



Evaluation of the EC-supported project

PRO-FORMAL: Policy and Regulatory Options to recognise and better integrate the domestic timber sector in tropical countries

EuropeAid/ENV/2010/2429084/TPS

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Final Evaluation Report

Evaluation of the EC-supported project:

**PRO-FORMAL: Policy and Regulatory Options
to recognise and better intergrate the domestic
timber sector in tropical countries**

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The text presents references to Annexes that are not contained within this document.
The Annexes are available at www.cifor.org/pro-formal/evaluation_annexes.pdf.

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Executive Summary

This report presents an evaluation of the PRO-FORMAL project. This was implemented by CIFOR and 80% financed by the European Union as a 'Contribution Agreement with an International Organisation'. Co-funding was provided from CIFOR's own resources. The project was conceived as a response to scoping work undertaken by CIFOR, mainly in Cameroon. This gave a strong indication that national policies in some of the main tropical timber producer countries might not be responding adequately to the recent growth of the domestic timber sector, which could well operate on a scale comparable to the export industry, and offer greater employment opportunities. The legislation for the domestic sector was often inadequate, and the effects on the forest condition little understood. To the extent that these weaknesses were able to be confirmed, then significant risks would be posed for the implementation of the EU's FLEGT programme, especially the Voluntary Partnership Agreements which it was in process of negotiating with several producer countries.

The design of the project was agreed between the Commission and CIFOR, and covered five countries at various stages of negotiation of VPA agreements. These were Cameroon, Democratic Republic of Congo, Ecuador, Gabon and Indonesia. The project was built around eight work packages, and had both analytical and policy-oriented objectives: namely, to understand the scope and scale of the domestic markets in these countries and to assess the different management practices associated with them; to describe the wider institutional, technical and social environment in which they operated; to assess the risks associated with formalisation of the sector and the livelihood options arising; to identify lessons learnt and policy and associated options for reform, with particular reference to the interests of DEVCO. The project also aimed to build research and administrative capacity, and to ensure effective outreach and dissemination of its findings.

The present evaluation was commissioned by CIFOR, and asked to assess the relevance, effectiveness and efficiency of the work packages and

to review the quality of the science produced to date, as well as the partnership strategy and stakeholder engagement. The evaluation team comprised two members, both with long experience of the sector and of the EU FLEGT programme.

PRO-FORMAL was a demanding initiative. The research was pursued in five countries with very disparate circumstances. It investigated a sector about which surprisingly little was known but many assumptions made. Reflecting the aims of the FLEGT programme, the project objectives were broad and ambitious, and not necessarily fully reconcilable. A difficult governance environment in most cases increased the challenges both for the execution of the research and the identification of workable policy outcomes. Practicable solutions were not easy to find, and many of the more obvious proposals were infeasible within the scope of the project.

Overall, the evaluation is very positive. In little over three years, PRO-FORMAL has undertaken high-quality (indeed, in some cases, ground-breaking) research which is universally recognised in the target countries as authoritative. The majority of the outputs have been delivered, and to a high standard. Strong partnerships have been built, both among the research partners and within the policy communities in the five countries. The project has been particularly strong on targeting important actors who would not normally have a voice in public policy. Stakeholder engagement has been widespread and effective, though carefully managed to protect the credibility of CIFOR's research. CIFOR's concern to safeguard its position as an independent research organisation may have limited the appeal of the project in some quarters, but the evaluators are satisfied that this was appropriate both to the character of the organisation and the particular tasks in hand.

Project communications have been effective to a large extent. Great energy has been applied to identifying policy-relevant messages and seeking pathways for their uptake among diverse actors in varying national environments. The range and volume of project

publications is impressive (indeed exceptional, given the time frame), and provides an important corpus on which other policy researchers might draw. Interesting work has been commissioned on pathways to, and risks of, formalisation in other comparable sectors.

PRO-FORMAL has been rather less effective than had been hoped in terms of the uptake of its findings into public policy, but this was largely a problem of context and not lack of effort on the project's part. The context for progressing FLEGT reforms is universally difficult in the tropics, and particularly so as regards the domestic sector of the major producer economies. Some successes have been recorded nevertheless, particularly as regards overall awareness of the size and importance of the domestic sector and specific inputs into national policies.

The evaluators do feel, however, that not enough account was taken of the specific intentions of the funding agreement, and that rather more could have been done to address the policy needs of some of the partners. A more effective communications strategy might have better served their needs, provided more timely and accessible material for policy professionals,

NGOs and other non-academic actors, and have fed more readily into FLEGT programme development elsewhere. Equally importantly, it might also have had beneficial effects on the ways in which the project itself conceived of its brief and delivered its findings, ensuring a positive orientation and helping the outputs to be better attuned to the partners' interests. Such outputs include briefer and more succinct case studies (both country case studies and thematic studies); outputs focused on key questions that decision-makers were likely to have to address; and, in general, simpler publications to break up and decompose complex presentations and arguments and make them more accessible to non-academic (though still problem-oriented) partners.

The project's achievements are important, however, and the increments to change are only at the margins, though possibly significant.

The evaluation sets out its views on communications strategy in detail, and concludes by reviewing some of the management issues arising from the evaluation which might be taken into account by both CIFOR and the EC in future projects of this type.

List of Acronyms

| | |
|-----------|---|
| ACIAR | Australian Centre for International Agricultural Research |
| AFD | <i>L'Agence Française de Développement</i> |
| ANCOVA | <i>Association des vendeurs de bois</i> (Cameroon) |
| CCPM | Consultation Circle for Partners of/ <i>Cercle de Concertation pour les partenaires de</i> MINFOF/ MINEP |
| CGIAR | Consultative Group on International Agricultural Research |
| CIFOR | Centre for International Forestry Research |
| DEVCO | Directorate-General for Development and Cooperation - EuropeAid |
| DFID | Department for International Development (UK) |
| DGIS | Directorate-General for International Cooperation (Netherlands) |
| DRC | Democratic Republic of the Congo |
| EC | European Commission |
| EU | European Union |
| FESP | Forest and Environment Sector Programme, Cameroon ('PSFE' in French) |
| FLEGT | Forest Law Enforcement, Governance and Trade |
| FODER | Cameroon NGO active in the Forest Sector |
| IASC | International Association for the Study of the Commons |
| IPB | Bogor Agricultural University (<i>Institut Pertanian Bogor</i>) |
| IUCN | World Conservation Union |
| IUFRO | International Union of Forestry Research Organisations |
| KfW | German Government Development Bank (<i>Kreditanstalt für Wiederaufbau</i>) |
| MINFOF | Ministry of Forests and Fauna, Cameroon (formerly MINEF) |
| MFP | Multi-stakeholder Forest Programme (Indonesia, DFID-funded) |
| NGO | Non-governmental Organisation |
| OFAC | <i>Observatoire des forêts d'Afrique centrale</i> (COMIFAC) |
| OVI | Objectively verifiable indicator |
| PCA | <i>Permis de coupe artisanale</i> (DRC) |
| PEBO | <i>permis d'exploitation de bois d'oeuvre</i> (Cameroon) |
| REPAR | Parliamentary Network for Forests in Central Africa |
| ROM | 'Research Oriented Monitoring' review system (EC-EuropeAid) |
| SME | Small and Medium Enterprise |
| SVLK | Timber Legality Assurance System, Indonesia (<i>Sistem Verifikasi Legalitas Kayu</i>) |
| TLAS | Timber legality assurance system |
| TROPENBOS | Tropenbos International (Netherlands forestry research NGO) |
| VPA | Voluntary Partnership Agreement |

1. Introduction

The project 'PRO-FORMAL: Policy and Regulatory Options to recognise and better integrate the domestic timber sector in tropical countries' has been implemented by CIFOR in five countries, 80% of the funding being provided by the European Commission, as a 'Contribution Agreement with an International Organisation'. The action was classed as 'multi-donor', with the complementary finance (20%) being provided from CIFOR funds.

1.1 Project Description

The background to the project is the EU FLEGT process which, in line with the EU Action Plan (2005), aims to control the import of illegal timber into the EU while also improving forest governance and safeguarding the welfare of the forest-dependent poor. The PRO-FORMAL initiative followed a recognition that national forest policies in many of the major producer countries had not given adequate recognition to the importance of their domestic and local cross-border markets. These had often been regarded as of marginal importance compared to industrial production focused on the major export markets, including the EU, although information to substantiate this assumption was usually lacking. To the extent that such views were mistaken, then this could have had implications for the negotiation and implementation of the Voluntary Partnership Agreements (VPAs) through which the EU was hoping to both negotiate the supply of legal timber on European markets and promote wider governance reforms.

By 2009-10, scoping work undertaken by CIFOR in Cameroon (initially, with the organisation's own seed money, and then with a short-term grant from the Netherlands Government) had given a strong indication that the size of the domestic market might well be much greater than had previously been assumed. This led the EU to take up the challenge put to it by CIFOR, and propose a more substantial follow-up project, with wider country coverage and a strong focus on the policy messages that would be needed to redress the balance in VPA negotiations. Five countries were selected for further study (Cameroon, Democratic Republic of Congo,

Ecuador, Gabon and Indonesia), the selection being made by the EU and CIFOR jointly on a variety of geographical and FLEGT-related criteria.

In summary, the project was conceived as a piece of adaptive policy research closely linked to EU FLEGT interests. The underlying rationale was to investigate domestic markets in the five producer countries with a view to improving their integration in national forest policies and the VPAs which were at varying levels of negotiation between the EU and national governments.

1.2 Context of the research

The PRO-FORMAL project was a challenging initiative in a number of respects.

First, the project examined a sub-sector about which many assumptions had been made but precious little hard data had existed hitherto. It sought both to generate information about the functioning of the sub-sector, its dynamics and scale, and also to feed into sensitive and on-going policy developments (particularly the VPAs).

Second, these objectives were to be pursued in five countries with very diverse circumstances. While representing an interesting spectrum of potential VPA partners, these were highly variable in both the scales and structures of their forest economies. These differences related to the forms of ownership (state vs. private tenure), often cross-cut by types of forest cover (natural vs. plantation forest), as well as other influences affecting the integration of forests into the national economy (organisation, size and social characteristics of timber markets, livelihoods issues, levels of regional economic integration, population distribution and densities in rural areas, relationships with other sectors such as agriculture and tourism).

Third, the project's objectives were broad and ambitious. In line with the aims of the EU FLEGT Action Plan, they included fostering good governance, legality, livelihood security and improved forest management in disparate tropical countries,

whilst also producing policy-relevant options for the enhanced regulation and integration of the domestic sector in the formal economy. The compatibility of these objectives cannot be assumed; indeed, they could well be in conflict to varying degrees. This is most evidently the case regarding the linkages between formalisation of rules of access, livelihoods enhancement and poverty alleviation. Interesting questions were also raised concerning the relationship between increased regulation of timber markets and the overall structure of the economy.

Fourth, the forest sector in the tropics is well-known for its often difficult governance environment. In terms of policy outcomes, there was a risk that project recommendations would merely increase opportunities for ‘rent seeking behaviour’ with no beneficial effects on either livelihoods or forest condition. And methodologically, poor governance added to the challenges of generating sound information, necessitating heavy investments of time and effort in building good relations with numerous, and often ideologically polarised, stakeholders.

All in all, therefore, both the generation of reliable information about the functioning of a sensitive sub-sector and the formulation of practicable and well-targeted policy recommendations were likely to be far from straightforward exercises, and linking the two together presented a major challenge.

1.2.1 The national FLEGT contexts

A variety of national factors have influenced project implementation. These include the state of play on VPA negotiations in each country, as well as the institutional arrangements to pursue FLEGT matters and the wider legal context for forest management.

Two countries in the sample, Cameroon and Indonesia, were among the partners which chose to include regulation of their domestic markets in their VPAs. Cameroon signed and ratified its VPA agreement in May 2009 and October 2010, respectively; Indonesia in May 2011 and September 2013. Negotiations with Gabon and DRC commenced in September and October, 2010, respectively (but VPA agreements have still not yet been signed), while Ecuador was at the ‘information stage’ at the start of project.

In the case of Cameroon, the fact that the VPA was signed a month prior to commencement of the

research meant that the project had to work within a framework which was non-negotiable to a significant extent. With respect to Gabon and Ecuador, levels of interest in VPA implementation on the part of the producer governments declined significantly during the period of project implementation. Ecuador is now regarded as most unlikely to sign. Following a change of Minister of Forests in Gabon, a new roadmap is in place with the EU to define a FLEGT strategy.

1.3 The evaluation

The present evaluation was commissioned *post-hoc*, following completion of the initial PRO-FORMAL contract (June 2010-June 2013) and a no-cost extension (July-December, 2013). The Terms of Reference for the evaluation are included with this report as [Annex I](#)¹.

1.3.1 Purposes of the evaluation

The main purposes of the evaluation were three-fold: namely, to assess the *relevance* of the initiative, the *effectiveness* of its activities and the *efficiency* of delivery.

Additional factors earmarked for consideration included:

- The quality of the science produced by the project
- The institutional arrangements and partnership strategy for its implementation
- The quality and inclusiveness of stakeholder engagement

The evaluation was asked to address issues of follow-up, though only in a general sense (lesson learning for future project design and planning by both funder and implementing agencies), and not with a view to firming up any agreed or probable second phase.

