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# Independent Forest Monitoring in Nicaragua: Second Summary Report of Activities

August 2006 – September 2007





**Photo No. 1: the Independent Monitor accesses the pine forest in FMGP EL Limón III. IFM mission report No. 012.**

## Acknowledgements

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Global Witness is an NGO based in the United Kingdom that focuses on researching and reporting the links between environmental issues and human rights abuses, especially the impacts of the exploitation of natural resources on different countries and their peoples. Using pioneering investigative techniques, Global Witness compiles information to be used in lobbying and raising awareness. Global Witness' information is used to brief governments, inter-governmental organisations, NGOs and the media. Global Witness has no political affiliation.

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## Abbreviations

AMUNIC – Association of Nicaraguan Municipalities (*Asociación de Municipios de Nicaragua*)  
 AMUNSE – Association of Municipalities of Nueva Segovia (*Asociación de Municipios de Nueva Segovia*)  
 AOP – Annual Operational Plan  
 CITES – Convention on International Trade in Endangered Species of Wild Fauna and Flora  
 CONADEH – National Commission for Human Rights in Honduras (*Comisionado Nacional de los Derechos Humanos de Honduras*)  
 CONAFOR – National Forest Commission (*Comisión Nacional Forestal*)  
 DFID – UK Department for International Development  
 DGAP – Department for Protected Areas of the Ministry of the Environment and Natural Resources within MARENA (*Dirección de Áreas Protegidas del Ministerio del Ambiente y Recursos Naturales*)  
 FAO – Food and Agriculture Organisation of the United Nations  
 FMGP – Forest Management General Plan (*Plan General de Manejo Forestal*)  
 FSC – Forest Stewardship Council  
 GPS – Global Positioning System  
 GTZ – Deutsche Gesellschaft für Technische Zusammenarbeit. German co-operation partner.  
 HIPC – Heavily Indebted Poor Countries.  
 IFM – Independent Forest Monitoring

INAFOR – Nicaraguan Forest Authority (*Instituto Nacional Forestal*)  
 ITRP – Infested Timber Removal Permit (*Plan de Saneamiento*)  
 MAGFOR – Ministry of Agriculture and Forests (*Ministerio Agropecuario y Forestal*)  
 MARENA – Ministry of the Environment and Natural Resources (*Ministerio del Ambiente y los Recursos Naturales*)  
 MASRENACE – a GTZ programme for Sustainable Resource Conservation and Promotion of Entrepreneurial Competence  
 MFMP – Minimum Forest Management Permit (*Plan Mínimo de Manejo Forestal*)  
 NGO – Non-Governmental Organisation  
 NTON – Nicaraguan Obligatory Technical Norm (*Norma Técnica Obligatoria Nicaragüense*)  
 NS – Nueva Segovia  
 OTP – On-farm Timber Permit (*Plan de Reposición Forestal*)  
 RAAN – North Atlantic Autonomous Region (*Región Autónoma Atlántico Norte*)  
 RAAS – South Atlantic Autonomous Region (*Región Autónoma Atlántico Sur*)  
 SCS – Scientific Certification Systems  
 SERENA – Department of Natural Resources (*Secretaría de Recursos Naturales*)  
 UTM – Universal Transversal Mercator  
 WWF – World Wide Fund for Nature



Photo No. 2: facilities installed in an illegal log pond in FMGP Las Crucetas – CEPISA. IFM mission report No. 013.

## Executive summary

**T**he forest sector in Nicaragua is in a precarious condition as a result of multiple and complex factors:

- state institutions lack the material and financial resources to effectively perform their duties;
- the expansion of the agriculture frontier and its disastrous consequences in terms of forest disappearance, soil degradation and reduction of water source;
- frequent natural phenomena that have severely affected the forest cover in the country (such as the case of hurricanes Félix, Beta, Mitch and César);
- the promotion of laws, decrees and regulations that do not match the implementation capacity of the competent institutions;
- the production and implementation of forest management plans that lack the relevant information and procedures that are established in the legal framework; and
- the grave deterioration of the institutional image in the face of public opinion.

As a result of these, Nicaragua continues to face serious problems in the management of its forests. One of these problems is illegal logging. This has been the focus of Independent Forest Monitoring (IFM) since its start. The existence of this scourge is closely related to weaknesses in the governance of forest resources in Nicaragua. This project has tried to have a significant effect in strengthening such governance.

Since the beginning of the IFM initiative, there has been some significant progress in terms of the active participation of INAFOR in monitoring activities,

especially with regard to fieldwork. However, the organisation must play a more active role in the subsequent stages of the process as this would allow it to have a greater effect when carrying out its functions and would reinforce the process of improving transparency in the forest sector.

In February 2007, INAFOR established a Review Committee to work on monitoring reports presented by the Independent Monitor. To date, this Committee has reviewed and analysed the first ten IFM reports, by producing a technical/legal report of its own. The Committee's report recognises the validity of the conclusions and recommendations of the IFM reports and defines the processes to be followed in each case. As for reports 11-15, the Committee reported it did not have any observations to make.

Although there have been many positive issues, matters that could be improved must also be mentioned. INAFOR has significantly delayed the provision of comments on reports prior to publication. Similarly, there has been no efficient follow-up of the findings documented in such reports.

In brief, the implementation of IFM in Nicaragua has allowed confirming and alerting about the current problems facing the sector and the implications these have for the competent authorities. It is worth noting that there is openness towards IFM activities, which is illustrated with the increased follow up from the territorial delegations, as well as the review and update of the administrative and technical regulations, an increased interest about the performance of Forest Regents, strengthening of the forest monitoring units, and actions such as the review, and at times cancellation, of the management plans in priority regions in the country.



Photo No. 3: access road to FMGP La Esperanza. Mission report No. 005.



# 1. Introduction

This report presents the results of over a year of Independent Forest Monitoring (IFM) in Nicaragua. IFM has been developed over the last decade and is defined as the use of an independent third party with recognised credibility that, by agreement with state authorities, provides an assessment of legal compliance, and observation of and guidance on official forest law enforcement systems.

This report documents both the results of IFM and the process that has allowed monitoring to be established as an essential tool in forest law enforcement in Nicaragua. As well as implementing field missions, for the production of this report the IFM in-country team carried out interviews to provide feedback on the initiative.

The first stage in the implementation of IFM in Nicaragua was described in the First Summary Report of Activities (available at <http://www.globalwitness.org/pages/en/nicaragua.html>). This Second Summary Report of Activities has been made possible by assistance provided by the German Technical Cooperation (GTZ).

The document comprises six sections, including the previous executive summary. This introduction is followed by Chapter 2, which offers background information about the Nicaraguan forest sector. Chapter 3 describes the process that gave rise to the IFM initiative in Nicaragua as well as its development. Chapter 4 presents the results of the work carried out by the Monitor over the several months of implementation of the project. Special emphasis is placed on the field missions conducted and their associated reports, reflecting the main findings. Chapter 5 gives details of the lessons learned and offers information on the possible next steps to be taken if the work is to be continued. Finally, on Chapter 6, relevant conclusions and recommendations are presented. The report ends with annexes that include the agreement signed for the implementation of this project and a list of participants from the various institutions in monitoring missions.



**Photo No. 4: registering data of stumps of trees logged illegally beyond the AOP of FMGP Las Crucetas-CEPISA. IFM mission report No. 13.**

# 2. Background

It is not possible to isolate the forest sector in Nicaragua from broader considerations, especially considering that this complex country has a history of political and social instability. Despite having overcome the armed conflicts that affected the country for many years, the consequences of these turbulent times are still felt. The transition to democracy during the 1990s has yet to resolve a number of serious issues. Without doubt, one of these is the unequal distribution of resources in the country. A recent United Nations study revealed that 14.9% of the population live in extreme poverty, and 46.1% live in poverty. Furthermore, the study reports that, for the period 2001-2005, the poorest 10% of the population received barely 1% of the total income, while the richest 10% received 45%<sup>1</sup>.

The high levels of corruption that undermine progress are reflected internationally by the Corruption Perceptions Index published by Transparency International<sup>2</sup>. In its most recent version, published in 2007, Nicaragua was ranked 123rd out of 179 countries, above only Honduras in the Central American region. Nicaragua is also a country with very high levels of poverty, especially in rural areas, and qualifies for World Bank / International Monetary Fund debt relief for Heavily Indebted Poor Countries<sup>3</sup> (HIPC).

The most recent data compiled by the Food and Agriculture Organisation of the United Nations (FAO) estimate that 42.7% of Nicaragua's land is covered by forest, with an annual change rate of 70,000 ha in 2000-2005<sup>4</sup>. A survey known as the Nicaraguan Forest Assessment, conducted in 2000, confirmed that 47.35% of the country's forests had disappeared over the last 50 years<sup>5</sup>. A National Forest Inventory is currently being drawn up, and will provide updated information on Nicaraguan forest resources. At the time of publication of this report, forest technicians and engineers had received training in order to carry out fieldwork to collect the data for the inventory<sup>6</sup>.

Nicaragua is a country in which forest is very important, as shown by the information in Table 1, extracted from the Nicaraguan Forest Assessment of 2000. This document asserts that *"A general comparison of the extension of land suited to forestry [...] with forests in their entirety (broadleaf, pine, mangrove and other), shown by the forest assessment to be 5,312,375 hectares, illustrates a deficit of 3,416,365 hectares of forest land that is currently deforested. Nicaraguans have been using the land incorrectly for many years."*<sup>7</sup> It is apparent that the forest resources of the country are not only being harvested in an inappropriate manner, but there is also a dramatic destruction of the forests that threatens biodiversity and the quality of life of those people who live in and depend on them.

**Table 1: potential land use in Nicaragua<sup>8</sup>**

Usage categories	Area en hectares	Percentage
Land suited to agriculture	1,437,695.00	11.80
Land suited to stockbreeding	1,161,916.00	9.60
Land suited to forestry and/or biodiversity	8,728,740.00	71.90
Wildlife conservation	813,310.00	6.70
<b>TOTAL</b>	<b>12,141,650.00</b>	<b>100.00</b>

The loss of forest area is closely related to the expansion of agriculture and stockbreeding. These activities involve clearing forest to establish areas for cultivation. However, these areas are only used for a few years before the fertility of the soil is exhausted, at which time more forest is cleared for agriculture. Forests are also used to produce firewood, the main source of

energy in the country. Other threats stem from uncertainty of ownership of the land, forest fires, natural disasters and illegal forest activities.

Nicaragua is a signatory of many agreements on natural resources, including the Convention on Biological Diversity, the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the United Nations Convention on Climate Change. All this appears to indicate the existence of some political will to manage natural resources in a responsible and sustainable manner. Unfortunately, in reality this has not been the case. Nicaragua continues to face serious problems in the management of its forests. One of these problems is illegal logging. This has been the focus of IFM since its start. The existence of this scourge is closely related to weaknesses in the governance of forest resources in Nicaragua. This project has tried to have a significant effect in strengthening such governance.

