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Forest Law compliance

How Do We Get From Here to There?

Preliminary Discussion Document

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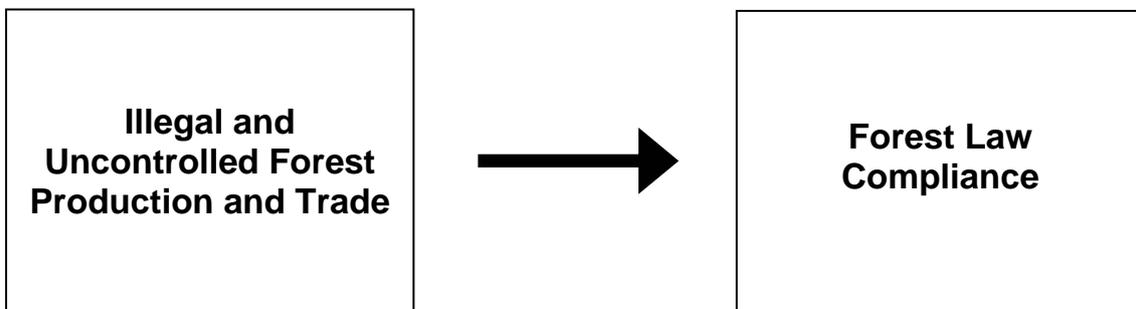
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“Support for the Implementation of the Forest and Wildlife Legislation in Mozambique”



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TABLE OF CONTENTS

Introduction.....	1
1. A matrix of recent recommendations on forest law enforcement in Mozambique.....	2
2. Building a strategy on these recommendations.....	6
3. Forest law enforcement and poverty.....	7
4. Incentives for legality.....	8
5. The special case of corruption.....	9
6. Final considerations.....	11
References.....	12
Annex 1.....	13

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INTRODUCTION

The TCP project “Support for the Implementation of the Forest and Wildlife Legislation in Mozambique” focuses on the development and testing of a participatory strategy for the implementation of the legal framework related to forests and wildlife. Through supporting the development of innovative policies and participatory instruments for law enforcement, the project aims at making a substantial contribution to put into practice the new *Lei de Florestas e Fauna Bravia* and its *Regulamento*, discouraging illegal activities and serving as a basis for better governance in this sector.

The expected outputs are: (i) the development of a strategy (and associated action plan) for improving forest and wildlife law compliance; and (ii) its testing in the field.

This document is only a preliminary discussion manuscript, aimed at contributing to the dialogue inside the current inception phase of the project. It focuses particularly on forest production and trade. According to a brief literature review and the anecdotic evidence gathered through interviews, it appears that two situations may be common in Mozambique. First, *illegal* forest production and trade, namely forest activities carried out without permission by the competent authority or in contravention of national/provincial laws and regulations (and/or the international obligations to which Mozambique is party). And secondly, *uncontrolled* forest production and trade, which refers to operations that technically may be legal (authorised, etc.) but that are carried out without control and thus with no assurance of real (not only nominal) law compliance.

The document is divided in six parts. The first presents a matrix of recent recommendations on forest law enforcement in Mozambique. The second describes a brief outline of possible steps for building the new strategy. Section three considers the importance to avoid the possible negative impacts on poverty of greater forest law enforcement. Sections four and five focus respectively on incentives for legality and forest corruption. The sixth and concluding section presents four final recommendations.

1. A MATRIX OF RECENT RECOMMENDATIONS ON FOREST LAW ENFORCEMENT IN MOZAMBIQUE

In Mozambique there has been in recent years a remarkable effort to analyse forest and wildlife law enforcement (*fiscalização florestal e de fauna bravia*). Bila and Salmi (2003) have described the numerous negative impacts of forest-related illegal activities (Box 1), while several analysts have proposed concrete suggestions for improving law enforcement in this sector.

The matrix in next page (Table 1) represents an attempt to present schematically several of the recommendations given in recent reports and publications. The columns reflect the prevention, detection and suppression framework commonly considered necessary for any strategy to improve law compliance (Bila and Salmi, 2003; Contreras-Hermosilla, 2002a). As it is well known, there is wide overlap between these three components, and any action taken in one of them is likely to have an effect on the others (e.g., improving detection or suppression clearly should have a prevention effect). Given the difficulty to assign some recommendations to a specific block, in several cases one single recommendation has been placed over more than one column.

