepreneurs. It is the entire institutional and legal framework of the Honduran forest sector that is biased towards commercial forestry activities carried out by timber companies, to the disadvantage of community forestry and local access rights to forest resources. For example, according to the implementing regulations of the Title VI (Forestry Aspects) of the 1992 Agriculture Modernisation Law, forest producer groups, acting under the umbrella of the Social Forestry System and managing public forest areas, may not avail themselves of the full 100% of the annual allowable cut (AAC) envisaged in the forest management plan for their area. Instead, they are restricted to only a small portion of it, and the unused portion of the AAC has to be auctioned off to the highest bidder.

This structural bias, or ‘timberisation’ of policy is not unique to Honduras. It has been observed in Ghana and Mozambique, for example, where this kind of structural inclination has lead to regulations in support of commercial forestry being promulgated more quickly than those in favour of community forestry or community rights in industrial forestry. One result is a ‘legal hiatus’ or ambiguities in regulations and procedures over the precise ways in which social aspects of forestry policy should be applied.

5.3.2 Collaboration with civil society

The collaboration of members of civil society has been very valuable in allowing the project to be carried out satisfactorily. Their role has been vital in providing the monitor with information on the locations at which illegal logging takes place, often with direct negative impacts on their community.

Albeit the monitor has been in contact with several civil society groups, the closest collaboration was developed with the Olancho Environmental Movement (MAO). On several occasions, the IFM team was able to count on the collaboration of members of this environmental group, both for the exchange of information and for accompaniment on some inspection visits (for example the missions described in Report nos. 1, 3, 8 and 9). As for their in-depth knowledge of the local situation, their participation was very valuable to inform the monitor’s work.

In working with civil society, the monitor has, to a limited extent, built their capacity to observe, document, and report illegal activities in a robust and professional way. In all investigations, however, the role of the monitor is to document the facts on the ground, and whilst information from civil society organisations and individual citizens is of great value, its objectivity has always been checked by direct observation by the monitor.

5.3.3 Collaboration with the Environmental Public Prosecutor (FEMA) and State Attorney for the Environment and Natural Resources (PARN)

Albeit FEMA could not participate in the field missions due to a lack of available personnel, this institution made some efforts to follow-up the IFM reports, particularly in the case of the company Industria Forestal Abigail, the subject of Report no. 6. In December 2005, FEMA conducted a follow-up inspection of this company, as a result of which it ordered the permanent closure of its sawmill. This is a positive outcome considering the abundant evidence of irregularities committed by this company.

FEMA also followed up Report nos. 3 and 5 to some extent, visiting the sites to corroborate information gathered by the independent monitor, although there seems to be no further action on these two cases. In general, whilst FEMA’s follow-up work is to be welcomed, unfortunately it has been slow and conducted without sufficient coordination with the independent monitor. This risks leading to duplication of efforts and thus reduced effectiveness.
While FEMA is responsible for prosecuting environmental crimes, the PARN is responsible for representing and defending the state in legal issues concerning the environment and natural resources. The relationship between the monitor and PARN has developed more recently and has included direct involvement of personnel from this institution in IFM field missions. As a result, more effective follow-up of the missions should become apparent in the next few months.

5.3.4 Collaboration with timber entrepreneurs and operators

In general terms, the relationship with the timber sector has been constructive and the monitor has been able to work without encountering opposition. However, in one case a timber industry representative has shown a hostile attitude towards the monitor. His enterprise was subject of one of the monitor's missions in the first months of the field work (May 2005) in the course of which it was discovered that payments of the auction quotas had not been made (despite the fact that harvesting operation were being carried out in all the logging units) and that trees had been logged within the protected area of a permanent water course, among other anomalies. However, when the monitor wanted to return to the site in September 2005, the timber industry representative strongly opposed this and used intimidating language before the mission. In order to avoid endangering the monitor's staff, the mission did not proceed. Subsequently meetings were held with this person and after a few months a second mission by the representative strongly opposed this and used intimidating language before the mission. In order to avoid endangering the monitor's staff, the mission did not proceed. Subsequently meetings were held with this person and after a few months a second mission by the monitor was carried out.

This second mission took place in March 2006. The mission revealed further illegal practices, namely the logging of 358 pine trees in the protection zone of a water course, representing an average net volume of 474 m³. In a meeting with the entrepreneur carried out during this mission, the monitor was again subjected to veiled threats. Such a situation is unacceptable and presents a marker by which to assess the will and capacity of AFE-COHDEFOR and other relevant government bodies. If they do not deal with this case sufficiently seriously, it could create a precedent which could undermine the future of the project and, more seriously, send a message that some operators can continue to operate with impunity.