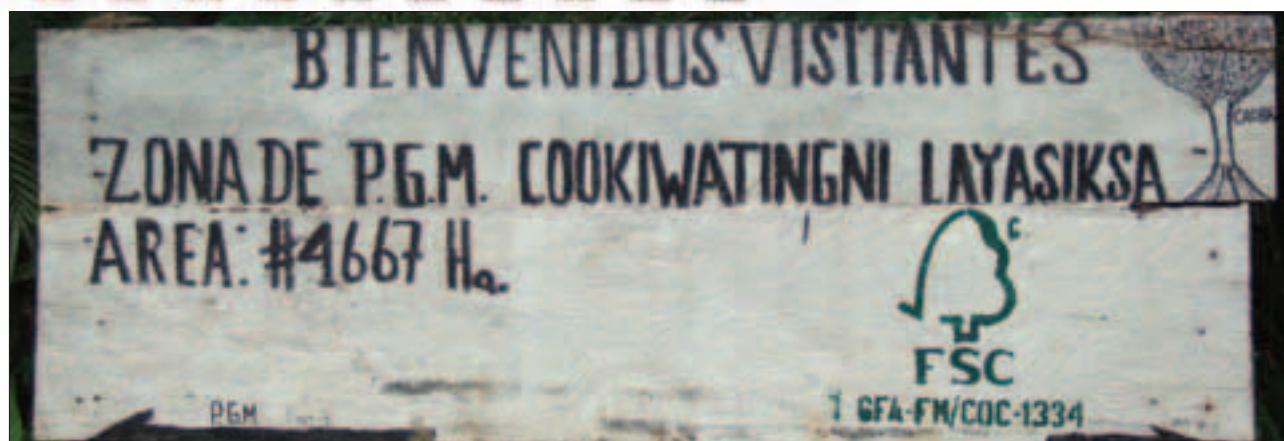
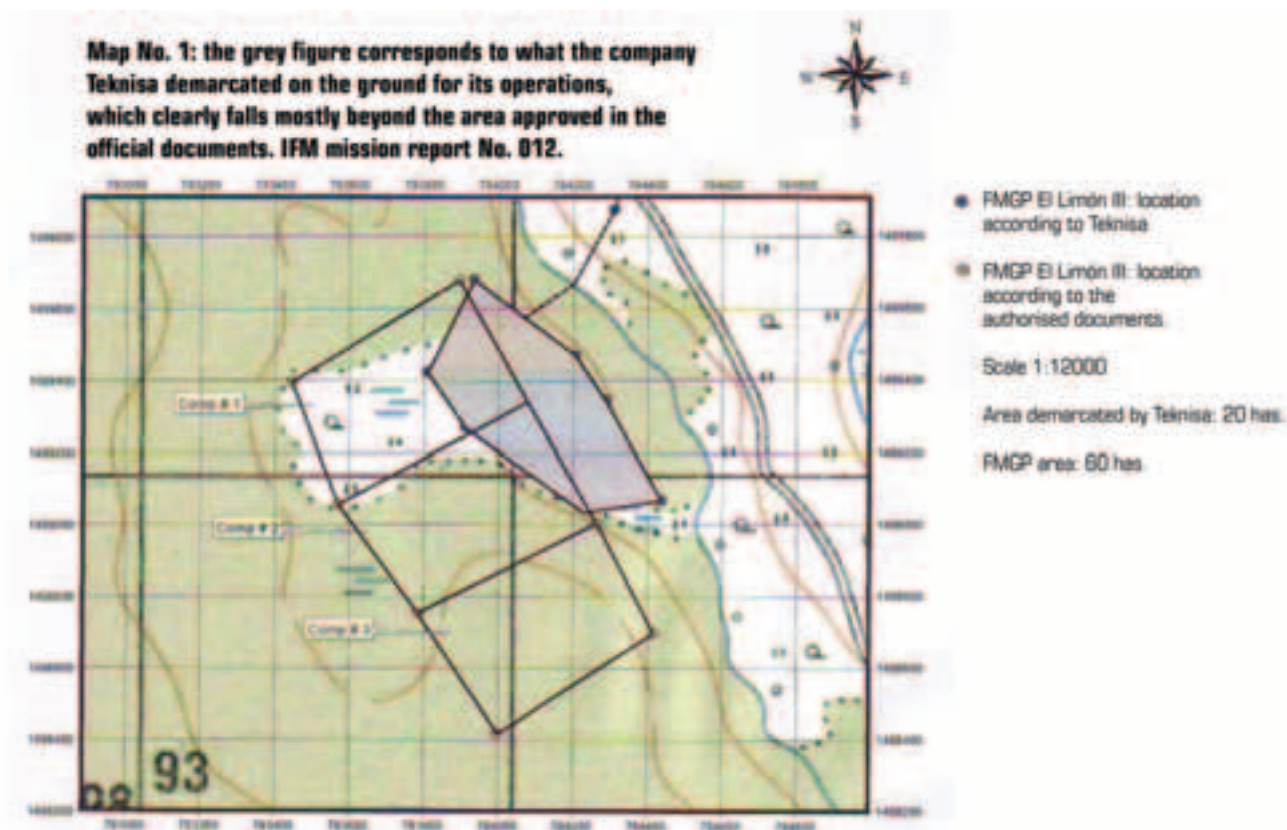


Photo No. 5: sign identifying Community FMGP Kiwatigni. IFM mission report No. 011.

### 3. The process: the introduction and development of IFM in Nicaragua

#### 3.1. Background and the introduction of IFM in Nicaragua

In the last decade, IFM has been consolidated in several countries as an effective tool to support forest law enforcement and improved governance in the fight against illegal logging. IFM is defined as the use of an independent third party with recognised credibility that, by agreement with state authorities, provides an assessment of legal compliance, and observation of and guidance on official forest law enforcement systems.

IFM in Nicaragua originates from the participation of a delegation from the country in the “First IFM Regional Workshop” held in Honduras in February 2006. The first results of IFM in Honduras in a project started in May 2005 were presented at the workshop. The meeting was also the first contact between Global Witness and the Nicaraguan authorities and resulted in an invitation by the Nicaraguan Forest Authority (INAFOR) to Global Witness to assess the feasibility of designing and implementing a similar initiative in Nicaragua. With this objective, Global Witness visited the country in May 2006 and met various stakeholders in the forest sector, including representatives of the government, civil society, the logging companies and the international community.

In particular, working meetings were held with INAFOR which resulted in the drafting of a Cooperation Agreement<sup>9</sup>, subsequently signed in June 2006 for one year. This agreement established the objectives and expected results as well as the activities to be conducted and the geographical areas to be covered. Work protocols, the responsibilities and obligations of both parties were specified. The project commenced with the first field mission in August 2006. Since then, and taking into account the financial resources available, a technical team has been maintained in Nicaragua comprising two people working part time. This team has received support from the Global Witness headquarters in London, including regular visits by Global Witness representatives.

The project has made significant progress, not only in terms of its findings, described in detail in Section 4, but also in what can be described as a process of progressive institutionalisation of monitoring activities within INAFOR. This process has involved various parties and the progress made is described below.

#### 3.2. Stakeholders and their roles in monitoring activities

In implementing IFM in Nicaragua, co-operation has been sought with the institutions responsible for law enforcement, as well as with local authorities, civil society groups, logging companies and the international community. The project is of a genuinely inclusive nature, in that it aims to strengthen the forest activities control structures, and at the same time promotes an active participation of civil society. The main actors involved in IFM work in Nicaragua are described below. Annex 2 presents a list of people from the various institutions that have taken part in monitoring missions.

##### 3.2.1. INAFOR

INAFOR is the government body responsible for the implementation of forest policy, in particular the promotion, regulation and control of forest activities throughout Nicaragua.

INAFOR has doubtless been a key player in the implementation of IFM in Nicaragua and has been actively involved in both the planning and implementation of forest monitoring missions. From the beginning, INAFOR has displayed a clear interest in collaborating with the activities conducted in the various regions and municipalities where the Monitor has worked. This has been of vital importance as it has demonstrated an institutional commitment to contributing to transparency and improved governance in the forest sector.

In the words of an INAFOR representative, IFM “[...] has contributed to create an interest from the institution to bring more attention to the follow up and monitoring in the approved management plans. The monitoring missions have helped to identify the multiple weaknesses that occur in the field, which are to a great extent a consequence of the lack of follow up and attention from headquarters. The former has allowed the institution to have more resources to carry out monitoring work in the field, which has resulted in the reactivation of the Department of Monitoring and Follow up and the hiring of new staff for such department, hitherto inactive. Based on the monitoring missions carried out in the field, the approval of new management plans has been suspended and a review process of the said plans has been initiated. We think that an increased credibility of the institution has resulted from this, and coupled with it, the formerly negative image INAFOR had has improved. All this is a consequence of the actions taken to increase the control over the sector, in the form of monitoring missions with the accompanying Independent Monitor, and the subsequent actions taken by the institution”<sup>10</sup>.

However, despite the willingness shown in the planning and implementation of the monitoring missions, little attention has been paid to the subsequent stages of the process, such as commenting on the reports produced by the Monitor. In fact, no feedback



was received in a timely manner on the 15 reports documenting the field missions that were presented to INAFOR for observation and comment.

On a more positive note, INAFOR has taken initial actions to follow up on the recommendations of the monitoring reports. The most important progress to date, as reported to the Independent Monitor, is the production of a technical/legal report by INAFOR on the first ten monitoring reports. In INAFOR's report, its Legal Department, noting the findings documented by the Monitor, defined conduct that was in breach of forest law, and established the administrative responsibilities in this respect. However, as far as the Monitor is aware, this follow-up has not yet progressed through to the resolution of legal cases.

In summary, there has been some significant progress in terms of the active participation of INAFOR in monitoring activities, especially with regard to fieldwork. However, the organisation must play a more active role in the subsequent stages of the process as this would allow it to have a greater effect when carrying out its functions and would reinforce the process of improving transparency in the forest sector.

### 3.2.2. Other government organisations

Contacts were established with government institutions during the IFM project that have had a direct effect on responsible forest management. These institutions included the Ministry of the Environment and Natural Resources (MARENA), the Department of Natural Resources (SERENA), the Environmental Units of Municipal Mayors' Offices, the Public Prosecutors' Special Unit for Crimes Against the Environment, the State Attorney for the Environment and the Nicaraguan Army. The role of monitoring within the forest sector has been appreciated and understood by many of these stakeholders, including the Public Prosecutor: *"Forest monitoring is not needed solely by INAFOR, it is also needed by the country, the environment and the forest resources. [...]. [IFM has been useful] most of all because it commenced at a very critical time for the forest sector in Nicaragua. This was actually a major advantage, but at the same time a significant challenge to Global Witness's IFM. But what has been important and useful for the country in general was the initiation of this process, trying to introduce it to a country where change and new experiences are viewed with suspicion. Our traditions mean that we are very attached to established practices and this activity is completely new and impartial. In conclusion, IFM was something that was necessary because corruption signs existed in the institutional sector in 2006. IFM set the standard so that the sector regained respect and credibility by having a third party evaluate forest operations without being a judge or part of the process of authorising permits, regulations, control, etc. [...]"*

*INAFOR has benefited from the field inspections carried out by Global Witness as there are many forest operations but INAFOR has limited economic, human and material resources. [...] I think that the Global Witness IFM missions have had an effect on the forest community.*

*These missions have provided information from a different source, an alternative to the only previous source, namely INAFOR reports and those of other institutional entities, that in some cases reacted inappropriately to events and findings. Another major impact for the forest community is that the people have seen that INAFOR has modernised and is changing to new transparent options and alternatives by carrying out IFM with Global Witness, an organisation that conducts its work in a professional and impartial manner without favouring logging companies, landowners, exporters, etc."*<sup>11</sup>

Coordination was established between these organisations by means of meetings, gatherings and visits in the field. However, it is also true that these activities did not generate the expected results mainly due to insufficient time and the lack of personnel from the institutions to become involved in the project actions. The Monitor also lacked enough time to set up all the needed meetings and establish contacts and, finally, support offered by INAFOR in involving the various parties was limited.

Despite there only being initial contacts, it can be seen that the institutions are interested in collaborating more effectively with IFM. In a sign that a wider range of institutions are showing an interest in IFM, the environmental units of two municipal mayors' offices and the Nicaraguan Army participated in two monitoring missions each.