The rows represent broad groups of recommendations, based mostly on (i) the topic of the documents reviewed, (ii) the feedback from interviews, and (iii) the main elements of the TCP project. As for the columns, also these groups overlap widely and the allocation of the recommendations inside them may be arguable.

In order to reflect more closely the original text, the recommendations have been reported in Portuguese. Some are quite specific while others are more general. Coming from different documents some of them may seem to repeat others, even if attention was put in trying to avoid repetitions. Perhaps the most important thing to note is that they are only a sample of the numerous suggestions available. The aim is to present these recommendations in a framework that hopefully can be useful for the dialogue about the project implementation.

Box 1. Main negative impacts of forest-related illegal activities in Mozambique.

- 1) Reduction in the economic value of the standing timber, favouring forest conversion;
- 2) Poverty impacts (forest conversion affects negatively local communities, fuelling emigration);
- 3) The fauna is destroyed or forced de escape towards other areas;
- 4) Severe reduction of public forest incomes, both at national and local level;
- 5) Illegal timber reduces the market price and discourages investments in forest management;
- 6) Low quality harvesting techniques and high associated wastes;
- 7) Corruption;
- 8) Market impacts for tropical timber due the negative perceptions associated with it (fuelled by hostile propaganda).

Source: Bila and Salmi, 2003.

Table 1. Main recommendations on forest law enforcement in Mozambique from recent reports and publications.

	Prevention	Detection	Repression
1. Legal framework (Quadro legal)	1.1 Estabelecimento dos termos de delegação de poderes na gestão de recursos florestais e faunísticos às comunidades e ao sector privado (Bila e Salmi, 2003).	1.4 Estabelecimento dos estatutos para cada categoria de fiscais (governamentais, ajuramentados e comunitários) (Bila e Salmi, 2003).	
	1.2 Estabelecimento das normas para a canalização de benefícios às comunidades (Bila e Salmi, 2003).	1.5 Produção e aprovação das normas de distribuição dos 50% das multas aos fiscais e dos demais envolvidos na fiscalização (Bila e Salmi, 2003).	
	1.3 Aumentar os salários dos funcionários da administração de sector e em especial dos fiscais (Bila e Salmi, 2003).		
2. Participatory FLE (Fiscalização participativa)	2.1 Estabelecer mecanismos práticos de envolvimento das comunidades, fiscais comunitários, fiscais ajuramentados e operadores na fiscalização (Bila e Salmi, 2003).		
	2.2 Criação dos Comitês de Gestão Comunitária (CGC), com, entre outros, o papel de gerir a fiscalização local (monitoramento dos recursos naturais, organizar os fiscais comunitários, e assegurar que eles recebam a recompensa estipulada por lei) (Nhantumbo e Macqueen, 2003).		
	2.3 Criação ao nível dos distritos dos Conselhos de Gestão Participativa (COGEP), com, entre outras, a função de apoiar a fiscalização local (monitorar e capacitar os fiscais comunitários, assegurar o pago das multas, e distribuir o 50% das multas de forma transparente) (Nhantumbo e Macqueen, 2003).		
3. Innovative policy/technical instruments and mechanisms (Instrumentos e mecanismos políticos/técnicos)	3.1 Restringir a emissão de licenças simples e incentivar as concessões (Bila e Salmi, 2003; Chitará, 2003).	3.5 Criação do Serviço Nacional de Fiscalização (sob tutela da DNFFB, com autonomia administrativa-financeira, e com o comando centralizado) e elaboração do seu Plano Estratégico de Implantação (Mussengue, 2002).	
	3.2 O processo de concessões deve ser simplificado e a atribuição ou recusa de uma concessão deve ser feito por um processo competitivo e transparente para evitar arbitrariedades (Sitoe, Bila e Macqueen, 2003; Rytönen, 2002).	3.6 Estruturar o actual Departamento de Fiscalização e o respectivo regulamento interno, e alocação de fundos de gestão directa do departamento (relativos às actividades anuais) (Mussengue, 2001).	
	3.3 Produção e aprovação do modelo do plano de manejo florestal simplificado para efeitos de licenças simples e do modelo de plano de manejo para efeitos de concessão florestal (Bila e Salmi, 2003).	3.7 Criação dos Serviços Distritais de Florestas e Fauna Bravia (Bila e Salmi, 2003).	
	3.4 Exigir a apresentação dos planos de manejo das concessões (Bila e Salmi, 2003; Rytönen, 2002; Sitoe, Bila e Macqueen, 2003).	3.8 Estabelecer mecanismo de supervisão do sistema de fiscalização (Mussengue, 2001).	