5.4. Obstacles

In general, the monitor has been able to carry out its work without encountering significant obstacles (with the notable exception of the case documented above). This generally sets a positive precedent which should continue as the monitoring function is better-resourced and expanded over a wider area in the future.

5.5. Conclusions of the field work

Between May 2005 and April 2006, 13 reports were written documenting the IFM missions undertaken. The following sections describe the main findings and conclusions that can be drawn from the mission reports.

5.5.1 Evidence documented in the reports

Report nos. 1, 9 and 10 give details of positive aspects concerning compliance with forest regulations in the field. However ten reports give details of illegal practices of different types and present preliminary ideas of the complexity and scale of the problem. Irregularities have been observed both at field level and at institutional/legal level. In the field, the monitor has direct evidence of logging of trees outside designated areas, extraction of a greater volume than authorised, failure to respect the protection of water sources and watercourses, non-compliance with technical regulations, fraudulent use of timber transport permits and processing of undocumented timber in sawmills. Weaknesses of an institutional and legal nature include in particular the arbitrary interpretation of technical aspects, lack of institutional capacity, abuse of power and misuse of local organisations.

Furthermore, it is disturbing that illegal practices exist in forests irrespective of their ownership. Illegalities in private forests demonstrate a lack of interest amongst those involved in exploiting their own forests in achieving sustainable forest management.

Logging outside designated areas

The felling of trees outside the boundaries of the authorised area represents a type of illegal logging operation that can be documented in a definite, conclusive manner (using data gathered by hand-held GPS receivers and camera equipment), and is therefore a principal activity in IFM. This clear presentation of evidence, added to the severity of this kind of infraction, should therefore trigger an immediate response by the governmental institutions responsible for controlling and penalising such activities.

Cases of logging outside the authorised boundaries were documented repeatedly by the independent monitor, involving thousands of cubic metres of timber. Half of the reports (Report nos. 2, 3, 5, 6, 11 and 12) describe cases of this nature. Figure 3 reproduces a map from Report no. 11 which documents the illegal logging of 358 pine trees (Pinus spp) outside the permitted limits within a national forest and furthermore in a protection zone of a permanent water source.

Although the reaction by the relevant authorities has been slow, it should be noted that Report nos. 3, 6, 11 and 12 did trigger an official reaction, thus confirming, at least in part, the hypothesis that such a response is possible when a prima facie case is presented. More specifically, AFE-COHDEFOR applied fines pertaining to Report nos. 3, 11 and 12 totalling Lps. 1306,515,606 (US$ 53,360,598), while in the case of Report no. 6, FEMA proceeded to close the sawmill implicated in the documented infractions.

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9. The detailed results of this mission are documented in Report no. 2.
10. The detailed results of this mission are documented in Report no. 11.
Logging of a greater volume than authorised
Illegal practices of harvesting wood which exceed the authorised volume was observed in most of the cases in which logging outside the established boundaries was observed. For example, in the case of Report no. 6, it is estimated that over 2,000 m$^3$ of pine timber were felled illegally.

Although this practice can also occur within authorised permit areas, this has not been observed by the monitor during the field work. To the contrary, in several sites it was noted that the timber operators did not cut some of the trees marked for felling, apparently due to the extraction costs or as a result of pressure from local environmental groups.

Figure 3. Map from Report no. 11 showing the location of 358 stumps (red dots) cut outside the boundaries of the authorised area and in a protection zone of a permanent water course.
**Harvesting within protection areas: water resources**

Water is the natural resource in Honduras which causes the fiercest disputes and leads to more conflicts than any other. The monitor is not aware of any exhaustive studies on the subject in Honduras, but there is abundant anecdotal evidence of the relationship between deforestation and the degradation of water resources.

The monitor observed at first-hand some of the illegal practices which affect this resource. Missions documented in Report nos. 11 and 12 revealed clear cases of breach of Art. 64 of the Forest Law (Decree No. 85-71) which prohibits exploitation of trees within 250 metres of any water source and within 150 metres of either side of any permanent water course.

Moreover, Report no. 12 illustrates the discretionary powers afforded to technical staff in assessing water sources and courses at the time of preparing operational plans for the exploitation of timber. It documents the presence of at least two water sources which were not inventorised in the preparation of the approved operational plan. A 250 metre protection zone should have been established around these water sources. However, not only were activities conducted in both cases within this perimeter, but in one case a logpond was established within a few metres of the water source (Picture 1). All these observed facts not only contravene the law, but also contribute directly to increasing social tension. In particular, this fosters feelings of rejection amongst local people that increasingly prompts them to object to any forestry activities.