### 3.2.3. Civil society

The main civil society groups, a broad range including indigenous communities, local NGOs and community-based cooperatives, are doubtlessly the most vulnerable as they have fewer resources and their voices are less likely to be heard when decisions are made in the forest sector. The Forest Law often prevents these sectors of society from taking an active part in the management of the forests in which many of them live, as one development professional said: *"if the intention of the law is to be a focus for economic and social development, if its aim is to become an instrument for conservation and the encouragement of sustainable development, contributing to the generation of employment and improving the standard of living of the people by involving them in forest activities and practices, then it must provide these means and not be a threat as it has been up to now. [...] What would be very useful is to know that there is an option to guarantee a space in which community forest companies are allowed to develop. The activities of this good management process entail enormous cost. The business plans, investment plans and revolving funds are all strictly calculated by taking into account the results of the harvesting period. And the experience is that when the forecasts are not met, this is a significant social problem."*<sup>12</sup>

There were several occasional contacts with civil society organisations during the IFM project in Nicaragua, notably the Humboldt Centre, Red de Probidad, the Association of Municipalities of Nueva Segovia (AMUNSE), the Association of Nicaraguan



Municipalities (AMUNIC) and leaders of indigenous communities that own forest land. These meetings took place throughout the project with a view to facilitating the coordination of IFM activities. These parties have shown a clear interest in the actions of the IFM project, and the initiative has been perceived as a useful tool for the Nicaraguan forest sector. In the words of a representative of a civil society organisation: *“what is important is that alternatives have been put forward that go beyond what is usually suggested, namely that things should stay the same without any checks or that there should be a total ban on logging. From my point of view, Independent Forest Monitoring has brought in the concept of social control to those institutions responsible for forest management. Consequently there is a need to back the strengthening of these institutions as the basis for introducing different forest options and policies.”*<sup>13</sup>

Lastly, in a meeting during an IFM mission in the Karawala community, leaders of eight communities in the municipality of Desembocadura del Río Grande de Matagalpa expressed an interest to be trained in the tools of forest monitoring in order to contribute to the protection and management of their natural resources.

### 3.2.4 The private sector

Some of the actors comprising the private sector include forest owners, transformation industries, forest concessionaires from indigenous communities, and also small owners with no capacity to invest in forest management activities. Yet another group of key actors are the intermediaries, who play a catalytic role amongst all actors mentioned above, and between them and communities. Perhaps due to their higher visibility in forest operations, intermediaries are perceived as the most influential actors, as well as the main responsible for irrational forest harvesting. However, it is worth noting that they have often been supported by important economically and politically powerful figures at a local and a national level, which has facilitated their forest harvesting activities, and frequently allowed them to win legal cases brought against them for breaching regulations related to forest management. Despite all the beneficiaries of forest resources, with no exceptions, having to comply with the legal framework, there is a perception that laws only apply to poor people and are circumvented when economically or politically powerful people or groups are involved.

After the implementation of 15 monitoring missions, it has been possible to observe that breaches to the Forest Law are rife in all kinds of Forest Management General Plans (FMGPs) authorised by INAFOR, regardless of ownership, size and actors involved. Therefore, substantial efforts must be made in order to guarantee that the law is being observed by all actors.

Despite monitoring missions documenting breaches

of the Forest Law in forests under management, it is worth noting that in implementing such missions no cases of obstruction by loggers have been documented. Rather, logging entrepreneurs have shown interest in having an independent organisation verify the quality of their management and harvesting activities. Though they did not participate directly in monitoring missions, they were represented by Forest Regents, who have seemingly accepted IFM, as illustrated by their participation in missions and their willingness to provide all the relevant information. Furthermore, there has been a recognition of the importance that IFM work has in terms of supporting the work of INAFOR, strengthening the technical capacities of the various actors and contributing to guarantee an increased transparency in the sector: *“An impact is perceivable (in serious loggers), as they have developed an increased awareness to implement forest management responsibly and in accordance with the legal framework in force; however, there is a certain level of demotivation as a result of the laws and regulations (economic emergency decree, logging ban, decree for the special harvesting of forest resources felled by hurricane Félix) applied to the sector, which has had a strong impact in the economic dynamics of the sector and in the very forest resource through the increase of illegality”*<sup>14</sup>.

### 3.2.5 The donor community

Donor support to environmental, agricultural and forest programmes, operates through a Common Fund, which includes donors such as the Swiss, the Swedish, the Finnish, the Norwegian and, more recently, the Danish governments. The Common Fund plays a fundamental role in the forest sector, not only because of the financial support that it offers, but also for its diplomatic relations, both with the Nicaraguan government and internationally. The experience of IFM in other countries indicates that donors are crucial when it comes to offering support and help in the most delicate and risky cases. This support is essential both in ensuring the physical safety of the Monitor as well as in exercising leverage in those cases where a lack of action masks powerful interests and corrupt practices.

There have been at least two occasions when the IFM project, its achievements and results, have been presented to the Common Fund group. Dialogue on an individual basis has revealed substantial support for IFM from several donors. However, despite this clear interest, longer-term support has not yet been secured in order to consolidate and improve the effects of the project. It has, however, been possible to secure the unilateral support of GTZ through its MASRENACE Programme by including IFM within its forest governance strategy. This support has allowed IFM to continue monitoring work throughout the second half of 2007, culminating with the publication of this report.

i Cooperativa Kwatigni – WWF, Empresa Hermanos Ubeda – SCS

ii Empresa Maderas Girón – Rainforest Alliance, Empresa CEPISA – WWF

### 3.2.6 Certification agencies

In Nicaragua, the certification of forest management is still not common practice among logging companies. Some certification agencies and organisations that provide assistance to achieve sustainable forest management are present in the country, such as Rainforest Alliance, SCS (Scientific Certification Systems) and WWF. Some of these entities issue certification under Forest Stewardship Council (FSC) regulations.

Of the management permits inspected, two are subject to forest certification<sup>i</sup> and a further two are working towards certification<sup>ii</sup>. The Monitor was not able to detect a significantly different level of legal compliance between certified and uncertified forest, and although it does not have any evidence to explain the causes of this situation, it is possible that the certification agencies are not rigorous in evaluating forest management activities or that the technical personnel in charge of these are not complying with this evaluation fully. It is necessary for these companies to have a thorough and detailed knowledge of the NTON and the administrative regulations for forest management in the country, so that they do not support logging companies that are breaching these in one way or another, as was the case with the company Hermanos Úbeda and their forest management plan in the municipality Desembocadura del Rio Grande in RAAS (see report No.15).

Officials from both WWF and SCS have been receptive to the findings presented in the reports and have stated their intention to improve the monitoring of management permits that are subject to certification. In this respect, the Monitor has supported good practice by providing reliable, impartial information on problems discovered in the field, offering recommendations on how to address such problems.

### 3.3. Improved monitoring and control operations by INAFOR

INAFOR has always considered its own monitoring to be an important aspect for approved FMGPs, so it appointed two officials to carry out monitoring tasks from the start, one responsible for monitoring management plans in conifer forests and the other for management plans in broadleaf forests. However, both officials have other duties to carry out and other institutional responsibilities. This has restricted their ability to conduct checks on forest management.

In July 2007, the new INAFOR Administration finally

set up the Department of Forest Monitoring. A forester was recruited and given the exclusive task of monitoring forest activity in Nicaragua. This is a significant step and illustrates the clear institutional will to strengthen the control of forest management activities. However, it is not possible for a single person to take on all this responsibility, so it is important to continue the Department's consolidation process by hiring more personnel to allow the training of work teams to carry out the institutional mandate throughout the country.

As a strategy to reinforce the concept of forest monitoring, INAFOR ordered the Director of the Department of Forest Monitoring to directly participate in monitoring missions carried out by the Independent Monitor. As a result, this official participated in four missions: three management permits for conifers and one for broadleaf trees. This has been a positive consequence of the move to strengthen INAFOR's control capacities.

Moreover, in February 2007, INAFOR established a Review Committee to work on monitoring reports presented by the Independent Monitor. To date, this Committee has reviewed and analysed the first ten IFM reports, and prepared a technical/legal report of its own. The Committee's report recognises the validity of the conclusions and recommendations of the IFM reports and defines the processes to be followed in each case. As for reports 11-15, the Committee reported it did not have any observations to make.

Although INAFOR has at all times verbally expressed its interest in IFM, and illustrated a clear commitment to the initiative by accompanying field missions, the Cooperation Agreement has still not been renewed even though it was initially signed in June 2006 for a period of just one year. Whilst this has not affected day-to-day monitoring operations as there has been a tacit understanding that work should continue under the same protocols, in order to maintain the official character of the IFM work and to reconfirm these protocols, as well as to illustrate the political will to support the initiative, it is desirable that the Agreement should be renewed as soon as possible.

In summary, although the process still has shortcomings, it seems clear that the new INAFOR administration wants to seek out greater transparency in the management of forest resources in Nicaragua. This political will should be capitalised upon in order to improve forest governance in a sustainable manner. As INAFOR's institutional capacity is strengthened, continued IFM will ensure its transparency and adequacy.



## 4. The work: progress achieved, field missions and IFM reports

### 4.1. Methodology

The IFM work conducted in Nicaragua has had to adapt to the financial resources available. Two forest experts work on a part-time basis, carrying out field missions and producing the associated reports. This local work has been coordinated with continuous assistance from Global Witness headquarters in London, including regular visits by IFM experts to Nicaragua. The work started in August 2006 as the result of financial assistance provided by the UK Department for International Development (DFID) and has continued thanks to the support of GTZ. It is hoped that the cooperation with GTZ can be continued in the future.

Fieldwork has taken up a significant part of the time. Each mission commences with initial preparations before moving on to activities on the ground. The preparations involve coordination with INAFOR in order to identify locations for the fieldwork. Once this has been done, all the official documentation relevant to each case is obtained: management permits, maps, other permits, etc. The mission is then planned in logistical terms, which also takes up time and resources. There has been one mission a month on average, resulting in the 15 reports that have been written.

The difficulty of the work carried out by the Monitor

must be emphasised. Fieldwork is often conducted during extreme weather conditions and is physically very demanding. Indeed, the severity of the work has been mentioned on several occasions by other parties as a factor that limits the time dedicated to these activities. Taking this into account, including other parties in accompanying roles has been a fundamental achievement, not only in order to share experiences and skills, but also to increase the motivation of those persons who tend to avoid fieldwork even though it is part of their duties. Raising awareness of the importance of fieldwork, and of the negative consequences of avoiding it, has without doubt been one of the most positive impacts of IFM.

The work has always been carried out within the framework of the objectives described by the Agreement signed by Global Witness and INAFOR. The section below outlines these objectives.

### 4.2. Project objectives and progress

The Agreement signed by INAFOR and Global Witness comprises four main objectives for the implementation of the IFM project. The full text of the Agreement can be found in Annex 1. Progress achieved in relation to each of the objectives of the Agreement is summarised below:

#### Objective 1:

Set the institutional basis for an IFM system in Nicaragua, through the development of working relations with INAFOR and other government institutions, as well as with civil society and the private sector.



Photo No. 6: preparing IFM mission to FMGP Las Crucetas – CEPISA. IFM mission report No. 13.

Coordination with INAFOR on IFM activities has gradually improved. Since the recent establishment of the Department of Forest Monitoring within INAFOR, a total of four forest monitoring missions have been planned and completed in conjunction with this department. Furthermore, municipal delegates and INAFOR forest inspectors have also participated in field missions. Several other interested parties have accompanied monitoring activities, including representatives from Nicaraguan institutions such as the Army, as well as representatives of local civil society groups and indigenous communities. Forest Regents for the permit sites visited, and, in relevant cases, permit owners, have also taken an active part in the fieldwork.

In June 2007, the results of the First Summary Report on Independent Forest Monitoring<sup>15</sup> were presented and discussed with donor agencies, civil society organisations and governmental entities. The report has facilitated the gradual dissemination of IFM work. It also included the participation of INAFOR as its official host.

### Objective 2:

Generate reliable information about illegal logging and trade activities in specific regions of the country

A total of 15 field missions have been completed since the start of the IFM project in Nicaragua, each of which has been documented in an individual report. Furthermore, a First Summary Report of Activities and this Second Summary Report of Activities have been published. All these documents have been made available to the public, in Spanish and English, via the Internet<sup>16</sup>.

The publication of specific, reliable information has assisted the work of forest law enforcement by identifying technical failings in forest management. The lack of up-to-date information is a challenge for the forest sector in Nicaragua, and the data generated by the implementation of this project are valuable not only to the forest authority but also to other stakeholders in the sector.

Civil society plays a key role in the management of forest resources and has to be strengthened through its active participation in the decision-making process. Information produced during IFM activities has been made available to the public. Civil society groups have been able to capitalise on this information and use it as an important contribution to their work: *“Using the results of monitoring and our dialogue with Global Witness representatives, our organisation has been able to link activities taken to reduce corruption to adequate management of the extraction of natural resources. This is basically trying to promote the social auditing of forest policy by organised groups or individual citizens. We hope to make progress on this issue next year”*<sup>17</sup>.