	Prevention	Detection	Repression
3. Innovative policy/technical instruments and mechanisms (Instrumentos e mecanismos políticos/técnicos)	3.9 Promover a certificação florestal e adopção voluntária pelas empresas de boas práticas de manejo e normas de conduta são do ponto de vista social e ambiental (Bila e Salmi, 2003).	3.12 Melhorar a coordenação interinstitucional com as Alfândegas, Procuradoria da República, Polícia, Exército e Tribunais (Bila e Salmi, 2003).	
	3.10 Redução a incidência de corrupção (TCT, 2003).	3.13 Estabelecer um plano de acções para melhorar a governação no sector florestal (Rytkönen, 2002).	
		3.14 Sistema de seguimento de troncos: criação do sistema que permite rastejar individualmente os troncos desde a floresta até a serradeira ou o porto (Barne, 2001).	
		3.15 Monitoramento independente: o monitoramento das actividades de exploração florestal deve ser feita por uma agência independente em coordenação com os fiscais comunitários e do Estado (Siteo, Bila e Macqueen, 2003; Bila e Salmi, 2003).	
	3.11 'Terceirização' ou privatização: contratação de empresas privadas especializadas para cumprir algumas actividades ligadas á administração e fiscalização das actividades florestais (Bila e Salmi, 2003).		
4. Incentives and financial mechanisms for encouraging sustainable forest management (SFM) (Incentivos e mecanismos financeiros para encorajar o manejo florestal sustentável)	4.1 Remoção de barreiras administrativas (TCT, 2003).		
	4.2 Reformar o sistema de taxas florestais (Rytkönen, 2002).		
	4.3 Estabelecer um Fundo de Investimento Florestal, cujo objectivo será a promoção e desenvolvimento da indústria florestal (Chitará, 2003).		
	4.4 Desenvolver um projecto de formação e assistência sistemática sobre os modelos e processos de gestão financeira, para melhorar a capacidade das empresas florestais de beneficiarem dos incentivos fiscais e aduaneiros e lograrem o acesso ao crédito (Chitará, 2003).		
	4.5 Estudo e adopção de diversas medidas específicas para a indústria de madeira (grande, média e pequena), incluindo incentivos endógenos, fiscais, aduaneiros, sectoriais, e estruturais (Chitará, 2003; TCT, 2003).		

	Prevention	Detection	Repression
5. Information management (Maneio de informação)		5.1 Criação de um banco de dados nacional sobre as actividades ilegais, a nível individual, distrital, provincial e nacional, com prioridade para o estabelecimento dos "baselines" (Bila e Salmi, 2003).	
6. Training (Formação)	6.1 Divulgar amplamente a Lei e o Regulamento de Florestas e Fauna Bravia, priorizando os grupos-alvo mais importantes, como fiscais florestais, comunidades locais, operadores florestais e faunísticos, ONG's e entidades facilitadoras do maneio comunitário dos recursos naturais (Nhantumbo e Macqueen, 2003; Bila e Salmi, 2003).	6.3 Treinar o pessoal da administração e os fiscais em matérias de inteligência florestal (Bila e Salmi, 2003).	6.4 Capacitar o pessoal das Alfândegas, Procuradoria da República, Polícia, Exército e particularmente Tribunais (Zolho, 2003). ¹
	6.2 Programa dirigido para a capacitação dos operadores florestais sob regime de licença simples na perspectiva de que nos próximos três anos uma percentagem significativa destes operadores possa melhorar as práticas deles substancialmente (Chitará, 2003).		
7. Human resources, equipment and logistics (Recursos humanos, equipamento e logística)		7.1 Estabelecer o subsistema de logística do Departamento de Fiscalização (Mussengue, 2001).	
		7.2 Reformar os fiscais velhos e contratar e treinar novos fiscais (Bila e Salmi, 2003).	
		7.3 Estabelecer pelo menos duas equipas de fiscalização móveis em cada província (Bila e Salmi, 2003).	
		7.4 Apetrechar as unidades de fiscalização com meios materiais e logísticos adequados para uma boa fiscalização (providenciar fardamento, infra-estruturas básicas, meios de acampamento, armas de fogo, transporte e comunicação) (Bila e Salmi, 2003; Mussengue, 2001).	
		7.5 Montar métodos de inspecção surpresa, baseadas em visitas fortuitas e utilização de diferentes métodos de verificação da consistência das informações apresentadas pelas empresas (Barne, 2001; Bila e Salmi, 2003).	

