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Review of Ecuador's National Programme Document submitted to the 6th UN-REDD Policy Board Meeting

Da Lat, Viet Nam, March 2011

This assessment examines the National Programme Document (NPD) of Ecuador, the only NPD due to be considered at the 6th UN-REDD Policy Board meeting in Da Lat, Viet Nam (21–22 March 2011).¹

The Annex contains the detailed analysis of the proposal submitted by Ecuador, with respect to:

- 1) how the document addresses illegality, corruption and law enforcement issues;
- 2) the system proposed to monitor governance, and environmental and social impacts;
- 3) how fiscal transparency has been addressed; and
- 4) stakeholders' participation in the implementation of the national REDD+ programme and in proposed monitoring activities.

General Observations

The lack of a clear template for organizing National Programme Documents (NPDs) is resulting in inconsistency across NPDs and makes it difficult to undertake empirical assessments or draw clear comparisons between the NPDs submitted thus far. It is even more difficult to make comparisons between NPDs and the Readiness Preparation Proposals (R-PPs) under consideration by the FCFP, which use a clear and comprehensive template, although the Ecuador NPD has attempted to cross-reference the relevant Components of the R-PP template. Further, the short timeframe for public review of the documents – NPDs are posted on the Programme website 10 working days prior to the Policy Board meeting at which they will be reviewed – provides little time for international organizations (or national organizations that were not previously involved) and Policy Board members to analyse the proposal and coordinate inputs from various sources. These issues need to be resolved before new NPDs are drafted to better facilitate effective review of the proposals. In particular, meaningful participation requires that all stakeholders have sufficient time to review and comment on documents.

¹ The Ecuador NPD is available at <http://un-redd.org/PolicyBoard/6thPolicyBoard/tabid/6893/Default.aspx>

Key Findings

Overall, the NPD from Ecuador contains only limited discussion of the role of illegality, corruption, and weak law enforcement in driving or facilitating deforestation and forest degradation. For example, the proposal does not address the need to coordinate law enforcement efforts with neighbouring countries, despite significant illegal trade in forest products across the borders with Colombia and Peru.

In discussing issues in the forest sector, the NPD does however acknowledge that a large informal timber market exists, leading to an underestimation of the real contribution the sector makes to the country's economy. The NPD also acknowledges the lack of clarity surrounding land tenure, and states that this facilitates illegal logging.

While the proposal refers to a "Forest Governance Model" that includes as an objective the strengthening of forest law enforcement and compliance standards, further details are required on what reforms are proposed, how they will be incorporated into the REDD+ strategy, and the institutional arrangements required to ensure implementation in a transparent and effective manner.

The mechanism for achieving fiscal transparency is not adequately addressed although the NPD proposal discusses the basic elements of a system for benefit distribution that will be transparent and subject to independent oversight.

Civil society in Ecuador has expressed concern to Global Witness about the difficulty in accessing information from the Government and the general lack of transparency around decision-making in the forestry sector. The NPD does not address this issue or propose a mechanism that might ensure public access to information in the future.

The proposal considers participation of stakeholders in the design and implementation of the REDD+ process essential, especially with regard to the indigenous population and forest owners. However, there needs to be more clarity on how this is to be achieved. Experience from previous dialogue processes in Ecuador has revealed that the lack of clear rules for participation has resulted in those processes failing to achieve consensus.

While the proposal does recognise the importance of systems for monitoring governance social and environmental impacts, and fiscal mechanisms, little detail is given in the proposal about what these systems would look like, how different monitoring and information systems could be integrated, and in some cases the role of civil society in monitoring and oversight.

Our findings continue to demonstrate the need for more guidance and support on non-carbon monitoring as early as possible during the "REDD+ readiness" process to enable the development of credible monitoring systems that can provide feedback to improve the design of REDD strategies and provide information on how safeguards are being applied.

Background: the critical role of non-carbon monitoring

A comprehensive monitoring system is an essential part of the "learning by doing" approach to REDD+ readiness. Without regular feedback on the implementation and impacts of

readiness activities, it will not be possible to refine the design of programmes or clearly and meaningfully link activities to impacts, whether positive or negative.