### Objective 3:

Ensure the objectivity and transparency of the monitoring activities carried out by the relevant authorities, through the participation of an Independent Monitor with international credibility, whose reports and recommendations will be made public following a review of the forest authority.

The majority of field missions were conducted jointly with INAFOR, with the dual objective of supporting its control work while ensuring the objectivity and transparency of its activities. This has represented a major contribution in a country in which the forest authority has encountered serious problems in the performance of its work and, in some cases, allegations of corrupt practices. The adequate management of forests necessarily depends on a strong governmental body that is capable and credible. It is in supporting this objective that IFM offers one of its most valuable contributions.

This role has been recognised by many stakeholders in the sector. A representative of a civil society group described it as follows: *“Global Witness’s mission significantly complements the work conducted by INAFOR considering that: Firstly: the INAFOR budget is never sufficient to carry out inspections and expedite approval processes. The beneficiary often covers the expenses to hasten the process. What sometimes happens is a sickness called bribery and the only cure is money, which is always good even if the work is bad. Secondly: the lack of technical staff means that those who do go out into the field cannot stay there for long. As there are countless activities that cannot all be checked, there are no criteria upon which to base recommendations. Sometimes what happens is that one technical staff member has to cover several management units and thus becomes inefficient. Thirdly: a delegate is responsible for conducting and approving the entire process; in other words, the delegate receives and reviews documents, inspects and approves, issues guidelines and orders transport – but it is all too easy for errors to occur (e.g. the species described in the document may not actually be found in the management area, etc.). There may be other examples that you have seen during your missions. So what IFM does is basically check for these errors”*<sup>18</sup>.

### Objective 4:

Strengthen the operational capacity of the relevant authorities, through the implementation of joint field missions where experience and skills are shared



Nine of the 15 monitoring missions completed to date have involved a total of 12 INAFOR officials as well as municipal and district delegates and forest inspectors. A total of 16 Forest Regents have also participated in the missions. Since the creation of the Department of Forest Monitoring by INAFOR, the head of that Department has taken part in four monitoring missions.

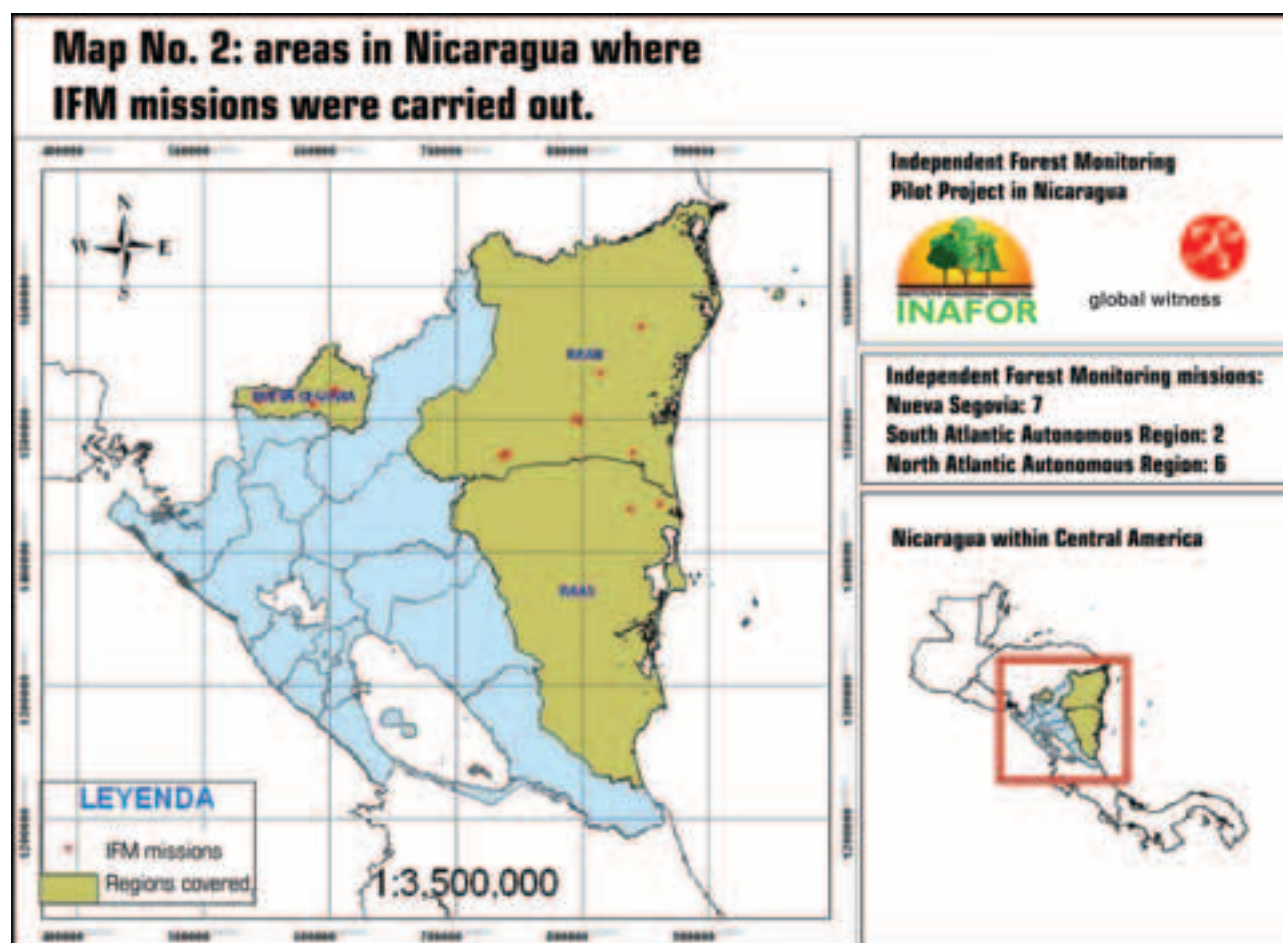
Open discussions have always been part of the fieldwork. Thus, prior to missions, the Monitor shares its objectives with the other participants, placing IFM work in the broader framework of forest governance and clarifying the Monitor's role within this. Subsequently, during the mission and at its conclusion, it is possible to share experiences and skills within an inclusive environment that allows space for debate. At the end of each mission, the Monitor shares the mission's findings with stakeholders, with deliberation over the conclusions and recommendations to be included in the report.

Feedback given to participants on the work conducted has enriched the experience of all and increased the motivation to work well.

### 4.3. Field missions and reports

Since the start of IFM in Nicaragua, a total of 15 field mission reports have been produced, together with the First Summary Report of Activities and this Second Summary Report of Activities, documenting the work carried out by the Independent Monitor. Map 1 shows the regions in Nicaragua where the missions were carried out. Table 2 presents information on the 15 mission reports and their locations. At least one irregularity has been detected in every field mission, and Table 3 summarises the types of infractions found most commonly.

Many of the detailed operational conclusions and recommendations in this report stem directly from the field missions.



**Table 2: Mission reports published by the Independent Monitor**

Report	Mission date	Report subject	Authorisation	Identified weaknesses	Municipality/ Department
001	5,7/08/06	Conifer Forest Management Permit – San Judas Tadeo Logging Company	FMGP 1310-P410	Forest Authorisation. Cartography of the management area Failure to conduct Forest Regent activities Lack of institutional follow-up	San.Fernando Nueva Segovia
002	7,9/08/06	Conifer Forest Management Permit – San Judas Tadeo Logging Company	FMGP 1310-P381	Non-fulfilment of technical standards Illegal logging AOP approval Lack of institutional follow-up	San.Fernando Nueva Segovia
003	21-23/09/06	Broadleaf Forest Management Permit – Hermanos Salgado Logging Company	FMGP 1603-L672	Issuance of Forest Harvesting Permit Non-fulfilment of technical standards Lack of institutional follow-up	Puerto Cabezas RAAN
004	14-16/10/06	Broadleaf Minimum Forest Management Permit - Nicolás Báez, Xiomara Peralta	MFMP 06439 MFMP06441 MFMP 06448	Illegal authorisation of MFMP Non-fulfilment of institutional mandate Non-fulfilment of technical standards Failure to conduct Forest Regent activities	Laguna de Perlas RAAS
005	15-19/11/06	Broadleaf Forest Management Permit – Maderas Girón Logging Company	FMGP 1607-L05-001	Forest harvesting area outside FMGP Duplicate, confusing documentation on AOP Non-fulfilment of technical standards Issuance of Forest Harvesting Permit Non-fulfilment of institutional mandate	Waspán RAAN
006	08/12/06	Conifer Forest Management Permit – Benjamín Herrera	FMGP 1304-P03020	Illegal logging	El Jicaro Nueva Segovia
007	08,09/12/06	Conifer Forest Management Permit – José Blas Palma	FMGP 1307-P05299	Cartography of the management area Delimitation of the FMGP Calculation of FMGP area Illegal logging	Murra Nueva Segovia
008	29,30/01/07	Conifer Forest Management Permit – INFORESA – MADESSA Logging Company	FMGP 1307-P409	AOP approval Non-fulfilment of technical standards Illegal logging Calculation of FMGP area Ownership documents	Murra Nueva Segovia
009	16-19/02/07	Conifer Forest Management Permit – INFORESA – MADESSA Logging Company	FMGP 1305-P389	FMGP documentation Delimitation of the FMGP Breach of Forest Ban Illegal logging	Macuelizo Nueva Segovia
010	17/02/07	Conifer Infested Timber Removal Permit – Félix Pedro Montenegro	ITRP 1302 ITRP - 0107	Lack of immediate attention to a bark beetle outbreak Non-fulfilment of Infested Timber Removal Permit activities Illegal logging	Dipilto Nueva Segovia
011	16,18/07/07	Broadleaf Community Forest Management Permit – Kiwatigni Cooperative	FMGP 1602-L03005	Delimitation of protection areas Calculation of FMGP area Marking trees Forest Harvesting Permit	Prinzapolka RAAN
012	20/07/07	Conifer Forest Management Permit Julio Rodezno Casco	FMGP 1602-P05016	Approval of FMGP and AOP Ownership of FMGP Delimitation of the FMGP Illegal logging Lack of institutional follow-up	Prinzapolka RAAN
013	22-24/08/07	Conifer Community Forest Management Permit – CEPISA Logging Company	FMGP 1602-P655	Delimitation of AOP areas Calculation of harvesting area Illegal logging Illegal authorisation of log ponds Lack of institutional follow-up	Prinzapolka RAAN



**Table 2: Mission reports published by the Independent Monitor (con't)**

Report	Mission date	Report subject	Authorisation	Identified weaknesses	Municipality/ Department
014	25/08/07	Conifer Forest Management Permit – Sandalio Castellón	FMGP 1602-PO7023	Delimitation of the FMGP Illegal logging Non-fulfilment of AOP activities Ownership of FMGP	Prinzapolka RAAN
015	19-21/09/07	Broadleaf Forest Management Permit –Hermanos Ubeda Logging Company	FMGP 1704-LO6001	AOP approval Cartography of the FMGP Non-fulfilment of technical standards Illegal logging Failure to conduct Forest Regent activities	Desembocadura de Río Grande RAAS

**Table 3 Infractions occurred in the plans monitored**

Report No.	Infractions			
	Illegal Logging	NTON	AyS	RF
001			x	x
002	x	x	x	x
003	x	x	x	
004	x	x	x	x
005	x	x	x	
006	x			
007	x	x		x
008	x	x	x	
009	x	x		
010	x	x	x	
011		x	x	
012	x	x	x	x
013	x	x	x	x
014	x	x		x
015	x	x	x	x
<b>TOTAL</b>	<b>13</b>	<b>13</b>	<b>11</b>	<b>8</b>

**AyS:** Approval and Follow-up.

**NTON:** Nicaraguan Technical Obligatory Norm.

**RF:** Forest Regent.

In selecting the locations for field missions, an attempt has been made to identify the most relevant cases, both through INAFOR and requests from members of civil society. In this way, of the 15 missions completed, seven were carried out in Nueva Segovia, six in the North Atlantic Autonomous Region (RAAN) and two in the South Atlantic Autonomous Region (RAAS). Other areas of the country with considerable forest resources and significant problems relating to forest activities, such as the Department of Río San Juan for example, have not been considered yet due to the limited project resources. It is hoped that more regions of Nicaragua can be covered, once the continuation of the project has been guaranteed.