**Breach of technical regulations**

In several missions non-compliance with technical regulations of forest management were observed, in particular on the sites described in Report nos. 2, 4, 5 and 12. The most common irregularities concerned the failure to carry out works to prevent and control soil erosion on tracks (for example, through constructing earth or timber barriers and spreading timber residuals) and the non-compliance with stipulated procedures for treatment of residuals (chipping and piling up). These activities are required by law to be carried out after the completion of operations.

As Pictures 2 and 3 show, the failure to carry out maintenance work on tracks exacerbates erosion with very negative consequences for soil and water resources.
The fraudulent use of timber transport permits

The fraudulent or incorrect use of permits to transport timber was previously documented in the First Summary Report, as well as in Report nos. 4, 6 and 7, all concerning San Esteban.

This element is one of the weakest links in the chain of custody as there is an almost complete lack of control of the use of these permits. The monitor observed that the dates in the permits were falsified or the documents were filled out incompletely or incorrectly in all of these reports. It was also clear that the number of logs actually transported by trucks did not correspond to the number noted in the permit. Such activities are in breach of forest legislation and suggest clear cases of laundering illegal timber into the legal chain of custody. The lack of control over the use of permits is exacerbated by the fact that AFE-COHDEFOR, following procedures, issues blank permits and the forest operators are responsible for filling in the forms without any supervision.

The processing of undocumented timber in sawmills

There is significant anecdotal evidence of the processing of undocumented timber in sawmills. Report no. 6 documents one of these cases. Once this timber is processed, it is practically impossible to determine its origin and legal status, pointing at the important role sawmills also play in the laundering of timber.

Interviews with many officials, sawmillers and others indicate that many sawmills accept timber from any area, regardless of its legality. This facilitates, among other things, the complex phenomenon of the lechuceros, namely small groups of two or three people who cut trees alongside roads and transport the timber to local sawmills. Faced with a lack of alternative revenues, poor people often have no option but to carry out illegal activities of this sort, promoted by the high demand for timber (see Picture 4).

5.5.2 Legal and institutional aspects

Arbitrary nature of technical assessments

In some of the documented cases of non-compliance with the law it is not clear who is liable. To a great extent this ambiguity is due to the lack of clear definitions in the legislation which makes a range of interpretations possible. In consequence, this bears the risk that management plans could be approved at the institutional level even though they are actually in breach of the law. This creates a 'grey area' of liability and accentuates the problem of enforcing the law.

The most common example is Art. 64 of the Forest Law (as previously mentioned in the 'Harvesting within protection areas: water resources' section) and the lack of clarity on definitions of 'water source' and 'permanent water course' (as opposed to a 'non-permanent' one, the First Summary Report gives more details on the problem of lechuceros.11
given that protection is only prescribed for water courses that are classified as permanent). As described in Report no. 12, the practice has been to assess these resources in a discretionary and narrow manner when preparing operational plans, often with dubious results from a legal and hydrological point of view.

The arbitrary nature of determining some technical aspects of forest management also explains why some administrative procedures can be bypassed depending on the person or company involved, as described in Box 1.

**Lack of institutional capacity**

Weaknesses in the way regulations may be applied become more complex through the lack of institutional capacity: there is actually only one AFE-COHDEDFOR technical officer in the Municipality of La Unión and s/he does not even have a vehicle to carry out his/her duties. This makes the adequate supervision of approximately 120,000 hectares of total forest area in the Municipality a virtually impossible task.

**Abuse of power and capture of local organisations**

Box 2 summarises the contents of Report nos. 8 and 9 which describe fraudulent actions that do not relate to operations in the field but rather to decision-making processes before the onset of such operations. The management plan for the municipal forest known as Coyoles, in Salamá, is an example of the abuse of power by municipal authorities and the infiltration and usurpation of a community-based cooperative by local timber industry elites.

Anecdotal evidence and investigations by various observers suggest that this type of fraud is frequent in the Honduran forest sector, as it is in many other countries, and represents a focus and key challenge for the authorities, as well as for IFM.
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Box 2: Conflict over the management plan for Coyoles, Salamá

Management plan no. BE-J04-004-95-II applies to the municipal forest site known as Coyoles in the Salamá UEP, Olancho Forest Region. Since July 2005, this management plan has been the focus of a serious social conflict with considerable resonance at national and international level. In August 2005, in an attempt to reconcile the adversary positions, the Salamá Act was signed (see Annex 1). One of the issues agreed upon was that no new exploitation activities would be authorised under the management plan until the Salamá Land Management Plan was concluded and the forest management plan suitably amended. However, this agreement has not been respected and the conflict continues without resolution to this day.