Further, many of the readiness activities required to lay the groundwork for successful national REDD+ programmes will be carried out before any measurable emissions reductions will occur. Such activities cannot, therefore, be directly (or even indirectly) correlated with emissions reductions, although they are fundamental to ensuring that real and lasting emissions reductions are possible. In other words, carbon MRV is not sufficient for monitoring or assessing the outputs of interim REDD+ financing in a way that can usefully feedback into the design and assessment of REDD+ strategies.

In the longer term, the compliance of REDD+ activities with the governance, social and environmental safeguards that were established under the United Nations Framework Convention on Climate Change (UNFCCC) in Cancun, will require the collection of more than just data on carbon. This has been recognised through the inclusion of a provision requiring countries to develop a system for providing information on how the governance, social and environmental safeguards elaborated in the Cancun Agreement are being addressed and respected throughout REDD+ implementation.² The UNFCCC decision requires that the REDD+ activities should be carried out “in accordance” with the following safeguards *inter alia* that are to be “promoted and supported” by developing countries:

- “Actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements”, i.e. policy coherence.
- “Transparent and effective national governance structures, taking into account national legislation and sovereignty.”
- “Full and effective participation of relevant stakeholders, including, in particular, indigenous peoples and local communities [in the design and implementation of key elements of a national REDD+ strategy].”
- “Actions that are consistent with the conservation of natural forests and biological diversity” and “enhance other social and environmental benefits.”

In addition to demonstrating compliance with these safeguards, monitoring provides the opportunity to build trust between stakeholders by increasing transparency, inclusiveness and participation in the design, implementation and review of readiness activities. Independent monitoring plays an important role in this by engaging relevant stakeholders, including representatives from civil society, indigenous peoples and local communities, and providing external oversight and verification at national level of implementation and impacts of REDD+ strategies.

² Paragraph 71(d) of Decision 1/CP.16, FCCC/CP/2010/7/Add.1 (the ‘Cancun Agreement’). Available at http://unfccc.int/files/meetings/cop_16/application/pdf/cop16_lca.pdf

Annex
Assessment of Ecuador's NPD

Ecuador
Illegality, Corruption and Law Enforcement
<i>Does the proposal adequately describe the role of weak law enforcement, illegality and corruption in driving deforestation and forest degradation?</i>
<p>Overall, the proposal contains minimal discussion of the role of weak law enforcement, illegality or corruption in driving deforestation and forest degradation. The complexity of the drivers of deforestation is acknowledged in the NDP. The Ministry of Environment of Ecuador (MAE) plans to update the relevant information on this issue as part of the implementation of REDD+ (para. 169 in the Spanish version, para. 168 in the English version). <i>It is recommended that this process include an assessment of the roles that weak law enforcement, illegality and corruption play in driving deforestation and forest degradation.</i></p> <p>The document mentions the impacts and importance of illegal activities in the forest sector briefly at several points. In particular, there is acknowledgement that a large informal timber market is not taken into account in economic analyses about the contribution the forest sector makes to the country's economy (para. 10 & 12 in both languages), leading to an underestimation of the real contribution of the sector.</p> <p>The NPD states that lack of clarity around land tenure is an underlying cause of illegal logging and driver of forest loss (para 195 in the Spanish version, para. 194 in the English version). The document does a good job of emphasising the importance of addressing land tenure issues as part of its REDD+ strategy (see for example, paras. 68 – 77 in both languages).</p> <p>Ineffective law enforcement in the forestry sector and resulting illegal logging is listed in Table 10 as a potential risk to implementation of the National Programme, with increased capacity and a review of tools for forest monitoring given as mitigation actions. There are also some references to the limited capacity the government has to enforce the law (para. 176 in the Spanish version, para. 175 in the English version) and the need to improve coordination (para. 178 in the Spanish version, para. 177 in the English version).</p> <p><i>There is currently no mention in the NPD of the risk of corruption to the implementation of REDD+. This needs to be addressed.</i></p>
<i>Does the proposal identify the primary actors involved in illegal activities and the relevant law enforcement agencies?</i>
<p>The NPD references illegal logging and the informal market in several places but does not associate them with specific actors. The proposal identifies lack of clarity on land tenure as an underlying driver of deforestation but does not identify specific actors (para. 195 in the Spanish version, para. 194 in the English version) but again does not elaborate on specific actors.</p>

Table 10 identifies the Ministry of Environment of Ecuador (MAE) and the National Directorate of Forests as having responsibility for forest law enforcement. *The proposal should also identify the actors involved in enforcement outside of the forest sector in the context of REDD+ implementation.*

What measures are proposed to address weak law enforcement?