Each report documents a specific case, in other words an actual field mission. However, accumulated experience has allowed identification of some of the most common failings and the most frequently

encountered problems on the ground (see Tables 3 and 4). Resolving these problems is crucial if appropriate forest management is to be achieved in the forests of Nicaragua.

The most common findings are presented below.

#### 4.3.1 Maps and forest stratification of the area under management

One of the most common weaknesses presented in the FMGPs monitored is related to maps and the stratification of the area under management. 13 out of 15 plans were found to have deficiencies regarding this issue. Weaknesses are mainly related to the lack of demarcation of the perimeter of the area, the lack or inadequate marking of the reference points and protection areas (hydrographic and topographic network) and the inadequate georeferencing of the area.

These constitute a clear breach of the Nicaraguan Obligatory Technical Norm (NTON) in force and seriously hinder the monitoring and follow-up of the competent authorities and other actors. Because the areas under management are not delimited and there are no marks showing the location of the reference points, there is an increased risk to cut trees beyond the areas even unintentionally. It is also impossible to identify on the ground protection areas, such as those located near water sources or in slopes steeper than 75%.

Georeferencing the areas is a key task and one where serious weaknesses have been reported. It is commonly found that, when it comes to corroborate the ground coordinates with the official documents, there are big differences between the two. This situation results in a series of irregularities: the incorrect location of the areas, a considerable variation in the total area under management and, consequently, erroneous harvesting calculations. This is particularly concerning as such calculations are the fundamental basis for the definition of forest management activities to be carried out.

The fact that harvesting activities are carried out in areas with these shortcomings reflects, at the very least, a lack of capacity or willingness of the forest authority to ensure that the concessionaire carries out management activities within the framework of the law.

#### 4.3.2 Illegal logging of trees

Logging trees illegally or without authorisation is considered a very serious infraction according to article 53, section 3, of the Forest Law. This infraction was reported in 13 out of 15 plans monitored. The most frequent types of infractions in this respect include the logging of trees beyond boundaries, within protection areas, and the logging of trees not included in the official inventory. Aspects related to the delimitation of areas under management, the marking of protection areas and the logging of trees included in the forest inventory, are clearly established in the forest regulations in force. It is therefore not acceptable to claim lack of knowledge to justify the breach of these aspects, and thus sanctions have to be applied when breaches do occur.

The lack of effective control by the competent authorities in these cases is also related to their lack of capacity. In four of the relevant cases, INAFOR and other local authorities had carried out inspections to the same areas, but were unable to identify the weaknesses the monitoring missions reported.

The most notable cases reported during the monitoring missions are as follows:

- FMGP “La Esperanza”, in the municipality of Waspán, RAAN. All the harvesting activities were reported to be carried out beyond the area of the plan (Report No. 5).
- Community Forest Management Plan “Las Crucetas”, in the municipality of Prinzapolka, RAAN. This plan is being implemented by the Compañía Exportadora de Pino S.A (CEPISA), a community-based company, which is also being advised by the Masangni professional cooperative. The main findings in the monitoring mission show that most of the timber harvesting was done beyond the perimeter included in the official documents, and within protection areas (Report No. 13).
- FMGP “El Limón 3”, in the municipality of Prinzapolka, RAAN. Harvesting activities were carried out by the company Tecas de Nicaragua (TECNISA) beyond the area of the FMGP approved by INAFOR (Report No. 12).
- Under FMGP “Karawala”, municipality of Desembocadura del Río Grande de Matagalpa, RAAS, extraction of trees that were not included in the inventory, as well as felled trees that were not included in the harvesting permit issued by INAFOR, were observed (Report No. 15).

#### 4.3.3 Forest infrastructures within FMGPs

The production of FMGPs includes the construction, within the areas under management, of forest-related

infrastructures, such as tracks, bridges, filters, log ponds, etc. These have to be included in the documents presented to INAFOR, and have to be constructed as stipulated in the NTON (section 4.1.4, forest tracks and infrastructures).

Seven of the FMGPs monitored breached the established regulations. The findings of the missions included primary and secondary tracks lacking the specific technical regulations: inadequate width, non-observance of the adequacy of the relevant infrastructures, disregarding soil conservation or the distance to water courses, and lacking drainage infrastructures. All this often results in obvious damages to the soil, the water courses and biodiversity.

Log ponds are often not included in the documents. Their location is arbitrarily chosen by the loggers, often disregarding the damage they can cause to the fragile forest ecosystems.

#### 4.3.4 Approval procedures and monitoring of FMGPs

The procedure to approve management plans implies a technical review of the documents and an *in situ* inspection to corroborate the information included in them, for which INAFOR uses technical guides<sup>iii</sup> that support their verification work. Subsequently, they have to systematically follow up on the implementation of management activities.

During the IFM missions, however, weaknesses were reported regarding these aspects, both from the competent authority and, where relevant, from the Autonomous Regions authorities who also have competencies in the management of forest resources. Weaknesses in respect were found in 13 out of the 15 plans monitored.

The procedures for field inspections prior to the approval of management plans, as well as the authorisation of the harvesting permit, were shown to be carried out partially, or inadequately, lacked the required veracity and, in some cases, completely omitted the procedure, as shown in reports 003, 004, 005, 008, 009, 012, 013, and 015.

The lack of coordination and knowledge of the legal procedures by INAFOR and the Department for Protected Areas of the Ministry of the Environment and Natural Resources (DGAP) within MARENA, can be illustrated by the incoherent issuance of the relevant authorisations. In some cases, MARENA issued several unrelated authorisations for the same plan. INAFOR issued authorisations without specifying the area under management, and in other cases, issued a forest authorisation prior to MARENA, which is an incorrect procedure.

<sup>iii</sup> Such guides are based on Articles 12, 14, 15 and 22 of the Forest Law, and on articles 13 and 14 of the Administrative Regulations for the Sustainable Use of Forests.

**Table 4: Summary of the legal and administrative implications of the findings presented in IFM reports**

Failings encountered	Legal implications	No. of permits affected
<b>Legal aspects</b>		
Insufficient delimitation of management permits.		
Inadequate maps of management permits.	NTON. 4.1.2 Cartography of the location. NTON. 4.1.3 Forest stratification.	13 Permits (001, 003, 004, 005, 007, 008, 009, 010, 011, 012, 013, 014, 015)
Management permit areas lack proper data on location, protection areas, conservation, sectors, forest infrastructure.	NTON. 4.1.3 Forest stratification.	11 Permits (001, 002, 003, 004, 007, 008, 009, 011, 013, 014, 015)
Construction of roads, filters and log ponds without established parameters	NTON. 4.1.4 Forest Roads and Infrastructure. AD. Arto.18 Non-fulfilment in the execution of management permits.	6 Permits (002, 003, 004, 005, 008,
Insufficient marking of trees and stumps in the harvesting areas.	NTON. 4.1.3 Seedling trees. NTON. 5.2.1 Census and marking trees to be felled.	7 Permits (001, 002, 003, 004, 011, 014, 015)
Illegal logging – outside permit perimeter – in protection areas – trees not considered in the inventory	Law 462. Art. 53, Sections 2 and 3, paragraphs b and c respectively. Regulation Law 462. Art.55	13 Permits (002, 003, 004, 005, 006, 007, 008, 009, 010, 012, 013, 014, 015)
<b>Administrative aspects</b>		
Approval of management permits using insufficient review procedure	Law 462. Art. 38 and 49 AD. Art. 13 Approval or Rejection of Forest Management Permits.	9 Permits (001, 002, 003, 004, 005, 008, 012, 013, 015)
Lack of monitoring of management permits during and after harvesting.	AD. Art. 14 Monitoring Forest Management Permits.	11 Permits (002, 004, 005, 006, 007, 008, 009, 010, 012, 013, 015)
Non-fulfilment of Forest Regent functions	Regulation Law 462. Art. 26.	6 Permits (001, 004, 012, 013, 014, 015)
Database (inventory) of management permits not up-to-date		2 Permits (001, 002)

DA: Administrative dispositions

#### 4.4. Report follow-up

In a clear sign of INAFOR's support for IFM, and as a result of the monitoring activities and findings reported in them, this institution has taken the following actions:

- FMGPs “El Limón 3” and “La Esperanza” have been suspended in the municipalities of Prinzapolka and Waspán respectively.
- Each of the Forest Districts has been instructed to increase the rigorousness with which control and follow-up of FMGPs is conducted.
- Numerous follow-up visits have been done to the districts, with a view to support the process of monitoring and follow-up in the FMGPs.

INAFOR's reaction to the reports has nevertheless been slow. The institution has identified several limitations behind this: “we consider that one of the main

*difficulties we have faced is the inability to submit in a timely manner our observations and comments to each of the reports presented by the Independent Monitor, a situation caused by the multiple functions that the institution has and the scarce personnel available. On the other hand, the occurrence of natural phenomena such as hurricane Félix, resulted in almost all the staff having to focus in the affected zone for over two months. Yet another difficulty is that the reports have not been shared with the district and municipal delegations, which hinders having a broader assessment about the findings included in such reports and thus have more elements to include as comments and observations”<sup>19</sup>.*

It was observed that the competent authority did not carry out the required visits to five out of 15 management plans being monitored. However, a technical-legal report was issued by INAFOR for the first ten cases documented.



Photo No. 7: logs in an illegal log pond. FMGP Las Cruetas-CEPISA. IFM mission report No. 013.



## 5. Lessons learned and next steps

IFM is a tool that has common objectives in all countries. However, in order to be able to achieve these objectives and the desired impact in a specific country, IFM has to be adapted to local needs and realities. It is necessary to constantly refine and refocus the priorities of the work. Some of the lessons learned so far during the IFM project in Nicaragua are presented below, as are the next steps identified as necessary to incorporate these lessons into the continuing implementation of IFM:

- Global Witness has worked in conjunction with INAFOR in implementing IFM in Nicaragua, in a very positive manner. This working relationship is without doubt crucial and should be maintained, although it could be improved in several respects, particularly with regards to joint planning over the longer term. In fact, and largely as a result of the short funding cycles, it has not been possible to plan medium and long-term work agendas. This has limited the impact of the project and its capacity to assist in improving the performance of the control work carried out by INAFOR. Thus one of the next steps to be taken is to secure funding over the longer term, which will allow work to be planned with INAFOR to take place over longer periods of time. As the Public Prosecutor stated, the role of the Monitor could be improved by *“working in conjunction with INAFOR from the start of each inspection, in other words the planning stage, right through until the production of a report agreed by both parties. [...] Attempting to always carry out field inspections with INAFOR officials, such that these officials, responsible under the law to regulate the activity, have insight into the work of assessment, sharing the principles of professionalism, honesty, honour and ethics required at all times in order to carry out the work properly and recovering values that over the years have been lost to corruption.”*<sup>20</sup>
- INAFOR has identified as some of the elements to be considered in the future activities the following<sup>21</sup>:
  - *“The time allocated in the protocols established in the agreement for INAFOR to present observations and comments to the reports should be increased, so as to enable the district and municipal delegations to provide their comments too”*. To this end, the time allocated could be extended from fifteen days to a maximum of four weeks.
  - *“In the monitoring missions to the areas subjected to management plans, other elements should be incorporated, so as to enable the reflection of a broader range of aspects about the problems that occur in the said plans, which would in turn require more time allocation to each mission”*.
- *“More time should be allowed for mission planning with each of the people responsible (municipal delegates, inspectors and others), with a view to guarantee the availability of the baseline information needed”*.
- *“In order to give continuity to the IFM project, a strengthening component should be included in order to improve the technical capacity of the staff on the ground. This should include the delivery of capacity building events, such as workshops, courses and exchanges of experiences, as well as the active participation of the municipal and district delegates in the monitoring missions. Another component to add to the project design is that related to institutional strengthening, mainly for the field delegations and the department of forest monitoring, including the provision of equipment and means to carry out monitoring work, such as computers, software, GPS devices, forest-related equipment, etc”*.
- *“Finally, the continuity of the project should include the design of methodological tools that facilitate the monitoring work on the ground. Such tools should consider the type of forest, and the laws, administrative and technical regulations related to the sector, so as to ensure the methodology is homogenous and effective for the monitoring duties”*.
- IFM is still a new tool for many, and as such the process of establishing it must continue. Its objectives and scope must be clarified to all stakeholders in order to avoid misunderstandings or creating wrong expectations. Some actors have commented on the importance of this issue, and suggested how to address it: *“through increased publicity about the purpose of IFM aimed at the various actors in the sector; many people have a wrong perception of the project and consider IFM as the official controller”*<sup>22</sup>.
- Establishing synergies and facilitating and supporting the work of institutions other than INAFOR is an objective that IFM should continue to reinforce. Coordinating the competences and experiences of all stakeholders would clearly and substantially increase the impact of the project. The Public Prosecutor's Office has put forward concrete proposals on how to coordinate IFM efforts. Its proposals for the coming months of work include the following: the exchange of legal knowledge on forest legislation; the exchange of the experiences of each institution in its respective areas of work; and, with the support of the Public Prosecutor, field inspections of forest operations of mutual interest<sup>23</sup>.
- Equally important are synergies with civil society groups. An example to illustrate this point is the petition of one group in relation to possible improvements: *“Basically, I think, although it is not a simple task, that we should look for a way in which the*