In view of the relevance and seriousness of the case, the independent monitor decided to conduct an official review of the existing documentation with the objective of contributing to a clarification of the facts. Subsequently, and to follow up the case, in January 2006, the independent monitor and AFE-COHDEFOR completed a mission concerning the annual operational plan (POA) 2005 for this management plan.

The main parties involved in the conflict are the Salamá Mayor’s Office, the Primero de Mayo (First of May) Cooperative and the Olancho Environmental Movement. The main findings of the study of documents revealed that the co-operative had been captured by the Salamá Mayor’s Office and local timber merchants to cover the involvement of the Sansone Sawmill in the execution of the POA 2005. It was also shown how the former Mayor of Salamá had on several occasions failed to comply with instructions from higher governmental bodies such as the Departmental Governor of Olancho and the Secretariat for Natural Resources and the Environment (SERNA).

Paradoxically, during the mission concerning the operational plan, it was noted that the volume of timber felled was less than that authorised. It was also noted that the boundaries of the protection areas and the external limits of the POA were respected and also that transport permits were used correctly by the Municipality of Salamá and the Primero de Mayo Cooperative.

However, despite the correct implementation of the operational plan in the field, the existence of problems regarding the actual role of the Primero de Mayo Cooperative in the administration and management of this logging operation should not be overlooked. Furthermore, according to the Honduran Federation of Agroforestry Cooperatives (FEHCAFOR), there is also insufficient clarity regarding the legitimacy of the current Governing Board of the cooperative.

This uncertainty has been to a certain extent clarified by the Honduran Institute of Cooperatives (IHDECOOP), which in February 2006 has officially recognised the legitimacy of the new Governing Board of the cooperative. But it is worthwhile noting that this legalisation of the situation of the cooperative has occurred many months after its deals with the Municipality of Salamá and the logging operations that have prompted the conflict. Moreover, an assertion by IHDECOOP does not necessarily answer all the doubts about the regularity and transparency of a transition process in the management of a local cooperative. Therefore, it is important that MAO, FEHCAFOR and other stakeholders continue to monitor the actions of this cooperative and carry out the appropriate investigations in case of any alleged abuse in its management.

In order to seek consensual solutions to this conflict, it is important that an independent study of the environmental impact of the logging is undertaken. This study must be conducted by an entity with recognised experience and credibility in the field. Moreover, if logging continues in the future, subsequent to the amendment of the management plan in accordance with the results of the Salamá Land Management Plan, it will be vital to introduce and apply low-impact logging systems (for example, evacuating timber using oxen or overhead cables when possible), thus avoiding the use of heavy machinery in the forest.

With regards to actions aimed at making the responsible parties accountable, the competent governmental and non-governmental authorities (Departmental Governor of Olancho, High Court of Auditors, AMHON, etc.) should present an urgent demand to Mr José Ramón Ramos, as Mayor of Salamá from 2002 to 2006, to present a clear report on the funds received by the Municipality of Salamá from the sale of timber under the operational plan. Failing this the said governmental and non-governmental authorities should conduct relevant investigations into the use of these funds. In no event should any of those found to be responsible be granted any impunity. Furthermore, the agreements concluded by the Salamá Act must be honoured.

Source: CONADEH and Global Witness (IFM Reports 8 and 9).

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12. The detailed results of this review are given in Report no. 8.
13. The detailed results of this mission are given in Report no. 9.
14. General elections were held in Honduras in November 2005. There has been a new Mayor of Salamá since that time, who was not involved in timber abuses.
6. Follow-up of mission reports

Despite good collaboration with AFE-COHDEFOR in terms of gathering information and field missions, the follow-up of mission reports has been unfortunately slow. It should be noted that the elections of November 2005 resulted in a transition period of several months which may have contributed to the failure to follow up reports.

However, the new AFE-COHDEFOR administration has declared its backing of the IFM work in Honduras on several occasions and is showing increased interest in following up cases documented by the monitor. Thus the political will seems now to exist for AFE-COHDEFOR to initiate appropriate proceedings in cases of evident illegal activity and conduct verification missions for those cases that require this.