The NPD highlights the development of a Forest Governance Model by the Ministry of Environment of Ecuador. This model is based on 6 objectives, one of which (Objective 3) focuses on the strengthening of forestry law enforcement and compliance standards through effective control of illegal forest activities (para. 16 & 96 in both languages).

The NPD mentions the establishment of an Environmental Superintendent (“Superintendencia Ambiental”) (para. 50 in both languages) but states that the powers of the Superintendent are yet to be defined. Of particular concern is the NPD’s failure to mention the role the Environmental Superintendent will play in the Forest Governance Model developed by the MAE. This is necessary to ensure the Superintendent can, with sufficient independence, address weak enforcement, or poor control, regulatory and permit allocation functions being carried out by MAE.

A new Programme, Socio Bosque, was established within the framework of the Model in 2008 with the aim to protect four million hectares of forests. This is regarded as a complement to “traditional measures of forest control” (para.144-148 in both languages). *The document could include further detail about if and how Socio Bosque and the REDD+ strategy will complement each other.*

Is there an assessment of institutional capacity to strengthen law enforcement?

The NPD provides for an extensive description of the current forestry related laws, policies, plans, mechanisms and models currently in place in Ecuador. *Furthermore, the proposal cites the need to strengthen law enforcement, for example as one of the objectives of the Forest Governance Model referenced in the previous question, but needs to assess the institutional capacity to address this objective.*

The proposal briefly describes a forest control project implemented by the National Directorate of Forests intended to address illegal logging (para. 21 in Spanish and English versions) but fails to provide any assessment of the project’s success or describe its current status. It is stated, however, that the budget of the program would need to be increased by 4-fold to function at the national level. *The inclusion of an assessment of the outcomes of this program, along with potential lessons for the design of innovative forest law enforcement programs in the future, is recommended.*

Does the proposal recognise the importance of regional cooperation in tackling these issues?

The proposal makes no mention of illegal trans-boundary trade in forest related products and, consequently, does not recognise the importance of regional cooperation or the need to coordinate law enforcement efforts with neighbouring countries, despite the existence of large volumes of illegal trade across the borders with Colombia and Peru. *The NPD should include a discussion of this issue.*

Monitoring System
<i>How does the proposal suggest that governance be monitored and assessed?</i>
<p>A system to monitor the effectiveness of stakeholder engagement and participatory governance is proposed as Output 2.3. The REDD+ Social & Environmental Standards overseen by CARE/CCBA and guidelines being developed by the UN-REDD Programme will inform the development of the system, which will include an accountability mechanism (para. 247 in Spanish, para. 246 in English). Activity 2.3.3 provides for the periodic evaluation of the engagement and governance process (para. 250 in the Spanish version, para. 249 in the English version). A strong participatory approach is described. However, <i>a governance monitoring system, as proposed in Output 2.3, should go beyond indicators of effective stakeholder participation to look at other key elements of governance.</i></p>
<i>How is it proposed that the environmental and social impacts of proposed actions be monitored and assessed?</i>
<p>The NPD states that the implementation of REDD+ standards in Ecuador guarantees the effectiveness of the social and environmental benefits derived from a REDD+ mechanism (para. 167 in Spanish, para. 166 in English). The NPD provides that co-benefits are to be monitored as part of an MRV system in line with “compliance standards” (although these standards are not clarified) (para. 167 in Spanish version and para. 166 in English).</p> <p>In addition, Activity 2.3 of Outcome 2 of the proposed National Joint Programme affirms that REDD+ Social and Environmental Standards as well as guidelines developed by the UN-REDD Programme will be taken into account in the definition of the monitoring system (para. 247 in the Spanish version, para. 246 in the English version).</p> <p>Outcome 5 “Multiple Environmental and Social Benefits are Guaranteed”, includes the objective of establishing a monitoring system for multiple benefits (see Monitoring Framework table, page 80 in the Spanish version, page 82 in the English version). The proposal states that Ecuador seeks to implement a “high quality” REDD+ mechanism which contributes to the promotion of social and environmental benefits (para. 269 in both languages). The output seeks, through Output 5.1, to define mechanisms to measure and monitor these benefits and aims to supplement efforts already launched by Ecuador through the “REDD+ Social and Environmental Standards” (para. 270 – 273 in both languages).</p> <p>The proposal also notes the Sustainable Development Strategy in Ecuador, which lists, as one of its objectives the reduction of negative environmental and social impacts. The NPD states that there are verifiable indicators for each of these criteria which will be used to create an effective strategy (para. 94 in both languages).</p>
<i>Does the proposal address the need to establish a monitoring system that includes independent monitoring, assessment and review of REDD+ implementation, and involves civil society in oversight?</i>
<p>The NPD describes a REDD+ tracking and monitoring module in Output 4.1 that will be part of a national registration system for Climate Change mitigation activities, including REDD+ . The NPD states that it is necessary to consider carrying out independent monitoring</p>