*different groups can make use of this information [...] What interests us is to promote social vigilance among groups involved in forest management. Perhaps IFM can offer an information resource and suitable methodology.”<sup>24</sup>*

- This report is published just a few months after the devastating effects of Hurricane Félix on Nicaragua. Many people have expressed their concern about the consequences of this natural disaster. Of particular concern to forest law enforcement is the difficulty of ensuring that this tragedy is not exploited to carry out illegal forest activities. As part of its mandate, IFM can assist INAFOR in its enormous task of controlling forest activities in the affected region.
- Many of the parties involved in IFM have stated that a crucial issue is improving the distribution of the findings of the Monitor's field missions. These findings, documented in the respective reports, are available to the public via the Global Witness website. Moreover, the findings are shared not only with INAFOR but also with those involved in each case. The Independent Monitor will, however, continue working to broaden the distribution of its work to reach as many interested parties as possible at both national and international levels.
- One challenge is how to reach the most isolated groups in the country, who are often also those most directly affected by the consequences of poor management, those who have the least information and those who are most subject to pressure. Establishing effective communication networks is difficult but absolutely vital in these cases. The Monitor's limited operational capacity to date has not allowed an exploration of the potential of other means of communication. The active participation of INAFOR through its field personnel would be essential in order to further this objective.
- IFM is more effective the more data that it generates. It is a dynamic initiative that is constantly evolving so continuity of work would allow a better impact. This continuity depends both on the existence of sustained political will supporting the project and resources to allow continuity in the work conducted. Sustainable

project resourcing is required, both in political/ institutional terms as well as financial terms.

- When considering sustainability over the longer term, it is also important to consider whether there are organisations in Nicaragua that could take on IFM activities, undertaking missions and receiving the necessary official recognition. One of the next steps in IFM will be to focus on conducting preliminary investigations in this respect, exploring how to maintain, and simultaneously transfer, acquired knowledge. Although some have expressed their pessimism over the possibility of identifying organisations that could take on IFM, others have been more hopeful: *“I think that between the environmental groups and those associated or related to the timber trade, there may be potential”<sup>25</sup>*.
- An IFM project is currently under way in Honduras under the auspices of the National Commission for Human Rights in Honduras (CONADEH). The challenges that different countries face in optimising their forest governance are very varied. There are, however, many similarities that should be explored. During the current process of institutionalisation and strengthening, IFM will continue to become a regional issue. The fact that Honduras and Nicaragua are neighbours and suffer problems involving the cross-border transfer of timber, suggests a need to capitalise on the synergies between the two countries.



Photo No. 8: registering data of a tree logged within a water course protection area. FMMP Kung Kung. IFM mission report No. 004.



Photo No. 9: logs transported in the Laguna de las Perlas, RAAN. IFM mission report No. 4.



Photo 10: Harvesting in a pine forest ITRP. IFM mission report No.10.

## 6. Conclusions and recommendations

### Conclusions

#### Forest operations

- Although the scale of illegal logging that has been documented in mission reports is small when compared with major timber-producing countries, it continues to be a very serious issue within Nicaragua. Illegal logging is symptomatic of the climate of informality and impunity in the sector; it represents a very serious threat to the already limited forest resources.
- The management plans that were inspected confirmed the lack of sustainable forest operations. Rather, these are considered purely as harvesting licences and investment in forest management is practically non-existent.
- Measures approved in official documentation were not enacted on the ground; as a result, inconsistencies were found between documentary data and the information discovered in managed forest areas.
- There were also inconsistencies within official documents: for example, in several cases harvesting permit maps did not correspond to the coordinates described in the same documents. This has caused confusion when translating coordinates to the ground. It also opens the way to arbitrary action, while hindering monitoring by INAFOR.
- There are cases of over-estimating volumes where a logging sector is taken to be a certain size although the coordinates approved by the AOP specify a smaller area. This raises the question of where the rest of the timber has been extracted from, as the AOP area is insufficient to produce the approved volume.

#### Control and regulations

- INAFOR does not have the capacity at municipal level to fulfil the technical and administrative requirements to approve and monitor forest management permits.
- Forest Regents do not fulfil their obligations and duties as defined by forest legislation and INAFOR does not take any steps to counter this non-observance. It was shown on several occasions that the Regents did not know the areas of forest for which they were responsible. This indicated that they had not visited these areas and were thus not carrying out their duties.
- Management plans are not drawn up on a scientific basis to allow the proper management of the forests but on the basis of out-of-date information, and are generally copies of each other. Furthermore, the primary source of information is impossible to determine.

- Harvesting permits are approved without prior verification in the field. Thus, it is not known what is being approved nor is it ascertained whether the beneficiary of the permit has prepared the land for appropriate harvesting procedures. In particular, inadequate or even non-existent marking and delimitation of harvesting areas has been observed in the majority of cases. The failure to conduct these activities not only breaches the prevailing regulations; a lack of knowledge of the location of the permit boundaries obviously risks that, whether deliberately or accidentally, harvesting will be conducted outside these boundaries. Furthermore, the work of monitoring and checking forest operations is made more difficult when the boundaries are unclear.
- There is a clear interest for INAFOR to improve forest governance and increase the control of forest management in Nicaragua. However, the institution does not have the appropriate resources to carry out effective control. Furthermore, the Monitor's findings have not been acted upon in a prompt manner.
- There is a lack of inter-institutional coordination that hinders the already complex task of ensuring proper forest management. The scarce resources of the various institutions are not being used efficiently. This means that the opportunity to improve results is being wasted.

#### IFM

- If effective coordination with the civil society organisations is to be achieved, IFM must take into account the demands on time and resources to establish such coordination. There must also be resolute support by the competent authority to ensure the institutional nature of the relationships.

#### Policy issues

- The land tenure problems in Nicaragua, mainly in the Atlantic autonomous regions where the majority of the forests are located, continue to be an unresolved issue. The lack of effective demarcation and titling in indigenous communities' areas needs to be completed and threatens the forests in the region. To date, there is little research that assesses the real dimensions of the problem, and there are no clear figures about progress on titling and legalisation of lands. All this increases the risk of the destruction of forests and is at the core of serious social conflicts.
- The logging ban established as a reaction to the declared state of emergency is controversial and not easy to implement efficiently, given the weakness to follow up on what such ban establishes. According to the first technical and scientific study about the impacts of the ban, carried out by the National Forest Commission (CONAFOR)<sup>26</sup>, the negative impacts have been greater than the positive ones. This study however was especially focused on the



economic damages resulting from the reduction in employment rates, the reduction of the areas under management and the losses caused by illegal logging. A recent review of the ban by the Humboldt Centre also states that this ban has not produced the anticipated results<sup>27</sup>. This summary report concludes that, rather than additional laws and regulations, what is needed in the sector is for the competent authorities to have greater financial resources, more trained personnel with clear readiness to perform their duties, and the increased willingness of the stakeholders of the sector to support INAFOR's work.

- With the issuance of Forest Law 462, it was expected that the administrative decentralisation process would yield positive results. The law states that a territorial organisation of INAFOR, through administratively decentralised districts, would allow the permanent presence of a district delegate who would coordinate activities in the municipalities with other institutions and local organisations. The objective was to gradually move responsibilities to the local authorities. The establishment of municipal

and district forest commissions, once created, would support:

- the implementation of the forest policy;
  - the development of public hearings for the approval of management plans, where local stakeholders would take part; and
  - the implementation of forest reagency as a mechanism to put an onus on them for activities that were formerly taken by the authorities, such as the production, management and implementation of management plans.
- The administrative decentralisation process has not produced the anticipated results due to the limited resources that each of the INAFOR district and municipal delegations have to implement the multiple tasks the law assigns to them. There is:
    - incoherence between the law and the capacity the authority responsible has in order to perform its duties;
    - a lack of willingness and readiness from some staff members to fulfil their role; and
    - a lack of concrete actions aimed at dealing with the existing weaknesses.



Photo No. 11: review and analysis of maps of FMGP Hermanos Úbeda. IFM mission report No. 015.

## Recommendations

### **The Government of Nicaragua should take the following steps:**

- Rationalise, as a matter of urgency, the use of the country's forests, through a participatory land use planning process that agrees on those areas best suited to forestry and develop policies to maintain and sustainably manage forests in these areas. Human and economic resources should be directed towards restraining the uncontrolled expansion of agricultural land without delay.
- Review the use of forests and adapt and update this use to ensure the long term sustainability of forests and the optimisation of environmental, social, and economic services they provide. To this end, alternatives to an industrial-scale logging paradigm should be actively pursued. Special attention should be paid to community forests managed by indigenous peoples, with emphasis on small-scale, high-value timber products, as well as the production of non-timber forest products. Conservation uses could also be a viable option, including valuing forests in ways that are not destructive and encouraging of fauna and flora that is in danger of extinction. This approach takes into account that there are large areas of forest in Nicaragua that are of no commercial value.
- Raise the awareness of people to the non-commercial values of forests, as well as promoting education in the use of suitable forest practices and offering information on the unsuitability of customs that, although traditionally accepted, are often harmful, such as irrational burning.
- Respect that the forest resources belong to the Nicaraguan people and manage them through consultative processes involving all the relevant stakeholders. In particular, local people should be consulted and considered when harvesting permits are granted on their lands. Local people should also be kept informed of the activities taking place throughout the process. They should also be guaranteed all legally established payments and compensation for the use of their land.
- Ensure that INAFOR has a stable, appropriate budget that allows it to carry out its functions in an effective manner.
- Systematically keep and regularly publish economic data on the country's legal timber production in order to raise awareness among the population of the contribution of the forest sector to the national economy. This would increase the valuation of this land-use in light of other uses, in particular stockbreeding.
- Update and complete the process of titling lands in Nicaragua, with a view to ending the uncertainty there continues to be on this issue, as this hinders achieving optimal use of the forest resources.

- Increase the emphasis on complying with the forest authority administrative decentralisation process, which requires the provision of more resources, the promotion of participatory evaluation processes of the performance of the forest authority staff and forest policy in each area, the exchange of experiences between the different areas so as to stimulate the willingness and readiness of the forest authority staff to perform their duties and, where relevant, the establishment of formal relationships with the local authorities through agreements or memoranda of understanding so as to give more weight to their actions.