It is also anticipated that other institutions with competence in law enforcement will play a more active role in following up documented findings. Among these, FEMA and PARN stand out as they have the competence to prosecute criminal offences against the environment. As already mentioned above, the first of these institutions has the duty to investigate environmental offences and initiate penal actions. The second is the legal representative of the State in environmental matters. Combining and coordinating their efforts with those of AFE-COHDEFOR would doubtlessly lead to a more effective work. In this context, the establishment of a validation committee to review the mission reports – including representatives of FEMA, PARN, timber industries, and civil society groups – would undoubtedly be an important step forward in ensuring a quicker response to the monitor’s findings.

The following up of reports on criminal offences by law enforcement institutions and the judiciary is absolutely crucial; it serves little purpose to document cases of illegal logging if perpetrators go unpunished. In such circumstances, the message sent out is very dangerous as, far from acting as a disincentive for those who operate illegally, it would encourage them to maintain the status quo of impunity.

The reports produced by the monitor also have the potential to be used by other interested parties in civil society. This has already happened with the first seven reports published in the initial three months of the project. The contents of these reports formed a significant part of a report on illegal logging in Honduras published in 2005 by EIA and CIP; thereby strengthening the integrity of this report. Some local newspapers, such as El Libertador or La Tribuna, have also featured articles on the monitor’s activities.

7. Lessons learnt and next steps

Despite being a pilot project, the first year of IFM activities offers at least five relevant lessons for improving the control of the Honduran forest sector, as well as a few lessons on the approach taken to introduce IFM:

I. The current system of control and supervision does not work

The current system of control and supervision implemented by AFE-COHDEFOR simply does not work, as it is based on unworkable principles. The first of these principles is the expectation to monitor all authorised forest operation areas, often more than once during the logging operations. The second is the delegation of this task, in itself excessive, to the least equipped and most vulnerable link of the institution, namely the technical staff assigned to the UEPs.

The majority of the UEPs visited by the monitor had only one appointed technical staff who was tasked with a range of administrative, technical assistance and monitoring functions. Obliging these staff to oversee the entirety of logging operations in their area means that verification inspections are restricted to a few hours and focus solely on some aspects in some zones of the timber production area.

Furthermore, staff do not have the necessary basic equipment (for example GPS equipment and cameras) to allow them to accurately document what they detect in the field. Some UEPs do not even have the use of a vehicle (or sometimes they do have a vehicle but not sufficient fuel). This means that missions can only be conducted when the operator whose permit is to be inspected provides the means of transport. In addition, staff posts do not rotate, but reside permanently in the community in which the UEP is based. Consequently, and considering the high levels of violence and impunity that exist in many rural parts of the country, they cannot ignore threats or intimidation from certain persons living or working in the area.

In conclusion, the AFE-COHDEFOR control and supervision principles should be more realistic and attainable, with a consequent boost to morale. Firstly, the ambitious attempt to check everything should give place to a system of targeted inspections based on intelligence and denouncements, as well as some form of systematic sampling (totalling, for example, 20 or 30% of all areas). This would build professionalism and strategic thinking skills in the enforcement agents as well as give inspections sufficient time and rigour. Secondly, the control and supervision work should not be delegated to local technical staff but rather carried out by brigades of several people equipped with the necessary tools who
work in an area only for the time required to carry out inspections. Ideally, such inspections should be carried out unannounced and staff should follow a rotation system so that they do not become vulnerable to threats or corrupt practices. AFE-COHDEFOR’s D A T A already demonstrates this kind of best practice. There is clearly a problem concerning the availability of sufficient human and financial resources, but if the will to dramatically improve the control system exists, it should be possible to gradually improve upon the current situation. AFE-COHDEFOR should make a serious commitment to work towards this goal, possibly with the collaboration of FEMA and P ARN as suggested below.

II. Power networks and political influence impact negatively on the resource

There are individuals in the sector, with a great amount of power and political influence, who have the capacity to affect decision-making processes in order to favour their private interests. There is also evidence (as Report no. 8 shows) of abusive practices carried out by some large-scale loggers in order to defraud local community organisations of the resource. These practices undermine any attempt to achieve a sustainable use of forests, and often create social conflicts that threaten the lives of many local people. As with those law enforcement officials who have faced intimidation, the monitor’s work will also be undermined if no action is taken against those who intimidate people attempting to apply the law.