¹ This recommendation is the only one not found in a document, but coming from an interview. Considering its relevance it was included.

2. BUILDING A STRATEGY ON THESE RECOMMENDATIONS

These recommendations represent a great opportunity for the implementation of the TCP project. Broadly speaking, there is no need for more recommendations. Although the extent and dynamics of illegal/uncontrolled logging and trade are not clear, there is a sensible understanding of where we are now and, more importantly, of what is needed to improve law compliance and governance in this sector. Knowing where we are and where we want to arrive, the key question is “*how do we get from here to there?*” In other words, how do we take action? How to carry out the ‘operacionalização’ of these recommendations?

The implementation of the TCP project should aim at capitalising on these recommendations and answering these questions. An outline of practical steps for building the new forest law compliance strategy upon the matrix presented could be the following:

1. Analyse each group of recommendations and assess their current and near-future level of implementation;
2. On the basis of point 1, select a first group of recommendations that could constitute the core elements of the new strategy;
3. Estimate costs, the potential impacts (positive and negative) and the political and economic feasibility of the selected recommendations;
4. On the basis of point 3, prioritise the main possible actions and try to understand their possible sequencing;
5. Produce a detailed plan of actions for the implementation of each selected measure;
6. On the basis of point 5, calculate costs in further detail, and reanalyse more carefully prioritisation and sequencing;
7. Prepare a draft document outlining the new strategy, the associated plan of actions (essentially merging the outputs of point 5), and the monitoring system (including adequate indicators);
8. Start testing in the field.

In carrying out these steps there are four elements that appear critical: understanding the underlying causes; prioritising and sequencing; economic and political feasibility; and stakeholder participation in the process. Their importance can hardly be overstated.

Underlying causes – Linking remedial measures to underlying causes is a fundamental point. Doing so is the best way to ensure lasting improvements. The eight steps outlined above should therefore be based on a sound understanding of the motives behind the current situation. What are the root causes of illegal acts and how to combat them are the central questions.

Prioritising and sequencing – It is evident that the strategy must embrace different actions that, been complementary, should be implemented simultaneously. However, proposing a series of comprehensive solutions is relatively easy. The challenge is to prioritise them in terms of the limited governmental and donor resources available, and to implement the selected actions effectively. Entry-points and sequencing must be carefully analysed and planned (Richards, 2002).

Economic and political feasibility – In ranking the recommendations one factor that is central is their economic and political feasibility. For example, recommendation 3.5 is theoretically valid and promising, but according to several observers its political feasibility is doubtful at present.² Recommendation 1.3 on the other hand suggests to increase salaries, especially those of the *fiscais*. This could indeed improve the commitment of these inspectors, but clearly some important economic and political questions need to be considered. It would be necessary to calculate how much it would cost to the government such salary increase, and from where the necessary funds could come. The political question concerns the possibility to increase the salary to only a small portion of government workers, without confronting the obligation to increase them also to a much wider portion.