### **INAFOR should take the following steps:**

- Reduce the number of permits approved to a level that the organisation has the capacity to control effectively. This includes both the office work and fieldwork required before approval as well as regular inspection and monitoring of implementation.
- In those regions where major problems exist for INAFOR to effectively monitor and control activities, the allocation of new permits should be suspended until adequate institutional capacity can be guaranteed.
- Define, through Forest Commissions (department and municipality), strategies for forest development in municipalities, assessing and taking into account their territorial layout.
- Develop a systematic monitoring plan for primary and secondary processing companies in order to control the laundering of timber from illegal harvesting.
- Draw up an inventory of the locations of sale of sawn timber in the municipalities and systematically check the legality of the timber sold there.
- Assist and monitor the work of the Forest Regents, such that their performance and effectiveness reaches the desired standards. In particular, evaluate the performance of Regents in plans for which they are responsible in each municipality. Communicate technical and legal considerations that oblige Regents to improve their performance.
- Seek alternatives to the current conflict of interests that stems from the lack of independence of the Forest Regents to perform their duties, given the financial relationship that links them to the owner of the management plan. Options to explore include seeking alternative financial sources or establishing innovative mechanisms to transparently channel those payments coming from loggers.
- Coordinate, with the Environmental Public Prosecutor, the implementation of mechanisms for monitoring and penalising individuals and companies who breach the terms of the forest law, in order to increase the number of successful prosecutions.
- At Forest District level, proceed to conduct a review and gradual assessment of FMGPs approved in previous years and require the updating of those technical and administrative issues that are insufficient or which do not meet the provisions of the prevailing technical standards and administrative rulings.

- Define a suitable period of time in which the owners of management permits should update these permits, or otherwise cancel them.
- Review and update the NTON on the basis of the actual conditions of the country's forest resources in order to facilitate implementation to forest management permits drafted after publication.
- Bolster the Department of Forest Monitoring by employing more personnel and providing them with the necessary equipment to carry out effective work on the ground.
- Implement processes to evaluate the performance of INAFOR personnel on the ground in such a way as to highlight any weaknesses and therefore promote activities to reinforce the capacities of local delegations.
- Continue efforts to implement forest audits that allow improved checks to be conducted on forest resource management activities.

**The Nicaraguan judicial authorities should take the following steps:**

- Investigate cases documented by the Monitor in its individual field reports, and initiate and continue legal proceedings until conclusion against parties in breach of the law. This should include forest industry personnel who infringe the law as well as state officials who, whether actively or through neglect, have allowed such illegal activities to take place. Other relevant institutions, in particular INAFOR, should support the efforts of the judicial authorities in this respect, providing information and coordinating efforts such that the proceedings can continue in a prompt and efficient manner.
- Coordinate this work with other relevant authorities, including the Public Prosecutor, the Prosecutor for the Environment, the National Police Directorate for Economic Investigations, the Nicaraguan Armed Forces, etc.

**International donors should take the following steps:**

- Guarantee that all financial aid provided is subjected to transparent management, with a view to ensuring that there is no doubt about the destination and use of such aid.
- Support the Nicaraguan State by developing mechanisms for, and supplying funds to acknowledge the global value of forests, for example through payments for avoided deforestation. Also provide funds to support the administration and protection of forests. In this way deforestation can be curbed and the associated emission of greenhouse gases, that contributes to global climate change, reduced.
- Promote rights-based approaches, and exert their influence to ensure that forests are used sustainably and responsibly, to the benefit of the indigenous and local populations who depend on forest resources.

**The indigenous communities in RAAN and RAAS should take the following steps:**

- Establish stronger coordination with the INAFOR municipal and district delegations, allow indigenous

communities to become actively involved in monitoring and control activities in their forest areas.

- Promote exchanges with communities with successful experiences in sustainable forest management.
- Consider establishing control and surveillance commissions for forest resources, proposing and managing community forest management initiatives, and strengthening the organisational structures within the communities.
- Promote and facilitate communication channels with the relevant actors in order to allow communities to develop. Such actors should at least include the municipal and regional governments, the state institutions, NGOs and the international donor community.

**The owners of private forest land should take the following steps:**

- Proactively demonstrate that the management of their forests complies with the prevailing forest legislation.
- Allow the Forest Regents to make adequate technical decisions that guarantee the sustainable management of their forests.
- Pressurise INAFOR for the establishment of speedy legal mechanisms that authorise the harvesting of individual trees in small-scale agro-forestry systems. The harvesting of individual trees in these areas constitutes an important economic alternative for many rural homes, but the lack of simplified and easily applicable mechanisms leaves them little option but operating illegally.
- Make the necessary economical investment to guarantee compliance with the forest practices established in the management plans.

**The certification agencies should take the following steps:**

- Check that the certification of logging companies in Nicaragua leads to the implementation of sustainable forest management practices.
- Ensure that forest companies that have been certified, or are in the process of being certified, meet all the criteria established by both the FSC's general principles and Nicaraguan forest legislation.
- Promptly cancel the certification of any companies whenever found to be in breach of the said criteria and legislation.

**Forest Regents should take the following steps:**

- Fulfil the duties and obligations assigned to them under the regulations of the forest law.
- Promote the formation of an organisation that brings together all the Forest Regents accredited by INAFOR. Develop professional standards and expel from this organisation any members who breach these.
- Press the forest authorities to conduct seminars and/or workshops for training in drawing up forest management permits, and the technical regulations and administrative provisions of forest management.



## 6. ANNEXES

### Annex 1: Agreement between INAFOR and Global Witness

Agreement for the implementation of an Independent Forest  
Monitoring Pilot Project in Nicaragua  
(Translation of the Spanish original text)

Established between

Instituto Nacional Forestal

Global Witness



Managua, Nicaragua. June 2006

#### I. Introduction

Nicaragua is one of the poorest countries in the western hemisphere, and presents one of the highest levels of inequality in terms of revenue distribution. However, paradoxically, it is also a country with a great forest potential. According to the study *Forest Value in Nicaragua* (MAGFOR, 2001), the country has approximately 3.8 million ha. of forests outside protected areas, that is, about 32% of the total area, of which over 1.6 million ha. are high-quality production forests. Despite the low contribution of the forest sector to the GDP (approximately 3% in 2003 according to Faurby, 2005), the forest represents one of the most valuable resources for the development of the country and can make a significant contribution to poverty reduction. The Reinforced Strategy for Economic Growth and Poverty Reduction identifies the forest sector as one of the four main strategic areas of development in order to promote the growth of the national economy (ERCERP, 2001); the National Plan for Development considers forests and timber products as one of the most important subjects given their competitive potential (PND, 2003).

This potential is however at risk. The imbalance between the opportunity cost of maintaining the forests and the limited economic benefit resulting from so doing, constitutes the biggest threat for the forest resources, and encourages the conversion to other land uses. It is therefore unsurprising that the yearly deforestation rate stands at about 60,000 ha. (MAGFOR, 2001)<sup>iv</sup>.

The lack of competitiveness is due to multiple factors, such as the excess of legal requirements (which increases the transaction costs of legality) and high transport costs. Another important factor is the negative impacts of illegal logging. The market saturation with cheaper illegal timber clearly undermines the price structure of forest products, and reduces the profitability of those companies willing to operate within the law. Moreover, selective logging of the most valuable species strongly hinders the economic viability of forest management, and fosters conversion to other land uses.

Over the last decade, there has been a relatively successful process in the improvement of the political and legal framework in the Nicaraguan forest sector. However, there is wide consensus about the fact that some significant problems still persist, as has been acknowledged at the *Workshops on Governance in the*

*Nicaraguan Forest Sector*<sup>v</sup> delivered in late 2005. The recent State of Economic Emergency Decree is further proof of this problem.

Improving forest governance is a process that takes time. However, there are concrete steps that can be taken in the short term. One of these is the rigorous documentation of the level of forest law enforcement, with an aim to increase transparency, identify weaknesses in the public administration and suggest improvements to it. Independent Forest Monitoring (IFM) is a practical tool that can provide significant support to this end. It consists of the use of one or more independent organisations that, with the agreement of the relevant forest authorities, provide an evaluation of the level of law enforcement, observing and supporting the official forest law enforcement system. Its objective is to eliminate illegal logging, not the companies operating within the law. By observing law enforcement, it details the mechanisms of illegality and recommends the necessary changes to tackle them.

#### II. Parties involved

##### 1) About INAFOR

The Nicaraguan Forest Authority, INAFOR (Instituto Nacional Forestal), is a decentralised government body, linked to the Ministry of Agriculture, Fishing and Forest, and created by means of Art. 49 of Law 290 of 2 June 1998. This institution is responsible for enforcing the forest law in all the national territory and, in order to achieve this objective, has its functions defined in Law 462 (Ley de Conservación, Fomento y Desarrollo del sector forestal).

Based on the competences INAFOR has been given through Law 462 and its Decree 73-2003, it establishes this Agreement with an aim to contribute to the sustainability of the Nicaraguan forest resources by creating new mechanisms of monitoring the sector activities and providing increased civil society participation in the use of their natural resources. Therefore, in this Agreement INAFOR will act as the host institution for the Independent Forest Monitoring Pilot Project, implemented by the British based NGO Global Witness.

##### 2) About Global Witness

Global Witness is a British based non-governmental organisation with pioneer experience in the design and implementation of IFM projects. In recognition of the effectiveness of its work on denouncing the exploitation of natural resources and its links to human rights and environmental abuses, Global Witness was co-nominated to the Nobel Peace Prize in 2003 and its directors were awarded the Gleitsman International Activists Award in 2005.

In 1999, Global Witness began the implementation of the first IFM project, which was carried out in Cambodia for four years. The second IFM project was also implemented by Global Witness, now in Cameroon, between 2000 and 2005. More recently, from May 2005, a third IFM project is being implemented in Honduras. Consequently, Global Witness has acquired considerable experience in providing the public, the governments and the donor community, credible information about the management of forest resources. It is in a unique position to design and implement IFM initiatives and to maintain the high standard required for its successful implementation in terms of credibility, independence and professionalism.

In the framework of this Agreement, Global Witness will act as the independent monitor, liaising with an appointed INAFOR representative. Hereafter, any mention of the monitor refers to Global Witness.

#### III. Objectives and scope of the Agreement

This Agreement aims to set out the collaborative relations between INAFOR and Global Witness in order to implement an IFM Pilot Project in Nicaragua. Its objectives, results and activities are defined below.

<sup>iv</sup> Other sources report significantly higher data. For example, the National Plan for Development declares a yearly deforestation rate of 150,000 ha.

### 1) Objectives of the IFM Pilot Project

The IFM Pilot Project in Nicaragua has the following objectives:

- Set the institutional basis for an IFM system in Nicaragua, through the development of working relations with INAFOR and other government institutions, as well as with civil society and the private sector.
- Generate reliable information about illegal logging and trade activities in specific regions of the country.
- Ensure the objectivity and transparency of the monitoring activities carried out by the relevant authorities, through the participation of an independent monitor with international credibility, whose reports and recommendations will be made public following a review of the forest authority.
- Strengthen the operational capacity of the relevant authorities, through the implementation of joint field missions where experience and skills are shared.

### 2) Expected results

The main expected results are:

- A substantial increase in the quantity, quality and credibility of information on the level of governance in the forest sector, and the dissemination of such information amongst key actors.
- An improvement in forest law enforcement, including increased operational capacity to detect and sanction illegal activities.
- An identification of legal and institutional weaknesses and limitations facing the forest sector.
- Presenting the relevant institutions with solutions to overcome weaknesses detected.
- The provision to the relevant institutions of information about the evidence gathered in the missions carried out by the monitor.
- An improvement in inter-institutional coordination regarding forest law enforcement.

### 3) Implementation geographical area

Initial consultations have resulted in choosing RAAN, RAAS, Rio San Juan and Nueva Segovia Departments as the main working areas. However, any other part of the country that is deemed key may be covered.

### 4) Activities

This project will carry out the following activities:

- An induction process at the beginning of the project which, through meetings and discussions, allows all the relevant actors to become familiar with IFM, with a view to ensure support and participation.
- An analysis of statistic data and other relevant documents of the Nicaraguan forest sector.
- Carrying out monitoring missions during the implementation period of the project.
- Producing a report for each of the missions that includes the findings, conclusions and recommendations resulting from it.
- An assessment workshop where all the relevant actors participate, and where their comments on activities carried out are discussed and compiled, as well as their recommendations for an eventual continuation of the project.
- Producing a final report that summarises the experience, and reports on the main results and findings, institutional and legal weaknesses observed, lessons learnt and recommendations for INAFOR and other stakeholders.

