Collecting evidence of FLEGT-VPA impacts

Paolo Omar Cerutti, Tatiana Goetghebuer, Nastassia Leszczynska, Jean Newbery, Bruna Almeida, Raphael Tsanga, Romain Fourmy and Luisa van der Ploeg

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Global synthesis report

Delivered to INTPA in partial fulfilment of the GML 5.1-FLEGT Working Package

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Photo credit: Axel Fassio/CIFOR
Caption: CIFOR scientists measuring a sapelli tree near Imbolo, DRC (front cover)
Forest view in Yangambi, DRC (back cover)

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List of acronyms

CIFOR	Centre for International Forestry Research
CoC	Chain of custody
CS	Civil society
DG INTPA	Directorate-General for International Partnerships
EC	European Commission
EFI	European Forest Institute
EU	European Union
EUDel	European Union Delegation
EUTR	European Union Timber Regulation
FAO	Food and Agriculture Organization of the United Nations
FDGs	Focus group discussions
FLEGT-VPA	Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement
FSC	Forest Stewardship Council
GDP	Gross domestic product
GFW	Global Forest Watch
IMF	International Monetary Fund
IP	Indigenous Peoples
LC	Local Communities
NGO	Non-governmental organization
NIMS	National Impact Monitoring Systems
OEC	Observatory of Economic Complexity
SFM	Sustainable Forest Management
SME	Small and medium-sized enterprise
TA	Traditional Authorities
TLAS	Timber Legality Assurance System
ToC	Theory of change
VPA	Voluntary Partnership Agreement
WB	World Bank

Executive summary

This study synthesizes qualitative and quantitative evidence of EU–FLEGT Voluntary Partnership Agreement (VPA) impacts across seven countries – Cameroon, Ghana, Indonesia, Republic of Congo, Côte d'Ivoire, Guyana and Honduras. These countries are at different stages of the VPA process – from negotiation to implementation to issuance of Forest Law Enforcement, Governance and Trade (FLEGT) licences. By studying countries at different stages, findings allow for global lessons to be learned across different geographies and time.

Methodology

We used a uniform, experience-based methodology to measure change before and after the start of the VPA process, as well as the contribution of the VPA to that change. In total, we interviewed 708 highly knowledgeable forest sector experts. This approach proved reliable and easily replicable across VPA countries, VPA status (negotiation, implementation, licensing) and time (for baseline and future change assessment).

The five steps of the methodology are described below.

1. **Identify the five most relevant impact areas.** These areas correspond to the five expected impacts captured in the general VPA theory of change (ToC). These impacts are governance and institutional effectiveness, forest conditions, illegal logging, economic development, and livelihoods and poverty (see Figure 1 below).

2. **Identify key indicators to measure impact through a detailed desk review for each country.** The indicators were clustered into the above five impact areas and used to construct and adapt the questionnaire with close-ended questions.

3. **Undertake country field missions.**[1] The questionnaire was rolled out on a representative sample of key
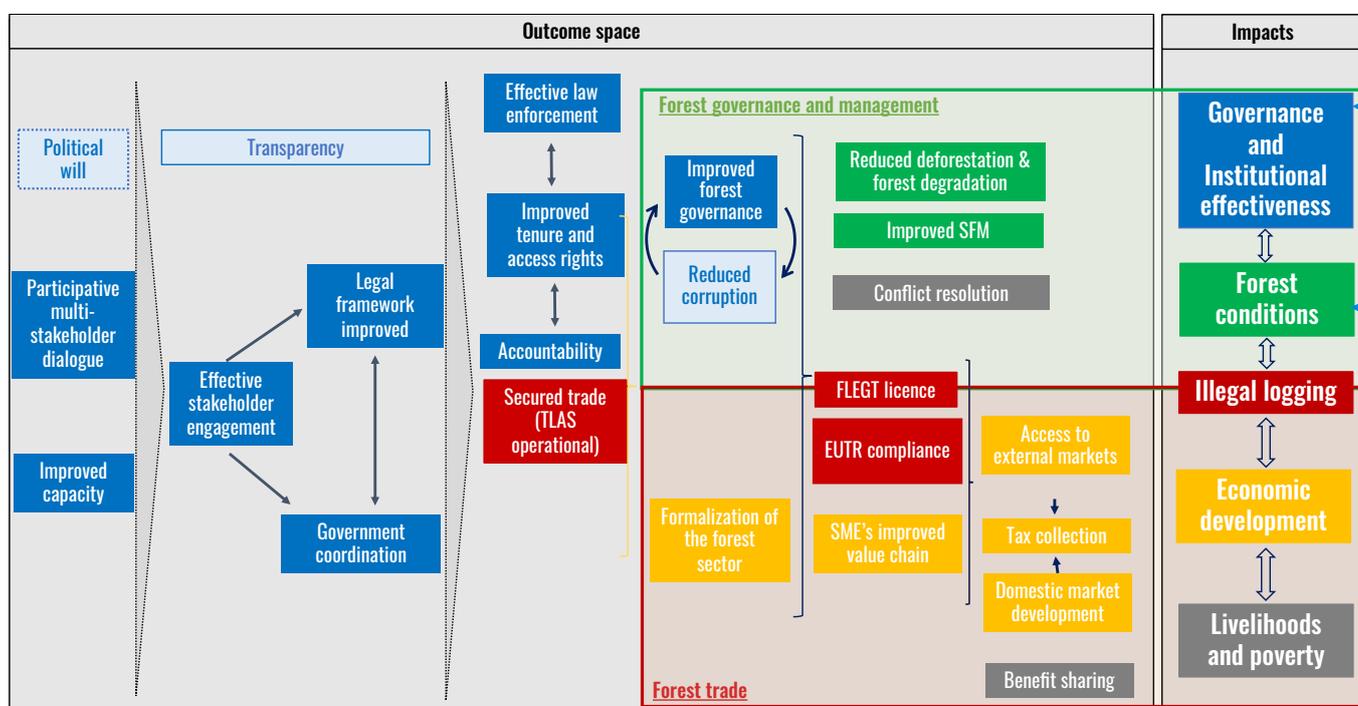
Figure 1. General VPA theory of change

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1   Conducted in two waves: during the first half of 2019 in Cameroon, Ghana and Indonesia, and during the first half of 2021 in the remaining four countries.

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forest sector experts (grouped in five categories).[2] The respondents also participated in focus group discussions to elaborate on their answers or to share additional evidence about a particular topic.

4. **Prepare country reports.** After the field missions, we wrote survey findings for each country.[3]

5. **Prepare a synthesis report.** We used results from all seven countries to outline key impacts and show areas where the VPA contributed most to those impacts.

In sum, by collecting perception data on a representative sample of experts and using an intuitive and user-friendly survey tool, we sought to capture areas of VPA impact evidence. This filled a void where comprehensive information on VPA impacts is limited and further complicated by the opaque nature of illegal logging.[4]

Key findings

The results in each of the five thematic areas tell a more or less complex 'story' over a number of years. In this summary, we propose five overall 'stories', one for each thematic area. Interested readers can refer to the synthesis report, which discusses each result on its own and then tells various possible impact stories by connecting the dots of single indicators.

The VPA process creates and maintains governance building blocks needed to achieve long-lasting reforms. Multi-stakeholder engagement has progressed and civil society organisations (CSOs) have increased their "watchdog" capacity. These findings – critical ingredients to hold the government and private sector accountable – are mainly attributed to the VPA process (Figure 2). The process also contributed to more coherent regulations, increased transparency, more credible sanctions and some success in fighting corruption in the forest sector. Yet, capacity building and effective engagement of different stakeholders must remain continuous for maximum ongoing contribution to improved regulations and law enforcement. This is especially the case for CSOs, and local communities and Indigenous Peoples (LCs & IPs) but also for small and medium-sized enterprises (SMEs).

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2   Public administration, private sector (mainly small and medium-sized forest enterprises), CSOs, local community representatives and "Other" (a category including consultants, researchers, industry and donor representatives). The final sample size is 708 respondents: 102 in Cameroon, 137 in Ghana, 102 in Indonesia, 91 in Republic of Congo, 80 in Côte d'Ivoire, 96 in Guyana and 100 in Honduras.

3   https://www.cifor.org/knowledge/publication/7566

4   A detailed explanation of the methodology used is provided in Annex I of the Synthesis Report.

On average, across all indicators related to governance and institutional effectiveness, the VPAs are perceived to have contributed to more than half (53%) of reported improvements (Figure 3).

Perceived levels of illegal logging and trade have decreased thanks to the VPA process. Existing – albeit scattered – secondary data corroborate these perceptions, although measurement remains a challenge. More legal timber seems available for export than for sale on the domestic market. This is likely due to three factors: biased laws, lack of incentives and capacity for SMEs to comply with legality demands and limited domestic demand for legal timber. However, the VPA process has mainstreamed a 'traceability mindset' among SMEs and their networks. This mindset has emerged through discussions on key issues surrounding timber legality assurance system (TLAS) development, as well as existing technical and institutional barriers to TLAS implementation. Progress on land tenure issues has also helped improve land regulation and tenure recognition in some countries.

On average, across all indicators related to illegal logging, the seven VPA processes combined are perceived to have contributed to about half (45%) of the total decrease in the level of illegal logging. The VPAs' contribution is on average similar between negotiating and implementing countries. However, there is much larger variability for this indicator across countries than for the governance indicators above (Figure 5).

The VPA process has stimulated better implementation of forest regulations and more sustainable forest practices. This has materialized through better implementation of forest management plans/sustainable practices, increased private certification schemes (notably chain of custody), deforestation risk mitigation and improved vision of integrated forest functions/ ecosystems (Figure 6).

On average, across all indicators recorded, the VPAs are perceived to have contributed to 40% of reported improvements in forest conditions. The average VPA contribution varies a lot across countries, with stronger contribution in Ghana, Guyana and Republic of Congo. However, it is – on average – equal in negotiating and implementing countries (Figure 7).

In relation to broad **economic development**, a large majority of respondents agree that engagement in, or completion of, the VPA process gives a positive image of the country and helps it to be considered as a reliable business partner (Figure 8).
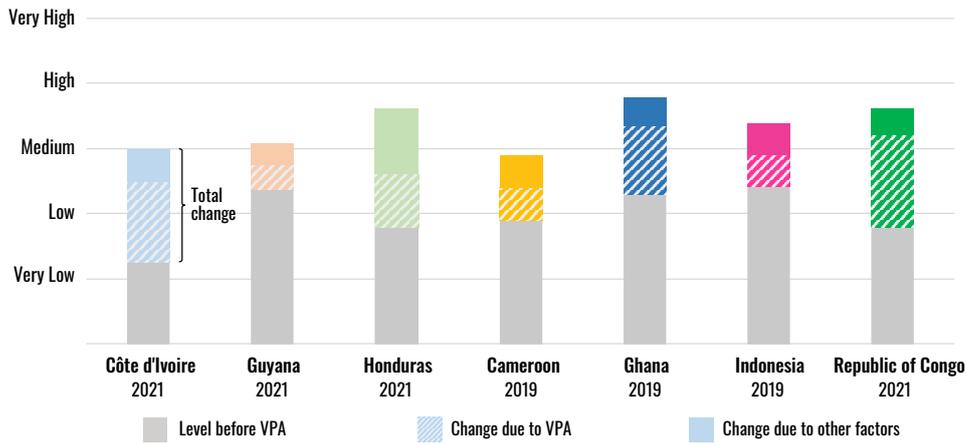
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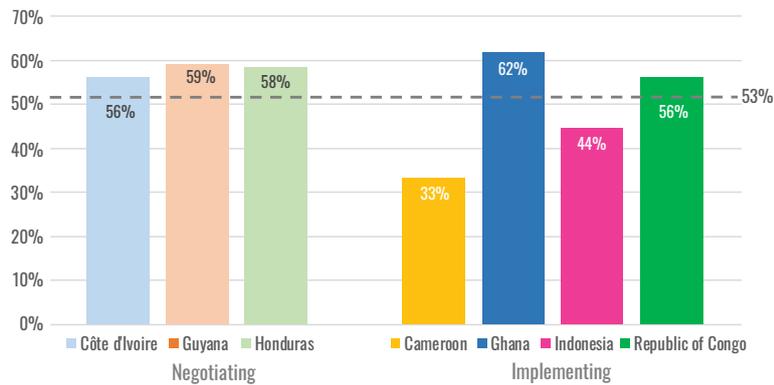
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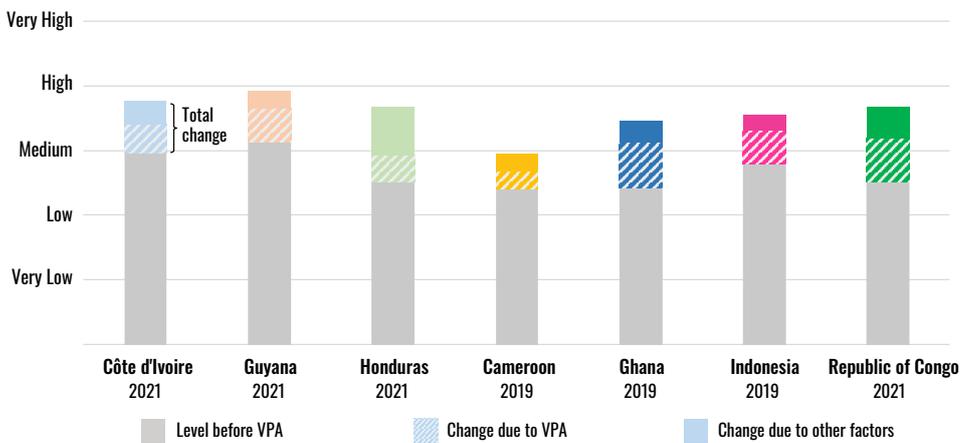
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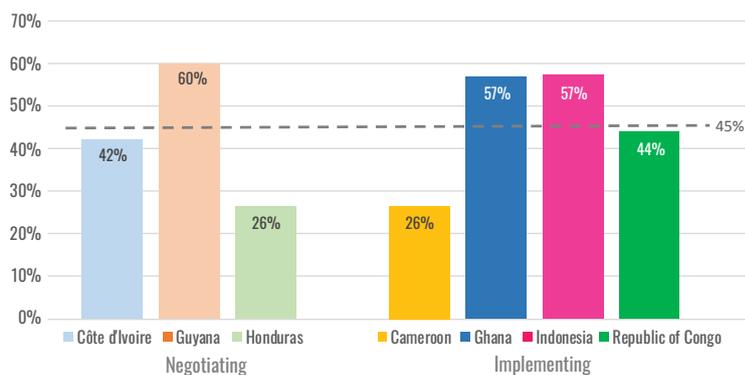
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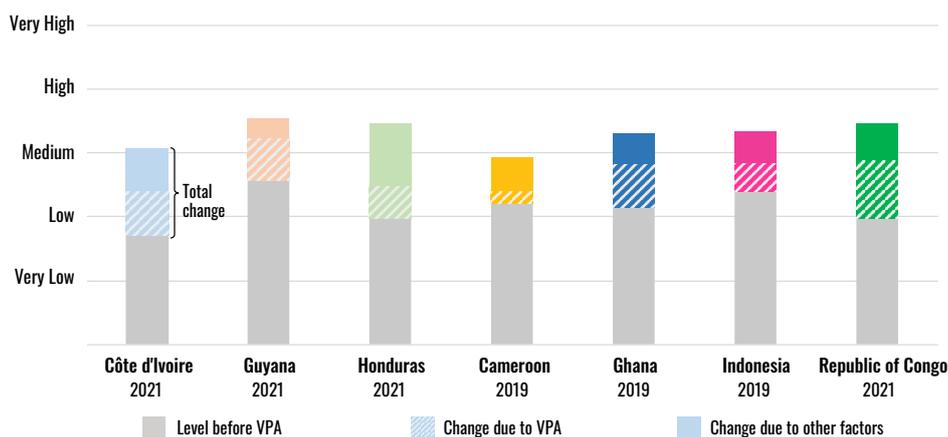
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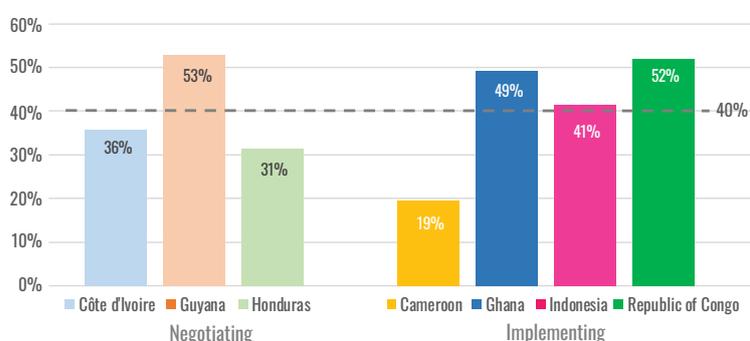
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In all countries (but to a lesser extent in Cameroon and Honduras), there is also a strong perception of as much political will to prioritize development of the forest sector as there is for other sectors (Figure 9).

The VPA has contributed moderately to an increase in SME organisation and recognition of their associations (Figure 10). On one side, the VPA process slightly contributed to increasing SMEs' capacity to comply with legality requirements. On the other, most respondents perceived that complying with new regulations remains technically and financially too challenging. Legality requirements imposed by the VPA process could squeeze SMEs out of business, **although they do not seem to have contributed to doing so yet** (Figure 11). For this reason, legality requirements require constant monitoring.

On average, across all indicators related to economic development, the VPAs are perceived to have contributed to 35% of reported improvements in economic conditions. The average VPA contribution is almost equal in negotiating and

implementing countries, with Cameroon and Honduras to a lesser extent (Figure 12). The VPA contribution to this impact dimension is lower than for the previous ones. This finding is expected since economic development (along with the next impact dimension of livelihoods) occurs further down the causal path of results (ToC).

The impact of a VPA process on **livelihood conditions** (such as material wealth, health, access to public services) requires time and is challenging to measure. However, some important outcomes can be noticed already: streamlined and improved tax collection; better redistribution of some taxes to LCs & IPs; and increased job opportunities, including in the informal sector. In general, there is a minor impact in this dimension, which is expected as it takes the longest to materialize.

On average, across all indicators related to livelihood, the VPAs are perceived to have contributed to 22% of reported improvements in livelihoods and the reduction of poverty (Figure 13).
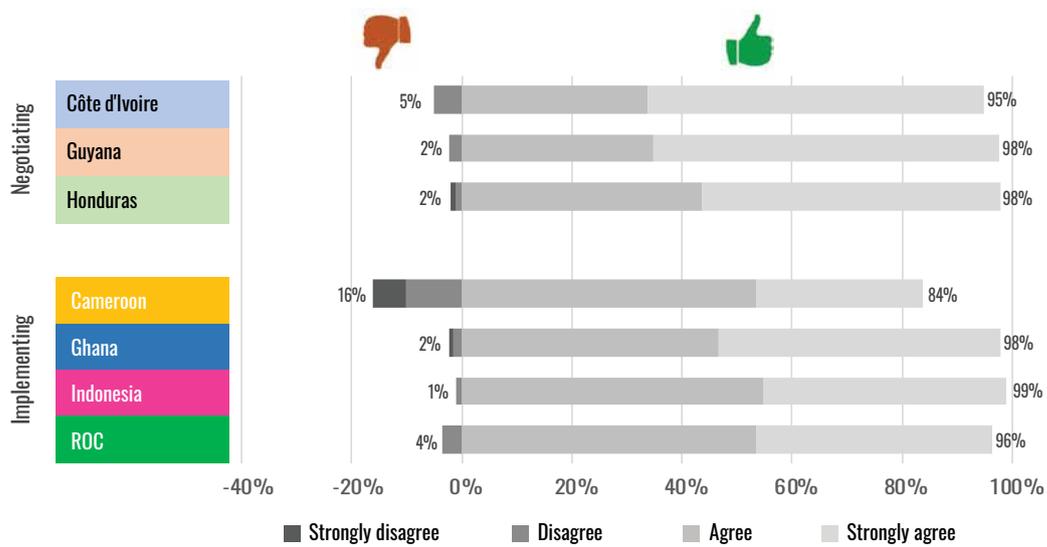
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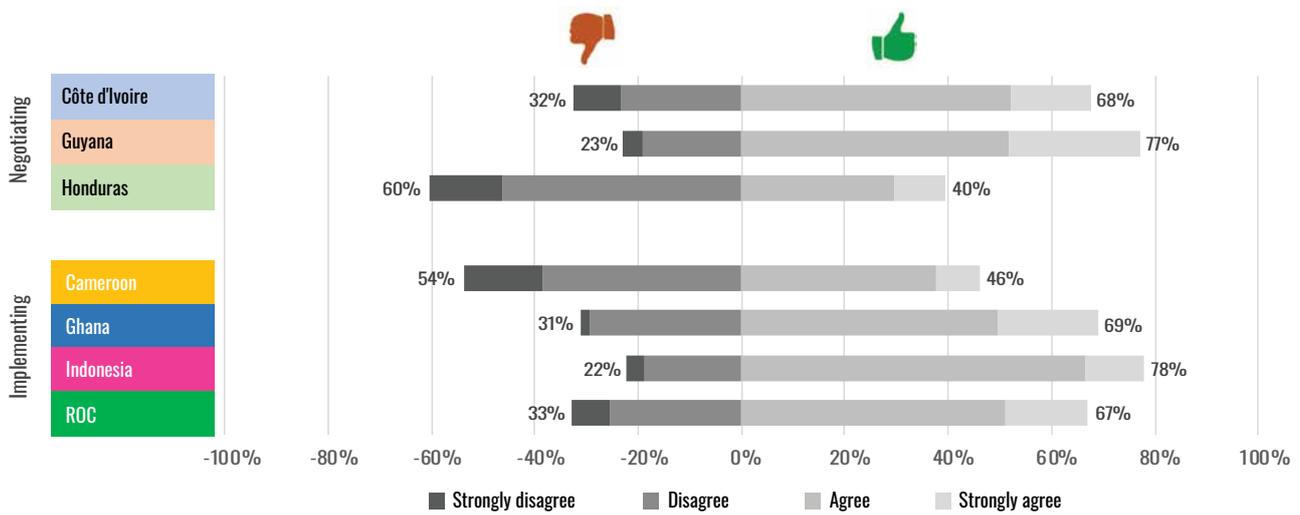
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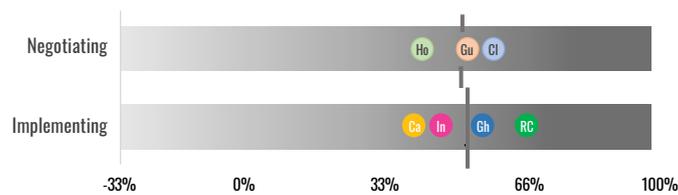
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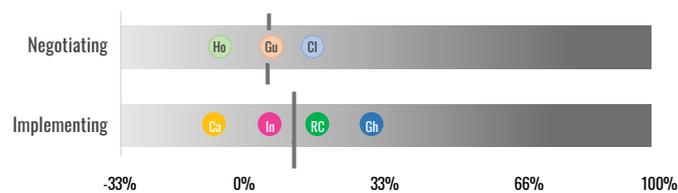
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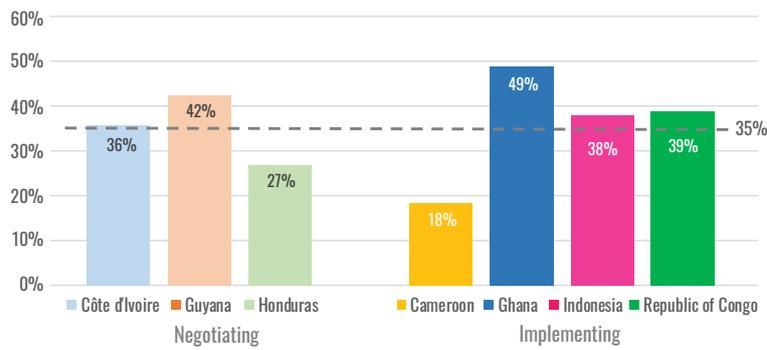
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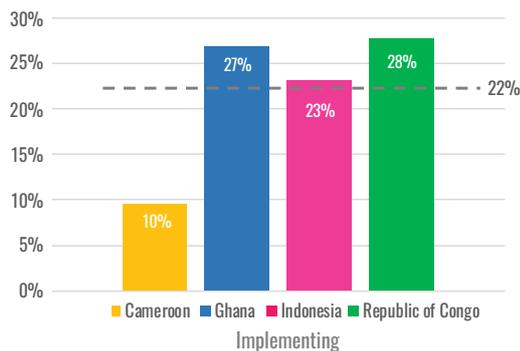
Figure 13. Average contribution of VPAs to the livelihoods and poverty impact dimension

Results on the livelihoods impact dimension are not expected early in the process and are expected to take the longest to materialise due to the trickle down required. Hence, VPA countries in negotiation stage have not been included in the analysis. Results for these four countries can be taken as a baseline though, against which future assessment could be conducted.

Discussion points

The above findings speak to various outcomes and impacts obtained through the roll out of VPA processes in several countries, as well as lessons learned. These outcomes, impacts and lessons learned are strongly anchored in improved national governance systems and institutions. Indeed, they have already been replicated in a number of processes outside the realm of FLEGT. They could surely further enrich and support any future attempt at regulating multiple commodities other than timber.

As noted, progress has been made in improved governance and stronger institutions. Among other results, this has exposed some countries' systemic resistance to governance change and historical vested interests; the VPA process has directly challenged them. This key result should not be

downplayed. It implies that CSOs and LCs & IPs, together with lead innovators in government and the private sector, need support. It will require constant effort to strengthen their role over time, well beyond negotiation stages though.