Stakeholder participation - Needless to say that the implementation of the steps outlined above must be an open, highly inclusive, multi-stakeholder process, based on effective participation. This may reduce the effectiveness of the effort. Some stakeholders interested in maintaining the *status quo* will most probably abuse of this participatory approach in order to disrupt the process. It is important to be aware of that. However, there is no doubt that a participatory approach is the best, if not the only, way to produce a meaningful strategy capable to deliver long-term outcomes.

3. FOREST LAW ENFORCEMENT AND POVERTY

Poverty reduction is one of the main overall objectives of the Mozambican society. Like all other sectors, the forest and wildlife sector has designed its policy and development strategy based in this national objective. As indicated by Bila and Salmi (2003) and many other authors, illegal forestry activities can have major impacts on the poor. Improving forest law enforcement should, therefore, have a positive impact on poverty reduction. However, this assumption should not be taken for granted. Recent research shows that forest law enforcement can also be detrimental to poor people (Kaimowitz, 2003; Wells, 2002; Mayers, 2003). Box 2 shows some of the main reasons why this can happen.

² Such recommendation implies a deep institutional reform, which could be too demanding at present since Mozambique has already gone through a long and remarkable policy and legal reform process of the forest and wildlife sector.

Box 2. Negative impacts on poor peoples' livelihoods of forest law enforcement.

Greater enforcement of forestry and conservation laws has the potential to negatively affect rural livelihoods, because:

- Existing legislation often prohibits forestry activities such as small-scale timber production, fuelwood collection, and hunting that millions of poor rural households depend on.
- Most small farmers, indigenous people and local communities are ill equipped to do the paperwork required to engage in forestry activities legally or to obtain the technical assistance needed to prepare management plans.
- Millions of rural households live on lands that governments have classified as state-owned forestland or protected areas, and existing laws often consider them encroachers even though their families may have lived there for generations.
- Forestry and wildlife departments generally enforce forestry and protected area legislation more vigorously and with less respect for due process and human rights when poor people are involved.
- In some countries, forestry and wildlife officials engage in illegal activities that harm the poor. Measures that empower these officials and give them more resources could make it easier for them to act with impunity.

Source: Kaimowitz, 2003.

If the new strategy to strengthen forest law compliance wants to contribute to the overall objective of poverty reduction, it needs to carefully consider from the beginning the potential poverty impacts of each measure that will be suggested, prioritise those that should not have such unwanted outcomes and readdress any instrument when such problems arise. One significant example in Mozambique is the informal production and trade of charcoal. As widely known, this activity represents for many poor rural households an essential source of incomes. Many actions to tighten controls over this activity could potentially have negative poverty impacts. It is important to search those measures that can create incentives for its legal production by poor people (e.g., community concessions specifically for charcoal production), while increasing controls on the bigger traders of this product.

Assessing the potential poverty impact of greater forest law enforcement is not easy. However, Kaimowitz (2003) has developed a guiding framework that could prove very helpful for this purpose during the strategy preparation (see Annex 1). It is highly recommendable to make use of such framework.

4. INCENTIVES FOR LEGALITY

As briefly touched in the previous section, the issue of incentives for legal forest production is vital, not only for charcoal but for the all range of forest products. Low levels of law compliance may be linked to efficiency problems and economic profitability.

A FAO study (1999) on commercial timber harvesting in Mozambique illustrates the financial difficulties faced by such operations. Of the five companies studied, only one was capable to limit unit costs and make some profits. The general conclusion of the

study was that the efficiency of commercial timber harvesting in Mozambique, as it was observed during the survey, generated little or no benefit and hardly justified extracting such valuable resources. Low or zero returns increase the pressure to reduce costs. A weak regulatory capacity creates a perverse incentive to do this by reducing compliance costs, favouring a slide towards illegal activities.³ On the other hand, better law enforcement capacity and positive incentives should favour the search of lower costs through a more efficient and legal forest management (Richards, 2003).

At the risk of oversimplifying a complex set of issues, this brief comment suggests the importance of a 'stick and carrot' strategy to tackle fraudulent logging. Increasing the risk of being caught and punished for illegal operations is essential in order to change old habits. Without this not only low returns, but also higher returns will understandably encourage illegal activities. While the 'carrot', based on a set of different kinds of incentives, should be oriented at increasing the relative profitability of those committed to improving their forest management standards. Rising awareness of and capacity for profitable legal operations is key for the successful 'legalisation' of the sector (Salmi, pers. comm.).