### 5) Working protocols

Both parties of this Agreement commit to observe the following protocols:

- Carry out joint field missions (visits to harvesting sites and other relevant locations, such as sawmills, ports, etc.) between INAFOR and the monitor, with the possible participation of other institutions with competences in law enforcement (such as those mentioned under section 6). Where deemed relevant, representatives of civil society and the private sector may also participate.

- Where INAFOR representatives are not available for whatever circumstance, the monitor will have the right to carry out independent field missions, visiting the relevant sites alone and documenting its findings. Other relevant actors may participate in these missions.
- As far as possible, the monitor will answer the requests for missions coming from different stakeholders.
- Regardless of the type of mission, the monitor technical team will write the relevant report, which will include a description of the way the mission progressed, the main findings, the conclusions and the recommendations provided. The reports will be submitted to INAFOR no later than 15 (fifteen) working days after concluding the mission. Where other institutions participate in missions, they will also receive a copy of the report.
- Once the report has been submitted, it will be assessed by INAFOR and other relevant institutions, and no later than 15 (fifteen) working days after, observations will be submitted back to the monitor. Such observations will detail whether sanctions or crimes are established. Where relevant, a quantification of damages and/or a more thorough verification of the information will be done.
- Once comments from INAFOR and other institutions have been received, and/or further corroboration of the information has been completed, the monitor will amend the report as relevant. Following this, the final version of the report will be submitted to INAFOR and the monitor will publish it on its website ([www.globalwitness.org](http://www.globalwitness.org)).
- The independent monitor, and all those joining the mission, are responsible for robustly documenting all the facts on the ground. All the parties must make an effort to reach consensus about the final document produced, as well as about the conclusions and recommendations that stem from the facts. In the unlikely event that no consensus is reached, the different opinions will be presented clearly, through the addition in the report of a separate textbox, where further legal clarification is also included.

### 6) Collaboration with other institutions.

Although this Agreement established bilaterally between INAFOR and Global Witness, monitoring activities will be carried out seeking the maximum cooperation possible with the following institutions:

- Attorney General's Office for the Environment.
- Ministry of Agriculture, Fishing and Forests (MAGFOR).
- Ministry of the Environment and Natural Resources (MARENA).
- Special Environmental Unit and other institutions of the Public Ministry.
- Attorney General's Office for the Defence of Human Rights.
- Armed Forces and Nicaraguan National Police.
- Local authorities.
- Civil society groups.
- Others.

## IV. Responsibilities and obligations

### a) The monitor must at all times:

- Devote its time exclusively to its professional activities.
- Provide a professional team.
- Respect confidentiality and professional secrecy on all information in its possession, and communicate or disseminate such information only in strict respect of this Agreement and the laws of the country.
- Demonstrate diligence and objectivity in the exercise of its functions.
- Work in a coordinated way with all the stakeholders.

### b) INAFOR and other relevant institutions must at all times:

- Ensure that the monitor has immediate access to all the information needed to carry out its job.
- Ensure that the monitor has the freedom to access harvesting

- sites, processing facilities and other points of the timber chain.
- Guarantee the monitor's right to publish its reports according to the protocols agreed.
- Guarantee the monitor team's integrity, protecting it, as far as possible, from threats, intimidations and other coercive acts.
- Support the monitor in the implementation of missions, even where the monitor carries them out alone.
- Analyse the reports written by the monitor from a legal point of view and issue the corresponding legal opinion.

#### V. Agreement timeframe

This Agreement will be valid for a period of one year from the date of its signature, and can be renewed for a similar period by the agreement of both parties.

#### VI. Termination

This Agreement may be terminated when the following clauses apply:

- Both parties agree to terminate the Agreement.*
- The funds for the implementation of the project run out or are suspended.*
- One of the parties breaches the procedures established in the working protocols of this Agreement.*
- INAFOR may terminate the Agreement if the monitor breaches the confidentiality of the information in its possession or uses it for different means than those established in this Agreement.*

Agreeing on what is described in the current Agreement, we hereby sign and ratify it in two copies, in Managua on 28 July 2006.



Photo No. 12: INAFOR offices in the Forest District Delegation of Rosita, RAAN.

## Annex 2: Mission participants from the various institutions involved in IFM

### INAFOR personnel participating in monitoring missions

Report No.	Mission date	Name of the plan/permit – Location	INAFOR member of staff
001	5, 7 August 2006	La Explosión, San Fernando, N.S	-
002	7, 9 August 2006	El Palmar, San Fernando, N.S	-
003	21–23 September 2006	El Tío, Puerto Cabezas, RAAN	Miguel Abella
004	14–16 October 2006	Various Minimal Plans, Laguna de Perlas, RAAS	Julio Granja, Estanislao Gonzáles, Eddy López, Troy Thomas
005	15–19 November 2006	La Esperanza, Waspán, RAAN	William Fransis
006	8 December	Santa Julia, Jicaro, N.S	-
007	8,9 December 2006	San Gregorio, Murra, N.S	-
008	29, 30 January 2007	Las Dantas, Murra, N.S	-
009	16, 18, 19 February 2007	El Junquillo, Macuelizo, N.S	-
010	17 February 2007	El Perote, Dipilto, N.S	Norman Ibarra
011	16, 18 July 2007	Kiwatigni, Prinzapolka, RAAN	Kirk Smith, Humberto Méndez, Noel Castrillo
012	20 July 2007	El Limón 3, Prinzapolka, RAAN	Kirk Smith, Humberto Méndez
013	22–24 August 2007	Las Crucetas, Prinzapolka, RAAN	Kirk Smith, Humberto Méndez, Félix Hernández, Erick Velásquez
014	25 August 2007	El Arco II, Prinzapolka, RAAN	Humberto Méndez, Erick Velásquez
015	19–21 September 2007	Karawala, Desembocadura del Río Grande, RAAS	Ronmel Spelman, Troy Thomas
<b>TOTAL INAFOR PARTICIPANTS</b>			<b>13</b>



## Forest Regents participating in monitoring missions

Report No.	Mission date	Name of the plan/permit – Location	Forest Regents
001	5, 7 August 2006	La Explosión, San Fernando, N.S	Carlos Hernández, Roger Moreno.
002	7, 9 August 2006	El Palmar, San Fernando, N.S	Roger Moreno, Milton García.
003	21–23 September 2006	El Tío, Puerto Cabezas, RAAN	Noel Moreno
004	14–16 October 2006	Various Minimal Plans, Laguna de Perlas, RAAS	Joaquín Ramírez
005	15–19 November 2006	La Esperanza, Waspán, RAAN	Amilcar Padilla
006	8 December	Santa Julia, Jícaro, N.S	Jasmina Bustillo, Flor de Ma. López
007	8,9 December 2006	San Gregorio, Murra, N.S	Flor de Ma. López, Jasmina Bustillo
008	29, 30 January 2007	Las Dantas, Murra, N.S	Noemigdio Tercero
009	16, 18, 19 February 2007	El Junquillo, Macuelizo, N.S	Noemigdio Tercero
010	17 February 2007	El Perote, Dipilto, N.S	Elmer Marín Izaguirre
011	16, 18 July 2007	Kiwatigni, Prinzapolka, RAAN	Valvert Martínez
012	20 July 2007	EL Limón 3, Prinzapolka	Ramiro Maradiaga
013	22–24 August 2007	Las Crucetas, Prinzapolka	Omar Cruz
014	25 August 2007	El Arco II, Prinzapolka	Juan Harvey Montalbán
015	19–21 September 2007	Karawala, Desembocadura del Río Grande, RAAS	Juan López López, Pedro Zuñiga
<b>TOTAL FOREST REGENTS</b>			<b>16</b>

## Other institutions participating in monitoring missions

Report No.	Mission date	Name of the plan/permit – Location	Staff participating
001	5, 7 August 2006	La Explosión, San Fernando, N.S	Juan José García, Empresa Forestal
002	7, 9 August 2006	El Palmar, San Fernando, N.S	-
003	21–23 September 2006	El Tío, Puerto Cabezas, RAAN	Marcelino Job. Community Representative.
004	14–16 October 2006	Varios planes minimos, Laguna de Perlas, RAAS	Ricardo Salazar and Cristian Leiva. Naval Force of the Nicaraguan Army.
005	15–19 November 2006	La Esperanza, Waspán, RAAN	Edmundo Morales and Osorno Solano. Community representatives.
006	8 December	Santa Julia, Jícaro, N.S	-
007	8,9 December 2006	San Gregorio, Murra, N.S	-
008	29, 30 January 2007	Las Dantas, Murra, N.S	-
009	16, 18, 19 February 2007	El Junquillo, Macuelizo, N.S	-
010	17 February 2007	El Perote, Dipilto, N.S	Felix Pedro Montenegro. Owner of the management plan.
011	16, 18 July 2007	Kiwatigni, Prinzapolka, RAAN	Rojas Conrrado, Rolando Campos. Community representatives and beneficiaries of the management plan.
012	20 July 2007	El Limón 3, Prinzapolka, RAAN	-
013	22–24 August 2007	Las Crucetas, Prinzapolka, RAAN	Ezequiel Andrews. Community representative and beneficiary of the plan. Wilfredo Davis. Masangni's technical advisor. Enésimo Jarquin. Technical staff of the Prinzapolka Mayor's office.
014	25 August 2007	El Arco II, Prinzapolka, RAAN	Sandalio Castellón. Community representative and owner of the plan.
015	19–21 September 2007	Karawala, Desembocadura del Río Grande, RAAS	Waldo Martínez, Lampson Abraham, Evaristo Aguilera, community representatives. Infantrymen Rolando Caballero and Erick Suárez. Navy Forces of the Nicaraguan Army.
<b>TOTAL COMMUNITY REPRESENTATIVES</b>			<b>10</b>
<b>TOTAL ARMY REPRESENTATIVES</b>			<b>4</b>
<b>TOTAL LOGGERS REPRESENTATIVES</b>			<b>2</b>
<b>TOTAL MAYOR'S OFFICE REPRESENTATIVES</b>			<b>1</b>
<b>TOTAL MASANGNI REPRESENTATIVES</b>			<b>1</b>

- 1 Sistema de las Naciones Unidas, "Nicaragua: Valoración Común de País", 2007, p. 42.
- 2 See [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2007](http://www.transparency.org/policy_research/surveys_indices/cpi/2007) (last consulted 15 October 2007).
- 3 See <http://www.wimf.org/external/np/extra/facts/hipc.htm> (last consulted 15 October 2007).
- 4 FAO (2007), State of the World's Forests. See Table 2 in Annexes, p.114. (<http://www.fao.org/docrep/009/a0773s/a0773s00.htm>, last consulted 15 October 2007).
- 5 INAFOR (2000), "Valoración Forestal de Nicaragua", p.131.
- 6 El Nuevo Diario, "Finaliza capacitación para inventario forestal", 28 September 2007 (<http://www.elnuevodiario.com.ni/2007/09/28/departamentales/60120>, last consulted 15 October 2007).
- 7 INAFOR (2000), "Valoración Forestal de Nicaragua", p.2.
- 8 INAFOR (2000), "Valoración Forestal de Nicaragua", p.2.
- 9 The full text of this document is at <http://www.globalwitness.org/pages/en/nicaragua.html>, last consulted 15 October 2007.
- 10 Humberto Méndez, Department of Monitoring and Follow up, INAFOR, personal comment.
- 11 Álvaro Centeno Sequeiro, expert for the Public Prosecutors' Special Unit for Crimes Against the Environment, personal comment.
- 12 Wilfredo Davis Patterson, Masangni Cooperative, a member of the Education and Promotion Commission and Coordinator of Community Business Development and Organisation, personal comment.
- 13 Jaime López, a member of Red Probidad, personal comment.
- 14 Héctor Ramos, President of the Forest Chamber in Nicaragua, personal comment. The full report is at [http://www.globalwitness.org/media\\_library\\_get.php?id=388](http://www.globalwitness.org/media_library_get.php?id=388).
- 15 See <http://www.globalwitness.org/pages/en/nicaragua.html> for further details and access to all published reports.
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