As improvements materialize month after month, particular attention must be paid to foster inter-agency inclusiveness and coordination. Ministries that manage forests have reasonably been considered as the VPA leading institutions in their countries. However, such a role should regularly be checked to avoid capture of the VPA process at the expense of other ministries. This is a concern because, for the first time in several countries, the VPA process has introduced a myriad of interlinked topics that require discussion and decisions from multiple ministries (territorial administration, labour, finance, agriculture, etc.). Thus, to avoid reverting to the simplistic role of forests as a source of timber (and rents), the process should not take the participation of these other ministries for granted. Instead, it should support them as much as possible through active engagement and facilitation.

The 'traceability mindset' brought about through regular discussions on contentious issues such as transparency, accountability, institutional barriers to legality, land tenure, corruption, etc., should be nurtured and supported through regular engagement in partner countries. This can help it stay high on the political agenda.

In general, observed changes and impacts – and the strength of the VPA contributions to them – vary across thematic areas, indicators and time. Although this result is expected, it is worth mentioning because it also implies that expectations on outcomes and impacts – as set at programme inception – will have to be managed and monitored carefully over time. Indeed, evidencing VPA impact and thus potential applicable lessons to other commodity tracing programmes must become more systematic and engrained in the mindsets of policymakers and implementers alike. For this to materialize, the largely non-operational National Impact Monitoring Systems should be activated. The most relevant stakeholders in all VPA countries should be supported in several areas:

building baselines along the methodology used for these initial seven assessments; embedding periodic remeasurements (e.g., every three years) in national forest partnerships' plans; leveraging on new technologies and big datasets; and undertaking ad-hoc case studies. In this way, the process could generate and share real detail and knowledge.

Results could be placed into a global monitoring, evaluation and learning (MEL) system, which feeds on all the indicators and results stemming from each country's system. In fact, for maximum comparability and coherence, the system should ideally be extended to include different institutional systems. These could include those used by the EU supporting partners, such as the European Forest Institute, the UN Environment World Conservation Monitoring Centre and, eventually, the French Development Agency (AFD), among others.

With a glance to the future, one might argue that the more commodities, the more complex the system needed to monitor impacts. Indeed, it will not be easy to trace coffee, soy or timber back to their geographies of origin and to

the impacts on local livelihoods or on the forest. Yet, the results of this assessment also speak to key steps already accomplished through implementation of VPA processes in several countries, which are strongly anchored in national governance systems and institutions. Hence, future attempts at regulating multiple commodities should be based on the pathways already traced by the VPAs in relevant partner countries. At the same time, lessons and systems should be adapted to accommodate the likely increase in commodities and institutions.

The lessons learned show that a general MEL system can be built and improved over time. These lessons have emerged from the 2016 FLEGT Evaluation and the 2015 European Court of Auditors' report, as well as through implementation of the long-term process and methodology leading to this synthesis report. The global ToC adopted for the FLEGT Action Plan could be adapted to include more commodities. This can support all parties, from the EU down to its delegations and to partner countries' stakeholders. Ultimately, this will better define and assess activities that foster the expected objectives, while preventing unintended effects on peoples and their livelihoods.

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1 Introduction

This study synthesizes qualitative and quantitative evidence of the impacts of the European Union Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement (EU-FLEGT VPA) across seven countries – Cameroon, Côte d'Ivoire, Ghana, Guyana, Honduras, Indonesia and Republic of Congo.

By covering seven countries in different stages of the VPA process – from negotiation to implementation to issuance of FLEGT licences – findings allow for global lessons to be learned across different geographies and time.

This is a unique attempt to summarize impact evidence and derive global lessons learned on what has and has not worked with the VPA process, based on primary data collection across seven VPA countries. Each country comes with a different context and starting point, but all are working towards the same goals of improving forest governance, developing their domestic legal timber markets and legal timber exports, countering climate change by implementing more sustainable forest management (SFM) practices and to improve people's livelihoods. We do not seek to make cross-country comparisons. However, at times in the text, examples from specific countries or thematic areas are used to illustrate broader, general lessons.

Throughout the narrative, results follow the impact pathways outlined in the general VPA theory of change (ToC). This ToC is relevant for all countries engaged in a VPA process. It has been simplified to detail the main causal relationships starting from expected outcomes (Figure 1, centre and left) and ending with expected impacts (Figure 1, far right).

The methodology is designed to be replicable over time, as well as applicable to other VPA countries. In this way, it aims to increase the overall sample and help derive lessons based on more evidence. Current assessments also provide a baseline for future studies in the same countries, which would help measure progress (or lack thereof) between two points in time.
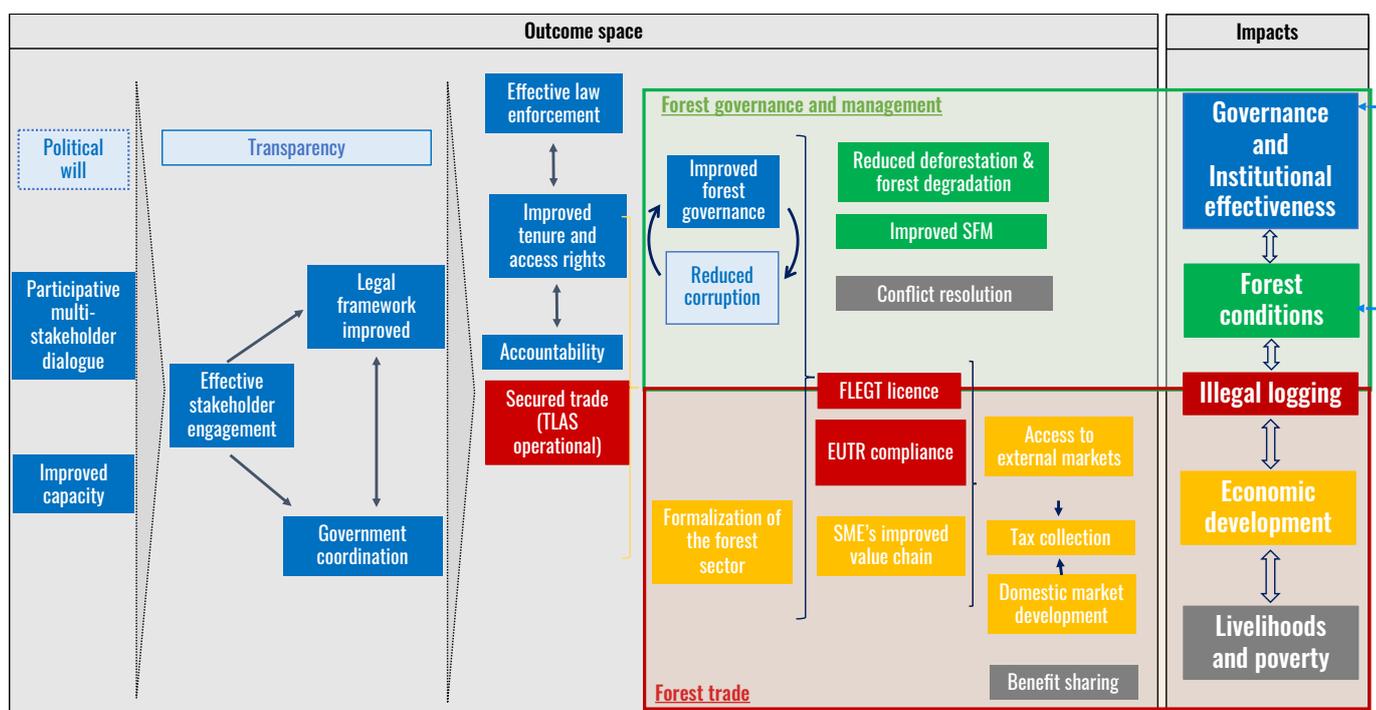
Figure 1. General VPA ToC

2 Methodology, VPA status and background forest information

We developed a standardized mixed approach combining quantitative and qualitative methods to measure VPA impacts. We rolled this out across each of the seven countries, with slight contextual modifications where required.

The data were collected in five main stages (see Annex 1 for details):
i. identification and definition of the different and most relevant FLEGT themes according to the general VPA ToC,
ii. country-level desk review, identifying all available evidence of VPA impact,
iii. selection of a sample of respondents, representative of the main VPA stakeholder groups in each country,
iv. quantitative in-country data collection, allowing a quantitative assessment of expert respondents' perceived changes along the various impact pathways and their perception of the VPA contribution to these changes,
v. qualitative in-country data collection through focus group discussions (FGDs), where respondents could qualify their perceptions and provide real-life examples on any particular topic.

Indicators were clustered into five thematic areas: governance and institutional effectiveness, forest conditions, illegal logging, economic development, and livelihoods and poverty.

The survey was designed to collect information on the current situation and, through recall questions (when feasible), on the situation prior to VPA implementation or VPA negotiation (depending on the stage of the country). This provides a value for each indicator and a baseline (prior to VPA implementation or negotiation) for each country. It also allows perceived changes to be measured for selected indicators and the VPA contribution to that change.

Time matters and – in theory – impacts are likely easier to identify during implementation than during negotiation phases. Yet, negotiations have taken place over several years in many cases. As a result, it is still relevant to identify the changes already underway *during* the negotiation phase. This is especially the case as stakeholders begin to understand the specificities of the VPA process itself and to apply acquired knowledge and skills as the process unfolds.

Time and countries' own histories also influence the level of existing capacities and knowledge of country stakeholders at inception (or point zero of our analysis). Starting levels of capacity and knowledge may also be a function of the background conditions of the forest sector in each country (Table 1). This should be kept in mind when interpreting the results. Take, for example, a country with high-value timber exports and a higher contribution from the forest sector to national gross domestic product (GDP) and/or with relatively high deforestation trends. It might have had the forest sector on top of the political agenda for longer than a country with relatively low GDP contribution and/or very low deforestation trends.

For all these reasons, VPA contribution to change depends highly on the starting point and context of each country. For example, a similar level of VPA contribution to an improvement in two countries might be found. However, their starting point and barriers towards impact might be very different. This, in turn, may also result in divergent results on the ground.

Indeed, as shown in Figure 2, selected countries are in different stages of the VPA process. The first four countries to start the negotiation phase are Ghana and Indonesia (both March 2007), Cameroon (November 2007) and the Republic of Congo (June 2008). The implementation phase started in December 2009 in Ghana; in December 2011 in Cameroon; and in March 2013 in the Republic of Congo. After its implementation phase began in May 2014, Indonesia issued the first FLEGT licence for export in November 2016. Negotiation phases started in December 2012 in Guyana; in January 2013 in Honduras; and in February 2013 in Côte d'Ivoire. The latter two signed and ratified their VPAs in July 2021 and February 2021, respectively.

Finally, we collected data in two waves: during the first half of 2019 in Cameroon, Ghana and Indonesia, and during the first half of 2021 in the remaining four countries.

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Table 1. Forest and country context indicators

	Cameroon	Côte d'Ivoire	Ghana	Guyana	Honduras	Indonesia	Republic of Congo
Land area in million ha (2020) (World Bank [WB], 2020)	47.27	31.8	22.75	19.69	11.19	187.75	34.15
Forest area in million ha [as % of land area] (WB, 2020)	20.34 [43%]	2.84 [8.9%]	7.99 [35.1%]	18.41 [93.6%]	6.36 [56.8%]	92.13 [49.1%]	21.95 [64.3%]
Forest sector, value added (% of GDP)	2.07% (2017)	1% (2019)	Fourth largest contributor	2.27% (2016)	0.71% (2020)	–	5.6% (2017)
Most exported wood product (2019) [as % of wood exports] (OEC, 2021)	Sawn wood [61.8%]	Sawn wood [40.1%]	Sawn wood [43.6%]	Sawn wood [29%]	Sawn wood [46.2%]	Plywood [41.6%]	Round wood [62.1%]
Top 3 wood export destinations for the most exported product (2019) (OEC, 2021)	Belgium (19.9%), Vietnam (15.7%), China (14.4%)	Senegal (10.9%), India (10.9%), Italy (10.4%)	China (26.9%), Vietnam (15.6%), India (13.6%)	United States (33.6%), Netherlands (12.2%), New Zealand (10.7%)	El Salvador (40.2%), Jamaica (13.9%), Saint Lucia (8.77%)	Japan (32.7%), United States (14.9%), South Korea (14.1%)	China (69.6%), Vietnam (20.7%), Belgium (2.94%)
Wood exports to the EU in million EUR (2018) (Eurostat, 2020)	203.5	52.5	20.5	0.3	0.4	198.0	55.4
Deforestation (Mha, 2020) (Vancutsem et al. 2021, updated statistics)	0.14	0.08	0.08	0.01	0.05	0.29	0.03
Average annual deforestation (Mha, 2001–2020) (Vancutsem et al. 2021, updated statistics)	0.06	0.19	0.08	0.01	0.04	1.07	0.04
Total deforestation (Mha, 2001–2020) (Vancutsem et al. 2021, updated statistics)	1.17	3.86	1.70	0.27	0.83	21.46	0.72
Forest type (type 1 and type 2)	Permanent Forest State & Non-permanent Forest State	State Forest Domain & Rural Forest Domain	Forest Reserves & off-Reserves	State Forest & non-State Forest	Public Forest & Private Forest	Permanent Forest & Non-Permanent Forest	Permanent Forest & Non-Permanent Forest
Current legislation	1994 Forest Code	2019 Forest Code	1999 Forestry Commission Act & 2011 Forest and Wildlife Policy	2018 Forests Regulations & the Code of Practice for Forest Operations	2007 Forest, Protected Areas and Wildlife Law (LFAVPS)	1999 Forestry Law	2020 Forest Code
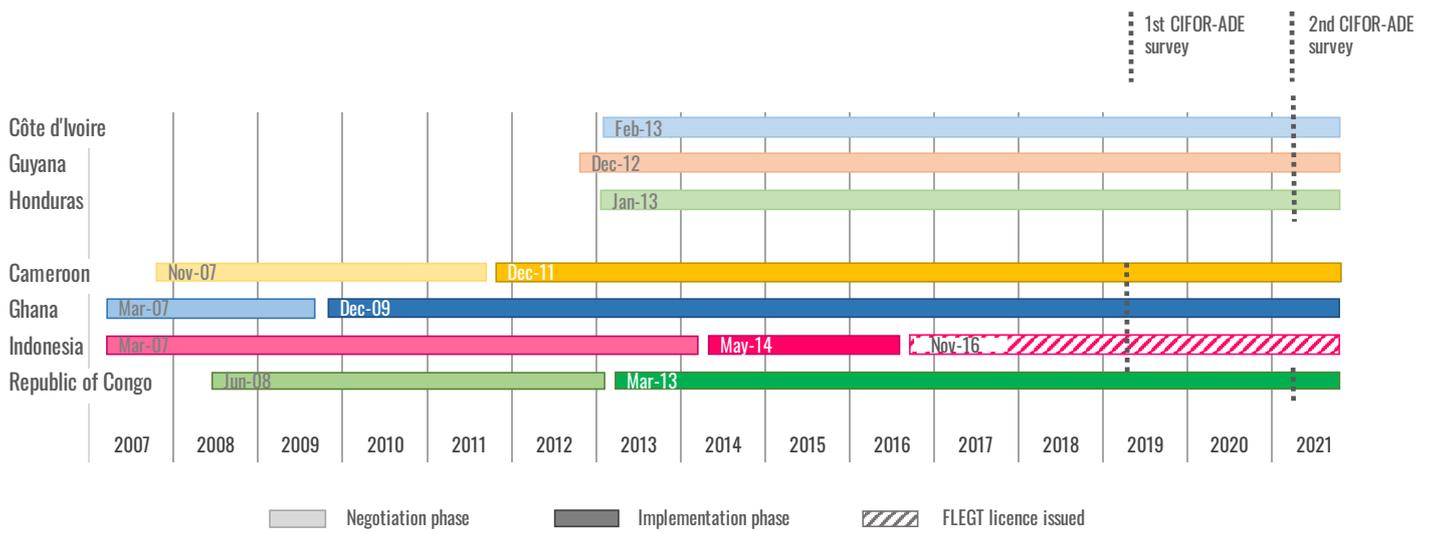
Figure 2. VPA timeline of negotiation and implementation phase

3 VPA impacts

The methodology allowed us to shed light on the *strength* and the *speed* of an identified change, as well as on the FLEGT-VPA contribution to that change.

Figure 3 illustrates the *strength* of a selected number of indicators *before* (dotted line) and *after* the FLEGT-VPA process was initiated or implemented, as reported by respondents in the seven countries. The grey line between *before* and *after* indicates "how much" of the change was caused by the VPA process. For example, a "big" distance between *before* and *after*, with a grey line close to the dotted line, means a "big" change with a "small" contribution. In other words, the change occurred, but the VPA process did not have a major role in causing it.

More than the value of each indicator (discussed later in more detail), Figure 3 serves as a reminder that history and local conditions matter. This is indicated by the different "*before*" values for the same indicators across countries. Those values can also be considered as the baseline value in each country.

For a different reading, the values of the grey lines (i.e. the strength of the VPA contribution to change across indicators per country and per thematic area assessed) can also be shown on their own (Figure 4). For example, in the thematic area "governance and institutional effectiveness" (blue bar at the bottom of Figure 4), the indicator "consultation of LC & IP" (first to the left) for "Indonesia" (red line) has a value of 40%. This means the VPA process in Indonesia contributed less than half of the total change reported for that indicator.

By following the same red line in Figure 4 (Indonesia) from left to right, in addition to all other countries, one realizes that some thematic areas show larger changes and FLEGT-VPA contribution than others. Averaging the values of all countries results in a declining trend from the left to the right side of Figure 4 (grey dotted line).

This is important feedback on the general intervention logic underpinning the VPA process and more broadly the FLEGT Action Plan. Namely, it shows that improvements to date have occurred in the basic governance pillars of relevant institutions, sustaining or initiating democratic processes in the forest sector (and beyond, through spinoff effects). It also shows the most egregious types of illegal logging and trade

have declined. In turn, as explicitly assumed by the ToC, this progress should be reflected in better forest conditions and later, improved economic conditions, with long(er)-term impacts on local livelihoods. We will return to the implications stemming from this trend in the concluding section.

Before discussing the details of each thematic area, two further reminders are in order. First, negative percentages in Figure 4 mean "negative contribution" of the VPA process to those variables. In other words, although rare, the presence of the VPA has slightly worsened the situation. Second, these results are based on the experience and perceptions of key stakeholders with strong knowledge of, and embeddedness in, the VPA process. They also have, as well as an in-depth knowledge of the forest sector in their countries (see Annex 1 and Annex 2 for more details on the approach and on the sample description in each country).

In the following sub-sections, we tackle each impact dimension and discuss individual indicators. Each sub-section starts with a list of the expected impact pathways. These are also illustrated on the background map of the general ToC. The detailed results for each relevant indicator then follow. A mapping of the ToC with all the indicators used is available in Annex 3.

3.1 Governance and institutional effectiveness

This section focuses on the first expected impact of the VPA process: governance and institutional effectiveness (Figure 5). Moving backward from the "impact" space to the "outcome" space, the causal pathways are as follows:

- Improved **governance and institutional effectiveness** in the forest sector is enhanced by increased **forest governance, as well as reduced corruption**, driven by consistent political will and improved **transparency**. Improvement in forest sector governance thanks to the VPA process might also inspire other sectors' reforms and processes (institutional spillover effects).
- **Effective stakeholder engagement** through improved **participation and capacity** of civil society, government and private sector is a primary necessary condition to improve governance.
- **Effective stakeholder engagement** also leads to **improved legal frameworks** and more **effective law enforcement**, as well as to increased **transparency** and better **government coordination**. This, in turn, leads to enhanced **accountability**.

Figure 3. Change in selected indicators
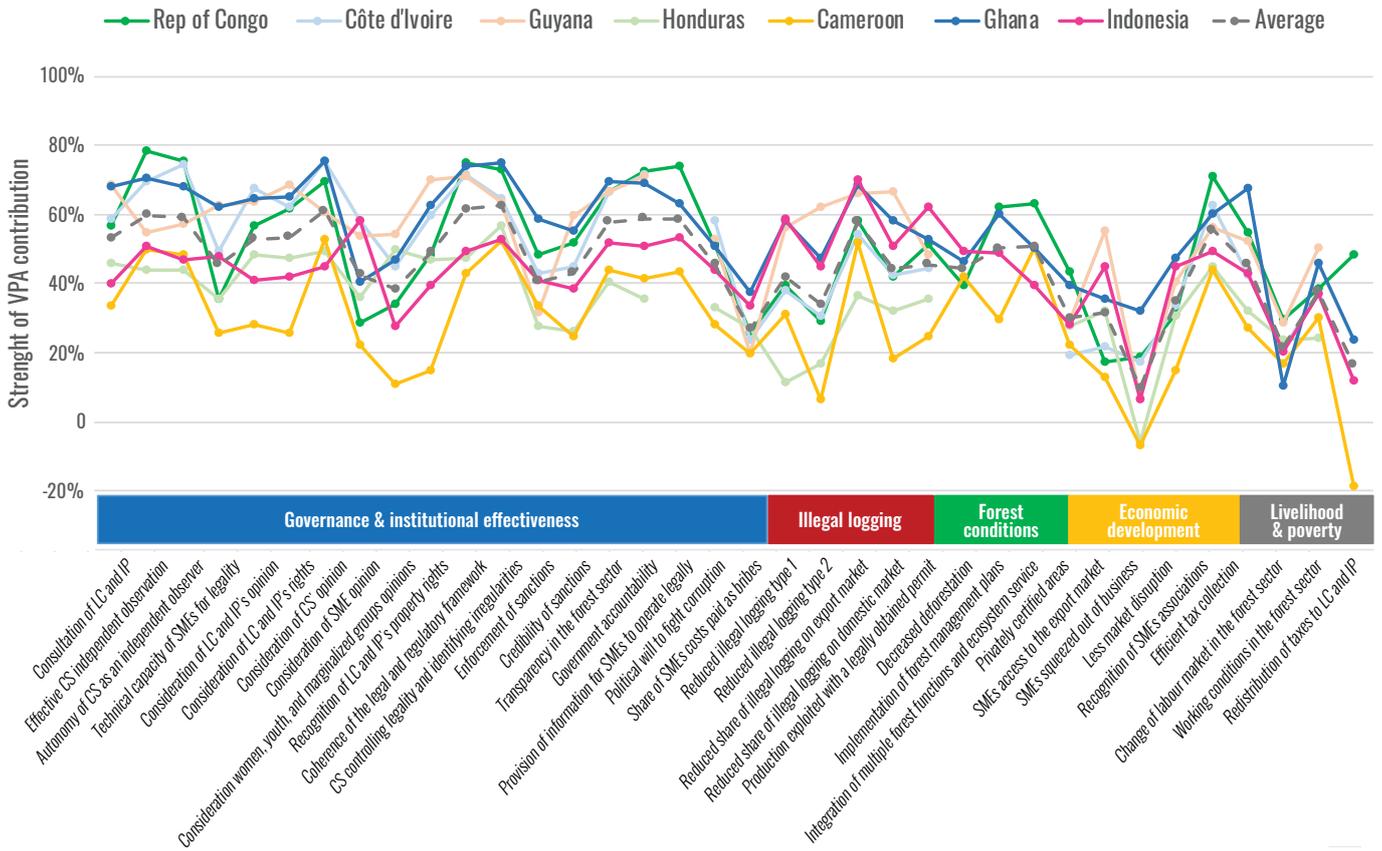
Figure 4. Strength of VPA contributions to the five impact dimensions of the VPA-ToC
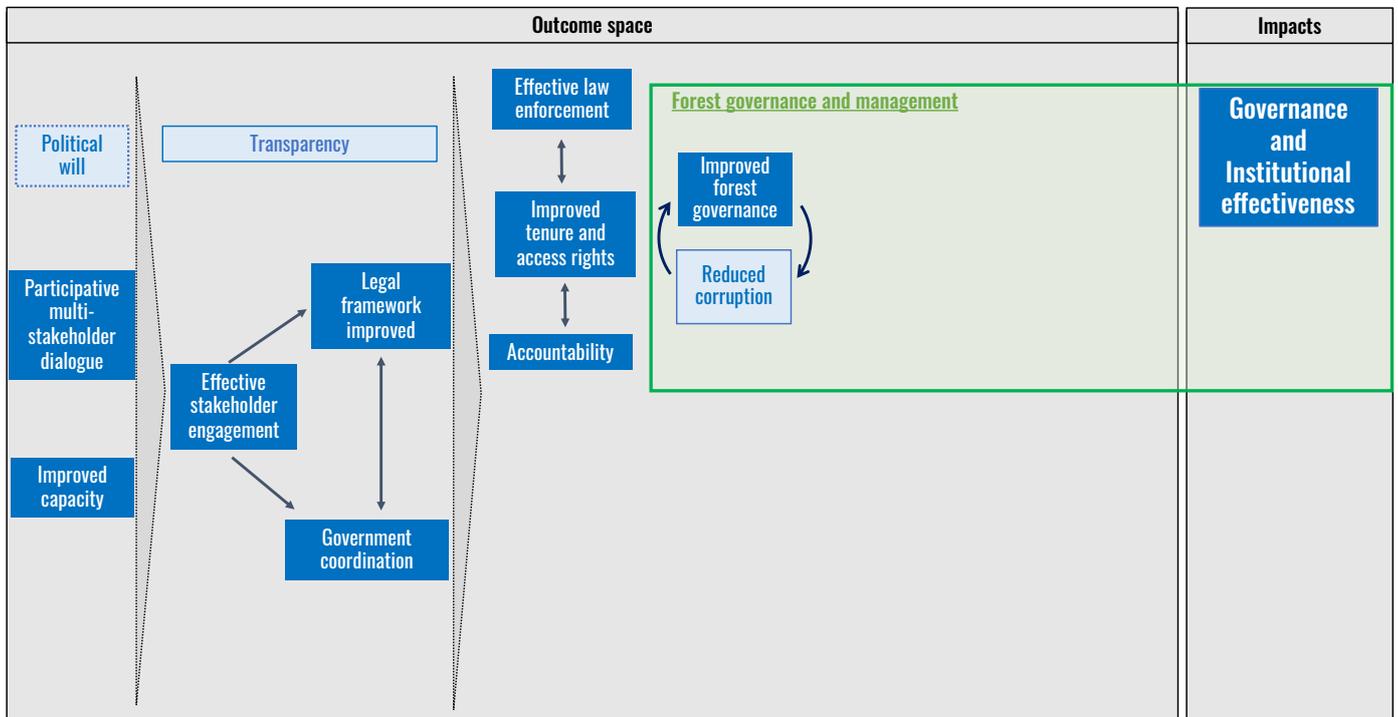
Figure 5. Impact pathways for governance and institutional effectiveness
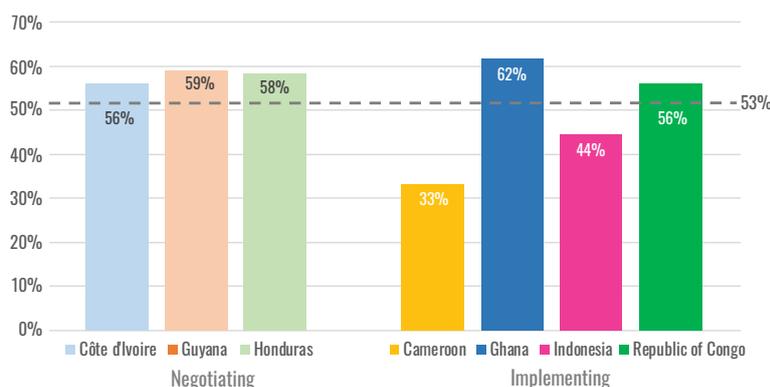
Figure 6. Average contribution of VPAs to the governance and institutional effectiveness impact dimension

· **Tenure and access rights** are then improved thanks to improved **legal frameworks** with better **law enforcement** and improved **accountability**.