1.3.2 Research methodology

The two evaluators were contracted for 35 and 32 days, respectively, in the period February 2013-April 2014. This was to include:

- Visits to Brussels (two by one evaluator, at start and end of contract, and one by the co-evaluator, to present the joint report);

¹ The text presents references to Annexes that are not contained within this document. The Annexes are available at www.cifor.org/pro-formal/evaluation_annexes.pdf.

- One week visit to Cameroon (supported by further work of the co-evaluator, who was Cameroon-based);
- One week visit to Indonesia by both evaluators (with no potential for direct in-country follow-up);
- Feedback from project staff and partners in the three remaining countries; contacts were shared between the evaluators (most of those in DRC and Gabon were undertaken by Dr. Fometé; those for Ecuador by Dr. Brown).
- The Indonesia visit also provided an opportunity for both researchers to be briefed by the Ecuador research leader, who was based in CIFOR HQ.

The evaluation was inevitably constrained by the short time-frame, and the methodology was devised accordingly. The core elements were:

- Desk-based study of existing PRO-FORMAL documentation (technical progress reports, publications, policy briefs, etc.), complemented by telephone conferences with project staff.
- Desk-based study of other applied research initiatives in cognate areas.
- Field visits to Cameroon and Indonesia.
- Telephone and face-to-face interviews with past and present donor personnel, project staff and other interested parties, and (in one case) an online questionnaire.

Organisation of field visits followed a common pattern in which project staff were invited to propose a schedule, and the evaluators then responded with their own suggestions, queries and requests for change. This approach appeared to work well, and the evaluators are satisfied that, even within the tight time-frames available, they interviewed an adequate range of project partners and beneficiaries, and that there was no significant positive bias in the samples interviewed.

In Cameroon and Indonesia, interviews with external partners also followed a common pattern in which members of the core PRO-FORMAL team accompanied the evaluators to the meetings, taking time to introduce them and place the evaluation in context. At an appropriate moment in each interview, the project staff were invited to withdraw, and an opportunity was provided to the interviewee to provide candid feedback to the evaluators. This approach was felt to be effective; accompaniment by project members helped focus the discussions

(some of the interviewees commented that they had received numerous evaluation visits in the recent past, from diverse project holders), and the confidential section of the interviews put pressure on the interviewees to provide a rounded view of the project. There was something of a negative bias in the latter, but, without exception, informants appeared serious-minded and fair, striving to give a balanced assessment of the project's performance. Such a negative bias, if it did exist, would anyway have compensated for any positive bias which derived from team members accompanying the evaluators in the early stages of each interview.

Each country tour was concluded with a debriefing meeting with project staff.

In DRC and Gabon, a number of stakeholders were selected by the evaluators from a short list proposed by the project team, the selection being made on the basis of the type and level of involvement with PRO-FORMAL activities. An introductory email was sent by the CIFOR lead researcher, and most of those contacted indicated their willingness to participate. In the event, about ten persons in each country were subsequently available for telephone interview. Those who replied provided in-depth responses on the context, issues in the domestic market and the contribution of the CIFOR research.

In the case of Ecuador, the fact that the evaluator was not Spanish-speaking was something of a constraint. Following review with the country team, a short questionnaire was prepared by the evaluators, and this was translated into Spanish and posted online as an interactive website by one of the CIFOR team (see [Annex IV](#)). Five interviewees were selected, and these were contacted individually by CIFOR-Ecuador, and invited to respond online. In the event, three did so (respectively, a senior government official, an academic and a forestry consultant), and all responded in some detail. Though obviously not a large sample, the responses were felt to be useful and illuminating, and satisfactory for the task at hand.

Both evaluators had long experience of the forestry sector, particularly in Central Africa, having worked on cognate issues for 20 years or more, as applied policy researchers and donor representatives. To this extent, there may have been something of a Central African bias in the review. Both also had experience of FLEGT and the EU Action Plan, and both had been grant-holders under a previous FLEGT-focused budget line.

2. Project Achievements

2.1 Overall Assessment

To summarise, the evaluation draws the following conclusions:

1. As regards *Relevance*, PRO-FORMAL's objectives were fully supportive of the FLEGT process, and an important contribution to ensuring the embeddedness of the VPA agreements in the countries in question.
2. As regards *Effectiveness*, the specific objective and most of the expected results have been attained.
 - a) *The Specific Objective* of providing policy-relevant options to better regulate and integrate the domestic sector into the formal economy, secure the livelihoods of forest-dependent people and promote the adoption of improved management practices has been partly attained. Attainment has been somewhat uneven, depending on national circumstances, varying from substantial (Cameroon) to partial (Indonesia, DRC). In all cases, however – though for diverse reasons to be laid out in the report below – a difficult policy environment has limited the extent to which the project's recommendations have been taken up into public policy.
 - b) As regards *Expected Results*:
 - i. *R-1 - Knowledge generation and learning*: has been attained at a high level. The target output (five case studies and comparative analysis of domestic timber production) has been substantially exceeded. For Cameroon alone, for example, high quality outputs have included papers in *Society and Natural Resources*, 26 (2013); *Small-scale Forestry*, 12 (2013); and *CIFOR Occasional Paper*, 59 (2011). For Indonesia, out puts have included papers in *Forest Policy and Economics* (2013); *Environmental Policy and Governance*, (2013: under review), *CIFOR Working Paper* (in press). For Ecuador, the main output has been a detailed CIFOR Occasional Paper (97, 2013). For DRC and Gabon the main outputs have been two occasional papers – Gabon No.63 (2011), and DRC (in press, February, 2014).²
 - ii. The five contracted papers dealing with policy approaches in non-timber sector experiences have been delivered, and a synthesis paper is under review. The replicability of these approaches in the domestic timber sector has been examined (outputs have included a synthesis video presentation), though more work remains to be done in this area. The interactive models of domestic timber sectors that was meant to be constructed for each study country have not been prepared, except in the case of Indonesia.
 - iii. *R-2 - Development of policy options*: has been partly (in some cases, substantially) achieved, though with some variation across the group (Cameroon being the most successful). In addition to the national studies and comparative analyses referred to above, a number of policy briefs and papers has been produced, including a submission to the Government of Cameroon, as a direct contribution to the development of the new Forest Law (Tsanga *et al*, 2011), and a briefing paper for DEVCO (2014). Additional policy briefs are in preparation.
 - iv. *R-3 - Outreach, dissemination and capacity-building*: has been partly achieved. The project has: contributed significantly to the advance of scientific understanding of internal markets in the producer states; produced an

2 A working paper (No 131) on the domestic market in the Central African Republic was also produced, though this was independently funded (by AFD). Similarly, an Occasional Paper on chainsaw logging in the Republic of Congo (N° 74) was published in 2011 with OFAC funding.

impressive array of policy-relevant and innovative outputs; helped to build national capacities through its university training programme and more generally (through partnership arrangements, sub-contracting through NGOs, etc.). The evaluation has some reservations about other aspects of project dissemination, however, particularly as regards the information needs of the funding agency.

The project has been involved in supporting Bachelor's students (8 in Ecuador; 2 in Indonesia); Masters' students (6 in Cameroon, 1 in DRC and 1 in Gabon; 1 in Ecuador, 4 in Indonesia); Doctoral students: 1 in Cam, 1 in RC, 1 in DRC. Partnerships have also been established with research students in Europe: 4 at Masters' level (respectively, 2 in Germany, and one each in Belgium and the Netherlands), and 2 at PhD level (in Germany and the USA).

- v. *R-4: Project management:* the project has been well-managed, despite having to work with diverse partners in a wide geographical spread of countries.

Assessing the *efficiency* of the project is hampered by its innovative nature and the paucity of competitors. The evaluators have examined the outline budget included in the contract document and discussed the sub-contracting process with local partners. Though the detailed financial information (expenditure data, etc.) was not assessed, no specific concerns were noted. The evaluators are satisfied that the project was well-managed and that it produced important work. It has also delivered a significant output of publications, in terms of both quantity and quality (See Para 3.2).

The *quality of the science produced by the project* was first-rate, and played a fundamental part in establishing the project's credibility, as well as its ability 'speak truth to power' on sensitive matters such as the corruption that was widespread, indeed systematic, in several of the forestry institutions. PRO-FORMAL was recognised as an authoritative research project in all the partner countries investigated. The value of the CIFOR methodology

was also appreciated, and this was viewed as a useful tool for the future.

As regards *institutional arrangements and partnership strategy for its implementation*, the project drew extensively on local expertise to achieve its objectives, and also sought to reinforce this through its capacity-building work. A feature of the delivery was the close relationships that were built up with actors along the informal wood chain, where strikingly high levels of mutual confidences were achieved. Heavy investments were also made in contacts with producer governments, and good relations were reported by all of these partners. Relations with the donor were less consistent, though this can be attributed in part to the cyclical nature of VPA development, and variability in contacts between Brussels and the producer state ministries. However, the evaluators do feel that rather more could have been done by the project to inform and reassure the donor as to its policy relevance.

As regards *the quality and inclusiveness of stakeholder engagement*, the PRO-FORMAL approach has differed somewhat from more conventional applied policy initiatives, for reasons relating to its research vocation and the need to maintain and protect its close relations with producer governments. Its relationships with NGOs have been mostly focused on information sharing. While lacking the obvious appeal of a more high-profile advocacy-oriented approach, the strategy is viewed by the evaluators as appropriate to the tasks in hand and, in the main, successfully delivered. Here again, the evaluators do feel that more could have been done to tailor some of the outputs to the needs of target groups. In the paragraphs that follow, these conclusions are filled out and substantiated.

2.2 Findings (by country)

Though PRO-FORMAL was a five-country initiative, its conception and design were largely conceived and road-tested in Cameroon. This was the first country in which the CIFOR team investigated the domestic and internal market, thanks initially to the CIFOR seed money and the follow-up short-term funding from DGIS, the Netherlands, in 2008 (effectively, these were a pilot phase of PRO-FORMAL). The work in Cameroon was very much the 'launching pad' for the study as a whole.

The original aim had been to develop a common methodology, drawing heavily on that already applied in Cameroon, with such adaptations as were necessary in the other national contexts, so as both to speed up research and improve comparability. This was a logical and well-considered strategy though, in the event, it proved difficult to implement across the whole sample, and some time was lost in discovering its limitations and devising alternatives. Domestic timber markets in two countries of the sample (Indonesia and Ecuador) operated very differently from those in central Africa. In both these cases, recourse was eventually made to national statistics and public data, which were generally superior to those in the three African cases. The change of approach appears to have been satisfactory in these two instances (though it was not an option in the others).

Preparation of interactive models for domestic timber market analysis had been proposed as a way to compare policy options both internally and across the sample. This also had to be abandoned, except in the case of Indonesia, due to the absence of sufficient data to populate the models.³ Instead, descriptive models were prepared, still with the aim of exploring the policy implications of regulation on the small-scale domestic sector.

The project will now be reviewed country by country, starting with Cameroon.

2.2.1 Country Report ~ Cameroon

The Project's research work in Cameroon has been of outstanding quality, and has been responsible in large measure for a major change in perception on the part of all the main actors in the country as to the relative importance of the export and local/domestic markets for timber. The project has played a leading role in:

- Demonstrating the importance of chainsaw logging sub-sector in the forest economy;
- Reformulating the conception of SMEs in the country, in a manner not taken into account in earlier discussions of their roles in the forest

economy ; effectively, recalibrating the notion of 'small-scale logging';

- Showing that illegality within the forest sector was not merely the result of numerous acts of lawlessness and indiscipline (this much was known), but rather a coherent and self-sustaining political economy which presented a systemic barrier to internal reform.

Prior to PRO-FORMAL, forest policy in Cameroon was almost entirely focused on exports, and the internal and sub-regional markets were believed to be small in scale, secondary and contingent. The main livelihoods focus in the forest zones was on community forestry, which was believed to have high potential for rural poverty alleviation. This situation was reflected in the almost complete absence of any references to the domestic market, aside from community forestry, in all the key policy documents (both forest sector, such as the 1994 Forest Law and Forest Code and broader development policy statements such as the PRSPs, and the wider literature⁴), until well into the 21st Century. In the period 1996-2006 (when both the evaluation consultants were working on forest policy in Cameroon, one mainly on behalf of DFID, the other on behalf of a number of donors and programmes), 'small-medium' enterprise was taken to be coterminous with semi-industrial enterprise⁵, with the sole exception of 'community forestry' (a legally-circumscribed sub-sector which was struggling to establish itself and which still remains peripheral). A number of factors changed this situation. Implementation of the 1994 Forest Law had led to major restructuring of the forest economy, consolidating the industrial operators but requiring changes in the organisation of production (such as locating processing facilities close to harvesting sites). Rapidly improving overseas markets increased the export orientation, and increasing investments in technology to reduce wastage in the industry. Price differentials between export and local markets widened. Medium-sized sawmills in centres such as Douala and Yaoundé, whose production had hitherto been largely sold on the local market, lost their competitiveness. Among the donors, the main

³ This change was agreed with the EC in April, 2013; the model for Indonesia has been prepared by the team in association with their partners at the University of Bogor, and (again, due to lack of data on a number of parameters) explores a limited number of scenarios associated with formalizing small-scale forestry enterprises in terms of employment and tax revenues.