processes such as field visits and project evaluations as part of the tracking and monitoring process (starting with para. 265 in Spanish, para. 264 in English).

The multiple benefits monitoring system discussed in Outcome 5 does not identify the stakeholders that will be involved in implementation or oversight of the system.

Outcome 6, which focuses on the design and implementation of a benefits distribution system, proposes the creation of a specific independent body to ensure transparency (para. 279 in both languages). It is not clear whether or how this body will be linked to the independent monitoring processes mentioned above.

Overall, although the NPD acknowledges the need to include independent monitoring of some processes, there is little detail on how independence will be ensured and what role civil society will play in implementation or oversight.

It should be noted that the Socio Bosque programme does not include any independent monitoring mechanism. Establishing one would support increased transparency, credibility, trust-building and participation from all stakeholders, and improve the information available from which to draw conclusions about the effectiveness of the program and aspects that require improvement.

Fiscal Transparency

Does the proposal address the need to assess and improve levels of fiscal transparency?

The NPD does not discuss a mechanism to ensure transparent management of REDD+ funds at the national level, although an independent body is proposed to ensure transparency in the benefit distribution system (para. 279 in both documents).

Stakeholder Participation

Does the proposal address the need for stakeholder participation in the design and implementation stages?

The NDP frequently acknowledges the need for participation of stakeholders in the design and implementation of the REDD+ process. In the section entitled “Stakeholder Analysis”, efforts to identify the relevant stakeholders directly related to the implementation of a REDD+ mechanism are described (para. 110 in both languages). Furthermore, the Stakeholder Analysis section provides an in-depth assessment of which stakeholders are to be included in the REDD+ process, including REDD+ implementation, and proposes modalities for current and future participation (paras. 110 – 138 in both versions).

The NPD also highlights the Forest Policy, which is composed of a number of objectives and strategies which must be implemented through flexible, coherent and viable action instruments. One of the goals of the Forest Policy is to ensure the participation of local communities and indigenous groups in the decision making process and in the planning, implementation and monitoring of forestry programmes (para. 81 in both languages).

The section titled “lessons learned” the proposal states that effective involvement of civil society is necessary to implement a REDD+ mechanism. The participation of civil society is

described as essential to the design and implementation of the National REDD+ Strategy, especially with regard to the indigenous population and forest owners (para. 195 in the Spanish version, para. 194 in the English version).

Moreover, within the table which includes the Monitoring Framework of the NPD, Outcome 2 is cited as being the development of a process of consultation and involvement of relevant stakeholders in the implementation of REDD+ at the national level. There is no clarity, however, about the methodology to achieve stakeholder participation. Experience from previous dialogue processes in Ecuador has revealed that lack of clear rules for participation has resulted in those processes failing to achieve consensus.

London Office:
Global Witness
6th floor, Buchanan House
30 Holborn
London EC1N 2HS
Tel: +44 (0) 20 7492 5820
Fax: +44 (0) 020 7492 5821
Email: mail@globalwitness.org

US Office:
Global Witness
529 14th St., NW
Suite 1085
Washington DC 20045
Tel: +1 202 621 6665
www.globalwitness.org