On average, across all indicators related to governance, the VPAs are perceived to have contributed to more than half (53%) of reported improvements in governance and institutional effectiveness (Figure 6).

According to the ToC logic, the participation of various stakeholder groups and their improved capacities are fundamental ingredients to obtain effective stakeholder engagement. In turn, the latter becomes a prerequisite to continue moving along the impact pathway. The results on various recorded indicators on governance and institutional effectiveness corroborate this logic, as detailed below.

3.1.1 Forest governance

A. Effective stakeholder engagement

Overall, across all countries, the VPAs encouraged participation in a way that brought key stakeholders around the table in a "unique process." In all VPA countries, respondents outlined the importance of bringing different groups (such as representatives of the private sector, public sector, civil society [CS] and of local communities and Indigenous Peoples [LC & IP]) around the same discussion table. They called it a (so far) powerful, though not easy, way to start debating and finding agreement on vital areas such as governance in the forest sector. In particular, the process included concerted efforts to include LC & IP who were generally less represented (and when they were represented, it was mostly under the general banner of CS).

Along with participation, capacity building is a critical ingredient for improved governance and institutional effectiveness. In this context, it is desirable for results to show increased capacity of CS to play its role as an independent

observer and increased capacity of small and medium-sized enterprises (SMEs) to comply with laws and regulations. At initial stages of a VPA process, significant resources and support are dedicated to capacity building.

Results show that CS became more effective and more autonomous in its role as an independent observer (Figure 7 and Figure 8). Respondents identified the VPA process as largely contributing to these improvements. It also contributed, although to a lesser extent, to improving SMEs' technical capacity to conduct their activities in line with the standards of relevant legal frameworks (Figure 9). However, the process remains too technically and financially constraining for SMEs to comply with all legal parameters during the exploitation of wood (Figure 10). Along with other capacity building initiatives, curricula in technical and academic institutions now better integrate notions of legality and SFM (Figure 11).

SMEs face difficulties in adapting to the new reality (e.g., legality standard). These can lead them to either exit the market or to continue/start conducting their activities illegally, ultimately contributing to increased illegal logging. Difficulties in accessing international markets can also lead some companies to turn to intermediaries (brokers, transit agents and international traders). This, in turn, increases the complexity of the value chain and of legality verification (See also Section 4.2 and 4.4 for more details on VPA contribution to reducing illegal logging and fostering economic development).

As a result of improved participation and capacity, stakeholder engagement became more effective, with increased consideration of the opinions of all stakeholders, especially CS and LC & IP (Figure 12 and Figure 13). The VPA process is perceived to have strongly contributed to this increased consideration of CS and LC & IP opinions, as well as to more consideration to their rights (Figure 15). The VPA contribution to the consideration of SME opinions and the better recognition of SME associations is perceived to be

lower (Figure 14 and Figure 58 – section 4.4). Finally, the VPA has only slightly contributed to increased consideration of the opinions of women, youth and marginalized groups (Figure 16).

On average, differences between negotiating and implementing countries are minimal. However, once initial countrywide consultations and calls to participate have begun, stakeholders may become used to the new "quality" of governance (e.g., to their opinion being considered in stark contrast to the past). This is all more likely when negotiations last for several years.

Hence, the perception of those qualitative standards may also increase to more demanding levels. This could result in slightly lower "total changes" when interviews occur further down the implementation road (see e.g., Indonesia). Yet differences may also be caused by some groups being initially more involved in negotiations, only to be side-lined during implementation. In some countries, for example, government and private sector remained engaged at the expense of CS and LC & IP. Future VPA impact assessments in each country can shed more light on how these participation dynamics evolve.
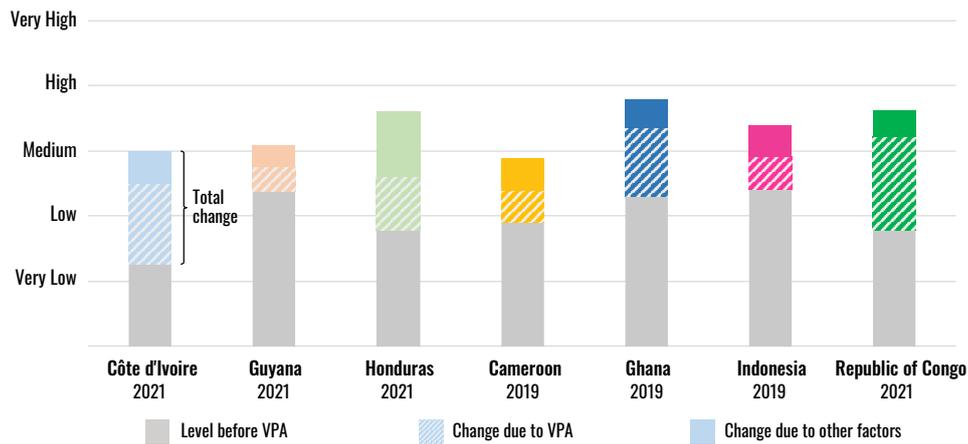
Figure 7. Change in the level of civil society's effectiveness as an independent observer and VPA contribution to this change
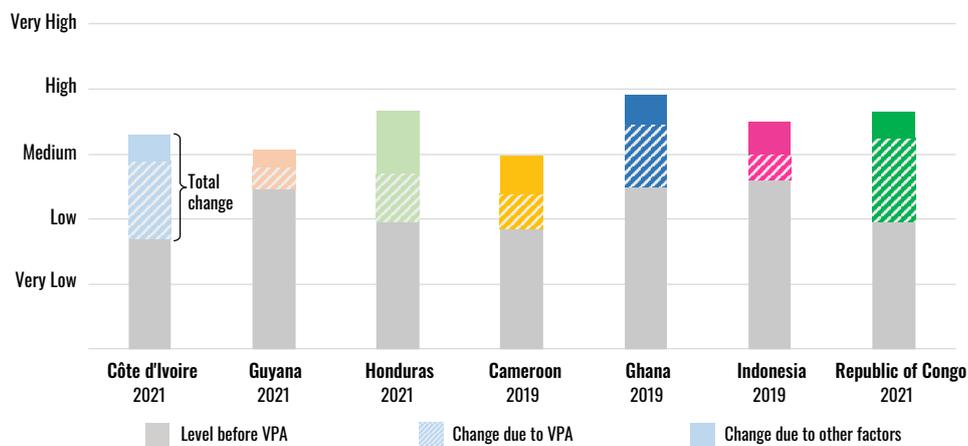
Figure 8. Change in the level of civil society's autonomy as an independent observer and VPA contribution to this change
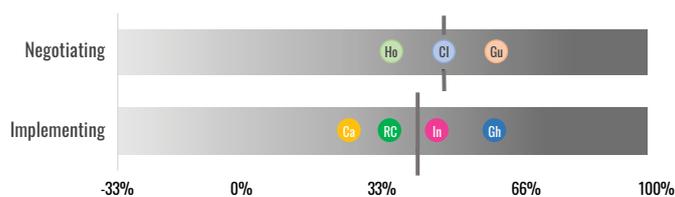
Figure 9. Strength of VPA contribution to improve the technical capacity of SMEs to conduct their activities legally
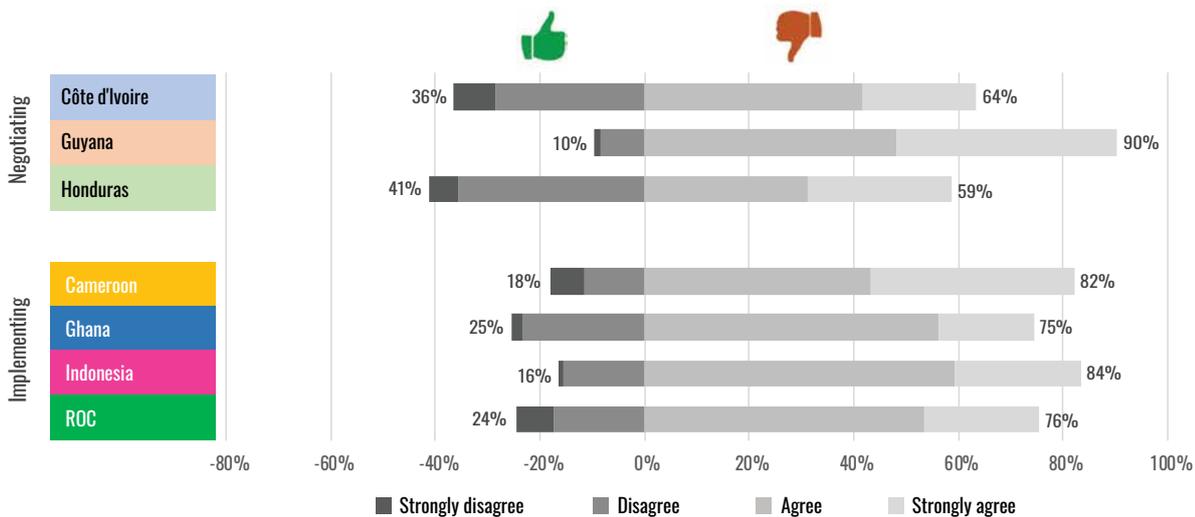
Figure 10. Statement on whether the legal exploitation of wood is technically and financially too constraining for SMEs
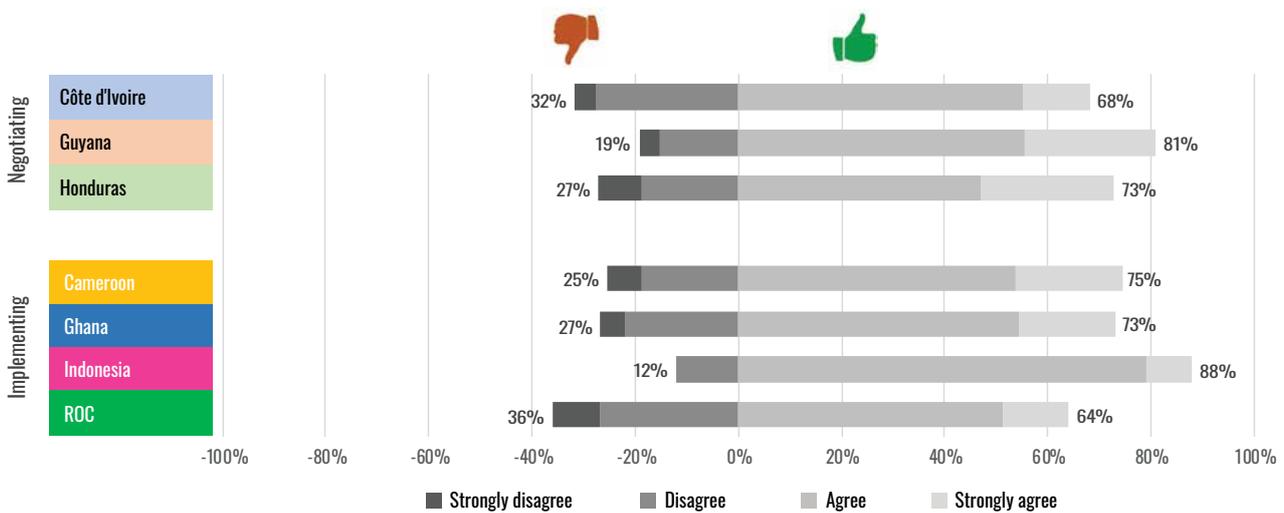
Figure 11. Statement on whether the curriculum of institutions now better integrates the themes of legality and sustainable forest management than before the VPA
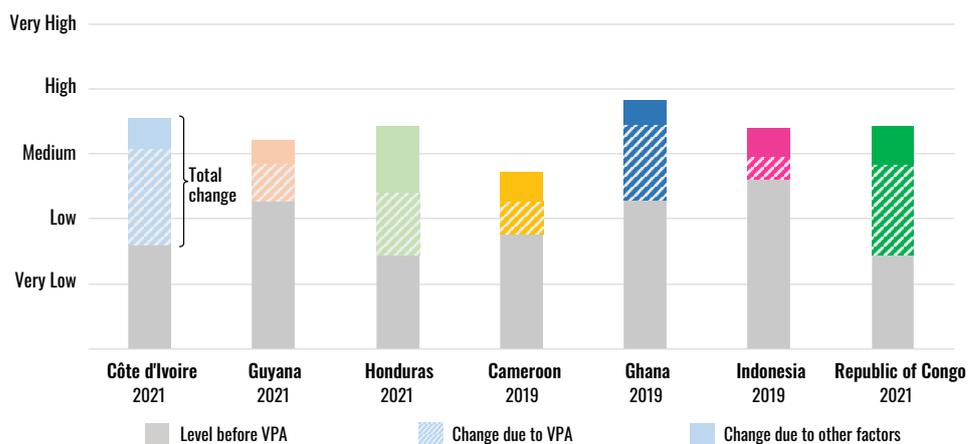
Figure 12. Change in the level of consideration of civil society's opinion in forest sector decision making and VPA contribution to this change

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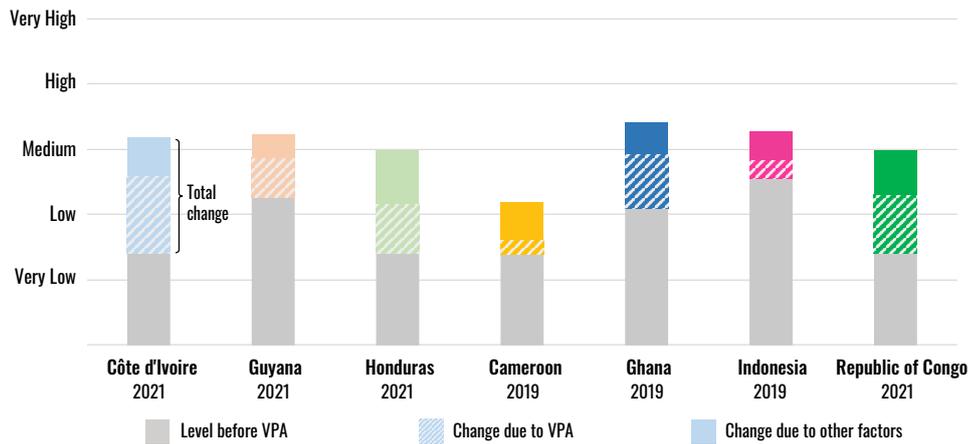
Figure 13. Change in the level of consideration of LC & IP opinion in forest sector decision making and VPA contribution to this change
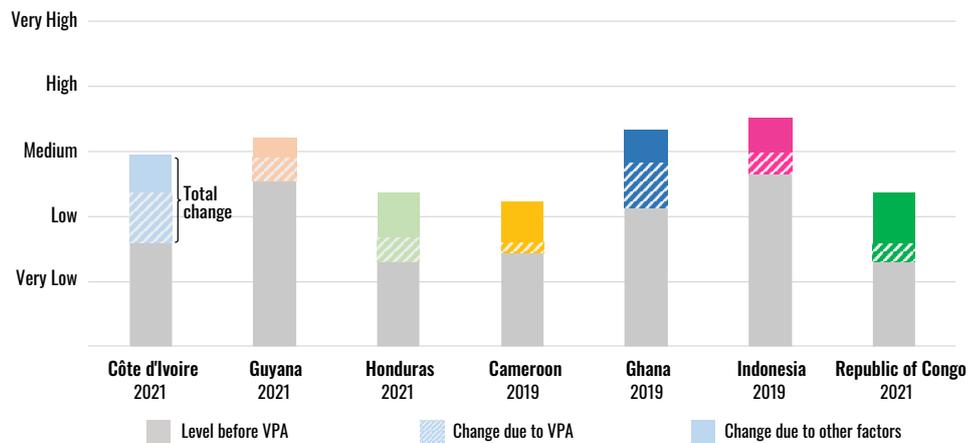
Figure 14. Change in the level of consideration of SME opinion in forest sector decision making and VPA contribution to this change
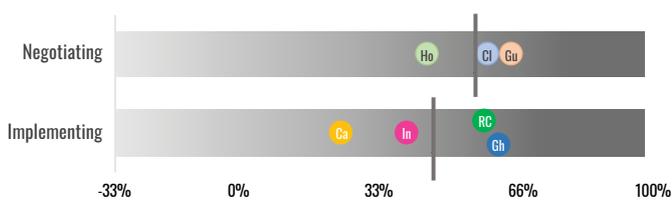
Figure 15. Strength of VPA contribution to the better consideration of LC & IP rights
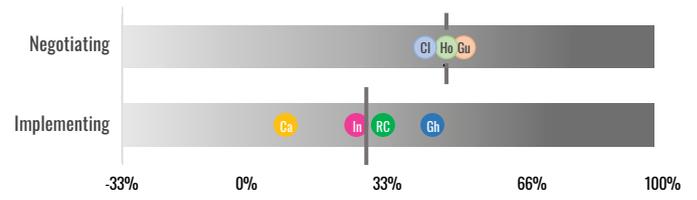
Figure 16. Strength of VPA contribution to the better consideration of women, youth and marginalized groups' opinion

B. Legal framework and law enforcement

The VPA process contributed to better coherence of legal and regulatory frameworks – one of the main VPA objectives (Figure 17). Through the stronger role of CS, and its increased capacity to act as an independent observer, the VPA process contributed to the indicator of improving law enforcement (although one may not automatically lead to the other). This, in turn, contributed to the better recognition of property rights of LC & IP (Figure 18). Again, different starting points across countries led to different levels of VPA contribution. For example, in some contexts, like Republic of Congo and Côte d'Ivoire, the VPA was particularly useful in putting the spotlight on forest sector regulation frameworks and accelerating legal reforms, which had been stagnating.
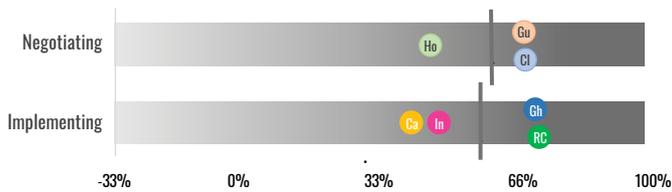
Figure 17. Strength of VPA contribution to better coherence of the legal and regulatory framework
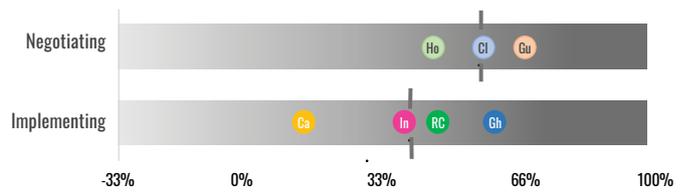
Figure 18. Strength of VPA contribution to the better recognition of LC & IP property rights
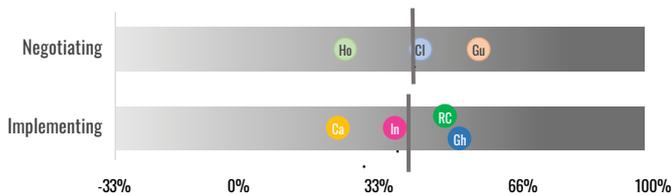
Figure 19. Strength of VPA contribution to making sanctions more credible
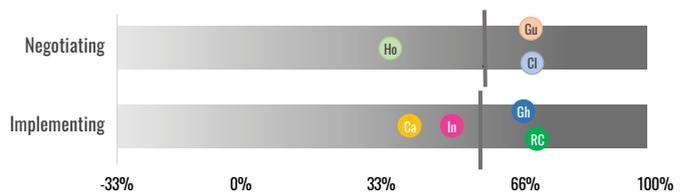
Figure 20. Strength of VPA contribution to making the government more accountable
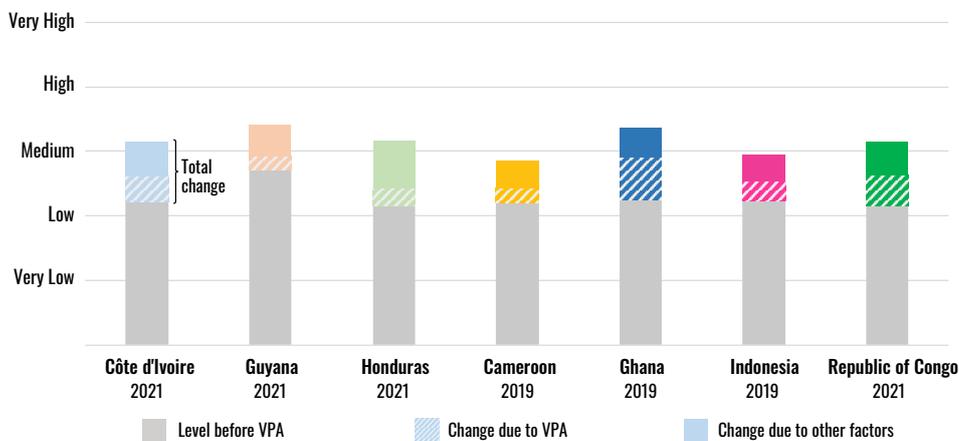
Figure 21. Change in the level of sanction enforcement and VPA contribution to this change

Level before VPA ▨ Change due to VPA ▨ Change due to other factors

Conflicts of interests blocking law enforcement	97%
Lack of coordination between government agencies	92%
An overall high level of corruption	88%
Insufficient level of sanctions	70%
Lack of power of the civil society	57%
No application of the sanctions	56%
Contradicting laws and regulations	51%
Multitude / too many regulations	45%
Insufficient power and competence of the administrative service	44%
Incomprehension of regulations	36%
Don't know'	32%
Other	32%

Côte d'Ivoire Guyana Honduras Cameroon Ghana Indonesia Republic of Congo

Figure 22. Reasons for non-compliance with forest laws and regulations

The VPA contributed to making sanctions more credible and to holding governments more accountable for their actions (Figure 19 and Figure 20). This is in line with more coherent legal frameworks, improved transparency and a stronger CS.

On the downside, overall sanction enforcement for non-compliance with forest laws and regulations has not dramatically improved and the VPA has barely contributed to that slight improvement (Figure 21).

The four most reported reasons for non-compliance with laws and regulations are conflicts of interest, high level of corruption, lack of coordination between government agencies and insufficient severity of sanctions (Figure 22). Law enforcement remains a challenge in most VPA countries. Thanks mainly to the VPA process, CS is getting stronger and playing a greater role in fighting irregularities. However, this trend needs to be sustained.

C. FERN – forest governance indicator

FERN used the FAO-PROFOR methodology to assess and monitor forest governance (FERN 2011). The forest governance indicators cover six dimensions, namely accountability, government coordination, participation, capacity, transparency and legal framework. Respondents are asked to choose the text description that most suits their country situation in these six dimensions on a scale ranging from 1 (extremely poor, non-existent) to 5 (very good).

We replicate this approach, using a much bigger sample of respondents. Figure 23 represents the level in the six dimensions for each selected VPA country at the time they were surveyed (2019 for Cameroon, Ghana and Indonesia, and 2021 for the remaining ones). The next figures display the situation in each dimension with the proposed answer options for each VPA country (Figure 24, Figure 25, Figure 26, Figure 27, Figure 28 and Figure 29). Note these six dimensions of governance are included in the left-hand side of the VPA ToC.