⁴ See for example, Ansellam et al (2002) 'Status and Trends in Forest Management in Central Africa', Forest Management Working Paper #3, FAO, Rome.

⁵ This refers both to UFA (Unité Forestière d'Aménagement) and vente de coupe levels.

preoccupation was with the destinations of legal and sustainable timber exports. Important work was done on rooting out illegality in the export industry, and ensuring that the (often expatriate) industrial operators conformed to the demands of their external buyers.

The void created by the relentless focus of industrial producers on export markets, in a situation of reducing industrial production to satisfy the local market, was increasingly filled by small-scale chainsaw loggers which operated in a legal vacuum, primarily in the non-permanent forest estate, a zone subject to management rules but not to the need for sustainability. Thanks to the CIFOR research, this sector has been shown to operate at a level hitherto completely unacknowledged, on a scale comparable to the export industry (2.1 million m³) and providing employment far in excess of it (c. 45,000 jobs).

The importance of the CIFOR research has to be understood both in relation to the evolving structure of the industry, post the World Bank-induced changes of the mid-1990s, and the general lack of appreciation of the changing character of the local and sub-regional economies. Prior to the launch of the CIFOR research, there had been only a few pieces of work which had hinted at the growing size of these markets. The first, in 1999, was a contribution to the economic audit of the Ministry (at that time, 'MINEF'), by a consultancy firm, 'Institutions & Development'. This was followed by a more substantial internal study prepared by Plouvier et al in 2002, also on behalf of MINEF, as part of preparations for the multi-donor sectoral programme, the FESP.⁶ These were interesting contributions, though limited in scope and scale, and lacking the rigour and sophistication that CIFOR subsequently brought to bear in PRO-FORMAL. They mainly relied on quick urban surveys and focused on assessing the market for waste sawn wood from the industry. What the PRO-FORMAL study brought to the analysis was not only highly credible findings as to the scales of activity and production in the sub-sector, but also a level of scientific rigour that was accepted as incontestable by all the other actors

⁶ Plouvier, D., R. Eba'a Atyi, T. Fouda, R. Oyono & R. Djeukam. 2002. Étude du sous-secteur sciage artisanal au Cameroun. Yaoundé: Ministry of Environment and Forests.

working on forest policy. This scientific legitimacy has been of crucial importance, not only in terms of its direct impacts on understanding of the sector, but also because of the way in which – despite the often uncomfortable and sensitive nature of its findings (especially in quantifying the scale of corruption) – the project has been insulated from any risk of political retribution.

In summary, PRO-FORMAL has, in Cameroon, delivered:

- Rigorous quantification of the artisanal wood market, based on original and diligent research, advancing the state of knowledge very significantly from what had been previously known of the sector;
- High-quality information, recognised and respected by all parties in-country;
- A coherent approach to the advancement of policy options to improve the quality of the proposed legislation (forthcoming revision of the forestry law); reports of good uptake into the negotiation of the new forest law (though the actual text is not available for public consultation – see below, Para 3.1);
- A contribution to institutional development; for example, support to the *Association des vendeurs de bois* (ANCOVA) has helped to bring this class of actors into the policy arena;
- Opportunities for meetings and dialogue between a range of actors (government, donors, NGOs and civil society) have been provided by the project, and much appreciated by those in question;
- Good support to multistakeholder processes at local and national levels;

High-quality research was complemented by an energetic and resourceful approach to policy influencing at national level, with a well-formed strategy to target policy-makers. A wide variety of policy recommendations have been made, including:

- Promoting cooperation between and inclusion of small-scale operators, with a view to encouraging:
 - A common voice amongst small operators
 - Improved bargaining power
 - Economies to scale
- Promoting attempts to recognise customary rights in agro-forestry areas

- Improved tenure and tenure security
 - Increased access to the resource
 - Developing and advancing legal frameworks for small-scale operations (such as the *permis d'exploitation de bois d'oeuvre* (PEBOs))
 - Simplifying the regulations to make them more accessible to and cost-effective for small operators
 - Helping the forestry profession to respond more adequately to the realities of national production/ importance of very small-scale actors
 - Adopting innovative taxation schemes and incentives, to help small operators cope with the high costs of legal compliance and to encourage them to increase their processing capabilities
 - Using public procurement policies to promote the use of locally-produced legal timber
 - Supporting law enforcement and anti-corruption measures, without which it is unlikely that forest ministries will be willing to renounce their 'rent-seeking systems'
- Given prominence within the '*MINFOF & KfW 2013 Plan d'industrialisation du secteur bois*', being extensively referenced⁷
 - Included in VPA Implementation⁸, under Activity 5 (*Réforme du cadre juridique*), sub-activity 5.2 (*Amélioration du cadre juridique relatif au marché intérieur du bois*), where CIFOR is listed as a key partner under two rubrics:
 - i. Relancer le Comité sur le sciage artisanal et développer une stratégie sur la formalisation des petits opérateurs de la filière
 - ii. Activités décrites dans la feuille de route
 - CIFOR reports are now being used by FODER to develop proposal for studies on chainsaw operators and community livelihoods
 - A strategy was developed to sensitively present a major finding of the Cameroon study, to the effect that corrupt practices were not only widespread but systematic in the forest sector, all along the chain from harvesting to final consumption, and a major obstacle to domestic market reform (see Cerutti et al, 2013; Pye-Smith, 2011). These findings were fed into policy through sources such as:
 - i. 'Note de service MINFOF #2144 [creating a working group on Anti-corruption, in which CIFOR is a member]
 - ii. The 'Combat Corruption' project supported by UNEP, including the 'Rapid Results Initiative' [where PRO-

While Cameroon has not offered the type of institutional environment which has proved conducive to public participation in FLEGT discussions elsewhere (for example, Ghana), the project has taken advantage of the opportunities presented to it to feed into national policy processes. For example:

- a) The results of Work Package #1 ('understanding of the domestic market') have been fed into the FLEGT negotiations; small-scale logging/ chainsaw milling has been:
 - Discussed at all the technical and formal VPA negotiation sessions between Cameroon and the EC;
 - Included in both traceability contracts awarded with EC funds (SGS/Helveta and its successor);

7 Thus : 'Alors que le Cameroun a adopté une nouvelle loi des forêts en 1994 qui met l'accent sur le secteur forestier industriel à grande échelle et orienté vers l'export, le bois d'œuvre tiré de petites exploitations et tourné vers le marché domestique a été négligé. Ces bois ne sont pas enregistrés dans les statistiques officielles et il est en majorité produit sans titre valide. Selon le CIFOR et tel que démontré dans le tableau 2, la production annuelle de sciages du secteur informel au Cameroun était estimée à 715 000 m³ en 2008-2009. La production de sciages du secteur informel est donc équivalente en volume à la production du secteur industriel. Le sciage informel est donc un secteur d'activité à part entière qui emploie près de 45 000 personnes au Cameroun selon le CIFOR, dont 90% dans les zones rurales pour la production de sciages et 10% dans les villes pour le commerce des sciages.' [1/2013, p.11]

8 Plan d'action des activités prioritaires 2012-13 basé sur le calendrier de mise en œuvre de l'APV au Cameroun (8 mars, 2012)

FORMAL's work is acknowledged as the initial 'constat']

- b) The results of Work Package #6 ('propose policy options') have been fed into the development of the new forest law, benefitting from the presence of two legally-trained Cameroonian researchers on the PRO-FORMAL team). In addition to its formal submission to the government (Tsanga *et al.*, 2011⁹), PRO-FORMAL also was involved in regular meetings with MINFOF, the MINFOF/donor forum (CCPM), and the network of Parliamentarians (REPAR).

Feedback

This positive assessment was strongly supported by the feedback received by the evaluators in-country. A sample of the positive endorsements of the project received by the evaluation team is provided in Table 1. The evaluators were much impressed by the universality of the appreciation of the project and its results, not only among the donors, small-scale producers and NGOs – who might be anticipated to favour it - but also among those in government and industry who might be anticipated to take a much more sceptical view. It is remarkable that a project, the findings of which are threatening to so many interests within MINFOF, should have received such positive responses from it. Donor assessments underlined the importance of CIFOR's scientific credibility, and the authority of PRO-FORMAL research. Similar research conducted by, say, an advocacy NGO would not, it was argued, have found the same traction in the national political arena. (See Box 1, Para 2 [c])

The efforts made by the project to bring together a range of stakeholders were also noted by several informants, and were especially appreciated by those who would not otherwise have had a voice in public fora (for example, small timber traders – see Box 1, Para 1 [a]).

Remarkably little negative feedback was received from informants, and where it was, this was mainly in response to leading questions from the evaluators,

9 Tsanga R, Assembe Mvondo S, Cerutti P, Lescuyer G, Essiane E and V Robiglio (2011) 'Contribution du CIFOR et de ASB à la relecture de la loi forestière camerounaise et des décrets subséquents en matière de production et d'exploitation artisanale du bois d'œuvre', Yaoundé (this paper was submitted by CIFOR to MINFOF as an input to the revision of the Forest Law, and circulated to other interested parties such as the CCPM).

and was never delivered with any indignation. For example, one government official questioned some of the data – though when pressed to be specific, they pointed out that they were neither a researcher nor forester, and did not have access to any superior information sources themselves. Another would have preferred CIFOR to have taken a more proactive stance in policy formulation, noting that the team was better at problems than solutions – though he recognised that the policy outcomes which he wished to see advanced (and which he pushed very vigorously) were in fact unworkable under the present law. All in all, such differences of opinion seemed to the evaluators to be the sort of thing one would want to find in a healthy and open debate, and not signs of frustration with the project, or fundamental dissatisfaction with its approach.

Further evidence of the project's high impact and strategic value is available from other sources. PRO-FORMAL has established itself as the major source of information on the state of the internal market in Cameroon. For example, the study *'The formalization and integration of the domestic market into LAS: Cameroon'* which was prepared for EFI's EU FLEGT Facility by TROPENBOS, The Netherlands, in April, 2012, references 16 publications, with a total of 86 individual citations. 7 of the 16 publications are by members of the PRO-FORMAL team [44%], and 70 of the individual citations were by them [81%].

PRO-FORMAL is also likely to figure prominently in the evaluation for CIFOR and CIRAD's programme in Central Africa, commissioned by CIFOR from *Euréval*, but at the time of writing this report has not yet been released.

2.2.2 Country Report ~ DRC

The timber sector in DRC is characterized by an essentially informal artisanal sector concentrated on sawn wood production. A survey of timber flows and interviews with 470 chainsaw loggers undertaken by PRO-FORMAL estimated that their operations supply about 85% of the domestic market. This is the equivalent of 1 million m³ of sawn wood which is twelve times the official production of sawn wood for export.

The research has provided a detailed assessment of the value and profit levels as well as employment created by artisanal logging. The sub-sector employs around 25,000 people in rural and urban areas. Only about

Box 1: Evaluation Feedback ~ Cameroon

1. Timber sellers' association officials:

- a. Three years ago, it was impossible to think that we could speak to the administration like we can now. They now call us to discuss issues. Things are improving. Last year, for example, we had a meeting when the Ministry and its partners called us to talk to responsables of the forêts communautaires, to resolve some issues....
- b. CIFOR hasn't wasted our time. I assisted in a CIFOR meeting, and it was helpful. They were interested in our business. They helped us find solutions to our problems.
- c. Yes, CIFOR has helped us negotiate with (the authorities).

2. Representatives of international donors:

- a. CIFOR has brought an extraordinary quality to its research on the timber sector. The CIFOR work (led to) a prise de conscience about the domestic market by the political authorities.
- b. 'Scientifically, the project has delivered a lot. Here, we use the CIFOR publications, nous avons l'habitude. I have seen Paolo in a lot of meetings pushing the domestic market issue. Paolo has tried a lot, but it is difficult to succeed (in this area).
- c. The PRO-FORMAL report of 2011 led to an upheaval in the (Ministry) when it was presented at a meeting of the CCPM that year. It brought home (the size of the problem of corruption) using the forest sector as an example of mismanagement. It was a model study from the perspective of the donors. A good example of CIFOR's influence. (A strength of its work is that) its analysis is purely scientific. The CIFOR study was produced at a good moment for the FESP review. Their scientific work discredited (some bad) proposals. CIFOR is the most important of the CGIAR research institutes because of the (centrality of) political science to their approach. That's why we need outsiders involved in research. CIFOR and CIRAD do excellent work because of their use of political science. I am very positive about the work of CIFOR.

3. Local Consultant:

- a. I have had a lot of contact with CIFOR, to (draw on) their knowledge of the domestic sub-sector. We refer to CIFOR research a lot. We (haven't the capacity) to do this research ourselves.