III. Enhanced cooperation with other law enforcement agents would be useful

Collaboration with institutions beyond AFE-COHDEFOR, but with competences in forest law enforcement, such as FEMA and PARN, is an important way forward. As mentioned above, collaboration with these institutions has been sporadic, yet positive. There is an important potential for synergies amongst all these institutions that is currently not being taken advantage of. Much more fluid communication should be established amongst AFE-COHDEFOR, FEMA, PARN and the independent monitor, in order to combine the available resources and efforts in the most effective way.

IV. Strengthening civil society’s role would complement the work of law enforcement agents

The role of civil society in control activities in the forests has been and continues to be crucial, not least in their ability to inform the officials and monitor about local incidents. Grassroots organisations in Olancho have provided crucial information to the monitor and also accompanied it during field missions. However, the situation is much more sensitive with regards to the relationship between civil society and the forest administration, as there is clearly an evident lack of mutual trust. It would be a great step forward in combating illegality in the forest sector if all possible efforts were made to overcome this situation, as it only harms the cooperation needed from all involved. Individual efforts at collaboration and dialogue should be encouraged, possibly with the monitor playing a mediation role. In addition, it is crucial that a broad dialogue should be sought on the management of Honduran forests, despite the challenges of such a complex task. The current polarisation only isolates both parties and undermines any possibility of reaching an understanding. Any opening from either side, no matter how small, could be a good start.

V. The private sector can play a significant pro-reform role

Some private sector actors have shown genuine interest in the monitor’s work. The acceptance of IFM seems to indicate that there is awareness amongst operators of the negative impacts that illegal logging has on the image of companies, as well as on the sustainability of their activities in the long term. It is clear that all logging companies have to acknowledge their share of responsibility in fighting illegal activities.

VI. The introduction of IFM

Unlike other countries where IFM has operated, the Honduras case is unique for two reasons:

- The primary counterpart to an international monitoring organisation is not (as is typical) the forest authority, but a human rights commission. This has proved very effective in maintaining independence between the observer and the observed, and in building local ownership for the monitoring function. CONADEH will in future be assuming the lead role in IFM, with the technical support and international credibility provided by Global Witness diminishing accordingly.
- The nature of IFM in Honduras has evolved in response to growing levels of understanding (whereas elsewhere more of ‘blueprint’ approach has been taken). This has allowed different players to fully appreciate the tool, and to build support at their own pace, based on trust and credibility in the monitoring team. As a result, the will amongst all players to tackle illegality has increased and there has been an absence of the perception of ‘international interference’ which has proved an obstacle to IFM in some other projects. This approach should bode well for the sustainability of the IFM as a service in the public interest and a permanent feature of the sector.
Annex 1: Translation of the Salamá Agreement Act

(see Annex 1 of the Spanish version for the original text)

Assembled in Salamá, Olancho, on Monday 15th of August 2005, the members of the Primero de Mayo Cooperative, Olancho Environmental Movement, Governmental Commission and Municipal Corporation, commit to the following:

1) That harvesting activities of the forest operational plan continue as approved in 2005.
2) During the week of 22-26 August of the current year a community committee will be created for Salamá’s Land Management Plan.
3) At the end of the harvesting framed within the current operational plan, the committee will have defined the scope and an action plan for the land management assessment.
4) While the assessment is carried out, harvesting activities will be suspended. The resuming of activities will depend on the results of the assessment.
5) The Government commits to lead the process of land management in the rest of the Department [of Olancho].

This act is signed for the record at 4.30pm on 15th of August 2005.

Annex 2: Translation of Figure 1

An agreement is signed to reduce the logging of forests

The National Commissioner for Human Rights (CONADEH), Ramón Custodio, and the Head of AFE-COHDEFOR, Ramón Alvarez, signed an agreement to reduce illegal logging of forests at a national level, through the implementation of Independent Forest Monitoring.

The project was presented by these institutions, which are aware of the forest-related problems having caused conflicts amongst different actors with stakes on the natural resources, including death threats on some community environmental leaders.

According to several studies, illegal logging of forests causes the Honduran State to lose more than US$10 million annually due to the lack of tax payments, whether these are municipal or central. This without taking into consideration the economic losses produced by the environmental damage to water basins and impacts on the population, especially in rural areas.

The objective of this agreement is to contribute to the reduction of illegal logging through forest law enforcement, thus contributing to a more equitable distribution of the benefits derived from forest resources, with a view that the population's quality of life is improved.

The IFM project will work mainly in the Departments of Olancho, Francisco Morazán, Gracias a Dios, Atlántida, Colón, Yoro, El Paraíso and any other area that are regarded a priority in terms of the level of illegal logging, or when it is agreed with AFE-COHDEFOR to work in such areas.