These figures show that all countries, except Honduras and Cameroon, appear relatively similar across these dimensions. However, forest governance still needs to be improved in all six dimensions. Note this is the situation either in 2019 or 2021. Hence, it does not capture evolution over time or due to the VPA process. However, a similar survey could capture such an evolution in these dimensions in the future.
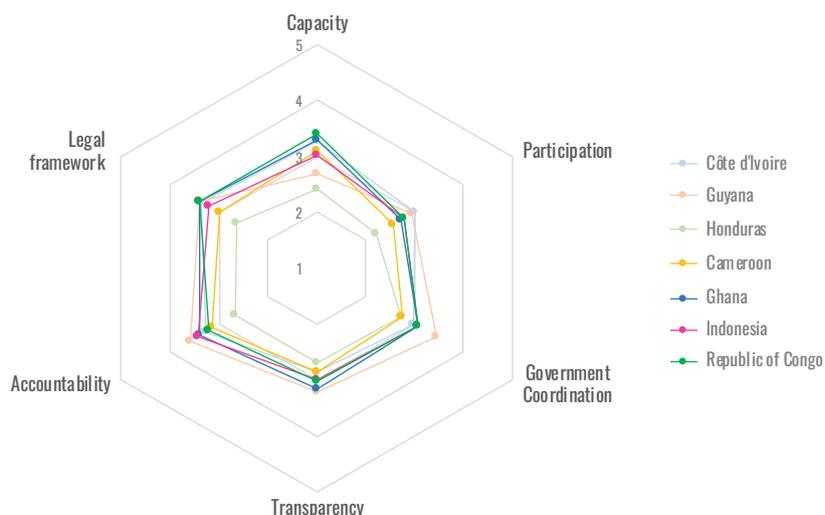
Figure 23. FERN governance indicator (six dimensions)
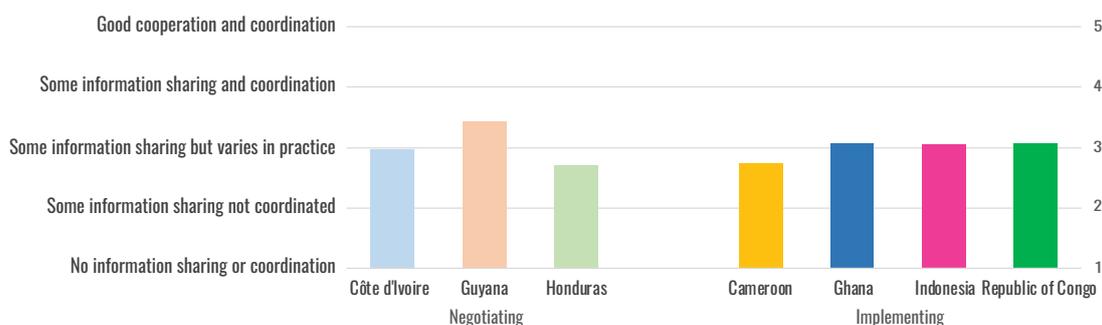
Figure 24. Average level of government coordination
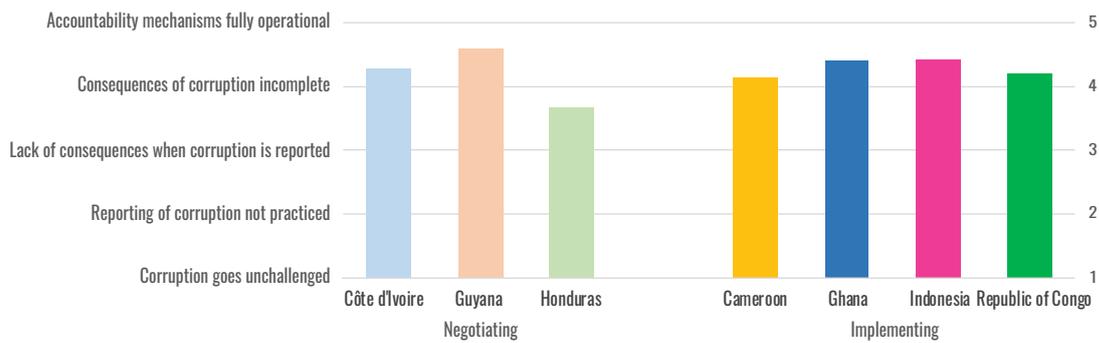
Figure 25. Average level of government accountability
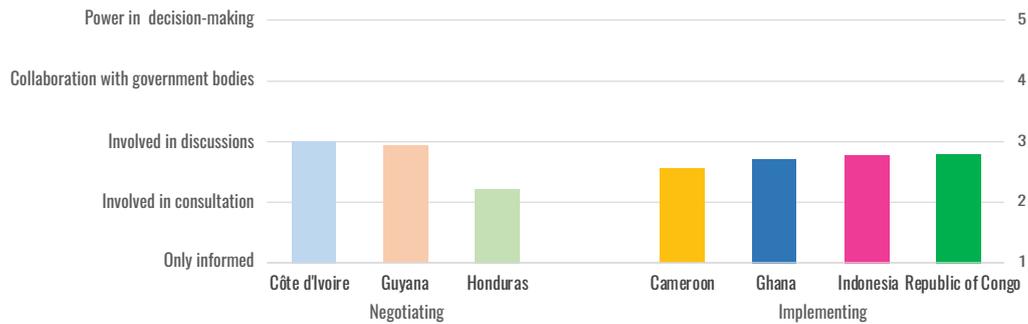
Figure 26. Average level of participation of different actors
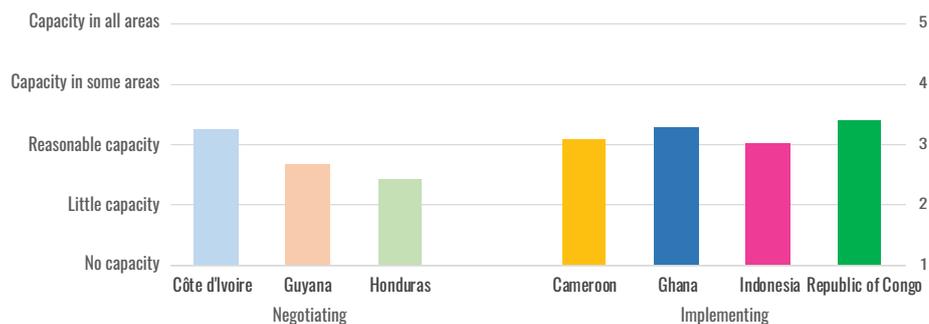
Figure 27. Average level of capacity of different actors
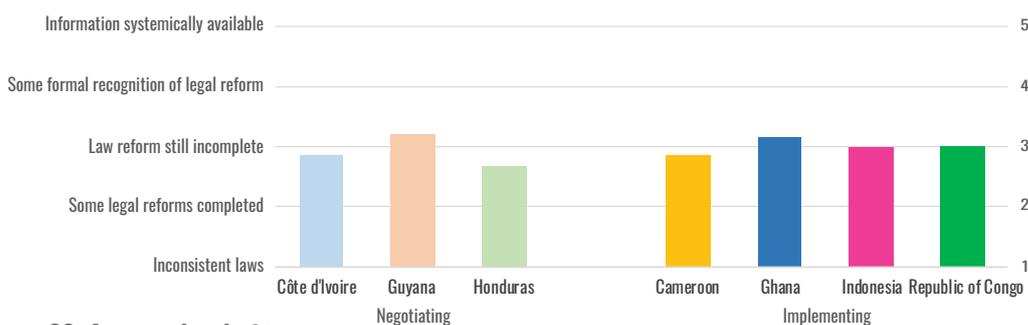
Figure 28. Average level of transparency
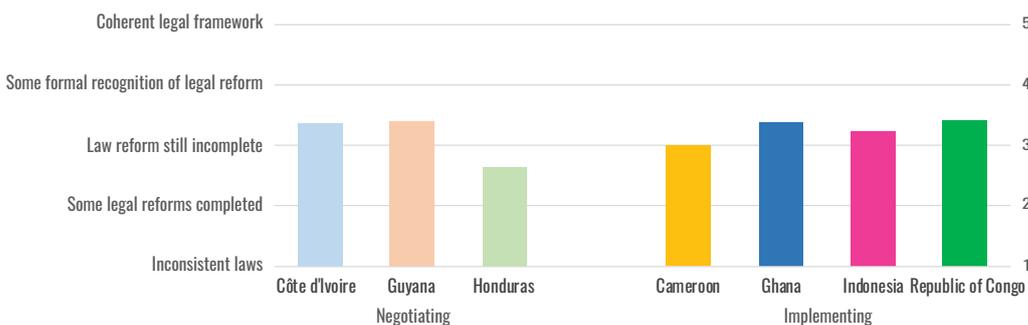
Figure 29. Average level of legal framework

3.1.2 Corruption

This study used the term "political will" to assess whether participants felt there had been broad steps, processes, actions, etc., signalling the states' active and determined engagement to fight corruption. The trends in each country, shown in Figure 30, indicate moderate improvements and varying degrees of VPA contributions to those improvements. The lowest improvements and contribution were seen in Cameroon. Indonesia had the highest level of political will. Meanwhile, Côte d'Ivoire had the largest overall VPA contribution, but this was also quite significant in Ghana and Republic of Congo.

Overall, there is a perception that the level of transparency in the forest sector, related to this political will to fight corruption, has increased, with varying VPA contribution levels to that change (Figure 31).[5] The VPA process appears to have had a greater influence to change in Republic of Congo, Ghana and Côte d'Ivoire.

Most respondents in implementing countries report that publicly available information is relevant for SMEs to meet the regulatory requirements (Figure 32). However, information on how to comply is only the first step to compliance. The actual legal exploitation of wood remains too technically and financially constraining for SMEs, as mentioned earlier (Figure 10).

The level of informal taxes (including bribes) paid by SMEs has remained steady (between 54% and 64% of their total operating costs) and the VPA process has not made significant inroads in reducing it (Figure 33).

However, for all countries except Cameroon and, to a lesser extent, the Republic of Congo, the perceived level of corruption has decreased in the forest sector (relative to other sectors) since the VPA process started (Figure 34).
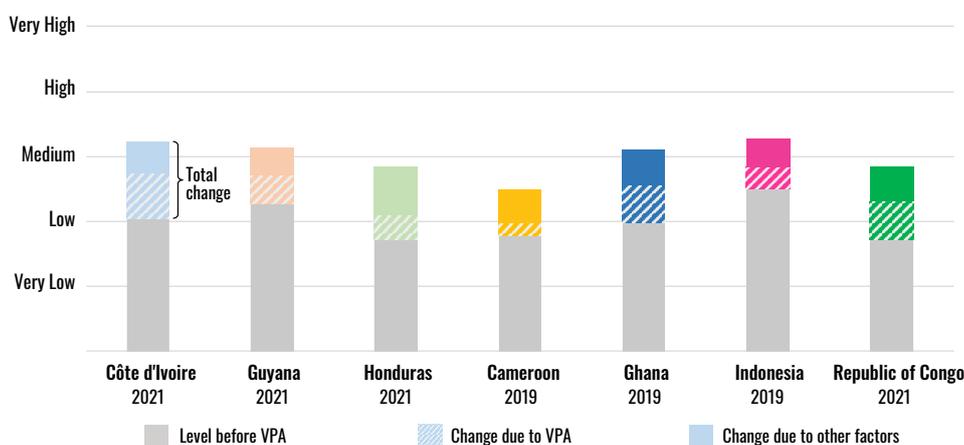
Figure 30. Change in the level of political will to fight corruption and VPA contribution to this change
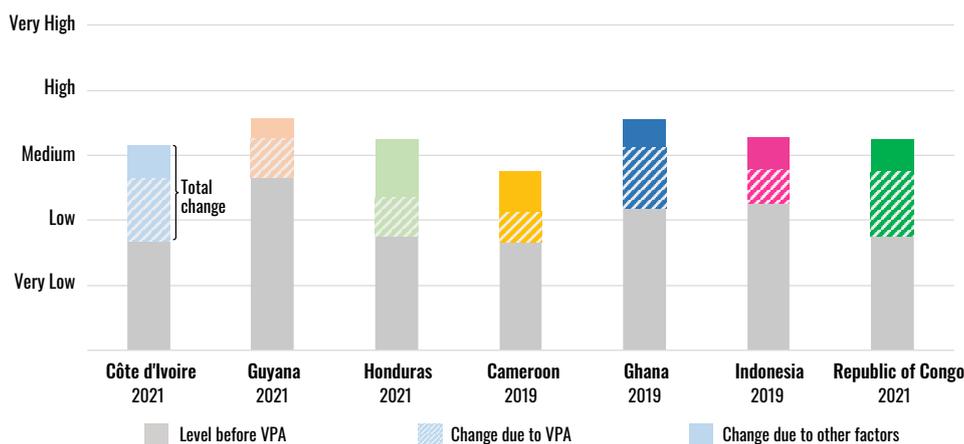
Figure 31. Change in the level of transparency in the forest sector and VPA contribution to this change

5   This indicator is different from the one in Figure 27 (FERN). Evolution in transparency level is assessed here, and the formulation of the question was slightly different. In the FERN approach, people were asked to choose between a different level of availability of information at the time of the survey. For this transparency level indicator, respondents were asked about the level of transparency in the forest sector as a whole, with no reference to information, prior to VPA process and at the time of the survey.
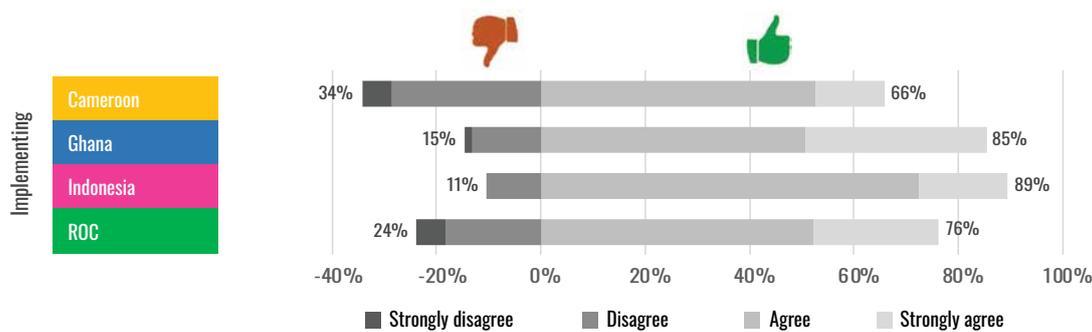
Figure 32. Statement on whether publicly available information on legality requirements is relevant for SMEs to meet the requirements
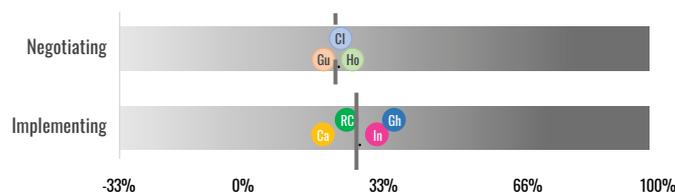
Figure 33. Strength of VPA contribution to reducing share of SMEs' costs paid as informal taxes
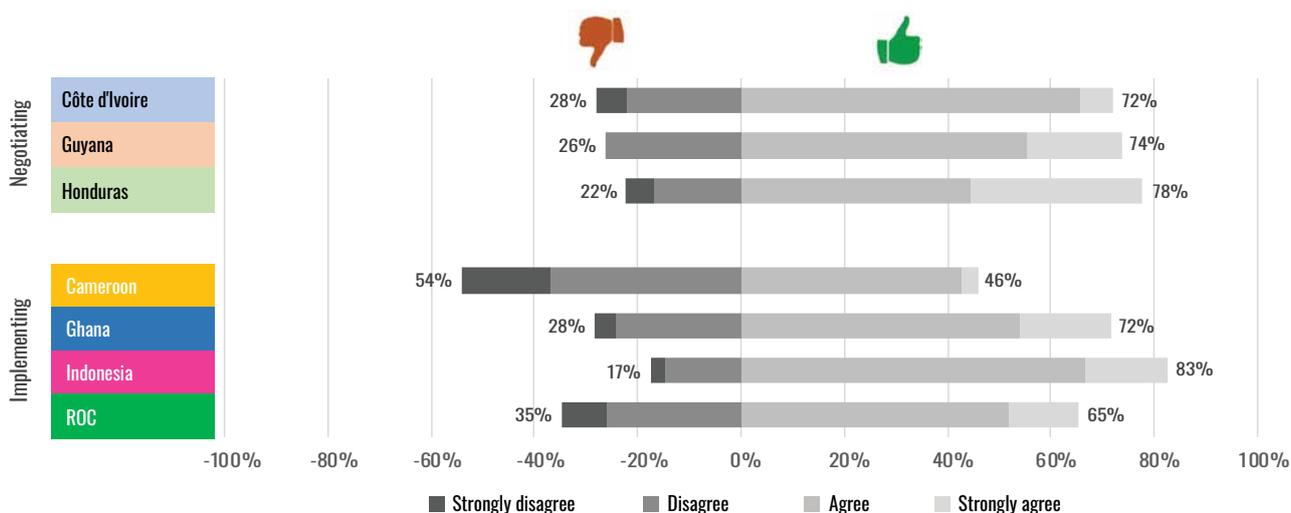
Figure 34. Statement on whether the level of corruption in the forest sector has decreased (relative to other sectors) since the VPA process started

This perceived reduction of corruption in the forest sector is likely to be related to the perceived greater role of CS to identify and denunciate irregularities (Figure 35). This is observed in all countries, although to a lesser extent in Guyana, Indonesia and Cameroon. This is confirmed by Figure 36, where respondents agree that the work of independent observation now contributes more to reducing corruption in the forest sector than before the VPA. These findings can be related at least in part to the increased CS capacity from VPA-related projects, as explored in Figure 7 and Figure 8.

Yet, in many countries, corruption remains systemic according to the Corruption Perception Index and the World Governance Indicators, among others. In such contexts, new VPA-related bureaucratic procedures may generate opportunities for corruption. Perceptions are mixed on this front, with a more pronounced indication that – as implementation kicks in – such opportunities materialize (Figure 37).
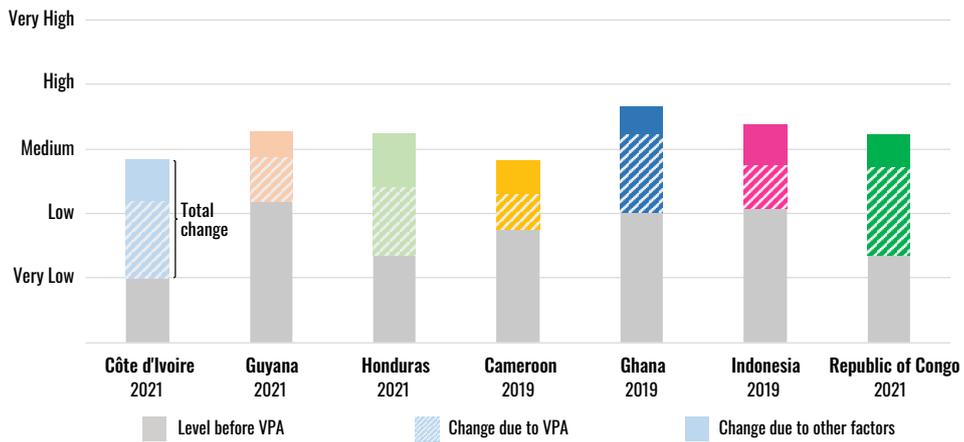
Figure 35. Change in the level of importance of civil society's role as a control agent to denunciate irregularities in the forest sector
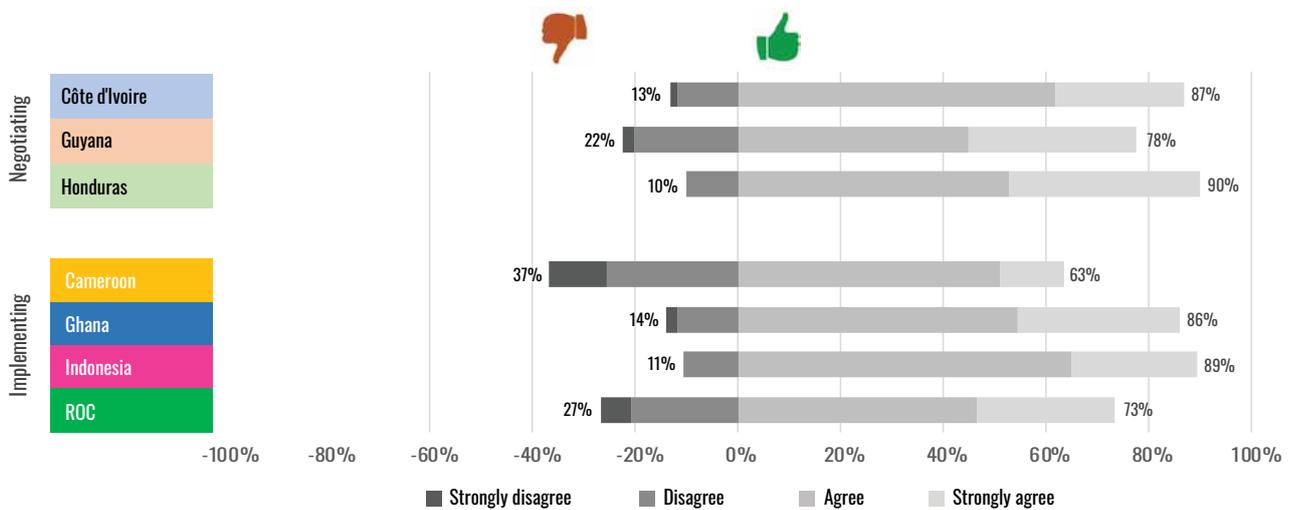
Figure 36. Statement on whether the work of the independent observation contributes more to reducing corruption in the forest sector than before the VPA process started
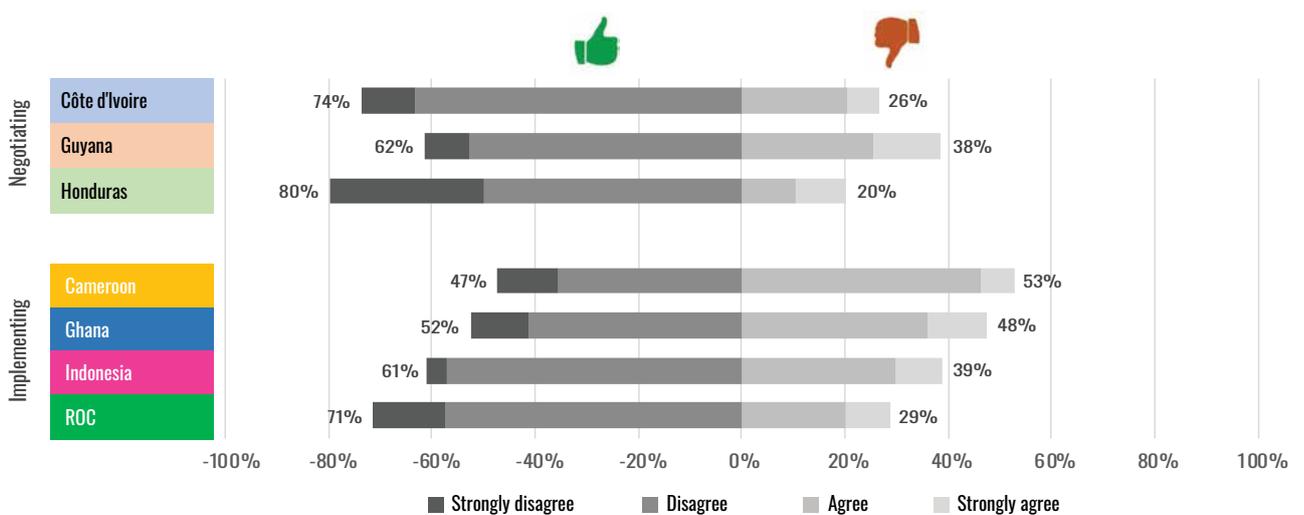
Figure 37. Statement on whether the bureaucracy linked to the VPA process has created new opportunities for corruption

3.2 Illegal logging

This section focuses on the impact of the VPA to reduce timber illegal logging and trade (Figure 38). As in the previous section, moving backward from the "impact" space to the "outcome" space, the causal pathways are as follows:

· **Illegal logging** is expected to **decrease**, especially after VPA is implemented. A **timber legality assurance system** (TLAS) is being developed and operationalized, ensuring that timber harvesting, processing and trade can be traced.

· A fully **operationalized TLA**S leads to the **FLEGT licence**. A well **enforced European Union Timber Regulation** (EUTR) also contributes to reduced illegal timber logging and trade (even without the FLEGT licence).

· In parallel, **improved forest governance** related to **improved stakeholders' knowledge, participation** and **capacities** already contributes to denounce and punish wrong-doers. Hence, this will reduce illegal timber practices, even in the absence of a fully developed TLAS (and in the absence of FLEGT licence).

Because of the nature of illegal activities, measuring them and their percentage over legal ones is a difficult task, as widely acknowledged by existing literature. Here,

we rely on respondents' perceived changes in illegal logging practices and in the amount of illegal production (and its market share). These become an indication of the likely overall trend in each country.