4. MINFOF Officials:

- a. CIFOR has had a role in bringing the issue of the internal market to the public's attention. I am in agreement with their work. The Ministry have their sources of information, but CIFOR has helped. The economic operators also have information – but CIFOR has a scientific approach which has helped us a lot.
- b. The CIFOR study is the reference point for us. The (essential) source of information.
- c. Despite the problems (an organisation like CIFOR faces) of gaining legitimacy, the Cameroonian state has become a partner in this work. The CIFOR (domestic market) study showed the dimensions of the problem to the administration. CIFOR has given a lot of support to the formulation of the new law. I am pleased to say that CIFOR made a positive contribution to the formulation of the new law. This will help (advance the issue of legality) and help the VPA. The PRO-FORMAL study was well appreciated by the administration. (In relation to the text of the new law, which has not yet been released), what I can say is that around the (discussion of) permis de coupe –all the (text) is based on the contributions of CIFOR. All that is in the law and the décret d'application (on the small-scale sub-sector) is thanks to CIFOR.
- d. I haven't followed the project [i.e. qua 'project'] but as to the outputs and studies, we work a lot with them. The statistics from CIFOR are very useful – a solid base (for our work). CIFOR has collaborated well with us in 2013, the results are useful. I really appreciate how CIFOR brings together (the disparate stakeholders). At my level, the balance sheet is very positive. CIFOR is a partner that often helps me – I want them to continue.... (My only complaint is that) I would like to be involved in the formulation of the activities in the next phase. I would like to be involved in the design (of that phase).
- e. CIFOR's PRO-FORMAL research is of use to us.
- f. I assisted in a PRO-FORMAL workshop in 2013, which brought the issues around the domestic market to my attention. I appreciated the workshop, and the work that was presented there. (We had a problem with lack of statistics) but PRO-FORMAL has provided us with powerful statistics.

10% of the revenue from it is captured by the public treasury.

DRC and the EU started official VPA negotiations in October 2010, after an official request issued by DRC in February 2010. On both occasions, the domestic timber market and chainsaw milling received special mentions as relevant topics to be tackled during the negotiations which are still ongoing.

As in several other neighbouring countries, the Forest Law lists only one permit (permis de coupe artisanale [PCA]) that can be used by chainsaw millers to legally harvest timber. These permits can be granted only to individual Congolese nationals who serve the domestic timber market. However, PRO-FORMAL research indicates that artisanal exploitation permits are not very much requested by, delivered to, or used by chainsaw loggers. As it could be expected in a vast country such as the DRC, considerable local variations occur. In Bas Congo, chainsaw milling has been suspended for several years, so no legal permits are available there. The measure does not seem to be effective, as research shows that about 32% of timber sold on the Kinshasa market is sourced from Bas Congo, irrespective of the ban and the lack of legal permits. Harvesting without permit also occurs around Kinshasa and in the Bandundu, though no bans are in place there. By contrast, in Congo Orientale, results indicate that about 52% of interviewed chainsaw millers did own a 'permit'.

Overall, results suggest three main issues that should be discussed during VPA negotiations. First, the need to clarify and streamline procedures of delivery, to stop the current overlapping of several authorities delivering PCA, without the law granting them such authority. Second, the need to decentralise authority for the granting of permits to the Services de l'Environnement, together with control and verification. The Provincial administrative level could also play such a role, though this is not likely to respond well to the real needs of chainsaw millers, because of the vast areas and poor communication channels which are typical of the provinces. Third, the need to consider revoking the suspension in Bas Congo province, in favour of delivering permits to better control the dwindling resource there.

On the demand side, the constraints are largely physical. At present, there exists no means to

differentiate timber produced with a valid permit from timber produced informally. Other countries (notably Cameroon) are opting for the creation of so-called 'clusters' of timber sellers in large cities, i.e. physical markets where only timber produced with valid permits can be accepted and sold. This approach could be replicated in Kinshasa or Kisangani, where 'specialisation' already exists, as with the markets that only sell industrial scraps. However, traceability will remain a problem, even for responsible sellers, until the legal framework and an initial TLAS are operational.

As in the other countries covered by the research, PRO-FORMAL views public procurement policies as a means to stimulate legal markets in large cities, with operators specialising in the procurement of legal timber for public works and with funds coming from governmental and aid sources. Incentives could be explored to encourage industrial companies to sell on the domestic market, as the research found that prices from the two sources are much closer in Kinshasa than elsewhere in the sub-region (artisanal wood is only 20% cheaper than industrial, whereas in Cameroon it is 80% cheaper).

Feedback

All the development organizations in Kinshasa that were aware of the project were very positive in their appreciation of its work. Most of them attended the restitution meetings which generated a lot of useful exchanges of experience.

Despite the direct involvement of a high level representative of the encompassing Ministry (Environment, Nature Conservation and Tourism) in project implementation, officials from the Department of Forests seem to have not been aware of this specific project.

Institutionally, implementation of the project by CIFOR with good local partners as sub-contractors (both local NGOs and the University of Kisangani), is recognized as a good arrangement. Doctoral research will be completed on this topic by a Congolese researcher.

Over the life of the project, several provincial and national meetings were organized, with good levels of attendance (taking into account the size of the country) from a wide range of stakeholders.

Prior to PRO-FORMAL, IUCN had funded some work on the informal sector by the NGO, Ocean, in the Kisangani area but this was a short and localised initiative to raise awareness on the topic. Ocean has liaised with PRO-FORMAL, and fed the project's findings into its own sensitization programme.

The project has put forward various recommendations which could contribute significantly to the reforms that are ongoing in DRC regarding decentralization of forest sector management, REDD and other natural resources policy development.

2.2.3 Country Report ~ Ecuador

PRO-FORMAL's work on small-scale logging in Ecuador has been of high quality, though somewhat marginalised within the project by the decision of the Ecuadorian Government not to proceed with VPA negotiations. This led to a reformulation of the project's aims in the country, as a contribution not to the EU FLEGT process as such, but rather to improve forest governance more broadly, by investigating the smallholder and small-scale chainsaw milling sub-sector, and better acknowledging their needs and interests in public policy. In contrast to the other four countries of the sample, small-scale logging in Ecuador tends to be concentrated in natural forests, while industrial logging is mainly in plantations. A forest concession system has never existed in the country. The importance of smallholder production is recognised in principle in the national legislation (unlike in the African countries of the sample), though not necessarily in practicable ways.

The geographical focus of the study was on two provinces in the Amazon, and restricted entirely to non-plantation timber. Only 12% of the total timber supply for the national market comes from the Amazon, but this is mostly from smallholders (81% of the overall total). Small-scale harvesting is undertaken by two social categories: indigenous peoples and migrants (settlers). Levels of illegality are high, although this is rarely an issue of tenure, as (again, in clear contrast to the African case studies) tenurial rights are relatively well-defined in both areas. Illegality relates more to breach of regulations, and the regulatory burden is particularly high for the small-scale loggers. There are also issues of access (there is a sophisticated information system but this is entirely computerised, for example). The high costs

and institutional barriers faced by the small producers mean that, for most of them, formalisation is out of the question.

The research was somewhat slow to get going, due partly to the challenge of developing a workable methodology in conditions that were very different from Cameroon, partly due to problems with the local partner. A change of NGO partner was eventually required - the original nominee went bankrupt, and US\$40,000 had to be written off as a bad debt. Three replacement partners were identified, and these worked well. Several practical problems were encountered with data collection: scattered depots; problems of access to depots and sawmills [small depots cover only 4% of the timber on the market]; reluctance of Quito timber dealers to provide follow-up data; lack of transparency; etc. This led to excessive time being spent on data collection for a small proportion of the total market, and the decision was therefore taken to rely mainly on official data, especially the Government's own *Sistema de administracion forestal* (SAF). This was cross-checked with data from the national revenue agency. Both sources were useful, though restricted to the legal supply.

Research focused on the need to disaggregate the small-scale sub-sector into its constituent parts (indigenous people, settler smallholders, chainsaw millers, intermediaries, other service providers), the interactions among different stakeholders in the market, the importance of timber on smallholder's livelihoods and on the transaction costs encountered by each party and at each level. Timber flows from the sub-sector were traced through the economy, and the costs of legality assessed. Different scenarios for legal compliance were investigated, along with the distribution of benefits between categories of actors. Investigation of the control system on returns to various categories of actors showed that this tends to favour those with control over the markets. The long-term ecological impacts were also reviewed (for example, implications of the differential rates of offtake of hardwood and softwood species on the relative availability of supply).

Some interesting results emerged and these were discussed with the authorities. For example, contradictions in the present system have meant that, while the regulations are intended to promote better forest conservation, they tend in practice to have the

reverse effect, encouraging producers to over-exploit the natural forest in order to cover the high costs of legal compliance. Those smaller producers who take on the costs of compliance tend to extract 2-3 X more timber than those who remain 'informal'.

The team met regularly with the staff of the *Secretaría de Patrimonio Natural* in the *Ministerio del Ambiente*. Six meetings were held in the period 2012-2013. Seven workshops were organised at sub-national and community levels (three in Napo Province). Three presentations were made at international meetings externally (respectively, the 2013 FLEGT meeting in Brussels, an IUFRO meeting in Costa Rica, and *Tropentag* 2013 in Germany). Two national events were organised in Quito to disseminate project findings to the government (Ministries of Foreign Affairs, Economic Development and Agricultural Development, Planning Department), aid partners (USAID, FAO, GIZ), academia and NGOs. Both were in association with the EC Delegation, one being the final restitution meeting on barriers to formalisation and the policy steps that would be required to address them. The team made efforts to maintain good relations with the target smallholders, and feedback meetings were organised in the villages which had participated in the research (see, for example, the relevant video clip).

Following the presentation by the project on the obstacles to formalisation, the Ministry invited CIFOR to join a working group formed to discuss how the forestry regulations could be better adapted to the needs of smallholders. Recommendations have concerned:

- Incentives for small-scale forest management (economic incentives, training and other assistance)
- Review of the supervisory system (*regentes*), advising a refocusing from legality verification to better management and provision of technical support for smallholders
- Greater emphasis on downstream value chains (shift in focus from controlling smallholders to large-scale operators, and better targeting of downstream activities (depots))
- Improved transparency (measures to improve the bargaining power of smallholders through minimum pricing, preferential public procurement, better market information)

- Investigation of trans-boundary timber trade, highlighting the need for better sub-regional coordination and integrated law enforcement.

Feedback

All three of the partners who responded to the questionnaire were appreciative of the project, and acknowledged the analytical strengths of its research. CIFOR's scientific rigour was also commended. All three identified impact on policy as an area for further work, though this was not necessarily seen as a priority for the project alone. The qualities and dedication of the research team were also acknowledged. (See Box 2)

In summary, the Ecuador component of the projects has done excellent work, despite its tangential position in relation to EU-FLEGT, and the research brief was pursued with vigour and commitment. A strong team has been built; good relations have been maintained with the central government; useful research has been done investigating the small-holder sector, and proposing options for reform; and some promising avenues have been identified for future study (for instance, the team is consolidating its research on trans-boundary trade).

Effective use was made of the evidence from the two Amazonian provinces, and regional timber flows were also analysed, though at least one informant would have liked to see more emphasis on the overall importance of the domestic timber sector, relative to the industrial sector, in the national economy. Such information would perhaps have allowed the project to have greater leverage in national policy debates.

2.2.4 Country Report ~ Gabon

PRO-FORMAL's work on the domestic market of artisanal sawn timber in Gabon occurred in a context in which, despite the country's commitment to promote the national sub-sector, there was no prior research available to assess its importance. As with other Central African countries, timber production is mainly for export. More than 80% of Gabon exports are of Okoumé (*Aucoumea klaineana*), sold as round wood to the Asian markets, while the remainder includes sawn timber of several other species exported to Europe.

The policy objective was to increase the contribution of the forest sector to 10% of GDP by 2012, within a sustainable forest management model for the logging

Box 2: Evaluation Feedback ~ Ecuador

1. Government Official, Ministry of Environment

- The project's objectives were achieved. It is very important to identify the importance of forests to local economies, and to identify gaps in the regulatory framework.
- (There are) other initiatives involving research and development (but) PRO-FORMAL was the one with the greatest scientific rigour.
- (It benefited from) rigour in the research process, intensive fieldwork and a highly capable technical team.
- The quality of the research was very good [and the results were] very interesting since it covered the analysis of the wood value chain from the local level to flows in the local and regional markets, and marketing systems; [however, it was] wanting with regard to advocacy so as to effect changes in public policy.
- The project could have had higher impact if it had had a local partner to influence public policy; the project should perhaps consider a component on (transforming) the results of the research into concrete proposals for amendments to the regulations and changes in public policy.

2. Academic

- [This research was] very important since Ecuador is in process of reforming the rules of forest management and revising the Forest law.
- Yes [it has made a useful contribution] because it provided more information on the importance of the local timber market – a subject that very few researchers have addressed – and it showed the bottlenecks to formalising [small-scale] timber harvesting.
- The inclusion of local universities to give students opportunities for research, involving them in the entire research process, from conception, to training in data collection, participation in the field research, data management and analysis [was a benefit so] we can say that there is an impact beyond the project publications.
- There are not many [other research projects]; PRO-FORMAL was more complete, it analysed several aspects of the theme of the wood chain, including legal issues, regulation, local processes, etc.
- [The project's strengths included] hiring skilled research staff, identifying partners with local expertise, flexibility in the research methodologies, good relations with local actors and good coordination.
- With these results it would be important to [consider] a post-project phase implemented together with the local forest authority, to [help the transition from] unsustainable to a more sustainable management.