5. THE SPECIAL CASE OF CORRUPTION

As already mentioned, the recommendations presented in Table 1 are extremely comprehensive, ranging from equipment needs to innovative financial mechanisms. There is one issue, however, that appears scarcely touched: that is corruption. Currently it is widely acknowledged that corruption is often closely associated with illegal forestry activities, and more generally undermines the prospects of sustainability and equity in forestry (Mayers, 2003).

Contreras-Hermosilla (2002a) gives an important advice to the current effort underway in Mozambique when he writes that "*controlling forest corruption goes to the very heart of strategies for improving the forestry sector governance condition of a country*". Some corruption-related concerns that should be kept in mind during the strategy preparation are presented in Box 3.

³ Although it should be pointed out that low returns can also reduce logging pressures (Kaimowitz & Angelsen, 1999, cited in Richards *et al.*, 2003)

Box 3. Points for the debate on forestry corruption.

- 1) Increasing monitoring and control of forest operations is unlikely to reduce illegal activities unless the problem of corruption is tackled first.
- 2) Similarly, increasing the fines and penalties for illegal activities in some circumstances (for example, in cases where the risks to be caught for a corrupt act are low or virtually zero) may just increase the producer's willingness to pay bribes, leading to greater corruption.
- 3) Improving the terms and conditions of forestry officials may reduce corruption by increasing the expected costs of any disciplinary action (i.e. better paid staff would expect to lose more from suspension or dismissal). However, it may be more cost-effective to increase the supervision of staff and introduce incentives for reporting illegal activities.
- 4) The above conclusions suggest that paying closer attention to the honesty of forestry staff and greater rewards for honesty may yield higher returns than more monitoring and punishment of illegal producers. Many countries have a poor record in this respect and the self-regulation of forestry institutions may not be very successful. Therefore, it is suggested that civil-society has a very important role to play in this process and that mechanisms should be developed to encourage effective monitoring and reporting of illegal activities without fear of reprisal or coercion.

Source: Whiteman, 2003.

In Mozambique there is a significant experience in controlling the transport of forest products from the production areas to the main cities and ports. This control is carried out by public officers (*fiscais*) through a system of roadside checkpoints and mobile patrols. Considering the limited human and logistic resources of the system, there is an understandable interest in improving it with more personnel and means. However, as suggested by Box 3, such controls may be vulnerable to corruption.

Therefore, in the debate about the new strategy, and specifically about checkpoints and mobile patrols, it may be useful to analyse the experience of *Vigilancia Verde* in Ecuador, to understand if and in what terms it could be valid in Mozambique. A brief summary of this experience is reported in Box 4.

Box 4. The experience of *Vigilancia Verde* in Ecuador.

Vigilancia Verde was created in 2000 by a broad coalition of public and private entities concerned with the quality of environment management in Ecuador: the National Police, the National Defense Ministry, five NGOs and the Ministry of Environment that led the initiative. *Vigilancia Verde* is a supervision body responsible for controlling the transport of timber between the forest and processing and marketing locations. Thirteen fixed and seven mobile control points are being established, each one of them formed by a representative of the forest authority, one from the civil society and two from the police. These teams operate on a 24 hours basis and their members are periodically reassigned to other control points. The system is funded by a trust that receives 50% of the sale value of the timber that is detected, confiscated and auctioned. The funds are administered by a Bank and managed by three directors from the civil society and two from government agencies. All these features have been designed to avoid unaccountable practices, and to reduce the temptation of corrupt deals. It has already demonstrated its effectiveness: in its first year of existence the volume of timber seized was nearly 600% more than the amount seized by the government during the previous year.

Source: Contreras-Hermosilla, 2002b; ITTO, 2002; The Economist, 2003.

6. FINAL CONSIDERATIONS

This closing section tries to resume a few final recommendations for the implementation of the TCP project “Support for the Implementation of the Forest and Wildlife Legislation in Mozambique”.