On average, across all indicators related to illegal logging, the seven VPA processes combined are perceived to have contributed to about half (45%) of the total decrease in the level of illegal logging. The VPAs' contribution is on average similar between negotiating and implementing countries. However, there is much larger variability across countries than for the governance indicators already discussed (Figure 39).
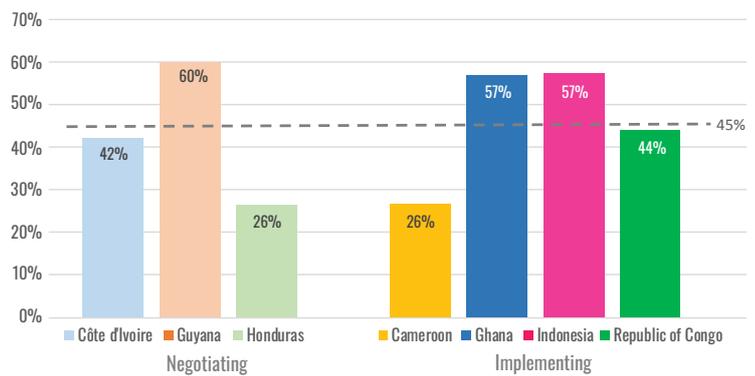
Figure 39. Average contribution of VPAs to the illegal logging impact dimension
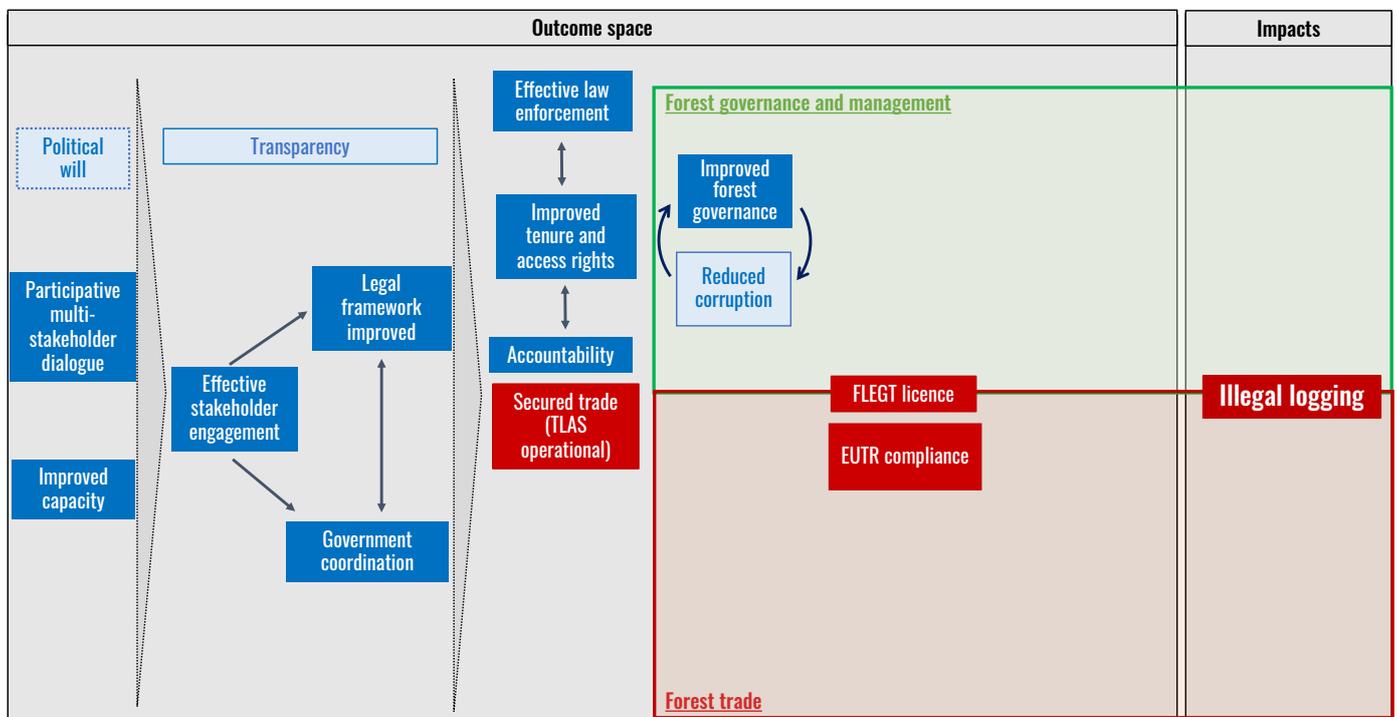
Figure 38. Impact pathways for illegal logging

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3.2.1 Secured TLAS

A fully functional and operational TLAS is an essential prerequisite before any VPA country can be granted the FLEGT licence. In implementing countries, however, some effects of the TLAS process can already be identified.[6] These effects include a stronger CS with greater capacity and space to denounce irregularities; improved collaboration between different stakeholder groups; and the awareness of stakeholders on the advantages of a performing TLAS to support their claims. These are all advances registered in several countries, even if only Indonesia can issue FLEGT licences.

One interesting corollary is the behaviour of the private sector. Once the message is out that 'traceability' and 'due diligence' are the new buzzwords in the sector and there to stay, the private sector may anticipate an increase in regulation and increase its own efforts towards private certification *before* a full TLAS is even operational. This hypothesis seems to be corroborated by an exponential increase in Chain of Custody (CoC) certificates delivered in many VPA countries in recent years (Figure 40).

3.2.2 Levels of illegal logging

The proportion of national timber production *exploited* with a legal permit has slightly increased in all countries, and the VPA has positively contributed to such increases, especially in Indonesia (Figure 41).

The proportion of legal wood *traded* (both on the export and domestic markets) has also increased in all countries, and the VPA has made some positive contribution to this increase in each country (Figure 42 and Figure 43).

Note the proportion of legal timber on the export market remains consistently higher across countries than the amount that enters the domestic market. This is in line with the importance of the VPA as a trade agreement with more focus on the international than the local market. Concerted efforts are needed to simplify domestic market regulations. Otherwise, even the most willing operators will continue to have little incentive to voluntarily ensure that the timber they receive and trade has been legally sourced.

Forests and their respective land uses, regulations and laws are different in each country of the study (see section 3, above, for more details). However, the volume of illegal logging in the two different types of forests (type 1 and 2) covered by the survey is perceived to have decreased since the VPA process began (Figure 44 and Figure 45).
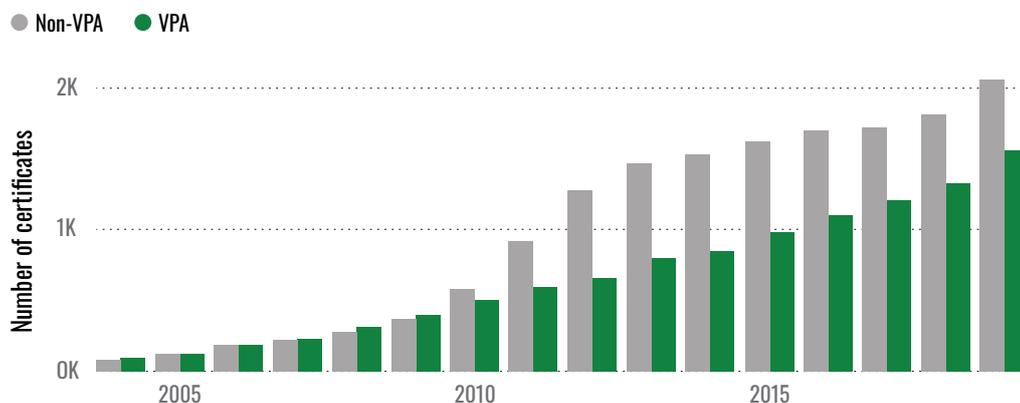
Figure 40. Chain of custody certificates (FSC & PEFC)

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6   As implementation has not started yet in Honduras, Guyana and Côte d'Ivoire, we do not expect significant impacts of the VPA on the TLAS yet.
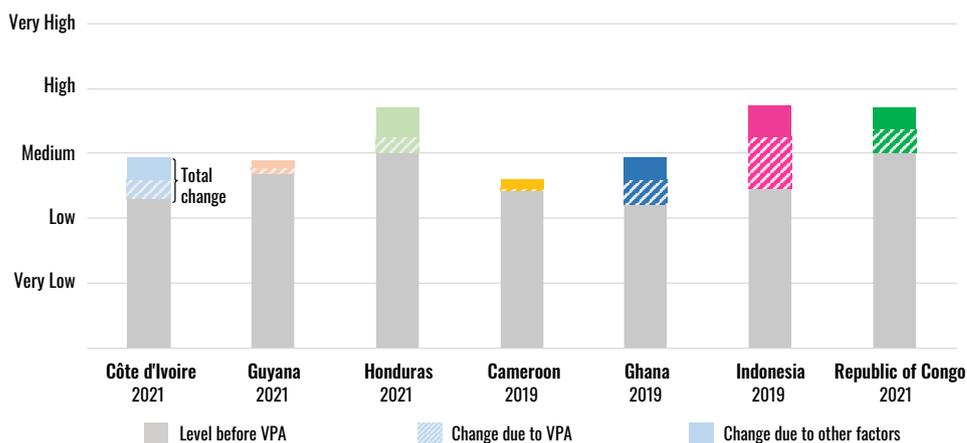
Figure 41. Proportion of national timber production exploited with a legally obtained permit
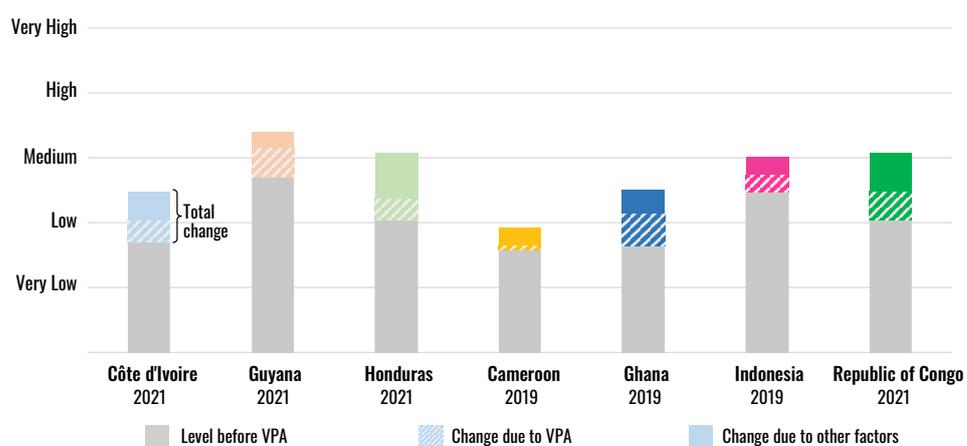
Figure 42. Change in the proportion of legal timber traded on the domestic market and VPA contribution to this change
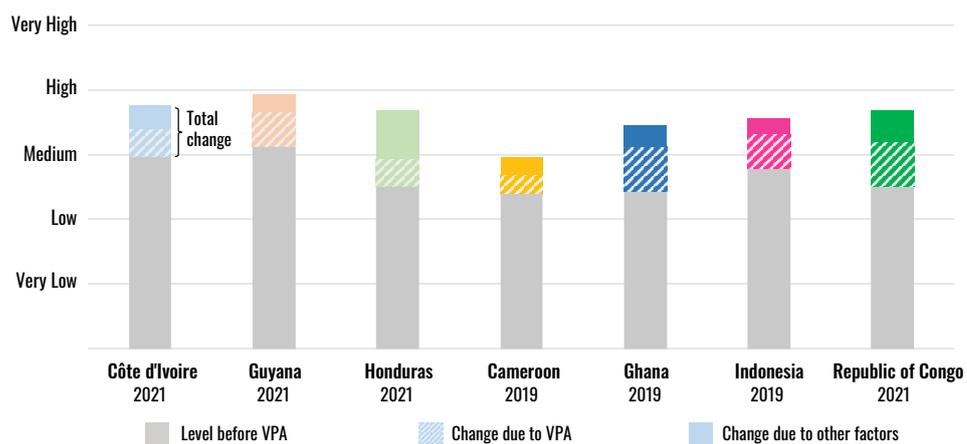
Figure 43. Change in the proportion of legal wood traded on the export market and VPA contribution to this change

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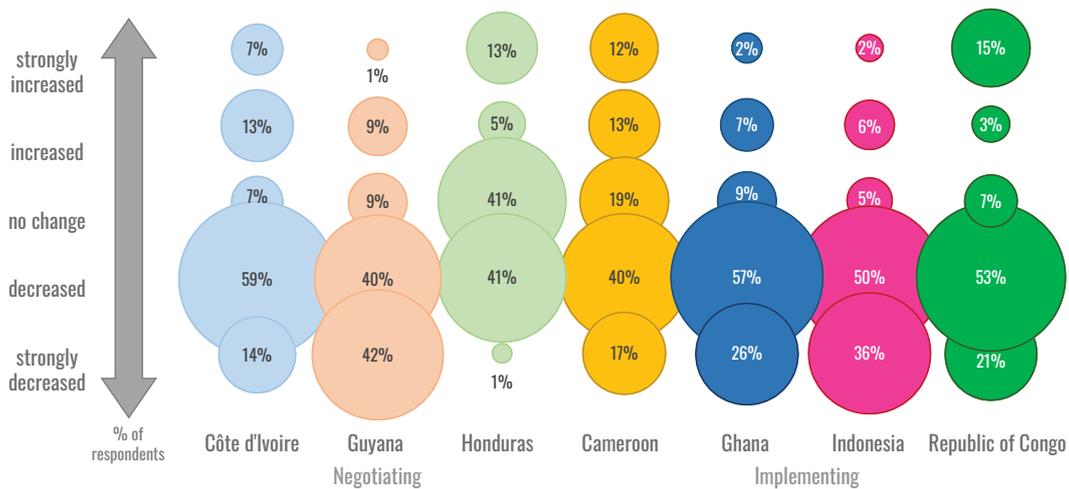
Figure 44. Evolution of illegal logging in type 1 forests (e.g., Permanent Forest Domain, see Tab.1)
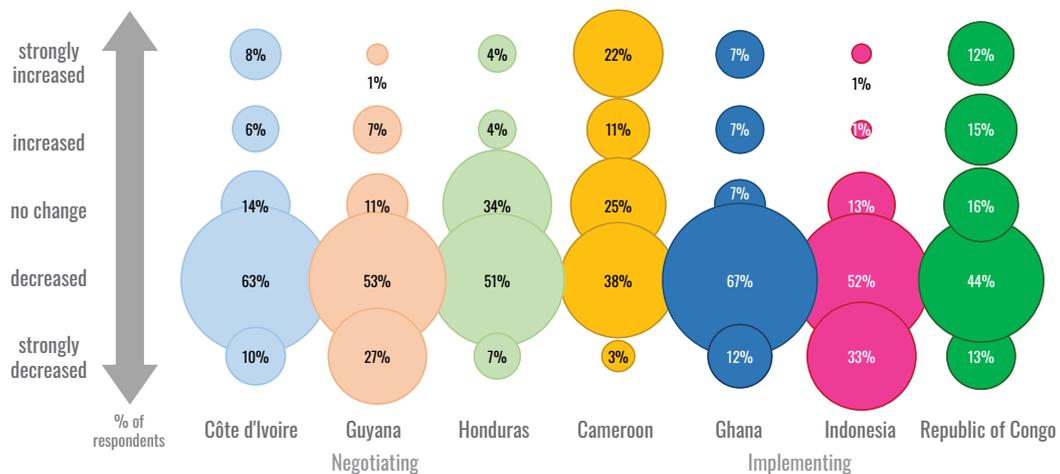
Figure 45. Evolution of illegal logging in type 2 forests (e.g., Non-Permanent Forest Domain, see Tab.1)

3.3 Forest conditions

This section focuses on the impact of the VPA to improve forest conditions (Figure 46). The causal pathways are as follows:

- **Forest conditions** improve with adoption of SFM practices across the national territory, attempting to **reduce deforestation and forest degradation**.
- To foster this achievement, **forest governance** must improve and **corruption** in the forest sector **decrease** (as explored above in governance) – necessary but not sufficient conditions. Also, improved forest governance and reduced corruption can only be achieved if **stakeholders' participation and capacity**, as well as **legal framework and law enforcement**, are improved, as described in section 4.1.

On average, across all indicators recorded, the VPAs are perceived to have contributed to 40% of reported improvements in forest conditions. The average VPA contribution varies a lot across countries, with stronger contribution in Ghana, Guyana and Republic of Congo, but is on average equal in negotiating and implementing countries (Figure 47).

SFM is crucial to mitigate and decrease consequences of major environmental issues such as deforestation, carbon emission and climate change. Results show the level of implementation of forest management plans and/or sustainable management rules has increased in all countries and that the VPA has slightly contributed to these increases (Figure 48).
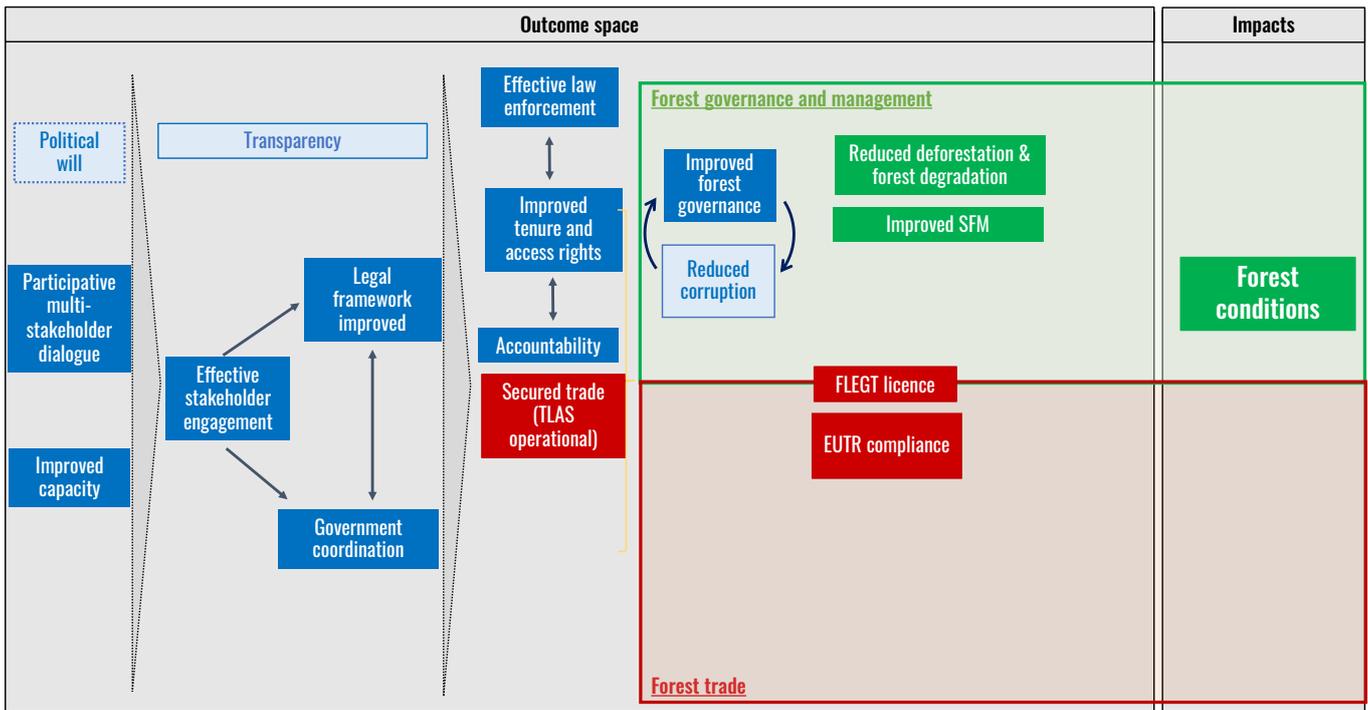
Figure 46. Impact pathways for forest conditions
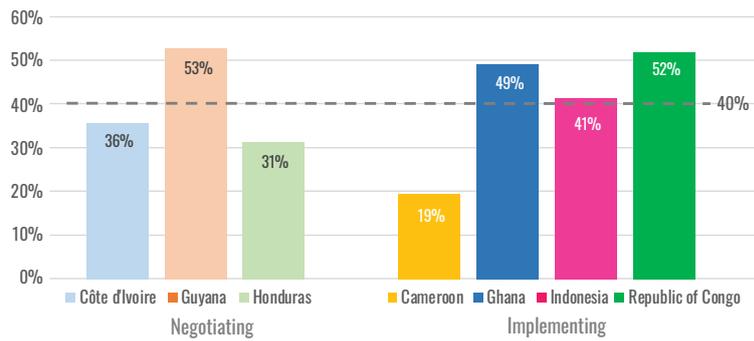
Figure 47. Average contribution of VPAs to the forest conditions impact dimension
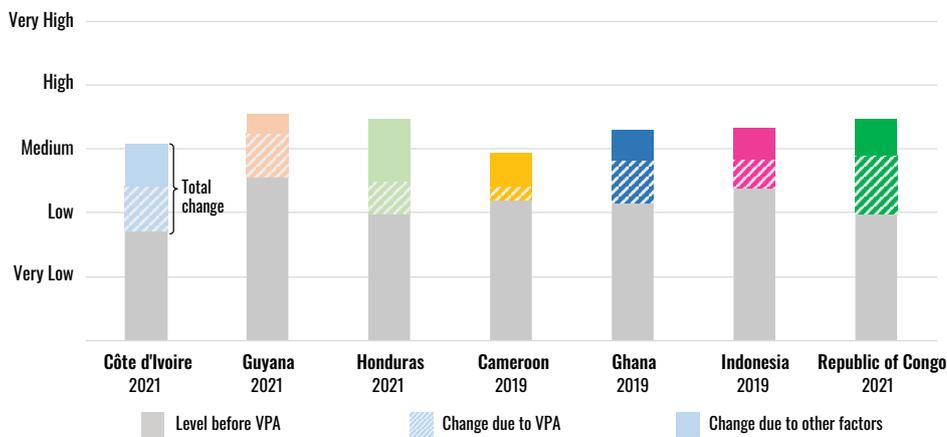
Figure 48. Change in the level of implementation of forest management plans/sustainable management rules and VPA contribution to this change

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As was the case above with TLAS and the related traceability issue, SFM implementation is also directly linked to private certification (e.g., Forest Stewardship Council [FSC] & Programme for the Endorsement of Forest Certification [PEFC]). In line with this, the VPA has reportedly also slightly contributed to an increase in areas covered by private certification (Figure 50, Figure 51). This is consistent with findings of increased awareness of the consequences of poor governance in the forest sector for all stakeholders (to a lesser extent for LC & IP and private sector). The increased awareness could be related to the increase in participation, knowledge and capacities brought by the VPA process. Stakeholder groups are now more exposed to notions such as SFM and deforestation than before the VPA process.

While selected VPA countries have different levels of deforestation (see Tab.1 and section 3, above), the VPA process seems to have slightly contributed to reducing deforestation in all countries except Cameroon (Figure 52). However, deforestation levels are not only related to timber exploitation. They are also connected to activities in other sectors (e.g., mining, agribusiness, etc.). Hence, positive impacts on deforestation also require improved coordination across government agencies to standardize deforestation efforts across all sectors. For example, the FERN coordination indicator score in Figure 24 shows there is room to reach better coordination and information sharing across different ministries.

Finally, the VPA has also moderately contributed to the better integration of multiple forest functions and ecosystem services into relevant regulations in each VPA implementation country (to a lesser extent in Cameroon). These include climate regulation, living environment, biodiversity conservation and touristic attractiveness, among others (Figure 53).
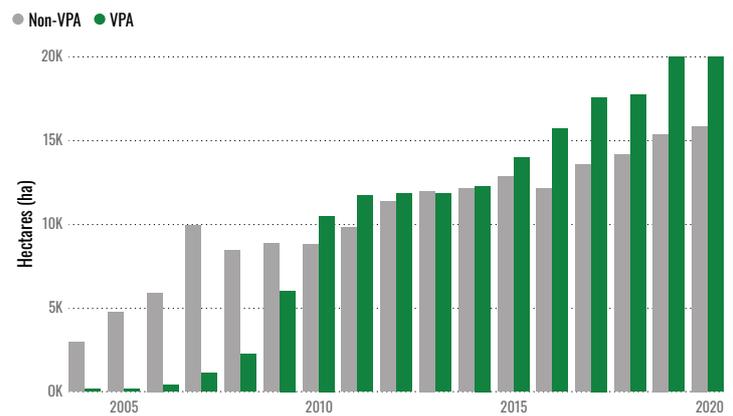
Figure 50. Privately certified areas (FSC & PEFC)
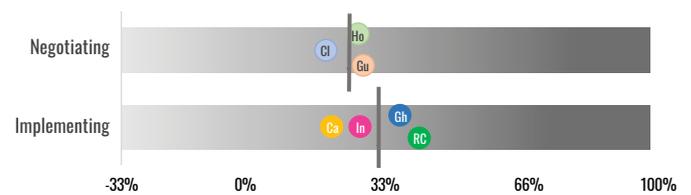
Figure 51. Strength of VPA contribution to the increase in privately certified areas
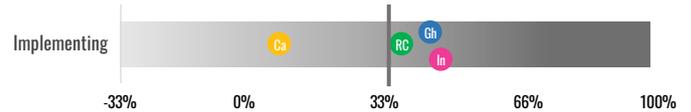
Figure 52. Strength of VPA contribution to a perception of decreased deforestation
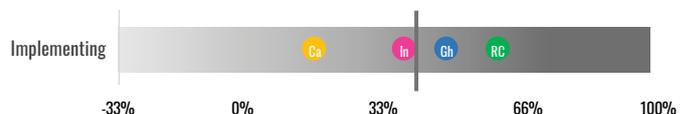
Figure 53. Strength of VPA contribution to a better integration of multiple forest functions and ecosystem services
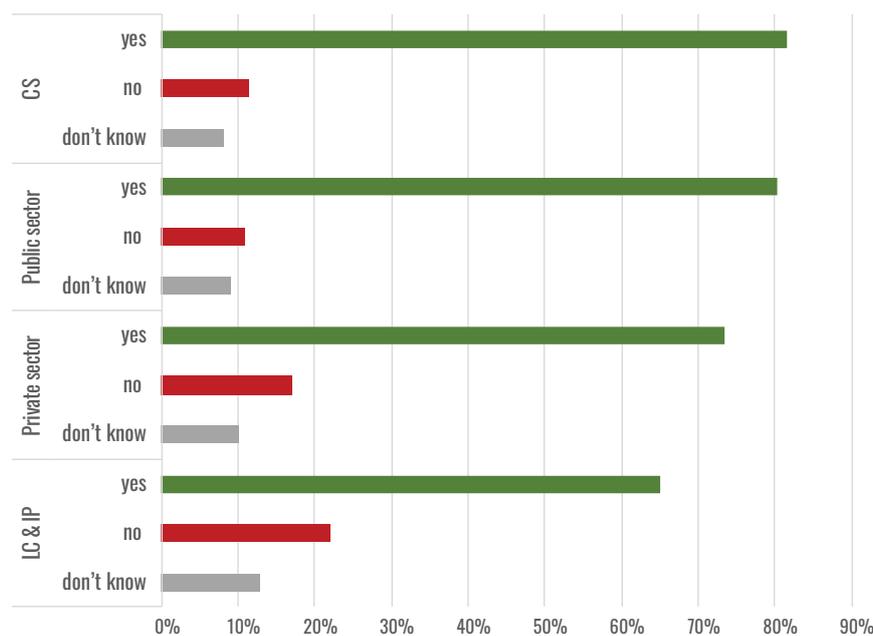
Figure 49. Actors' awareness of the consequences of poor governance in the forest sector

3.4 Economic development

This section focuses on an expected, albeit less direct, impact of the VPA process on economic development (Figure 54). The causal pathways are as follows:

· **Economic development** is expected to occur through a better **access of legal timber to international markets**, and through development of the **domestic market** working within the legal framework, both assumed to increase **tax collection** if corruption in the forest sector is controlled.