3. Forestry Consultant

- As they relate to Ecuador, I believe that the project's objectives were fulfilled. It has increased awareness of the sector and value chain – how they behave, what are the main weaknesses. We welcomed the research.
- In the early stages the project had to reconsider its methodology of data collection; it had the flexibility to change its methodology to assess the situation nationally. [It was important to] cross-check information from the different databases.
- The research report was well received but it has not yet been internalised in public policy. However, it is being used as a reference document.
- This is the first [project of this type]. No [prior] information was available at this level of detail in Amazonia.
- [A strength of the project was] having the ability to analyse the political and institutional environment, and their information needs.
- The project coordinator had good knowledge, and guided the process well.

concessions. Forest certification is well advanced. Overall, the focus has historically been on large-scale industrial operations though the government has introduced policies to promote national involvement and local processing of production (such as the 75% local processing target in the Forest Code). A Presidential decision (2009) made it mandatory for companies to process 100% of their log production starting in 2010. Though this was a radical change for the forest sector, with negative effects on the medium-level industry, there is no evidence that it led to increased illegal logging or exports. The major export-oriented concessionaires were already committed to in-country transformation, and were investing heavily in new technology.

Several provisions exist for legal artisanal timber production including: family cutting permit (1982); special permits (1982 law); chainsaw operation permit; as well as traditional user rights, community forests, *gré à gré* permits¹⁰, etc. Most of these permits concern round wood production, and enforcement has been poor. The domestic market is supplied mainly by very small chain saw operators not covered by forest policy, though government officials have expressed the need to better understand and control these 'illegal' timber producers.

PRO-FORMAL was the first coherent research to assess the importance of the urban and rural economic importance of the artisanal sawn wood sector. The geographical focus of the study was on Libreville and the Estuary Province, as this province is the centre of national demand.

Annual consumption of sawn timber in the capital, Libreville, was estimated at 70,000 m³, of which 51,100 m³ was from the artisanal sub-sector (the rest being industrial waste). This represents about 17% of industrial exports – thus, a much lower proportion than most of the other countries in the sample. This can largely be attributed to the unusual demographics of the country (a population of 1.55 million, 40% resident in the capital, and with an average population density of fewer than 6 per sq. km, one of the lowest in Africa).

¹⁰ Permis de gré à gré are direct sales between the forest administration and nationals who can log and sell to bigger companies or process themselves and sell the lumber.

Box 3: Evaluation Feedback ~ Gabon

1. Government Official, Ministry of Forest

- The Government appointed a focal person to assist the CIFOR research team and feed-back results of the study within the ministry
- The project's objectives were achieved.
- The PRO-FORMAL methodology was very rigorous and implemented with IRET, the national research institute.
- The quality of the data collected was very high and the Ministry actually revised its forest control strategy thanks to the results of PRO-FORMAL; they have now put in place fixed and mobile forest patrols to target illegal sawn wood producers.
- The Government is planning to build on the data base which is currently hosted by IRET and continue the data collection and monitoring of market points (quincailleries)
- The project did not affect the FLEGT negotiations;
- With a new Minister in place, dialogue has recommenced with the European Union, and CIFOR's recommendations will be taken into account.
- There was a National Workshop to review the project's findings and this led to good multi-stakeholder discussions and exchanges.

2. Academic and research

- The collaboration with CIFOR was instrumental in capacity building and strengthening of the local research programme. It also improved the position and role of the national research institution;

Feedback

All the partners who responded to the questionnaire were very appreciative of the project's work, and acknowledged the analytical strengths of the research. CIFOR's scientific rigour was also commended (see Box 3).

The common view was that CIFOR's research in close collaboration with the Ministry of Forests and IRET has been an eye opener. The urban

surveys were conducted in a coherent way and complemented by upstream research providing important information on the rural production zones and actors. Just over two years investigation in the Estuary Province has covered around 80% of the national market. The marketing systems is now well documented.

Most of the sawn timber used in the domestic sector is from forests and agricultural lands near to main roads as transport is a key limiting factor on extraction. Some informal sector operators produce sawn wood from abandoned logs by industrial operations. It is anticipated that the domestic market will grow thanks to the demographic and national economic growth. In Libreville alone (and despite a difficult market) there are more than 1000 jobs in the sub-sector.

PRO-FORMAL has made proposals to better integrate artisanal small scale producers who are legal holders of *gré à gré* authorization with large-scale industrial producers, with the latter offering financial and technical support.

The FLEGT negotiation process between Gabon and EU has contributed to the clarification of the forest code provisions on small-scale permits. However, given the extent of the concentration on industrial logging to date, it will take some time before well-targeted policy instruments can be identified, linking the small chainsaw producer with the urban lumber consumer.

2.2.5 Country Report ~ Indonesia

If the Ecuador situation differs markedly from those in Central Africa, this is even more the case in Indonesia, where the small-scale sector is both massive in volume and employment (an order of magnitude larger than Cameroon), with much higher levels of second and third order transformation, and much more diverse, being oriented both to the major domestic market and to the export trade. The information base is also greater, with correspondingly less potential for ground-breaking research. Nationally, there are c. 690,000 small-scale units employing 2.7 million people exploiting 10 million m³ of timber annually. In Java and Bali, there are c. 150,000 small industries employing 750,000 people (15,000 small-scale timber businesses and 175,000

workers in the town of Jepara, central Java, alone)¹¹. The geo-political context is also quite different, with much greater potential for leakage across national borders. Indonesia is an archipelago of over 900 inhabited islands (total population, 240 million), strategically located close to other developing economies, notably China and Vietnam.

The main conceptual link between Indonesia and the three African examples is the existence of a VPA. Though only 5.5% of Indonesian production, by value, finds its way directly onto European markets, the Government of Indonesia has nevertheless included all sectors of production in its VPA. Its own interest is largely reputational, seeking to secure the legitimacy of a 'brand' that had been very much under threat on world timber markets. The interest of the industry has been more oriented to business self-interest, and – as elsewhere in the S.E. Asia region - market drivers are said to be working well (this may be partly due to the fact that the EU is the ultimate destination of a much higher proportion of worked than raw timber, with a high level of downstream branding; over half of Indonesia's production in 2011 went to the EU's top ten trading partners, which may be indicative of the levels of onward sales).

Indonesia's size and strategic importance increase the levels of donor interest in the country, and the EU Delegation in Jakarta is a major player. Numerous donors are active in the forest sector, including DFID which is in the third phase of funding the Multi-stakeholder Forestry Programme (MFP, which began in 2000). Initially, this sought to strengthen government and civil society partnerships so as to implement FLEGT policy¹², though latterly (having successfully facilitated participation of national NGOs), it has focused on advancing the interests of the small-medium subsector, particularly as regards its capacity to implement the official system for VPA compliance, the SVLK. The multi-stakeholder platform for the SVLK system took 8 years to negotiate, even with the support of bilateral and multi-lateral donors - one indication among many

11 Jepara is a focus for CIFOR research. 26% of the district economy is based on the furniture value chain (US\$120mn –cf. total national value of US\$1.5bn); its trade was formerly equally split between the local and international markets but, with the economic crisis, is increasingly concentrated on the local market (70%).

12 <http://www.mfp.or.id/about-us/background/>

of the complexity of the development assistance environment in Indonesia.

SVLK compliance is not much of a problem with the major exporters but is a significant one with the small-medium producers. This is partly a problem of national capacity, partly a question of cost.

Though rather slow to get going (again, due partly to the need to develop a country-specific methodology), PRO-FORMAL research has played an important role in keeping the SME sector high-prolife in FLEGT discussions and publicising the challenges presented by SME compliance with the VPA. It has worked with a number of local partners, particularly the Bogor Agricultural University (IPB), with which it has had a strong and productive relationship.

It has made numerous recommendations on policy measures to improve the integration of SMEs into the FLEGT process, focussing on areas such as the following:

- SVLK compliance:
 - Increased awareness of the demands of the legislation
 - Promotion of measures to reduce costs, such as collective verification
 - Increased capacity of the state to deliver certification (increased numbers and capacity of verifiers; funds for training; etc.)
 - Revision of targets for compliance
 - Increased funding
- Timber supply to SMEs:
 - Measures to increase the supply from industrial sources
 - Funding and capacity building to increase plantings and plantations
 - Measures to resolve the *tebang butuh* issue¹³, through improved credit delivery and other measures (this work was led by IPB)
- Legality of the SME sub-sector:
 - Various measures to aid formalization, including simplification of regulations and institutional changes [e.g. promotion of cooperatives]

¹³ Lit. 'urgent harvest' – i.e. the tendency of smallholders to harvest timber according to their own needs for cash, rather than the condition of the resource.

PRO-FORMAL has made the case for the Government to increase the funding available for SVLK verification in the small-scale sector to offset the high costs and uncertain benefits of verification, as well as to put in place a more realistic timetable for SVLK verification in the small-scale sector, and to increase the prospects for group certification.

Feedback

CIFOR's work in Indonesia is appreciated by its partners, including the EU delegation and the DFID-sponsored Multi-stakeholder Forestry Programme. Both commended the organisation's role in identifying the scale of the problem, and trying to bridge the interests of the government and small producers. The EC Delegation viewed the project as 'spot on' in its definition of the problem and 'highly important' in its contribution to the VPA. Though noting the fact that the project is managed centrally by Brussels not in-country, the Delegation commended the attempts of the project to keep it informed of its findings. The Delegation's view of CIFOR was 'very positive'; it was able to count on it to give reliable briefings on technical issues in the forest sector, and provided an important element of reassurance in a complex field. CIFOR's written outputs were also commended as very useful.

District forestry officials in the three partner provinces (Central Java, East Kalimantan and Papua) commended the help given to them by the project, on field data collection and analysis – areas where the districts have low capacity. The Governmental SVLK Bureau also reported good relations with CIFOR, and valued their presentations in workshops and the like.

2.3 Other Outputs

The country studies are complimented by two additional areas of analysis: the first draws together *Cross-cutting themes* emerging from the five national case studies above, and the second presents the findings of a series of *extra-sectoral studies* commissioned under the project.

2.3.1 Cross-cutting Themes

Attempts to generalise findings in policy relevant ways have been of three main types:

- Academic papers presenting findings either in a generalised format or with a geographical focus (an example of the latter being CIRAD

Perspective 21 'Prendre en compte le secteur informel – Politiques de gestion durable des forêts en Afrique centrale', Lescuyer et al [2013]).

- Broad synthetic briefings, such as the CIFOR InfoBrief, 'Formalise or not to formalise: Policy options for a better integration of domestic timber markets under the VPA regime' (draft of January, 2014, still in draft as of April, 2014).
- Presentations in meetings and academic fora (such as elements of the project presentation in the synthetic workshop with the European Commission, in April 2013, and the international meeting in Brussels, in January 2011, entitled 'Bridging local and global interests: Integration of domestic timber markets in FLEGT/VPA's and REDD+').

2.3.2 Extra-sectoral Studies

Five extra-sectoral case studies were also commissioned from non-CIFOR sources, to investigate the effects of attempts to increase control over informal non-timber sectors, and the risks posed both for livelihoods and the condition of the resource. These covered:

- Land formalisation in Africa and SE Asia (Peloso *et al*, University of California at Berkeley, USA)
- Formalisation policies in small-scale mining in Zimbabwe and Indonesia (Spiegel, University of Edinburgh, UK)
- Co-management of floodplain fisheries in the lower Amazon, Brazil (McGrath, Woods Hole Research Center, USA)
- NTFPs in Southern Africa (Wynberg et al, University of Capetown, South Africa, and People and Plants International, USA)
- Artisanal mining in DRC and Rwanda (International Peace Information Service, Belgium).

All five of these made presentations at the IASC Conference in Japan, in 2013, and a useful synthesis was also presented. Videos are available on the PRO-FORMAL website. Edited versions of the five articles are in final stages of preparation for a theme issue of the journal *Society and Natural Resources*. An overview paper drawing together the findings of all five studies was published by CIFOR in April, 2014.¹⁴

Potential positive outcomes of the formalisation process are drawn out, including: clarity of ownership and user rights (including for women); increased visibility of the activity (also an important outcome of PRO-FORMAL's domestic timber research); reduced conflict; ability to impose sanctions for abuse (and to exclude non-contributors); increased levels of financial returns. The risks tend to be the converse of the benefits – *viz.* exclusive of users and loss of resource rights, resulting in increased marginalisation (women are particularly prone); heightened barriers to entry; criminalisation of the poor and vulnerable. A series of conclusions are drawn from these extra-sectoral cases to help improve the positive policy outcomes and diminish the negative, and these are summarised in the forthcoming journal overview.

These studies have varying levels of direct relevance to FLEGT (the closest probably being the case study of minerals trade from the DRC, although there are useful insights in them all, and the corpus is likely to have wider value to the work of CIFOR and its partners).