1) Building the new strategy – In Mozambique there is an impressive body of knowledge on forest law enforcement. Many specific recommendations already exist (resumed in Table 1). The implementation of the TCP project should aim at capitalising on these recommendations and putting them into practice. A brief outline of possible steps that may help to do so is presented in Section 2 above.

2) Forest law enforcement and poverty – If the new strategy to strengthen forest law compliance wants to contribute to the national objective of poverty reduction, it needs to carefully consider from the beginning the potential poverty impacts of each measure that will be suggested, prioritise those that should not have such unwanted outcomes and readdress any instrument when such problems arise. In Mozambique the importance of this cannot be overstated. In Annex 1 there is a guiding framework that could prove very helpful for this purpose during the strategy preparation.

3) Incentives for legality – Low levels of law compliance may be linked to efficiency problems and limited or zero economic returns. This is why searching and promoting different kinds of incentives for legal forest production should be a vital part of the new strategy. They should be oriented at increasing the relative profitability of those committed to improving their forest management standards. Rising awareness of and capacity for profitable legal operations is key for the successful ‘legalisation’ of the sector.

4) Forest corruption – To increase the effectiveness of monitoring and control of illegal forest operations it is crucial to tackle corruption. This is not easy, but it will surely be impossible if the problem is not recognised from the beginning. The experience of *Vigilancia Verde* in Ecuador shows a practical way in which controls may become less vulnerable to corruption.

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ANNEX 1

Options to Address Threats to Rural Livelihoods from Illegal Forestry Activities and from Forest Law Enforcement (Kaimowitz, 2003).

	Illegal Forestry Activities	Forest Law Enforcement	Options
Forest product income	Small foresters earn less because they pay bribes & depend on patrons.	Small foresters earn less because governments stop their “illegal” activities or greater law enforcement leads them to have to pay higher bribes or depend more on patrons.	Reduce & simplify forestry regulations. Exempt small-scale activities from some regulations. Focus regulatory efforts where problems are greatest. Greater transparency in regulation.
Wages from forestry	Over-harvesting makes the forestry sector collapse.	Government actions reduce logging.	Regulators give preference to labor-intensive activities.
Government revenues	Tax evasion & illegal logging in public forests lowers revenue.	Reduced logging due to law enforcement lowers revenue.	Progressive & transparent tax collection.
Physical security	Illegal loggers & corrupt officials threaten & attack villagers.	Officials inappropriately threaten, attack, arrest or expel villagers & destroy their crops & houses.	Strengthen human rights institutions, grass roots organizations & independent judiciary & oversight. Provide legal assistance and promote legal literacy.
Access to forest resources	Wealthy groups & officials illegally deny access to forests & due process.	Wealthy groups & officials “legally” deny access to forests & due process.	Tenure policies that increase community & smallholder access to forests. Recognize indigenous territories & increase efforts to protect them from encroachment. Multistakeholder dialogues to resolve conflicts and increase access to forests by the poorest groups.
Long-term supply of forest goods & services that poor households use	Damage to forests by illegal logging reduces forest product supply & disrupts environmental services.	Damage to forests due to loss of social capital reduces forest product supply & disrupts environmental services.	Focus regulatory efforts on maintaining forest resources of value to poor families. Support local efforts to protect forest resources legally, politically, and financially.

	Illegal Forestry Activities	Forest Law Enforcement	Options
Collective action & participation	Illegal logging undermines local forest management institutions & bribes & influence peddling replaces democratic process.	Laws that fail to recognize local forest management institutions undermine them & police action substitutes for dialogue.	Recognize & support community efforts to protect forests. Multistakeholder dialogue and informal mechanisms to resolve conflicts. Compensate communities for environmental services.
Respect for cultures & tradition	Illegal logging undermines traditional institutions.	Laws that don't allow traditional practices or respect local institutions undermine peoples' traditional cultures.	Avoid regulations that unduly restrict people's traditional activities. Implement international agreements concerning indigenous peoples.
Economic growth	Widespread failure to respect rule of law reduces investment & growth.	Limiting forestry activities reduces (short-term?) economic growth.	Make regulatory systems more transparent, democratic, and equitable. Promote small-scale forestry activities and partnerships between companies and communities.