· **International legal timber trade** needs to meet international **quality and legality standards**. Hence, large industrial companies, as well as smaller ones (SMEs) exporting to the EU, need to comply with **EUTR** to enter the EU market. This requires **due diligence** even when FLEGT licences are not yet issued at country level. Overall, there is a need for an increase in legal timber production. This means a more **formalized forest sector** and improved **legal timber value chains** (especially regarding SMEs, since industrial companies usually control the last parts of the value chain).

· Domestic timber markets need more **local demand** for legal wood, as well as an available legal local timber supply. Hence, similarly to international exports, a more formalized forest sector and better organized legal timber value chain are necessary.

· Better governance and less corruption in the forest sector are necessary though not sufficient conditions to increase legal timber production and trade. Hence, there is need for a more **formalized timber market** and an improved

timber value chain at SMEs' level. In turn, **better informed** (private) stakeholders with stronger capacity, as well as improved legal frameworks and more accountability are also necessary ingredients for economic development.

On average, across all indicators related to economic development, the VPAs are perceived to have contributed to 35% of reported improvements in economic conditions. The average VPA contribution is almost equal in negotiating and implementing countries, with Cameroon and Honduras lagging (Figure 55). The VPA contribution to this impact dimension is lower than for the previous impact dimensions. This is expected, since economic development (along with the next impact dimension regarding livelihoods) occurs further down the causal path of results (ToC).

A large majority of respondents agree that engagement in, or completion of, the VPA process gives a positive image of the country and helps it to be considered as a reliable business partner (Figure 56).

In all countries (but to a lesser extent in Cameroon and Honduras), there is also a strong perception that there is as much political will to prioritize development of the forest sector as for other sectors (Figure 57). In Honduras and Cameroon, more respondents disagree with this statement. This indicates the need for continued and sustained effort by stakeholders to help move the forestry sector up the list of each government's priorities (both for economic and environmental reasons).
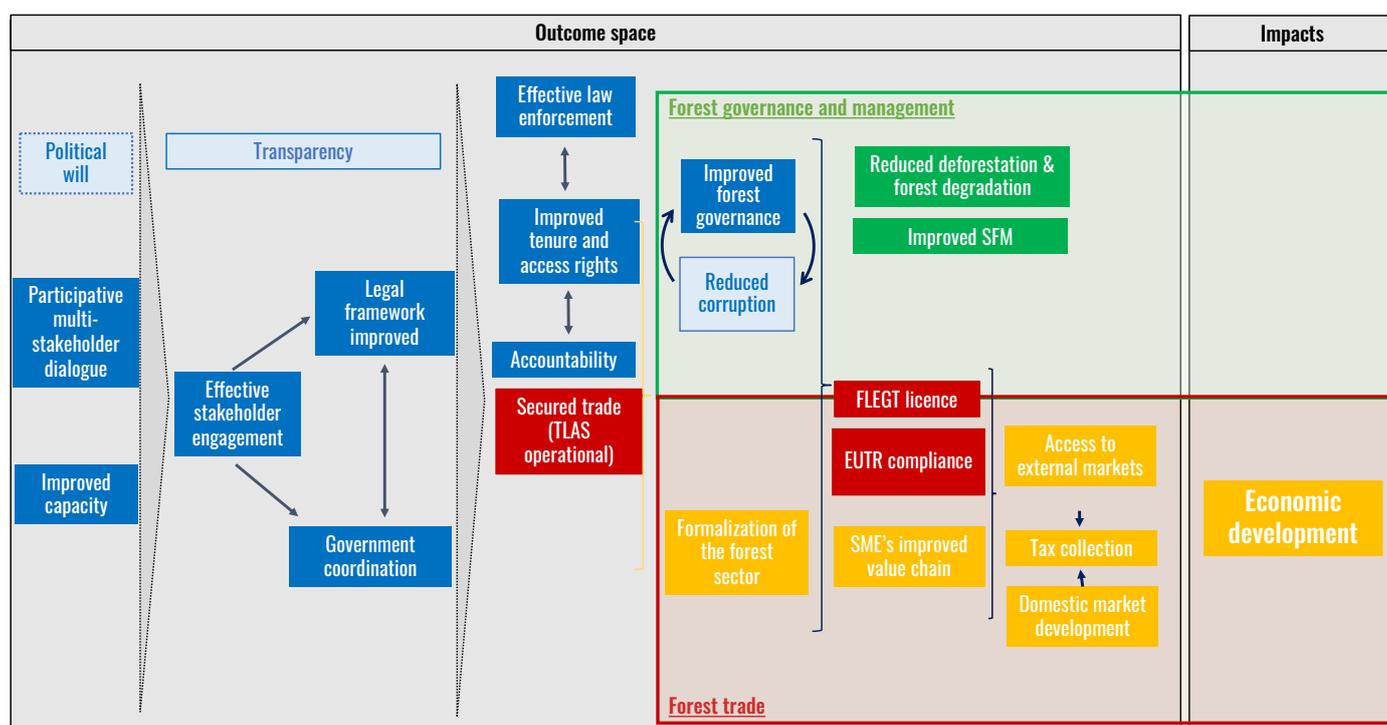
Figure 54. Impact pathways for economic development

Paolo Omar Cerutti, Tatiana Goetghebuer, Nastassia Leszczynska, Jean Newbery, Bruna Almeida, Raphael Tsanga, Romain Fourmy and Luisa van der Ploeg
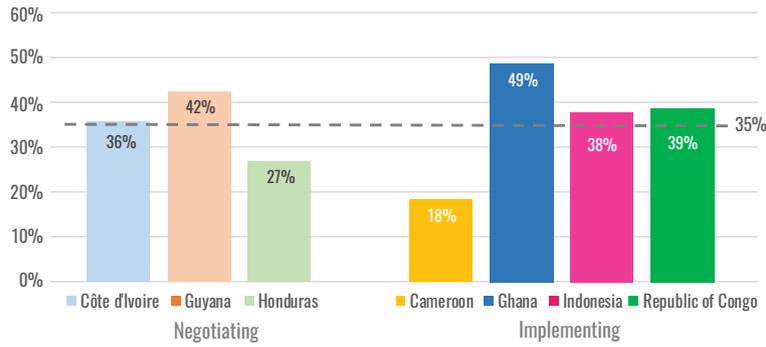
Figure 55. Average contribution of VPAs to the economic development impact dimension
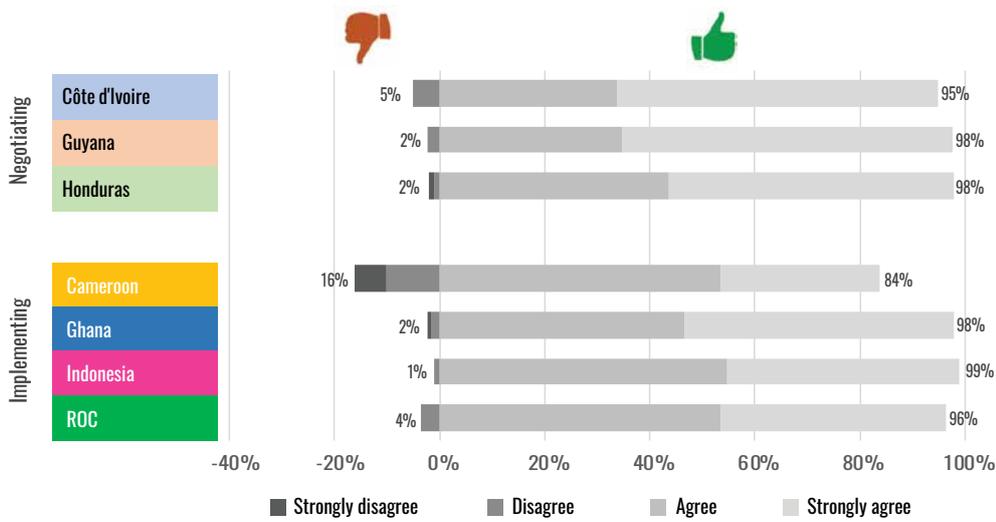
Figure 56. Statement on whether the VPA process gives a positive image of the country and helps it to be considered as a reliable business partner
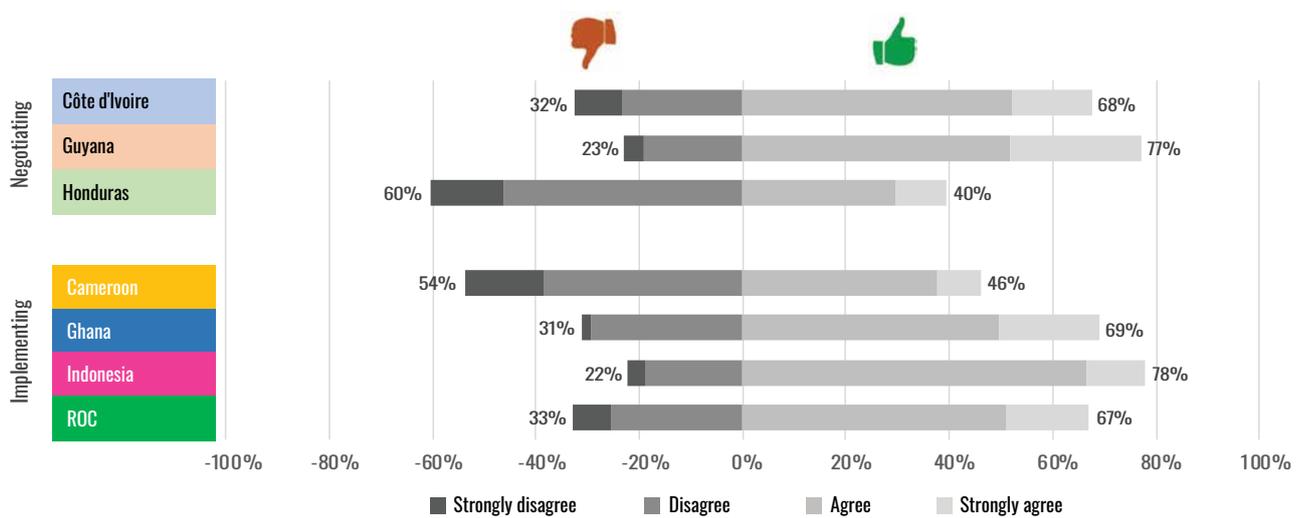
Figure 57. Statement on whether political will exists to prioritize development of the forest sector as much as other sectors

The VPA has moderately contributed to an increase in SME organization and recognition of their associations (Figure 58). On one side, the VPA process slightly contributed to increasing SMEs' capacity to comply with legality requirements. On the other, most respondents perceived that complying with new regulations remains technically and financially too challenging (see Figure 9 and Figure 10, section 4.1.1). Legality requirements imposed by the VPA

process could squeeze SMEs out of business, although they do not seem to have contributed to doing so yet (Figure 59). Constant monitoring is required as legality requirements increase to avoid this outcome.

In fact, respondents perceived that the number of SMEs (both formal and informal) has increased in all seven countries (Figure 60). This result seems to reflect the growing global demand for wood (on the domestic and international market).

SMEs' capacity to comply with legality requirements seems to have increased (see Figure 9, section 4.1.1). Meanwhile, respondents also perceived that timber quality provided by SMEs since VPA ratification has improved (Figure 61). Both of these findings are stronger in Indonesia and Ghana. However, results show the VPA has had a marginal effect in improving SMEs' access to external markets in most of the countries (Figure 62), except in Indonesia and Ghana. Similarly, the

Figure 58. Strength of VPA contribution to a better recognition of SMEs' associations
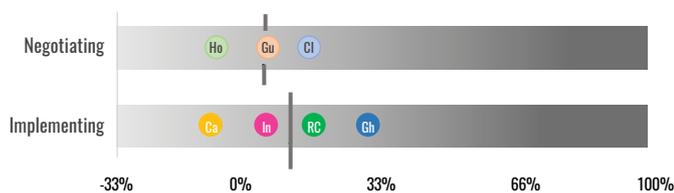
Figure 59. Strength of VPA contribution to squeezing SMEs out of business
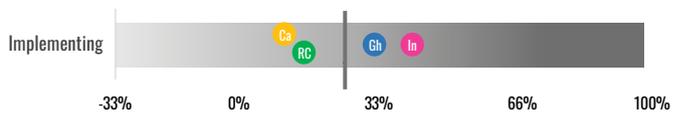
Figure 62. Strength of VPA contribution to improving access of SMEs to the export market
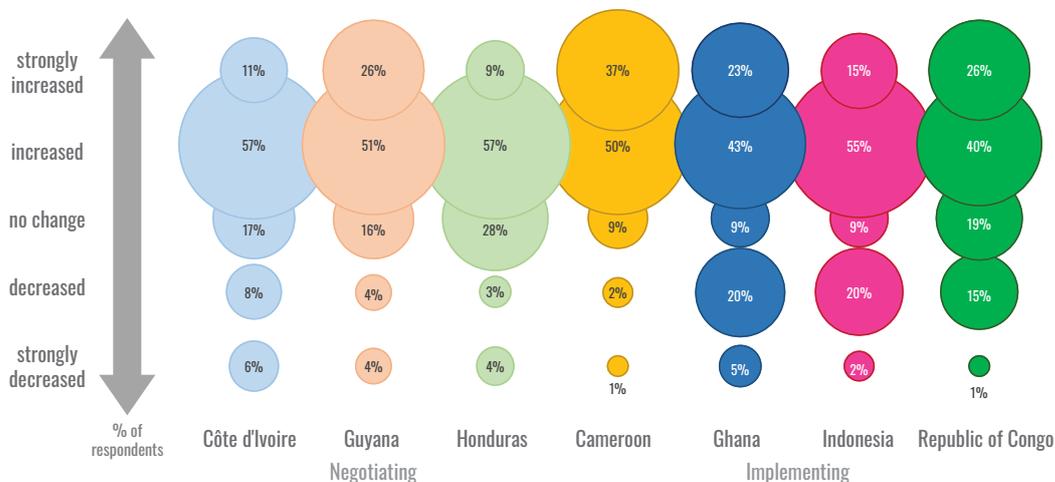
Figure 60. Evolution of the number of SMEs
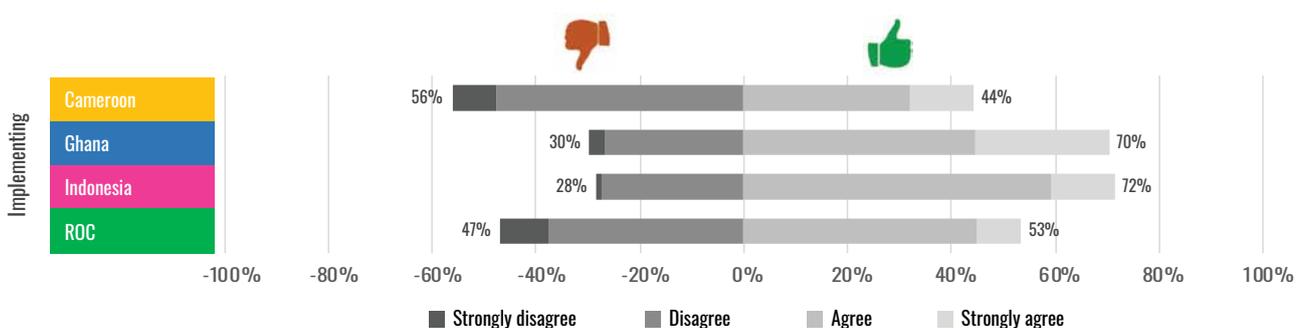
Figure 61. Statement on whether SMEs in the forest sector provide better quality timber than before the VPA process started

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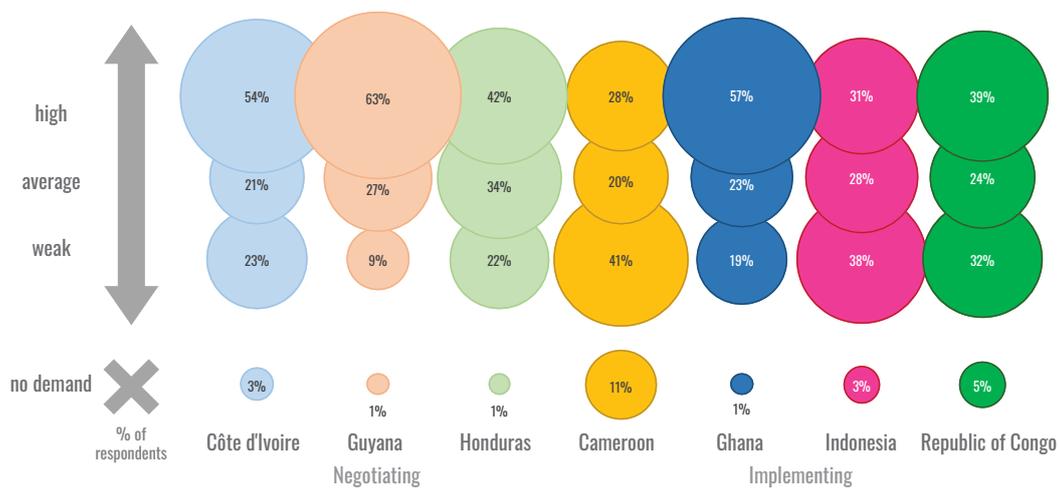
Figure 63. Demand for legal wood on the domestic market
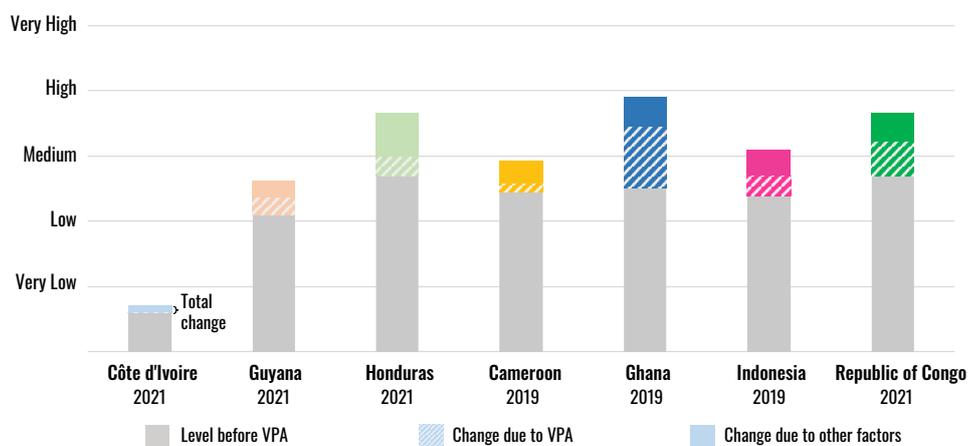
Figure 64. Change in the level of tax collection efficiency and VPA contribution to this change

share of SME business on the export market has increased more significantly in Indonesia and Ghana than in other VPA countries.

Most countries perceive an existing demand for legal wood on both export and domestic markets (Figure 63). However, many respondents during FGDs argued that much more communication and incentives to develop legal timber domestic market are still required. Also, some respondents report that legal timber supply for domestic market is quasi-inexistent or extremely expensive. Hence, legal timber domestic market is still a niche reality in those VPA countries.

All in all, these results corroborate what is shown in other sections of this report: an increasing number of SMEs in the forest sector follows an increasing demand for wood

products on the domestic markets of sampled countries. Neither demand nor supply are, however, significantly turning towards the production and consumption of legal products. This is largely due to a lack of incentives.

Finally, respondents perceived that the state collects taxes in the forest sector more efficiently than before the VPA process started. There is a slight to moderate VPA contribution to efficiency in all countries, and especially in Ghana (Figure 64). Nevertheless, a more efficient tax collection depends on other factors such as coordination across ministries, namely with the Ministry of Finance. On government coordination, most respondents in all countries agree that: "Information sharing does happen and there is some coordination between national and forest policies, but in practice different agencies regularly work in silos" (Figure 24, see section 4.1.1).

3.5 Livelihoods and poverty

This section focuses on the last expected impact of the VPA process: livelihoods and poverty (Figure 65). The causal pathways are as follows:

- **Improved livelihoods** are directly linked to **impacts on economic development**, mainly through an increase in **job opportunities** and **improved working conditions** in the forest sector.
- Furthermore, on one side, increased legal timber business and improved governance leading to more **efficient tax collection** should mean **better redistribution** of taxes and **benefit sharing**, improving livelihoods. On the other side, improved legal framework and law enforcement in the forest sector contribute to better **consideration of tenure and access rights**, in particular those of LC & IP. This, in turn, contributes to development and implementation of conflict resolution mechanisms, hence improving people's living conditions.

On average, across all indicators related to livelihood, the VPAs are perceived to have contributed to 22% of reported improvements in livelihoods and reduced poverty (Figure 66).

Results on this impact dimension are not expected early in the process. Hence, VPA negotiation stage countries have not been included in the analysis. As mentioned in the introduction, impacts related to livelihoods and poverty are likely to take the longest time to materialize during VPA implementation. They have to trickle down from an improved forest sector, stronger institutions and better governance to the livelihoods of people living in or near forest activities.

Moreover, changes in livelihoods, health and education linked to improvements of the forest sector are generally difficult and very costly to measure for any country. Various poverty/livelihood measures exist but are generally global to all sectors (in particular, agriculture). As such, they do not reflect changes for the population within the forest sector.
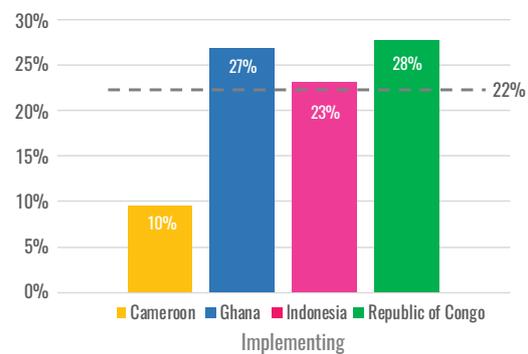
Figure 66. Average contribution of VPAs to the livelihoods and poverty impact dimension
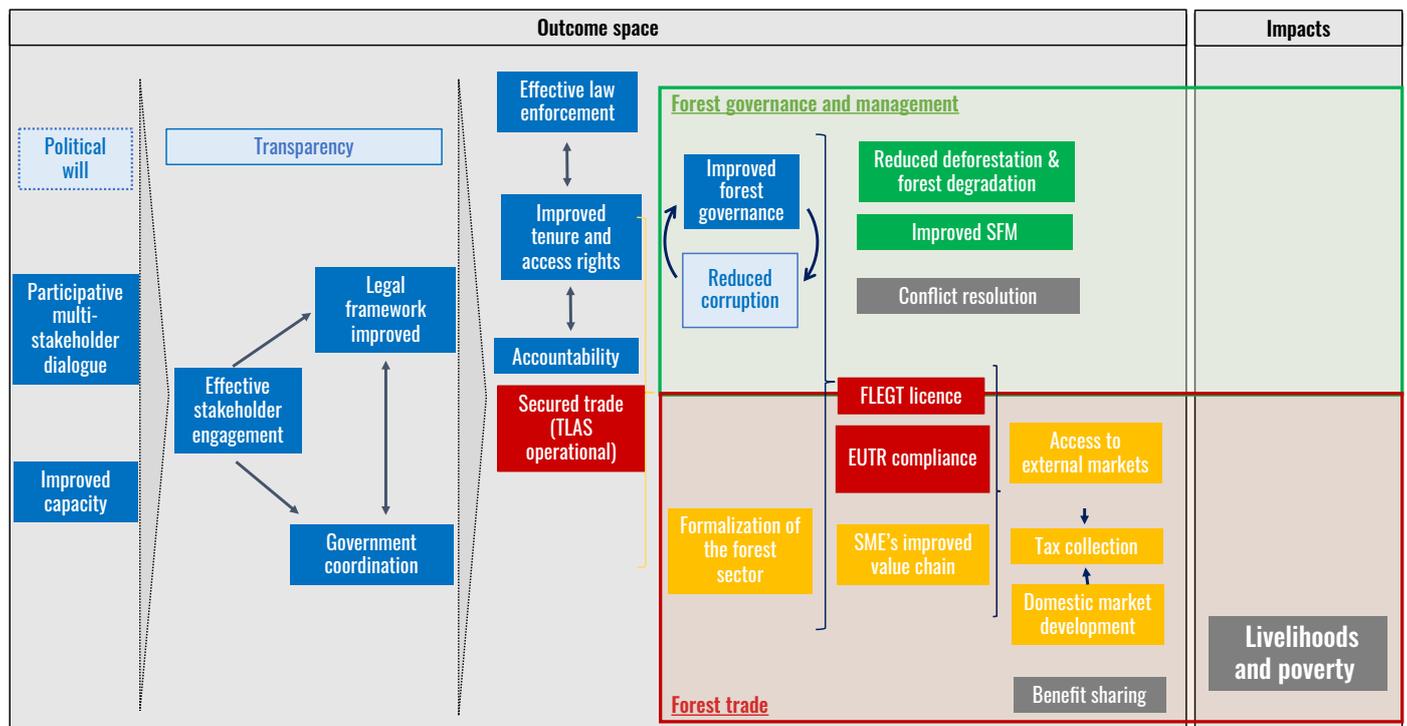
Figure 65. Impact pathways for livelihoods and poverty

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Under the ToC hypotheses, improved livelihoods are directly linked to economic development impacts. This occurs mainly through more job opportunities and improved working conditions in the forest sector. Most participants indicate an increase in job opportunities in the forest sector since VPA ratification. This includes more job opportunities for LC & IP, as well as for women, young and marginalized groups (Figure 67, Figure 68 and Figure 69). This positive evolution in the job market is in line with the increased global demand for wood both on domestic and export markets, and not necessarily due to the VPA process.