No specific feedback was sought on either of these sets of outputs (cross-sectoral position papers and extra-sectoral studies) for the evaluation, and none were mentioned during feedback at country level. However, by their nature, general conclusions about the domestic timber sector are likely to be refracted through the country interests of national partners, so that these individuals would not be expected to concern themselves with the generalities. The lack of reference to the extra-sectoral studies may confirm the supposition that the primary audiences for such works are at international policy level and within the academic community, including the PRO-FORMAL team and CIFOR in general.

¹⁴ Putzel, L et al (2014) Formalization of natural resource access and trade: Insights from land tenure, mining, fisheries, and non-timber forest products, CIFOR Report, Bogor.

3. Areas of Contention

The analysis now turns to the differences of opinion that have arisen over the project's achievements, seeking both to explain these differences and identify the steps that might address the concerns of the critics.

As viewed by partners in the range states, PRO-FORMAL has delivered highly relevant research with considerable effectiveness. The quality of its science is first-rate, and the volume and depth of outputs impressive. The institutional arrangements and partnership strategy have been strong. A feature of the delivery has been the quality and inclusiveness of stakeholder engagement, especially in Cameroon (though also more generally). Excellent work has been done on targeting important actors who had previously lacked a voice in forest policy, especially small-scale timber producers and others operating at the margins of civil society. PRO-FORMAL has therefore reached civil society partners that more conventional civil society-oriented projects have often failed to reach. NGO contacts have tended to be relatively low-key and oriented to information sharing, but given the sensitivity of the theme and the dangers of hijack by overly strident activist agencies, this approach is understandable.

Without exception, all the range state partners have been appreciative of the project's work, and have commended the quality of its science and the vigour with which it has pursued its policy analysis. The extent of the appreciation of the project by its partners is exceptional in the experience of the evaluators.

However, while the Evaluation team is confident in its characterisation of PRO-FORMAL's successes, as seen from the producer states, the view of it in DEVCO appears much less positive. Respondents in Brussels have expressed considerable impatience with the project, viewing it as over-emphasising primary research to the detriment of its policy brief and failing to identify useful policy messages in a timely way - even a sense that the project risked being an obstacle to policy advancement rather than an aid to it. This has led to concerns that it has complicated

the process of VPA advancement at an important moment in the FLEG process, and not facilitated it. This view may not have been universal in the Commission, but it was certainly widespread and strongly asserted.

How can this gulf in perceptions be accounted for?

It is suggested that there are issues of *context* and *communications strategy* to be taken into consideration here.

3.1 Context

Tension between policy makers commissioning policy-oriented research and research institutions seeking to deliver it is a familiar theme in the development sector, and can be a productive force. Provided there is openness on both sides, there is value in policy makers keeping up the pressure on researchers to deliver workable findings, and in the researchers being under pressure to be 'policy relevant' while also defending their scientific credibility. The fact that, ten years from its commencement, the EU's FLEGT programme needs to agree workable VPA systems delivering credible FLEGT licences sooner rather than later, obviously adds to the pressures on this research, and increases the sense of urgency on both sides.

However, the research context also has a part to play in deciding how easy it will be to translate research into policy. The element of conditionality that drives VPAs is much stronger in relation to international trade targeted on European markets than the domestic and sub-regional markets. Though mismanagement of domestic trade would clearly pose a significant risk to achieving workable VPA agreements, this part of the FLEGT process offers much less leverage to external parties. It follows that domestic markets are likely to take second place to the export trade.

All the countries covered by PRO-FORMAL have experienced difficulties in rolling out their VPAs, and two have effectively dropped out, at least temporarily

(Ecuador and Gabon). In the case of Cameroon, some severe obstacles have been encountered and most of these have little to do with the domestic market. The main ones relate to traceability in the industrial sector. Industrial timber traceability is the key element of the legality assurance system, and without it FLEGT licensing cannot proceed. The original contract with SGS/Helveta¹⁵ was terminated without delivering any transferable results and a replacement contract has only recently been negotiated. This has set back the VPA significantly. Though the domestic market was recognised in both contracts (thanks in part to PRO-FORMAL), its integration will not be addressed until industrial traceability is assured. Likewise, delays in the presentation of the new Cameroon Forest Law to the National Assembly and non-availability of the current text make it difficult to judge the level of the project's success. It may well be that the new law will accept some or all of the PRO-FORMAL recommendations, and there are some positive indications. However, the delays in the appearance and implementation of the new law – largely because of internal challenges from other government departments¹⁶ – leave this question presently unanswered and unanswerable. And as long as the new law remains out of the public arena there is little chance that PRO-FORMAL will be able to engage with the policy process in the kinds of ways envisaged by the project funders.

As regards the treatment of the domestic sector, the evaluators found no evidence that the project had actively set back the advancement of any of the VPAs. Informants were universally appreciative of the positive contribution that it had made. That said, PRO-FORMAL's work has certainly had the effect of presenting a more complex picture than had previously been thought, and it may be wondered whether all relevant parties would have been so keen to include the domestic market in their VPAs had they known in 2010 what they know now. This can hardly be taken as a criticism of the project, however – it is surely the reality investigated by the

15 <http://www.sgs.co.uk/-/media/Global/Documents/Case%20Studies/SGS-CM-FMP-Contract-Profile-A4-EN-V1.pdf>

16 It is rumoured that the long delays are due to challenges from other cognate ministries regarding gaps in the proposed text (for example, the failure to include timber traders as well as timber producers in the fiscal regime, or to accommodate other economic sectors such as fisheries in the rules for managing fragile ecological zones under forestry jurisdiction, such as mangrove).

project which is the problem, not the reporting of it. One can assume that had there been no project, then insurmountable problems might well have been faced in trying to advance the VPA in countries like Cameroon, given the levels of misunderstanding of the structure of the market that would almost certainly have arisen. In this reference, the project has played a critical role in clarifying sector dynamics and identifying key interests and issues which policy needs to take into account. It would be perverse to criticise it on these grounds.

Though three of the host governments have offered a commitment to include the domestic sector in their VPAs, it does not necessarily follow that they are well-disposed to promoting the small-scale actors that have emerged so strongly from the PRO-FORMAL research. In the case of Cameroon, for example, the interests that the Government has in mind may well be middle-level forest operations under national ownership and not the small chainsaw cutters whose importance the PRO-FORMAL research has underlined. These middle-level national entrepreneurs are often well-embedded in the political system, and have good reason to seek the ear of government to promote their own agendas against the foreign operators who dominate the international trade, whom they see as potentially privileged by the FLEGT reforms. Thus, while the Government may have committed itself to including the domestic sub-sector in the VPA, it does not follow that the small-scale, politically marginal operators will be the beneficiaries.

There are also boundary issues to consider. By their nature, Voluntary Partnership Agreements are to be seen as binding, once they are signed, and the EC has no interest in revisiting them. However, the reality in countries like Cameroon and Indonesia is one in which the idea of renegotiating the text of the VPAs – or at least implementing them progressively and in sequential fashion – is presently under wide discussion among all the major interest groups, and among parties that are not at all beholden to CIFOR or its research partners.

A further contextual problem here is that the obvious ways to integrate the domestic market all pose major practical challenges. For example:

- Tenurial reform is a popular starting point, though – as is generally the case in countries with a similar post-colonial inheritance – this

would have major knock-on effects on numerous aspects of the political environment, and would threaten the revenue base and power of central government.

- An alternative first step would be to champion concessions for small-holders in the forest areas, as has been debated by PRO-FORMAL; however, in a country like Cameroon, most of the possible areas are already under title (as a result of contracts won under competitive tender by industrial firms), so introducing new actors would necessitate multiple occupancy of concession areas. This is problematic in a number of ways:
 - Multiple exploitation of a single production area would be problematic for certification systems; the advance of forest certification has been a struggle in the tropics, and industrial operators would be unwilling to put their certificates at risk by acceding to such arrangements, under the current regulatory frameworks.
 - Where – as is often the case – local and international markets target the same timber species, there are no obvious synergies between the different scales of enterprise.
- Price difference between local and international markets are also hard to challenge – market forces have their own logic, and are difficult to counter by policy prescriptions.¹⁷

The obstacles to VPA delivery that are evident in Cameroon are writ even larger in a country like Indonesia, and again, there are limitations as to what an external research project can achieve in such a complex political environment. There are also many more players with an interest in the topic. CIFOR has not had the same opportunities for participation in VPA negotiation as have been available elsewhere.

The difficult policy environment in Indonesia is well reflected in the progress of SVLK certification. Noting the tens of thousands of small timber businesses that are still unregistered, CIFOR has pressed for more publicity to be given to the needs of

¹⁷ This is also the case of Ghana, where a formal requirement of the industry that it supply the local market has long been ignored by the industrial mills, who cite the widespread illegality in the domestic sector as a blockage that must first be resolved – though this is arguably as much a consequence of their own failures as an original condition beyond their control.

the small producers, as well as for greater recognition of the high costs of SVLK verification (US\$1420 to acquire the necessary documentation, and then US\$2,000 – 2,500 per audit, valid for 3-6 years).¹⁸ For its part, the Government has acknowledged the problem (on Java, for example, fewer than 10% of all community forests have been certified so far), and has delayed the implementation of the requirement for SMEs. Following a multi-stakeholder process, several revisions of the Ministry regulations have been undertaken and the standard for small-scale operators has been simplified and made more accessible. Recognising a continuing bottleneck, the Government is now exploring the possibility of a scheme for self-declaration by district heads (bupati), based on ISO Standard 17050¹⁹. This would undoubtedly speed up the process of SVLK verification, though almost certainly at the expense of public credibility. The leaders in question are now elected (since 2004), and for this and other reasons they are likely to have little interest in applying punitive sanctions against those who fail to conform. The areas under their jurisdiction also tend to be quite large (especially outside of Java), adding to the problems of supervision.

Other possibilities are equally problematic. For example, it was suggested to the evaluators that PRO-FORMAL might promote a risk assessment strategy to help break the bottleneck, the argument being that most of the supply to the smallholder furniture industry is from low risk plantation and on-farm sources (unlike, say, Kalimantan ply which is sourced from concessions with quite a high risk of illegality). However, there is mixed sourcing at wholesaler level, even for the furniture industry, so there would still be a significant level of risk. Similar problems exist with other strategies such as public procurement (recognised in some provinces, but not necessarily applied), group certification (still heavily dependent on government or donor subsidy, and with a low level of success to date²⁰), and so on.

¹⁸ See, for example, Jakarta Times, 6 December, 2013; Tropical Timber Market Report, Vol.17, No.23, 1-15 December, 2013.

¹⁹ ISO/IEC 17050-1:2004(E): 'Conformity assessment — declaration of conformity by the first party' (i.e. the supplier of a product).

²⁰ The CIFOR 'furniture value chains' project (funded by ACIAR) tracked 26 groups applying for certification (one large, 25 small); only 9 of these were granted group certification in the event, and these were the ones with assured but buyer-driven markets, and under external pressure to conform.

Such considerations may help to put into perspective the disappointments within the EC that PRO-FORMAL has been unable to convert its high-quality research into the kinds of policy tools that would rapidly advance the VPAs.

There are other contextual considerations of a more general nature. NGOs – both national and international – have played important roles in maintaining momentum for the FLEGT process. Public perceptions have been heavily influenced by the work of advocacy NGOs and public interest has been sustained by them. PRO-FORMAL is very relevant to NGO concerns, though its messages are not easy ones for NGOs to progress. For example, western-based advocacy NGOs like to strive against what they see as an ‘enemy’ whose illegitimacy they regard as unambiguous and self-evident. The mismanagement of the ‘private use permit [PUP]’ class of timber licences in Liberia, for example²¹; the ‘Herakles Farms’ issue in Cameroon²²; and so on. The domestic market is not of this type. The domestic sector is a field that activists tend to leave well alone, because of the ambiguity of the targets. There are obvious dangers in looking for ‘bad guys’ where the main actors are small-scale and powerless, where illegality is structural not just criminal, and where small operators are not free agents nor truly culpable. In such situations, there is a strong risk of victim-blaming or of perverse policy outcomes which end up targeting the wrong categories of actors and worsening the welfare of the poor. In consequence, NGOs tend to eschew such complex policy environments. Multi-country initiatives are also unattractive to NGOs, for similar reasons; the ‘enemies’ are too diverse and ambiguous, and the potential for attack too blunted.

It is unsurprising, therefore, that the PRO-FORMAL type of research has been respectfully received by the NGO community, without necessarily inciting the passions that would help maintain its international profile and increase its prominence in public policy.

In summary, the evaluators would see the different perceptions of the project in Brussels and some

of the range states, and the limited traction that the project has achieved despite the vigour with which it has pursued its awareness-raising brief, as reflecting, in large measure, a particularly difficult and politically-charged research environment. In the case of Cameroon, the project has done some excellent – indeed, genuinely transformative – work, but it would have been demanding the impossible for it to have radically advanced the VPA. If this is the case with Cameroon, then it is even more so in countries such as Indonesia and DRC, the political and economic complexities of which are extremely challenging.

3.2 Communications

To a significant extent, what seems to be at issue in accounting for these contrasting perceptions of PRO-FORMAL is not just frustrations with progress of the VPAs and the inability of the research to resolve the major conundrums, but also the *tone* of the project’s outputs. While many of the outputs do have a strong focus on actionable policy outcomes (more so than appears at first glance), their academic orientation does rather obscure this, and the sharp contrasts of tone with the more promotional material provided by other actors in the FLEGT programme do set it apart from the prevailing, normative style.