In addition, even if previous results indicate higher tax collection efficiency, respondents perceived the VPA process has a very weak (quasi zero) contribution to better redistribution of taxes to LC & IP (Figure 70).

Finally, much remains to be done on tenure rights and tenure-related conflicts. Both remain underpinning hypotheses in the FLEGT-VPA ToC, leading to improved economic conditions and livelihoods. FGD participants seemed to agree that VPA negotiations brought an increased focus on these topics, and that new regulations – where existing – clarify some past issues. Discussants also agree that LC & IP are more knowledgeable on how to denounce unfair existing conditions. The VPA arena continues to provide a useful space for airing concerns, even if – as is the case for other systemic topics – most remain unsolved.
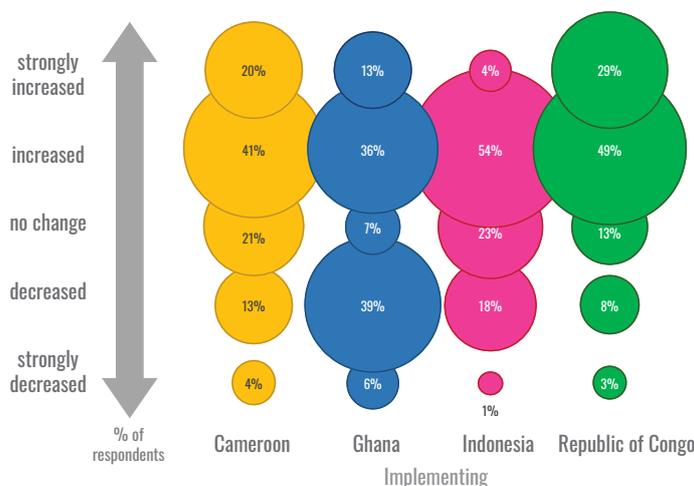
Figure 67. Evolution of job opportunities in the forest sector
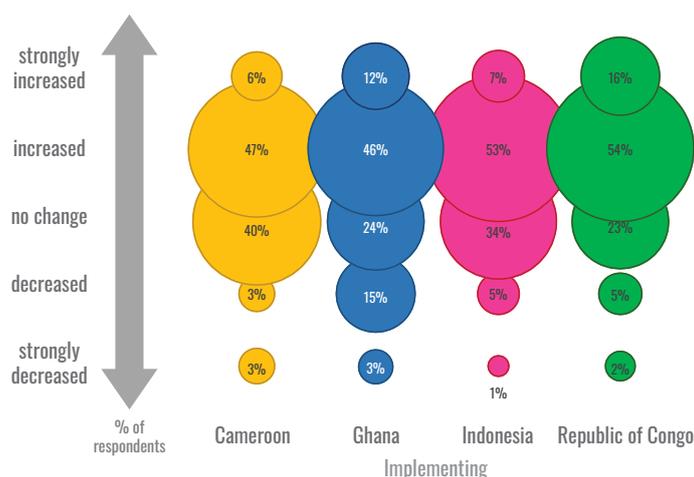
Figure 68. Evolution of job opportunities for LC & IP in the forest sector
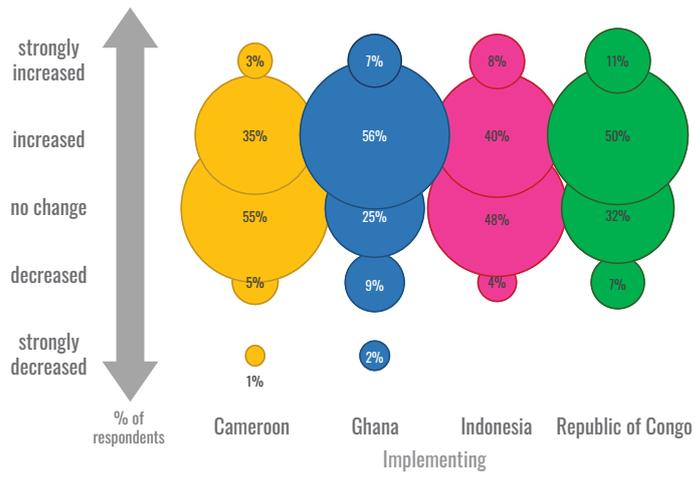
Figure 69. Evolution of job opportunities for women, youth and marginalized groups in the forest sector
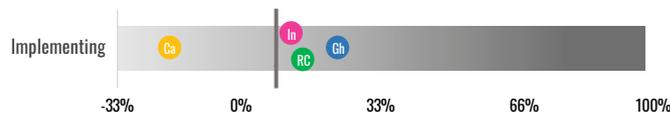
Figure 70. Strength of VPA contribution to better redistribution of taxes to LC & IP

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4 Conclusions and suggestions

Seven countries in various stages of the FLEGT-VPA process have been analysed through a consistent impact assessment methodology, replicable across VPA countries, VPA status (negotiation, implementation, licensing) and time (for baseline and future change assessment). This synthesis has presented the overarching results following a general ToC along five impact dimensions: governance and institutional effectiveness, forest conditions, illegal logging, economic development, and livelihoods and poverty.

Findings speak to various outcomes and impacts obtained through the rollout of VPA processes in several countries. They also speak to lessons learned, which are strongly anchored in improved national governance systems and institutions. These lessons have already been replicated in a number of processes outside the realm of FLEGT. They could surely further enrich and support any future attempts at regulating multiple commodities. The most relevant results are summarized in this concluding section.

First, the VPA process has been instrumental in the creation or improvement of fundamental patterns of power (re) distribution, promotion of democratic processes and accountability. Progress in effective multi-stakeholder engagement and increased capacity, as well as the power of CS in its watchdog role, is strong and mainly attributed to the VPA process. The VPA process also contributed to more coherent regulations, increased transparency, more credible sanctions and, to a limited extent, success in fighting corruption in the forest sector.

These are critical results directly speaking to improved governance and stronger institutions. Equally important, in some countries, systemic resistance to change and historical vested interests can be expected to remain strong. Indeed, they have been exposed as the VPA process directly challenges them. Therefore, CS and LC & IP, together with lead innovators in government and the private sector alike, need support and constant effort to strengthen their role over time, well beyond negotiation stages.

Also, as improvements materialize month after month, particular attention must be paid to foster inter-agency inclusiveness and coordination. Ministries that manage

forests have reasonably been considered as the VPA leading institutions in their countries. However, such roles should regularly be checked to avoid capture of the VPA process at the expense of other ministries. This is because, for the first time in several countries, the VPA process has brought to the table a myriad of interlinked topics that require discussion and decisions from multiple ministries (territorial administration, labour, finance, agriculture, etc.). Thus, to avoid reverting back to the simplistic role of forests as a source of timber (and rents), the participation of these other ministries to the process over the long term should not be taken for granted. Instead, it should be supported as much as possible with active engagement and facilitation.

Second, the forest sector (and in particular timber value chains) has been streamlined across surveyed countries. A decreasing trend in illegal logging and trade has been reported, although national data collection and analysis must improve for regular follow-ups of these trends. Export markets have benefitted more than domestic ones from the regulatory focus on legality brought about by the VPA process. This is due to two factors. First, historically biased regulatory frameworks favour large-scale, industrial logging. Second, there is a generalized lack of data and information on SMEs across many countries. In some instances, however, increased transparency on, and enforcement of, legality requirements have made a difference. In some cases, these factors have incentivized SMEs to produce higher quality timber with improved access to the export market. This is especially the case for countries more advanced in their VPA process.

Also, among many SMEs (and CSOs), the VPA process has mainstreamed a "traceability mindset." This means regular discussion of thorny issues such as transparency, accountability, institutional barriers to legality, land tenure, corruption, and LC & IP rights and their implementation challenges within the TLAS.

Third, the VPA process has stimulated better implementation of forest regulations and more sustainable forest practices. Results on various indicators speak to these improvements. These include better implementation of forest management plans/sustainable practices; increased adoption of private,

third-party certificates; and increased adoption and acknowledgement, by various groups of stakeholders, of the forest as an integrated set of functions and services. This latter result – to be read in conjunction with improved inter-agency coordination – deserves much attention in the future as it becomes clear(er) that forests are much more than timber, and deforestation cannot be attributed only to timber harvesting and trade (both legal and illegal).

Fourth, the impact of the VPA process on livelihoods (such as material wealth, health, access to public services) remains challenging to measure and likely requires the longest time to materialize. The most noticeable outcomes – albeit with variability among countries – presented in this synthesis pertain to tax collection. This has been streamlined and improved to better redistribute some taxes, especially those previously not reaching LC & IP, and to increase job opportunities, including in the informal sector. This is the thematic area where clear progress is difficult to assess, most likely due to the relatively short time of implementation across the seven countries. Yet we also believe that improvements are possible using new technologies and big datasets, as well as ad hoc case studies populating a common ToC. These could provide extended insights notably in this thematic area. Work is undergoing to test a few innovative options.

In general, thus, **observed changes and impacts – and the strength of the VPA contributions to them – vary across thematic areas, indicators and time**. Though expected, this is a result worth mentioning, because it implies that also expectations on outcomes and impacts as they are set at inception of the process, will have to be managed and monitored carefully across time. Indeed, evidencing VPA impact and thus potential applicable lessons to other commodity tracing programmes must become more systematic and engrained in policy makers' and implementers' mindsets, alike. For this to materialise, the largely non-operational National Impact Monitoring Systems (NIMS) should be activated. By supporting the most relevant stakeholders in all VPA countries to build baselines along the methodology used for these initial seven assessments and embed periodic remeasurements

(e.g., every 3 years) in national partnerships' plans, as well as leverage on new technologies and big datasets and undertake ad-hoc case studies, real detail and knowledge could be generated and shared.

With a glance to the future, one might argue that the more commodities are considered in the global fight against deforestation, the more complex the system needed to monitor impacts. Indeed, tracing geographies of origin and the impacts on local livelihoods or on the forest, will not be easy tasks. Yet, the results of this assessment also speak to key steps already accomplished through the implementation of the VPA processes in several countries, which are strongly anchored in national governance systems and institutions. Hence, future attempts at regulating multiple commodities should be based on the pathways already traced by the VPAs in producing countries, those lessons should also not be lost among multiple disconnected national systems. This brings us to another suggestion, that is to maintain a general MEL system which feeds on all the indicators and results stemming from each country's system. In fact, for maximum comparability and coherence, the future system should ideally be extended to include different institutional systems. These could include those used by the EU supporting partners, such as the European Forest Institute, the UN Environment World Conservation Monitoring Centre and, eventually, the French Development Agency (AFD), among others.

The lessons learned show that a general MEL system can be built and improved over time. These lessons have emerged from the 2016 FLEGT Evaluation and the 2015 European Court of Auditors' report, as well as through implementation of the long-term process and methodology leading to this synthesis report. The global ToC adopted for the FLEGT Action Plan could be adapted to include more commodities, with many of the processes already accounted for and requiring only moderate modifications. This can support all parties, from the EU down to its delegations and to partner countries' stakeholders. Ultimately, this will better define and assess activities that foster the expected objectives, while preventing unintended effects on peoples and their livelihoods.

Annexes

Annex 1. Methodology

Main themes of the study relying on VPA theory of change

The first stage of the study is identification of the most relevant themes to cover. ADE and CIFOR worked together to identify five main themes, which correspond to the five expected impacts as displayed in the General VPA ToC[7] (see Figure 71). Note that causal links are not as linear as they appear on the figure and that most result boxes are interlinked. However, to better outline the causal relationship and to structure the report, we assigned a colour to each impact dimension. We then coloured the related outcome boxes accordingly. First, we describe the impact in the governance and institution dimension. Indeed, this dimension can be regarded as a prerequisite for other subsequent impacts (as shown in Figure 71).

A mapping of the indicators collected through the experience-based survey and the General VPA ToC and respective list of indicators is available in Annex 3.

Desk review

The second stage is a thorough desk review per country. Stakeholders were consulted to ensure the most relevant literature was identified and processed. Literature focusing on impacts within the five main themes was particularly important. An exhaustive list of the reviewed literature is available in the desk reviews of each country. Note that this desk review is a living stand-alone document that can be further amended by adding relevant references when available.
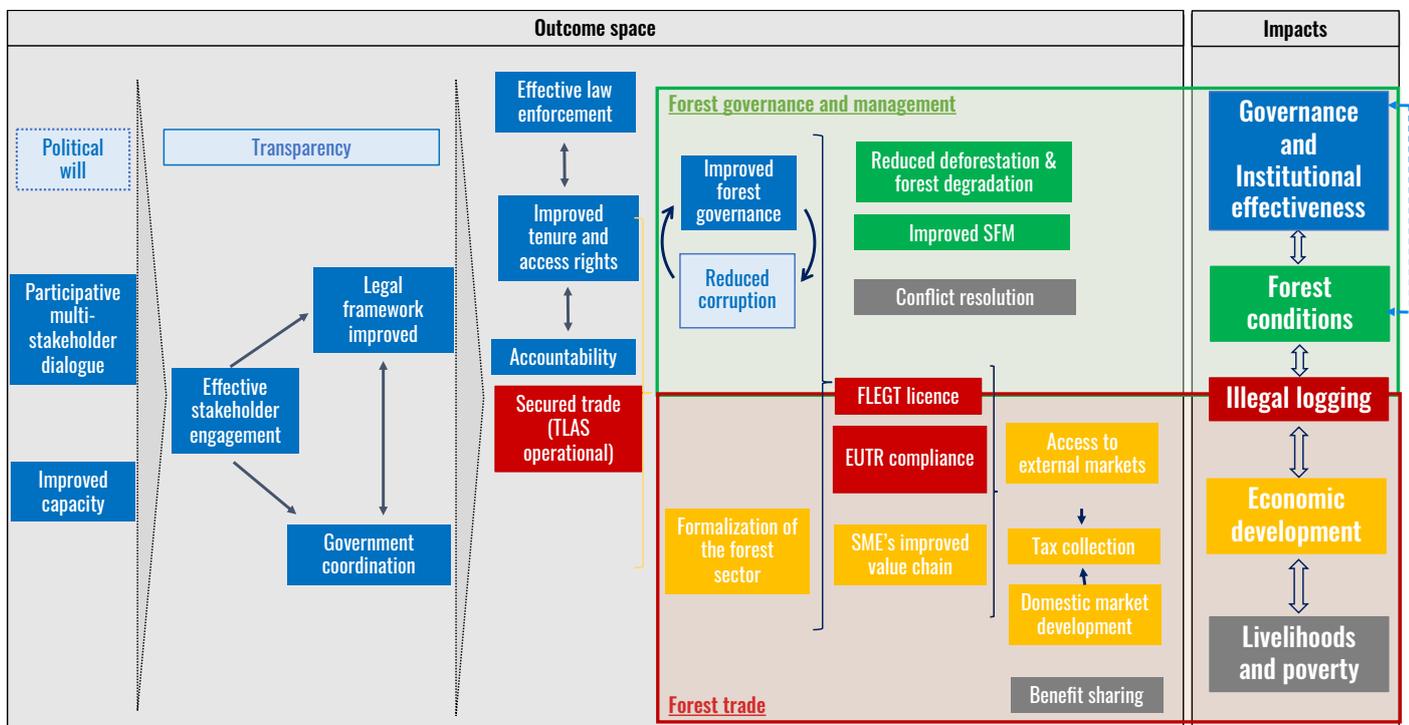

Figure 71. General VPA ToC

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7   This general ToC has been constructed based on the available ToCs for each of the 16 VPA countries (EFI documentation).

The thorough desk review allows us to identify prevailing hypotheses on impacts. This helps to formulate questions for the survey, and then build indicators for the data analysis. The desk review also ensures the questionnaire can be tailored for differing country contexts. In addition, it means that questions are in line with the expected impacts of the VPA in each country. This ultimately helps us compare expected impacts identified during the desk review against actual VPA progress and possible unintended impacts identified through the primary in-country data collection.

The review includes the following categories of documents:
- VPA annexes and documentation
- EU FLEGT Facility and FAO EU FLEGT reports (publicly accessible)
- EU-Republic of Congo annual joint implementation reports
- Legislative documents related to forest regulation
- Selected academic papers based on specific literature recommendations from academic experts and CIFOR/EU country offices for each VPA country.

As one important takeaway from the desk review, the available literature does not propose baseline measures in most of the impact dimensions. In general, baseline values (i.e., indicator values before VPA implementation starting date) are not publicly available in the literature or simply not considered at the beginning of the process to assess a change. Hence, there is a need to collect first-hand data.

Field mission

The third stage is deploying the questionnaire in-country. Prior to the mission, local experts revised the questionnaire as needed, tailoring it to the relevant country context. In addition, a sample of respondents was selected from public administration, the private formal and informal sectors, civil society, and local forest communities and Indigenous Peoples. Some representatives from international institutions (EUDel, EU-FLEGT FAO, EFI, etc.), consultants and academics were also invited and constitute the last category ("Other").

A. Sample selection

Research teams from CIFOR/ADE and EU-FLEGT FAO/EFI have connections and knowledge of the context. In this way, key experts and long-standing stakeholders in the forest sector were identified and invited to participate in the survey. The objective was to reach 100 relevant respondents weighted into five categories: public sector, private sector (industrial and formal/informal SMEs), civil society (SC) and local communities and Indigenous Peoples (LC & IP), and an additional "other category" grouping consultants,

researchers and donor representatives. In each category, we reached out to representatives of different associations, NGOs, departments within ministries, etc., to capture as much diversity as possible. This expert sample is large enough to compute statistics, and to capture a range of the different points of view regarding the VPA process and possible impacts.

If some preidentified respondents were not available, we replaced them with people who had similar expertise. We also offered the possibility to answer the questionnaire online and to have a skype/call discussion to receive qualitative input.

A full respondent breakdown can be found in Section 2.3.

B. Individual survey

CIFOR's Ethical Review applied to all interview sessions. The agreement reminded respondents about the anonymous and confidential treatment of information provided in the survey. Respondents were also reminded that they could stop answering at any time if the questions caused discomfort. Lastly, by signing the Consent Form, respondents agreed to the anonymous use of their responses in this assessment.

Total questionnaire time took between two and three hours, depending on levels of discussion and the number of participants.

A brief (15 minute) introductory (PowerPoint©) presentation was shown to all participants. It touched upon the aim and scope of the assessment, and the types of questions and answers that participants would find displayed on the tablets. It also showed practical examples to illustrate the concept of "impact" and to agree on the meaning to be given to the various possible answers.

Agreeing on the meaning of the scale is an important step. Various participants from the same or different groups may have a different understanding of responding "very positive" or "very negative" to a question and impact area. Agreeing on the scale and on the meaning of various steps along the scale (e.g., "weak," "very weak," "strong," "very strong," etc.) provides the interviewing team and the respondents' group with a common language to be adopted while filling the questionnaire.

Such common language also allows for more meaningful cross-country comparisons. A "very weak" impact in the case of Country A, for example, can be compared with the same "very weak" impact from the same question/s in Countries B, C, etc.

The answers – input into the tablet – were designed to be individually completed using a Computer-Assisted Personal Interviewing in a Group (CAPI-G®[8]) approach. These individual sections were constructed using close-ended, multiple choice or Likert-scale questions (0–5, 0–3, 0–100%) to capture respondents' personal opinions. Hence, this allowed quantitative analysis.

Questions were mostly designed to understand change trajectories. This approach captured respondents' opinions on the current situation within the different impact themes. It also identified their opinion of the situation prior to VPA ratification -or prior to VPA negotiations start- (recall). Finally, it revealed their opinion on the feasible contribution of the VPA to any perceived (no-)change. Other questions were statement assessments. These asked a respondent to select their agreement level on a statement using a scale of 1–5 or to select which statement they most agreed with.

C. Focus group discussions

The individual questionnaire was broken up by pauses at the end of each theme. During these pauses, participants could share opinions that formed their responses during the previous section in more detail. Ideally, they would provide qualitative measures of change and specific examples. This anecdotal evidence allowed us to better explain findings contained in this report. Subsequently, we tailored questions to the group's subject-matter expertise. Indeed, where feasible, participants belonged to similar (professional) categories. This ensured they felt free to talk and share their experience/vision.

Data collection was bolstered by two types of input: numerical and qualitative. Numerical data was input directly into the tablet, allowing results to be accessed daily. Qualitative data provided examples (detailed and anonymous notes taken during these FGD sessions). Analysis could therefore draw on two information sources, as well as being able to direct results back to existing literature to better understand continuity/divergence.

We also sought regular feedback on the interview experience from participants. Verbal feedback from respondents indicated they enjoyed the two-pronged approach. They said it allowed them to think about VPA evolution from numerous angles before engaging in often lively discussion with peers. They also commented that questions were easier to complete due to icons associated with the different answers. Quantitative answers also had a high response rate (as opposed to many "don't know" answers), validating the expert pool of respondents and the relevance of the questions.

D. Additional Key Informant Interviews

In some cases, key domestic and international experts knowledgeable on the forest sector and VPA process in Republic of Congo could not be present in the interview sessions. In other cases, their presence was not deemed pertinent in the group discussions. We invited these experts to individual interviews where all the themes were addressed to collect qualitative inputs. When relevant, we sent the online version of questionnaire to these participants, sometimes even after the field mission.

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8   ADE designed this data collection approach, which has been proven in previous studies to be efficient and reliable.

Annex 2. Country sample description

Cameroon

Key takeaways

- High relevance of the expert pool identified and interviewed for the study since the average experience in the forestry sector across respondents was 17 years and the knowledge of the sectors covered in the survey (e.g., civil society, local and indigenous communities, private sector, etc.) was high among respondents.
- Balanced sample across respondents' categories: artisanal (32%), civil society (29%) and public administration (10%).
- High respondent levels of involvement in FLEGT-VPA related activities (84%), with most having been involved in law enforcement and VPA development aspects.
- Quite good female representativity (18%).

We reduced respondents' associated sectors to four to allow mean comparison tests across groups:[9]

- **Public Administration (1_PA)**: 9.80%
- **Private Sector – Artisanal (2_PS_art)**: 32.35%
- **Civil Society, Local Communities or Indigenous Peoples and Traditional Authority (3_CS_LC_IP)**: 29.41%
- **Others** (Private Sector – Industrial[10], Other, Consultant, Research, Financial Partners) **(4_Other)**: 28.42%.

The average experience in the forestry sector was 17 years, while the minimum was 3 years and the maximum 44 years. Within respondent groups, those from Traditional Authorities had the most experience, and respondents were most knowledgeable about the artisanal private sector. This highlights the relevance of the expert pool identified and interviewed for the study.

Figure 72. Gender breakdown of respondents (N=102)
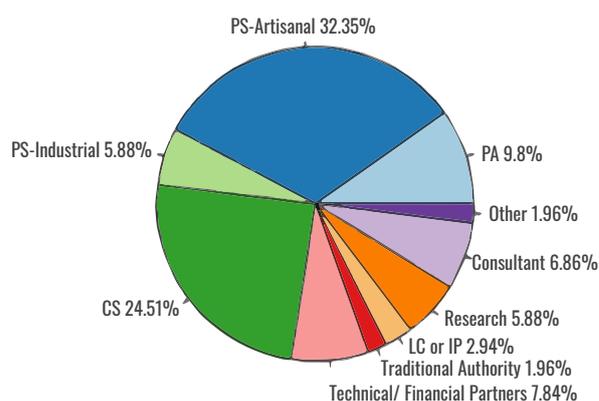
Figure 73. Respondents per their associated sector (N=102)

Below, we outline the top three principal motivating factors that respondents thought were leading Cameroon to engage in the VPA process. We compare this to results from the TEREA evaluation (2016) which asked the same question. The TEREA evaluation produced largely consistent results, if in a slightly different order of importance.

TEREA evaluation (2016)	VPA impact study[11]
To improve access to the European market	1. To reduce illegal logging and trade (57%)
To improve forest governance	2. To improve access to the European market (32%)
To combat illegal logging and trade for sustainable management	3. To improve forest management (32%)

Almost half of respondents noted they were/had been involved in the law enforcement side of the VPA process. The four most answered options all involve VPA development aspects (e.g., TLAS, capacity building, etc.). About 16% answered that they were not actively involved in any of the aspects of FLEGT-VPA. Their answers have been considered relevant for the remainder of the survey because "not actively

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9   The number of responses (N) used for the different analyses is outlined below in each figure. Sometimes this number does not correspond to the total number of respondents, since not all respondents replied every time to all questions.

10   Included in the Others group given the smaller sample size and to ensure results from the Artisanal group remained accurate.
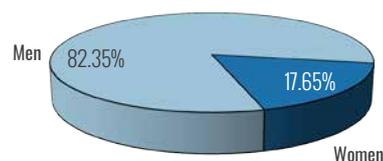
11   Multiple choice question with a maximum of three responses per respondent.