The problem of tone is exemplified by the case of Indonesia. This is an admittedly complex environment but it tends to be presented in a rather negative way. For example, of the 31 policy options outlined by PRO-FORMAL at the April 2013 ‘synthesis workshop’ in Brussels, only three of these appear directly relevant to the donors, and to offer any possibility of direct action by them.

The evaluators feel that the project could have done rather more to address the issue of tone and better bridge the ‘research-into-policy’ sequence. In particular, PRO-FORMAL’s communications strategy has arguably not been as helpful as it might have been, and has not taken enough account of the specific intentions of the funding agreement, with its strong orientation to actionable policy options to be delivered with a high degree of urgency. A more effective communications strategy might have:

- Better served the needs of the principal funder, and contributed to a more positive relationship with it;

21 See <http://www.globalwitness.org/sites/default/files/Global%20Witness%20-%20Avoiding%20the%20Riptide%20-%202013%20June%202013.pdf>

22 See, for example: <http://www.greenpeace.org/usa/Global/usa/planet3/PDFs/Forests/HeraklesCrimeFile.pdf>

- Given local and international actors such as NGOs much more accessible material on which to build a case;
- Fed more readily into FLEGT programme development elsewhere;
- Provided more timely and accessible evidence of its contributions to policy development.

Equally important, it might also have had beneficial effects on the ways in which the project itself conceived of its brief and delivered its findings, giving it a more positive orientation and helping it to be better attuned to the needs of some of its partners.

We now turn to this dimension of the project delivery, focusing on three areas of concern: *format*, *remit* and *timing*.

Format: Almost without exception, PRO-FORMAL's written outputs have been of very high quality. The academic papers are extremely well-researched and well-rooted in local realities, as well as authoritative in content and prolific in quantity. Fascinating studies have been commissioned on extra-sectoral experiences of formalisation in natural resource management elsewhere in the tropics, and these have been subjected to helpful meta-analysis. The use of innovative media on the project website has also been worthwhile. Key papers are backed up with interesting *YouTube* videos, recording conference presentations of commissioned research and synthetic overviews.

Within 3.5 years of its commencement - and as of end May, 2014 - the project has produced, either independently or in partnership:

- 25 publications
- 22 unpublished papers
- 54 presentations, in at least 17 countries in Africa, Asia, Europe and Latin America.

As regards geographical coverage, the breakdown for the 47 publications and unpublished papers is as follows:

Coverage is thus somewhat uneven but probably not excessively so, given the importance of two countries (Cameroon and Indonesia) in CIFOR's established programme, and the track records of the leading researchers.

With regard to verbal communications, the project leaders have pursued their brief with enormous energy in national and international arenas, and this is acknowledged and appreciated by partners in the range states. They have also been much in evidence in international conferences and meetings. The PRO-FORMAL website lists 57 presentations, made in a total of 16 countries, plus a further 9 presentations at the 2013 IASC Conference in Japan; thus, 66 presentations in all, in 17 countries, over the 4-year period. The breakdown of presentations is as follows:

Cameroon [10]; DRC [8]; Ecuador [4]; Gabon [4]; Indonesia [7]; RoC [3]; Kenya [3]; South Africa [2]; Belgium [5]; UK [3]; Denmark [2]; France [1]; Germany [2]; Costa Rica [1]; Malaysia [1]; Thailand [1]; Japan [9].
(TOTAL = 66)

A lighter and more journalistic piece was commissioned from a professional writer²³, an approach which perhaps require more justification in cost/benefit terms, but this is well-written, interesting and accessible to generalist and less academic audiences.

The project's aims and achievements are laid out on a dedicated project website²⁴, which is attractive and well presented, albeit not entirely complete²⁵. As of 31 March 2014, the 18 project papers available on the CIFOR website have been downloaded a total of 47,675 times. Eight of these 18 were in languages other than English (French, Indonesian and Spanish). The numbers of downloads of specific papers attests to the levels of interest in the research (it is noted that 3 of the top five are in French, and non-English publications are evenly dispersed in the table):

Coverage of gender issues is more variable than might have been expected (given the fact that the distribution of benefits is often much more equitable in the domestic, informal sector than the formal and export-oriented), although women's interests are addressed in detail in some outputs (for example, the

23 Pye-Smith C (2010) Cameroon's hidden harvest, CIFOR, Bogor.

24 <http://www.cifor.org/pro-formal/home.html>

25 Not all papers produced by the project are downloadable from the website (papers published in edited volumes, for example); hence the discrepancies between the numbers of papers listed in Table 1 (above) and the shorter list in Table 2 (below).

Table 1: Geographical coverage of project papers (to 31 May, 2014)

| | CAM | DRC | GAB | ECU | INDON | GEN & NON-GEOG | Extra-sectoral | Total |
|---------------------------|-----|-----|-----|-----|-------|----------------|----------------|-------|
| Published papers | 5 | 5 | 1 | 1 | 5 | 8 | 0 | 25 |
| Unpublished papers | 1 | 0 | 0 | 0 | 12 | 1 | 8 | 22 |
| Totals: | 6 | 5 | 1 | 1 | 17 | 9 | 8 | 47 |

Table 2: Downloads of Project Publications (to 31 March, 2014)

| | |
|---|---------------|
| Le marché domestique du sciage artisanal au Cameroun: État des lieux, opportunités et défis | 7,945 |
| Le marché domestique du sciage artisanal à Libreville, Gabon | 7,127 |
| Cameroon's hidden harvest | 5,642 |
| Cameroun : une richesse forestière ignorée | 5,503 |
| The domestic market for small-scale chainsaw milling in Cameroon: present situation, opportunities and challenges | 5,346 |
| Tentang PRO-FORMAL: Berbagai pilihan kebijakan dan peraturan untuk dapat lebih memahami dan mengintegrasikan sektor kayu domestik di negara tropis. | 2,865 |
| Le marché domestique du sciage artisanal en République du Congo: État des lieux, opportunités et défis | 2,728 |
| The domestic market for small-scale chainsaw milling in the Republic of Congo | 2,255 |
| The domestic market for small-scale chainsaw milling in Gabon | 2,063 |
| Introducing PRO-FORMAL: Policy and regulatory options to recognise and better integrate the domestic timber sector in tropical countries | 1,918 |
| The formalisation of artisanal mining in the Democratic Republic of the Congo and Rwanda | 1,078 |
| Aprovechamiento forestal y mercados de la madera en la Amazonía Ecuatoriana | 913 |
| Formalisation policies, informal resource sectors and the de-/re-centralisation of power | 571 |
| PRO-FORMAL: Políticas y opciones regulatorias para reconocer e integrar mejor el sector doméstico de la madera en los países tropicales | 405 |
| L'introduction de PRO-FORMAL: Options politiques et réglementaires visant à reconnaître et à mieux intégrer le secteur national du bois dans les pays tropicaux | 377 |
| Context in land matters | 356 |
| Formalisation and the non-timber forest product sector | 300 |
| Case analyses on experiences of formalization of informal sectors | 283 |
| Total | 47,675 |

Ecuador case study and some of the extra-sectoral cases), and the variation may well reflect differences in the importance of gender issues in the countries of the sample.²⁶

Not all of the research has been fully exploited yet. The extra-sectoral studies are a case in point, a deficiency that is acknowledged by the team. However, the evaluators note that the work schedule was extremely demanding, and they are confident

that the material will be used profitably in the years to come.

These limitations aside, the project outputs are models of their kind, and have made important contributions both to the project's scientific credibility and awareness raising in the targeted communities. The evaluators acknowledge these successes, and would not want them to be undervalued or downplayed. There may be some contingent issues (see Para 4, below), but these do not draw into question the overall value of the existing range of outputs.

²⁶ Meija, E & P Pacheco (2013) Aprovechamiento forestal y mercados de la madera en la Amazonía Ecuatoriana, CIFOR Occasional Paper 97.

The concern is not with these outputs, which are exemplary and vital to CIFOR's mandate, but rather with other communications formats which might better respond to the needs of policy makers (in both the EU and the producer states). At present, the sorts of brief and focused outputs that are likely to be most useful to policy makers and activists would seem to be more or less entirely absent from the range of project publications (though there are hints of them in several of the more innovative products). CIFOR is, however, well placed to provide such outputs, given the high quality of the science that it generates itself (most of its applied research competitors are reliant on recycling the work of others). Focussing a bit more on these communications tools need not compromise its integrity nor break the link with the quality assurance standards (refereed journal articles, for example) which are the bedrock of CIFOR's legitimacy.

The project strategy appears to focus on the production of lengthy in-house case studies (*CIFOR Occasional Papers* and the like), which then provide the source material for shorter works of various types, especially refereed journal articles. The mean length of nine such in-house papers, recorded on the PRO-FORMAL publications list as of December, 2013, is c. 50pp, the range being 24-96pp. The mean length of the commissioned extra-sectoral studies is 48pp. (range 34-56pp.). The mean for seven refereed journal articles is c. 14pp, although the lengths of these are presumably heavily influenced by the editorial requirements of the journals in question.²⁷ All of these outputs, whether longer or shorter, are academic in style, and targeted on academic readerships. They are arguably too detailed and opaque for multi-tasking managers. There is a more popular booklet (Pye-Smith, 2010), but even this is 17pp. Shorter and more accessible formats are largely lacking. There is an info brief (less than 2pp, available in the three core languages), but this is aimed only to introduce the project, not to present its findings. Other short outputs are in preparation, though with CIFOR's heavy quality control requirements, these are yet to appear. The drafts shown to the evaluators (and these were only drafts, it should be said) looked unlikely to deliver the kinds of messages that the evaluators have in mind.

²⁷ These figures are only indicative, and should be treated with some caution. It includes papers in three languages, and the publishing formats varied.

There may be over-reliance on the willingness of intermediaries and other boundary partners to process and reformulate research findings, and progress them into policy. Information sharing between the project and Brussels-based staff would seem to be increasingly confined to fairly exhaustive and voluminous presentations, as exemplified by the above papers and public presentations such as at the 2013 Brussels workshop. While the latter contain many useful and positive recommendations, they are not of a very accessible type. There are other interesting presentations of the policy options, such as 'Lessons learned from the PRO-FORMAL project and relevant policy guidelines' (February, 2014), but again, this is 10pp. of generalised but detailed and heavy prose, and one wonders if this style is best suited to the purpose in question. Publications with a more succinct and summary style might be better able to pick out the salient points, and would avoid the somewhat negative tone which is perhaps inevitable – given the complexity of the issues under discussion - in the more meticulous academic pieces.

It is not just the format and length of the publications which is at issue, but also their *remit*. It is questionable whether broad multi-country overviews are well-targeted on EC advisors and national policy makers in the producer countries (important as they may be for some other audiences), as their interests tend to be much more country-specific, at least as regards the VPAs. There is clear value in providing comparative analyses and overviews, especially for those actors who have multi-country interests, but these may have higher impact when broken down theme by theme, rather than multi-dimensionally and inclusively in one written output as tends presently to be the case.

Here, as elsewhere, the evaluators would tend to favour the search for more accessible ways to present complex policy findings; for example:

- More brief country case studies, with a clear national policy focus
- Simpler presentations – decomposing complex themes into their sub-elements, to make the policy messages clearer and accessible
- Outputs focused on questions that decision-makers are likely to have to address when faced with sceptical audiences – for example:
 - a) Brief explanations and justifications of the PRO-FORMAL research methodologies, and their superiority to the alternatives;

- b) Focused discussions of the tenurial debates and dilemmas;
- c) Relationships between different operator levels and their implications for FLEGT.
- More outputs aimed at helping national policy makers and their international partners advance FLEGT policy; these could include technical and factual questions, as well as strategic issues and policy dilemmas [for example, trade-offs between options]; they might be quite generic, for example:
 - ‘What VPA negotiators need to know about internal timber markets’;
 - ‘Key steps to assess levels of domestic timber production’;
 - ‘Ten steps to bring the domestic market into FLEGT strategies’;
 - ‘Possible ways to address the export/local market price differential problem’;
 - ‘Relative costs of group and individual certification for SMEs in Indonesia, and ways to lower costs’.²⁸

As far as possible, these should be of a ‘can-do’ type, though there is an obvious danger of confirmatory bias creeping in, and serious obstacles or challenges should certainly not be ignored. The emphasis, therefore, should *not* be on abandonment of existing publications and visual outputs (still less, the face to face contacts, which are important at all levels and where the project has often excelled), but rather additional outputs which would better respond to the immediate needs of the funding agency, and the work patterns of its representatives. This would hopefully improve the quality of the contact between funder and research partner, and create more of a sense of mutual support between them. It could also prove useful to national decision makers in the producer states, although relations at this level seem less problematic.

Giving more consideration to these types of outputs might not only better suit (and give more encouragement to) some of the partners who are not well targeted by existing publications, but – equally importantly – it could also be beneficial for project personnel. The discipline of short ‘policy briefs’ would arguably help to generate and sustain the

positive policy orientations that some in the funding agency find lacking in the current outputs, and could also impact positively on tone and style. The *policy brief* style of publication does force the writer to think positively and to focus down on actionable policy outcomes, stripping away the extraneous ‘noise’. For a scientific research organisation, there may be limits to their validity, but there is scope even for negative findings to be presented more positively and accessibly.

Adopting reporting styles which are more appropriate in format and remit to the needs of boundary partners might also have benefits as regards timing and timeliness.

One consequence of the importance given to refereed journal articles in the panoply of project outputs is to accentuate the time delay between their production and dissemination. While this reflects and supports the commitment of CIFOR (and the CG system more generally) to high quality standards, it does surrender control over outputs to disparate external actors, and, in all probability, lessens their timeliness, policy relevance and impact. It may also – although this is more debatable – encourage an over-focus by project staff on products to the detriment of impacts, at least as regards written outputs. Balancing the need for external assessment with quick turn-around is problematic – external reviewers are unlikely to take kindly to excessive pressure to provide quick feedback – but CIFOR is still relatively well-placed to address this dilemma, given its high level of staffing, large number of associates and the general goodwill towards it in both the academic and policy communities. There may be significant benefits to be had from focussing more on short policy briefs, with more limited refereeing (perhaps limited only to its own staff), quicker turn-around and thus, heightened ability to maintain control over the whole process from production to dissemination.

An issue debated with staff during the evaluation was whether the project was too cautious in its approach to policy relevance, being over-concerned to ensure the quality of its research outputs in a situation where a more rough and ready approach would have been quite adequate for the kinds of decision-making the policy makers required. The argument here is that, beyond a threshold of ‘good enough data’, additional increments to research quality are increasing hard-won as one moves up the knowledge curve, leading

²⁸ Some notional topics suggested by the evaluators as candidates for short briefing papers, and discussed with the team at the Bogor de-briefing, are provided in [Annex VII](#).

to a risk of excessive time delays unjustified by the gains accrued.

The approach to circulation of findings may well have been over-cautious, although the issue seems partly to do with presentation, as the project has made numerous, timely contributions to public policy development at quite early stages, although these have not always been apparent to some of its partners. Issuing more short policy briefs at earlier stages of the project cycle might help to make the case. These need not address issues that have already been resolved, but rather present the options in a manner which stimulates debate.

The evaluators would not want to over-play these issues of communication strategy. Academic publications are crucial to CIFOR's legitimacy and credibility, and should not be diluted. Likewise, contacts with both staff of producer governments and EC bureaucrats may well be most effective when they involve direct face-to-face meetings. This may be inevitable to some extent, despite the implications for transparency, given the heavy and diverse workloads that such individuals carry. Written outputs cannot substitute for such contacts, though arguably a range of briefer and more focused publications might help to sustain them better. And they may help to bridge an important, but sometimes problematic, period in VPA development, when the process moves from signature and ratification to delivery. Both parties report that there is likely tailing off of personal contacts and relationships between Brussels staff and research partners once a VPA is ratified.

Apart from EC staff in Brussels and the delegations and national negotiators in-country, there are quite large numbers of other partners (NGO staff, for example) who could well have benefited from a more focused and pithy style of project communications. In the case of Indonesia, in particular, the NGO community has not been a priority target for PRO-FORMAL, though included in its broad approach. In some of the other cases (most notably Gabon), the project has attempted to work directly with a local advocacy NGO. This type of link-up was also proposed in some of the feedback on the Ecuador component. The evaluators would advise caution here. The project's experience suggests that rigorous scientific study is not particularly well-suited to co-implementation by advocacy-oriented NGOs. Among other things, this could put CIFOR's

credibility and independence at risk. Better to ensure that communications channels are as strong as possible with all NGOs and other elements of civil society, leaving all parties free to pursue their interests as they think appropriate.²⁹

The extent to which individual projects are constrained by the CGIAR umbrella is not entirely clear to the evaluators, and it may be that CG group-level quality controls and performance appraisal standards are such as to privilege the more academic outputs. This is notwithstanding the fact that the new CGIAR strategy is now much more focused on development impacts.³⁰ It is beyond the evaluators' remit to assess the overall CIFOR communications strategy, still less that of the CG system at large, but the problem is raised as to which communications outputs are best for the present kind of research, which is close to policy development and policy makers. The existing 'PRO-FORMAL Communication & Visibility Plan' appears to be a generic CIFOR document. This has a very general style, and sees its targets in highly generalised terms; nowhere does it acknowledge the impact of the nature of the funding, the close links to policy making, and the need to tailor findings at least partly to the short-term needs of decision-makers in the funding agency and its immediate partners.

It is suggested, therefore, that the communications strategy should be revisited, to better take into account this type of funding arrangement in future contracts of this type.

A brief overview is provided by the evaluators of the present range of communications products, and the additional outputs proposed, indicating the strengths and weaknesses of each (Annex VIII).

29 NGOs have access to a number of independent funding sources for cognate purposes, such as EC and FAO.

30 In 2011, the CGIAR adopted a 'Strategy and Results Framework', which aims to provide a clear linkage between investment in CGIAR research and concrete impacts on development outcomes in collaboration with research and development partners. See: <http://www.cgiar.org/resources/strategy-and-results-framework/>

4. Contingent issues

The evaluators would also draw attention to a number of other matters which have arisen in the review:

4.1 Project design and negotiation

There are clear risks in a 'turn-key' project of this kind (more so, perhaps, than in competitive tendering) that the supplicant will be encouraged to promise too much when negotiating the initial contract. Equally, supplicants may not feel well placed to impose their own conditions on the joint agreement, especially where a single donor dominates. The initial PRO-FORMAL agreement was arguably over-ambitious, and there is also a view that the initial selection of countries would have benefited from more careful consideration, giving more weight to practicality and methodological coherence, and rather less to prospects for agreement of a VPA (though the logic of this is well-understood).

There are implications both for the risk assessment of the original proposal and also for project review in the early stages. One well-placed EC source advised that the 6th-12th month of project implementation is likely to be good time for a joint review of the agreement with a view to harmonising expectations between the EC and an implementing project. At this stage, the basic groundwork has been done by the project, and the donor is likely to have a clearer view of what it expects by way of concrete outputs. This is a good moment to make sure that the views of the funder and the project are aligned. (This proposal does assume, however, that the donor has the flexibility to reconsider its terms.) In the present instance, such a review meeting would also have provided a good opportunity for both parties to reflect on the types 'policy and regulatory options' best suited to the key users.

4.2 Project Logframe

The PRO-FORMAL logframe seems rather static and repetitive (even between outputs at different managerial levels). The managerial hierarchy is weak,

as is the intervention logic. The OVI lack precision, making it difficult to know when they have been achieved. Unsurprisingly, it does not appear to have figured strongly as a management tool. While the implications for project management may have been only minor (the PRO-FORMAL team had a strong sense of its purpose and were working to a coherent map of research-policy linkages), there is an obvious case for ensuring that the logframe translates the project's objectives into a clear and agreed hierarchy of management steps for all participants to work to, and on which to base reporting. The log-frame would be an obvious topic for the EU-Project review meeting proposed in [4.1] above.

4.3 Project Management

The evaluators concur with the PRO-FORMAL team leader that initiatives of this type are best managed from in-country bases (ideally with in-country representation as well). In countries like Democratic Republic of Congo, it is difficult to maintain the kind of close, face-to-face contacts that need to be sustained on a daily basis if research information is to be fed into the policy process. This would, of course, have implications for staffing and budgets.

4.4 Project Visibility

A number of interviewees spoke of their uncertainty as to which CIFOR projects were responsible for which outputs. While this is not entirely a bad thing – the synergies that CIFOR obtains between its different projects are in many ways a strength of the organisation and are to be encouraged – it would nevertheless seem advised to ensure that funding sources are acknowledged whenever appropriate, even if mainly serving to reassure funders that their money has been well-spent. Project staff were reluctant to consider additional logos, arguing that the CIFOR and EU logos were rigorously applied and generally sufficed, and that any others would risk visual overload, but this would seem a small concession to help ensure effective attribution.

4.5 ROM Monitoring Reports

Three monitoring missions were undertaken by consultants contracted under the 'Research Oriented Monitoring' review system of EuropeAid. One of these dealt with the project as a whole, as a multi-country initiative, and the other two looked at single country components, respectively in Cameroon and DRC. All were undertaken in the period September-October, 2012, as part of multi-project review missions.

These made various recommendations, including some perceptive points on the limitations of the logframe and on communications strategy, both of which resonate with the concerns of this review. The evaluators would not go so far as the Monitoring Review as regards the extent of proposed alliances with other organisations in the communications strategy, however, feeling that the monitoring reports don't give enough recognition to CIFOR's vocation as an independent research organisation. This could be compromised by over-association with partisan actors (both NGO and industry), many of which carry heavy baggage in the forestry sector. Likewise, there are surely good reasons for CIFOR and its partners not to have invited external participation in the design of a project of this type.

The evaluators also have concerns about the overall 'gradings' offered by the monitors (Para III of the Monitoring Reports). For example:

- All three reports rate the project as only grade 'C' for 'Relevance and Quality of Design'³¹. This seems odd. One would not expect a project which was conceived in close collaboration between the EC and the international partner to receive such a low score for relevance and design. Neither does this grading make much sense in substantive terms, as the project was proposed by the EC's FLEGT team, is highly relevant to the FLEGT strategy, and was welcomed as such by all parties.
- The project is also rated as 'C' for 'impact prospects' in two of the three reports, and 'C' for 'sustainability' in all three. However, several of the criticisms offered by the monitors apply more

to the context than project delivery - for example, the problems identified by the monitors with the traceability software in Cameroon, leading them to conclude that the domestic sector would not be fully integrated in the VPA. This may well be the case, but it was quite beyond the remit of the project, and not at all attributable to it (the traceability contract was awarded by the EC).

The PRO-FORMAL team responded in writing and in detail to the ROM reports, pointing out areas of agreement and the actions they proposed to take, as well as some differences of opinion on the findings (Team Leader's response, via Brussels, 20 December 2012). There was no follow-up from EuropeAid. There may be issues for EuropeAid to consider, perhaps to include a more robust process of interaction and feedback between the monitors, the project team and the commissioning agency, before ROM reports are archived. It would also seem advised to separate the criterion of relevance from that of design in the summary assessment tool, and to allow for 'gradings' to be qualified in a narrative style, so as to differentiate levels of project attribution.

4.6 Follow-up research

The evaluation has not been invited to give a recommendation on the design of a second phase of the project, though it has been asked to comment on follow-up actions in a more general way.

There is certainly a case for a further development of this programme of research, in the form either of a project involving some or all of the present group, or a different kind of initiative, perhaps more focused on policy advocacy (for which CIFOR may not be the obvious lead agency).

The case in favour of further activities would have some or all of the following justifications:

- i. To keep up the pressure; PRO-FORMAL has identified its policy messages clearly, but has limited leverage to ensure that they are taken up.
- ii. The continued need to champion the interests of the poor.
- iii. (In the case of Cameroon) to take account of the new law, when it is published, or (as in Papua, Indonesia) to help develop a more

³¹ ROM Handbook Section III- Templates and Instructions, p.64: Grade C= Problems: 'there are issues which need to be addressed; otherwise the global performance of the operation may be negatively affected; necessary improvements however do not require major revisions of the operations' [sic] strategy.'

- appropriate legal framework, where this is lacking.
- iv. To better articulate with the national actors and institutions through which new laws are likely to be progressed, and to help other national partners do likewise.
 - v. To broaden the coverage of domestic and trans-boundary markets.
 - vi. To follow the evolution of the timber market, with a view to ensuring that it delivers maximum benefits in terms of national welfare (employment, income distribution).
 - vii. To help integrate the small producers into the development of the timber market in-country, especially second- and third-order transformations, including furniture.
 - viii. To help similar programmes that are developing in other VPA countries (e.g. Liberia and Côte d'Ivoire).

5. Conclusions

The overall assessment of PRO-FORMAL is unequivocally positive. The project took on an ambitious programme of research with a very tight time-frame in five disparate countries, and has fulfilled its brief with considerable energy and success. The context in which it worked was universally a difficult one, and an especially challenging environment in which to sustain a policy focus while maintaining an independent profile. CIFOR is a research organisation the credibility of which rests on its science, and the value of this has been brought out strongly on numerous occasions during the evaluation. The academic work undertaken under the PRO-FORMAL rubric has been of high quality, and has provided an original contribution to governance, livelihoods and trade policy. These are important achievements which are not to be gainsaid.

The increments for change are at the margins, though they are possibly significant. These primarily concern the communication of research findings and the formulation and presentation of policy messages. It is not suggested that there is the need for a fundamental change of direction in future initiatives of this type, abandoning the strengths of CIFOR's established approach. CIFOR occupies an important niche which needs to be protected, and there is anyway no shortage of sub-contracting agencies in the FLEGT domain. Rather, the focus should be on those additional outputs which might help to focus and publicise policy-relevant findings, and give them stronger leverage in public policy. These additional outputs are not put forward merely as new forms of publication but also for the positive effects that they might have on relations with some of the key partners, and also on the ways in which research staff develop and present their policy-focussed research.

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