Figure 74. Average number of years of experience per sector
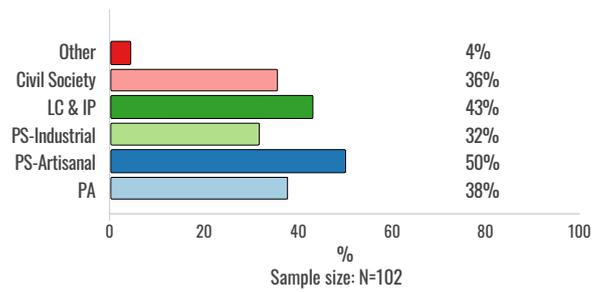
Figure 75. Respondent knowledge of sectors
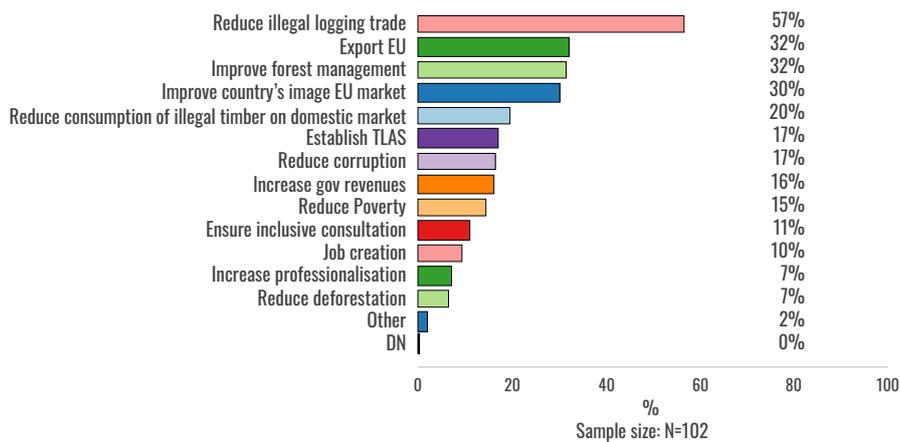
Figure 76. Top principal motivating factors leading Cameroon to engage in the VPA process
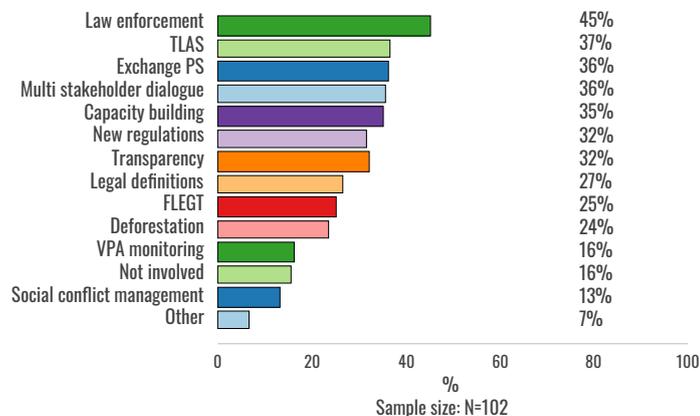
Figure 77. Aspects of FLEGT-VPA respondents are/were most involved in (multiple choice possible)

involved" does not mean "not knowledgeable" about the FLEGT-VPA process. For example, respondents may not have been directly engaged with drafting and implementing TLAS- or transparency-related activities. However, their knowledge of the FLEGT-VPA process and the forest sector more broadly make them relevant respondents to assess the changes and impacts of those activities.

This analysis takes the following format: presentation of quantitative survey data starting with VPA contribution/

impact. It outlines any statistically different[12] views between respondent groups, and any evolution in indicator from before and after VPA ratification in 2011. It then sets findings against literature contained in the desk review before complementing findings with anecdotal evidence provided during the FGDs.

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12 Where respondent group answers are within <0.1 of one another, e.g., where answers from the public administration differ more than 10% on any topic from those of – say – the private sector.

Côte d'Ivoire

Key takeaways

- 83% of respondents were male, while 15% were female and 3% were other.
- High relevance of the expert pool identified and interviewed for the study since the average experience in the forestry sector across respondents was 11 years and knowledge of the sectors covered in the survey (e.g., civil society, local communities, public and private sector, etc.) was high among respondents.
- Representatives of forest communities (Chiefs of villages who are members of house of Chiefs (chefferie) of Côte d'Ivoire and official representatives of local communities in the VPA working groups) are included in the civil society category, since few could be met during the mission and most CSOs reportedly represent these communities.
- Respondents associated themselves mostly with the following sectors: public administration (35%), civil society (22.5%), private sector – small-scale operators (19%), private sector – industrial operators (10%).
- Most respondents reported involvement so far in TLAS design (63%), VPA elaboration (60%) and legality definition (53%).

Figure 78. Gender breakdown of respondents
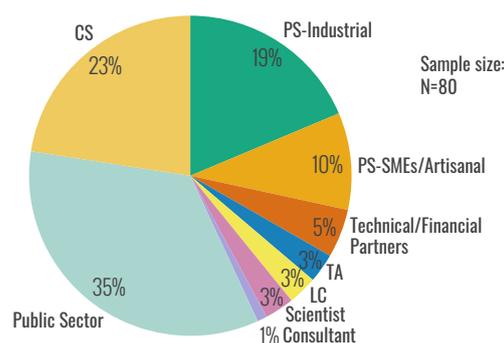
Figure 79. Respondents per associated sector

The study purposefully identified experts and long-time participants in the Ivorian forestry sector, demonstrated by the average number of years they had been involved in the sector (see below). We ensured the main actors from each respondent group were included, making provisions to travel to them or them to us. This increased confidence in the accuracy and credibility of results. A local facilitator invited respondents to participate in the study through an official invitation. This facilitator was also in charge of the follow-up, inviting respondents to pre-selected slots (based on sector) on a specific time and date (by e-mails and phone calls).

We reduced respondents' associated sectors to five to allow mean comparison tests across groups:[13]

- **Public Sector**: 35%
- **Private Sector – SMEs**: 18.75%
- **Private Sector – Industrials**: 10%
- **Civil Society and Traditional Authorities (TA)**[14]: 25%
- **Others** (Consultant, Research, Financial Partners): 11.25%

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13 The number of responses (N) used for the different analyses is outlined below in each figure. Sometimes this number does not correspond to the total number of respondents, since not all respondents replied every time to all questions.

14 We have combined "Local Communities and Traditional Authority" with "Civil Society" given the smaller sample size and the links between the two groups of actors. Both Traditional Authorities (Chefferie) and Civil Society play the role of advocating for local communities.

Against the average experience in the forestry sector of 11 years across respondents, representatives of the private sector – SMEs and "Others" (comprised of technical/financial partner and consultants) had the most experience (almost 23 years). NGO representatives and the *chefferie* had the least, with 7.6 years of experience.

Respondents identified the following three principal motivating factors that led Côte d'Ivoire to engage in the VPA process: (i) to reduce illegal logging and trade (67%); (ii) to improve forest management (61%); and (iii) to facilitate access to the European market (56%) (see Figure 82).

Half or more of respondents interviewed were involved in design/development of the traceability and legal verification system (TLAS) (63%), development of new regulations in the forest sector (60%), legality definition (53%), dialogue (51%), capacity building (50%) and law enforcement (50%) (see Figure 83). About 6% answered that they are not actively involved in any aspect of FLEGT-VPA. Their answers have been considered relevant for the remainder of the survey because "not actively involved" does not mean "not knowledgeable" about the FLEGT-VPA process. For example, respondents may not have been directly engaged with drafting and implementing TLAS or transparency-related activities. However, their knowledge of the FLEGT-VPA process and the forest sector more broadly make them relevant respondents to assess the changes and impacts of those activities.
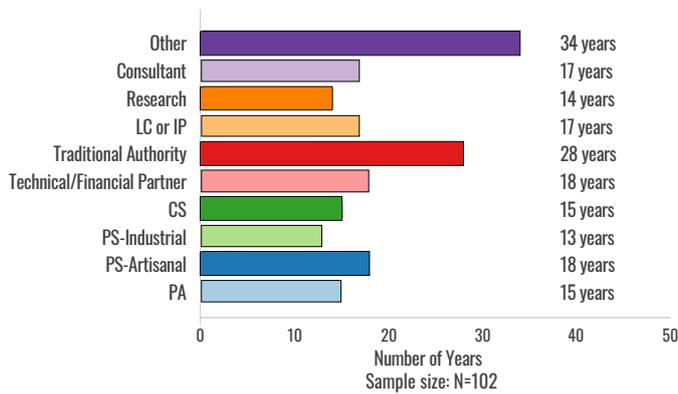
Figure 80. Average number of years of experience per sector

Figure 81. Respondents' knowledge of sectors

Figure 82. Top principal motivating factors leading the Côte d'Ivoire to engage in the VPA process (multiple choice possible)

Figure 83. Aspects of FLEGT-VPA respondents are/were most involved in (multiple choice possible)

Ghana

Figure 84. Responses per gender (N=137)
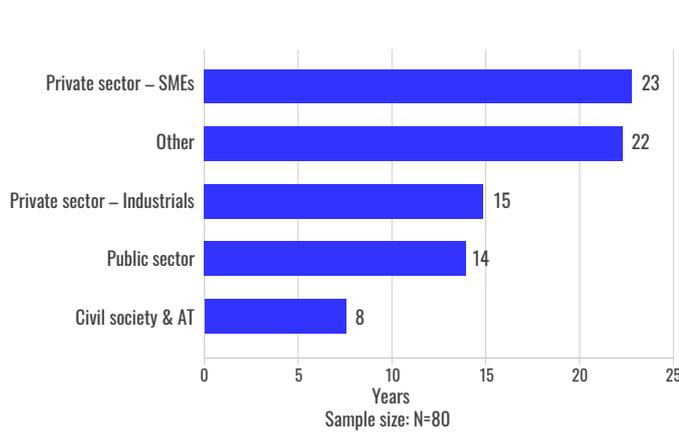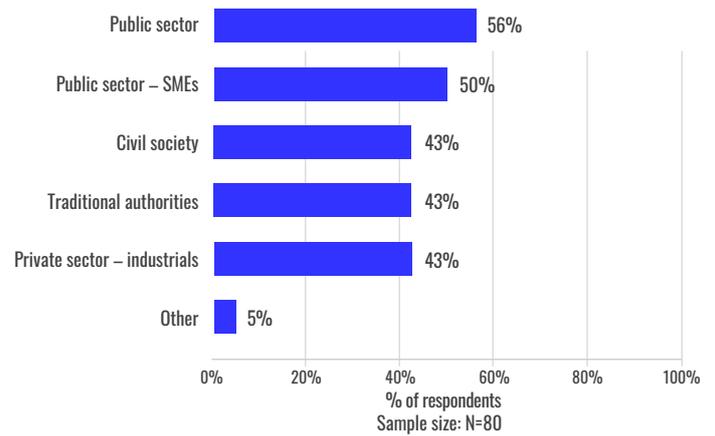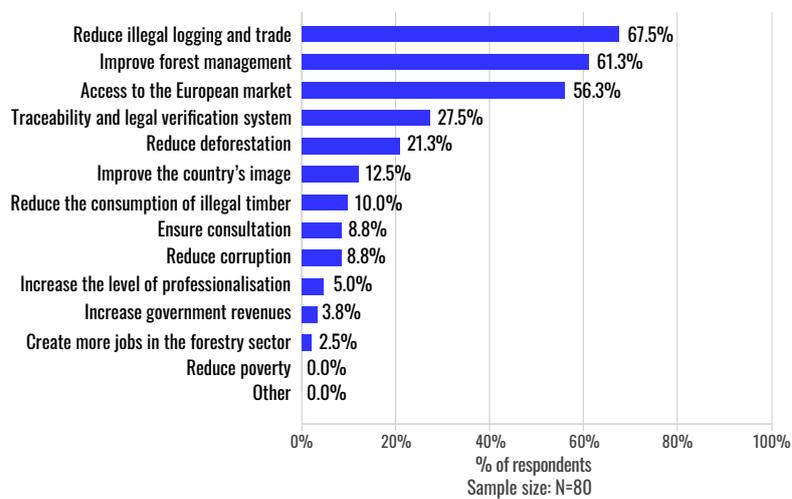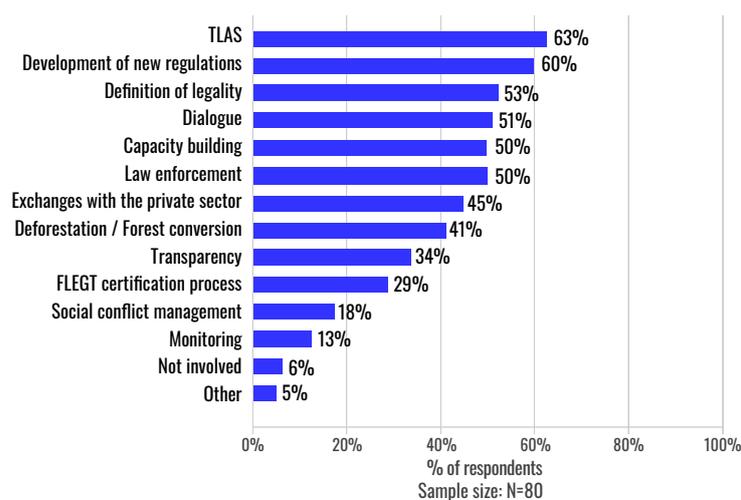
Key takeaways

- 85% of respondents were male, while 15% were female.
- Respondents associated themselves primarily with these sectors: public administration (29%), private sector (27%) and civil society (26%).
- Local communities, public administration, private sector (industrial) and civil society are the sectors that respondents knew best.
- Respondents had been/were most involved in VPA monitoring (47%) and TLAS (39%) sides of the VPA process. Of note, while 5% may have answered that they were not involved, this does not mean they were an irrelevant respondent.

The study purposefully identified experts and long-standing stakeholders in the Ghanaian forestry sector. This was demonstrated by the average number of years in the sector (see below). We ensured the main actors from each respondent group were included, making provisions to travel to them or them to us. This brought confidence that data are both accurate and credible.

We reduced respondents' associated sectors to four to allow mean comparison tests across groups:

- **Public Administration**: 28.99% – Participants were involved in VPA negotiations, and most were implementing the Wood Tracking System at the time of participation. This also applied to all government representatives interviewed, including the different department of the Forestry Commission (TVD, TIDD, FSD and RMSC).
- **Private Sector – Artisanal and Private Sector – Industrial**: 26.81% – In this category, stakeholders are required to implement the requirements of the GWTS. This applies to large companies but also to the SMEs, DOLTA and Ghana sawn timber seller's association who are traders, and FAWAG who are wood converters.[15]
- **Civil Society, Local Communities and Traditional Administration**: 34.78% – CSOs were mostly involved in VPA negotiations. Most respondents were implementing FLEGT-VPA related projects, either locally or internationally, at the time of interviews. All local community representatives lived by the forest and sometimes benefitted from Social Responsibility Agreements. Survey participants were community forest monitors engaged by a number of projects.
- **Other** (Other, Consultant, Research, Technical/ Financial Partners): 9.41% – The group Other, with

Figure 85. Responses per sector (N=137)

significantly fewer participants, consisted of academics and researchers, technical and financial partners, and consultants working on VPA-related topics.

The average experience in the forestry sector was 13 years, while the minimum was 1 year and the maximum 45 years. This highlights the relevance of the expert pool identified and interviewed for the study.

Respondents identified the following three top principal motivating factors they thought were leading Ghana to engage in the VPA process: (i) to reduce illegal logging and trade (63%); (ii) to improve forest management (47%); and (iii) to reduce deforestation (34%).[16]

TEREA evaluation (2016)	VPA impact study
To improve access to the European market	1. To reduce illegal logging and trade (63%)
To improve forest governance	2. To improve forest management (47%)
To combat illegal logging and trade for sustainable management	3. To reduce deforestation (34%)

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15 Ghana Timber Millers Organization owns large mills and the Ghana Timber Association are loggers.

16 Multiple choice question with a maximum of three responses per respondent.

Paolo Omar Cerutti, Tatiana Goetghebuer, Nastassia Leszczynska, Jean Newbery, Bruna Almeida, Raphael Tsanga, Romain Fourmy and Luisa van der Ploeg

Figure 86. Knowledge of the sectors (N=137)

Figure 87. Average number of years of experience/sector (N=137)
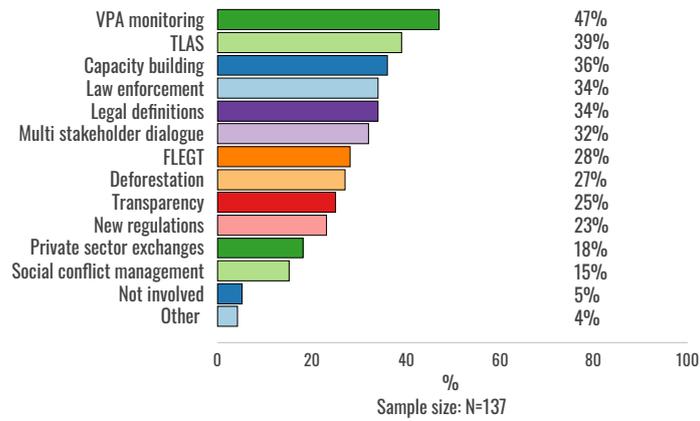
Figure 88. VPA involvement (N=137)
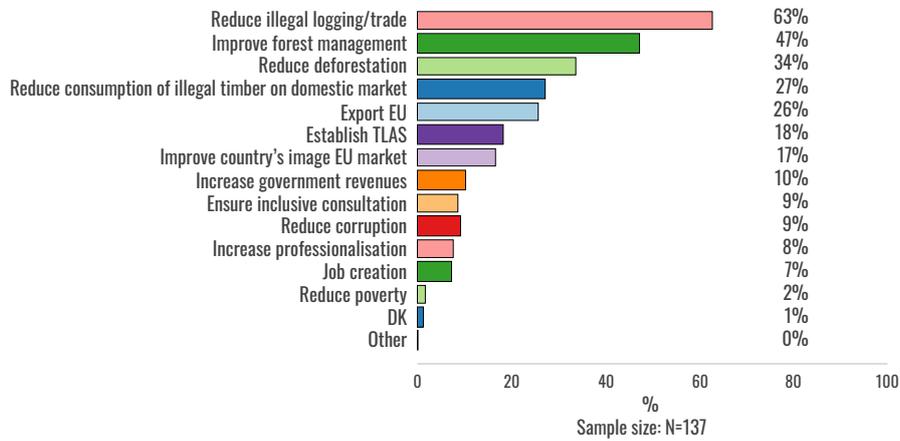
Figure 89. Country goals (N=137)

Guyana

Key takeaways

- Balanced gender distribution across respondents with 54% male respondents and 46% female.
- High relevance of the expert pool identified and interviewed for the study as respondents have, on average, 13.5 years of experience in the forestry sector and knowledge of the sectors covered in the survey (e.g., civil society, public and private sector) is high.
- Balanced sample across respondent categories: local communities (26%), public sector (15%), small operators of the private sector (18%) and civil society, including Amerindian NGOs (28%).
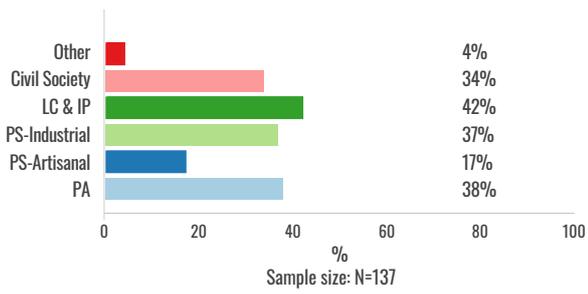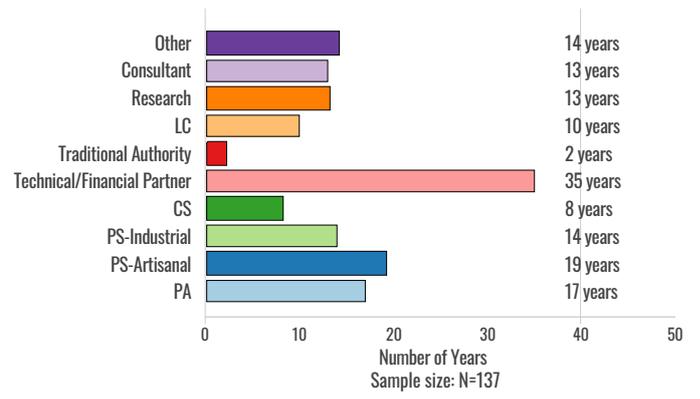- High respondent levels of involvement in activities related to FLEGT-VPA (87%) with most involved in discussions on capacity building, the definition of legality and multi-stakeholder dialogue in the context of the FLEGT-VPA.

The study purposefully identified experts and long-standing stakeholders in the Guyanese forest sector. This was demonstrated by the average number of years they had been involved in the sector (Figure 92). We ensured that the main actors from each respondent group were included, making provisions to travel to them or them to us. This brought confidence that the data analysed are both accurate and credible. A local facilitator invited respondents in the study through an official invitation. The facilitator was also in charge of the follow-up, inviting respondents to pre-selected slots (based on sector) on a specific time and date (by e-mails and phone calls).

We reduced the respondents' associated sectors to four to allow mean comparison tests across groups:[17]

- **Public Sector**: 15%
- **Private Sector – SMEs**: 18%
- **Civil Society (CS)**, including Amerindian NGOs[18]: 28%
- **Local Communities and Indigenous Peoples (LC & IP)**: 26%
- **Others** (Private Sector – Large operators, Consultants, Research, Financial Partners): 13%

On average, respondents have 13 years of experience in the forestry sector. Within respondent groups, LC & IP are the most experienced, with more than 15 years in the forest sector. Meanwhile, the public sector has the least years of experience (8.2). Respondents were most knowledgeable about LC & IP and small operators of the public sector (SMEs).

17 The number of responses (N) used for the different analyses is outlined below in each figure. Sometimes this number does not correspond to the total number of respondents, since not all respondents replied every time to all questions.

18 Civil society in Guyana consists mostly of Amerindian or forest community associations.
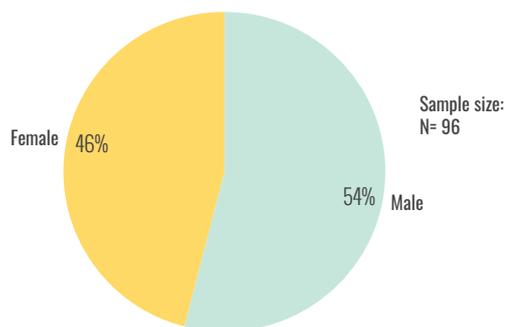
Figure 90. Gender breakdown of respondents

Note: Although the workforce mostly consists of men, small logger associations in Guyana are represented by a majority of women (60%). This could explain the high representation of women in this study (46%).
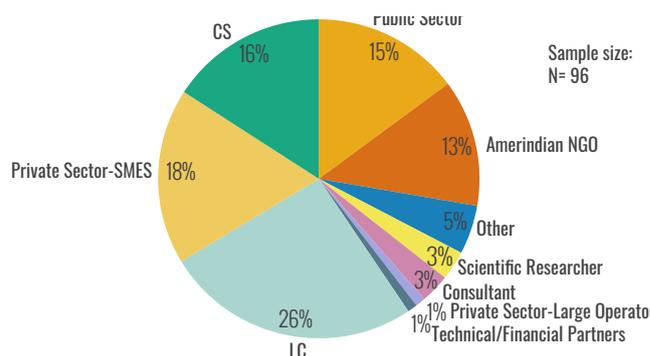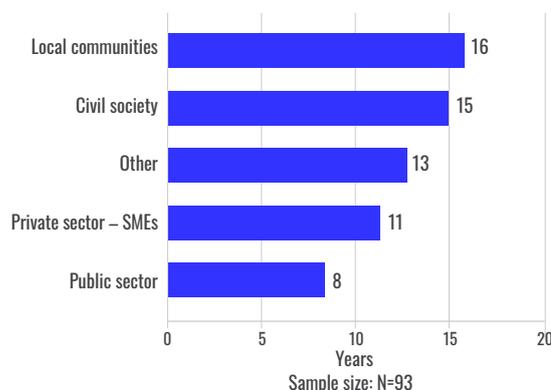

Figure 91. Respondents per their associated sector

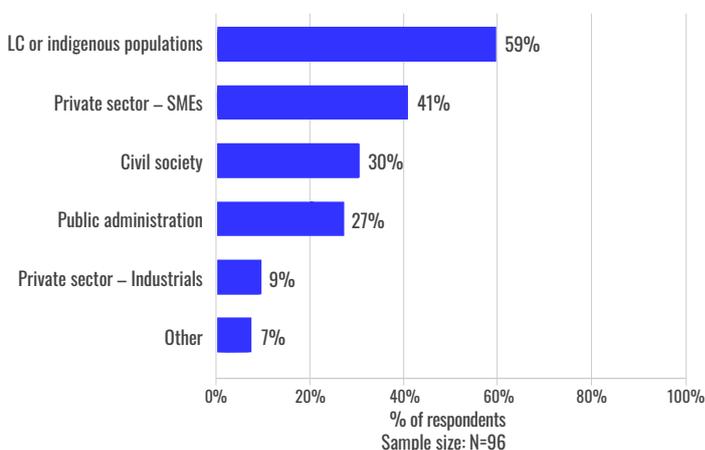**Figure 92. Average number of years of experience in the forest sector**

Figure 93. Respondents' knowledge of sectors

Respondents identified the following three factors as the primary motivation for Guyana to engage in the VPA process: (i) to improve forest management (67%); (ii) to reduce illegal logging and trade (50%); and (iii) to access the European market (50%) (see Figure 94).

A large share of respondents noted they are/were involved in discussions about capacity building (49%), the definition of legality (42%) and multi-stakeholder dialogue (40%), in the context of the FLEGT-VPA in Guyana. Respondents were also actively involved in processes around deforestation/forest

conversion (39%) and the Guyana Timber Legality Assurance System (GTLAS) (38%). In addition, 14% of respondents are not actively involved in discussions about any aspects of FLEGT-VPA (see Figure 95). Their answers have still been considered relevant for the remainder of the survey because "not actively involved" does not mean "not knowledgeable" about the FLEGT-VPA process. For example, respondents may not be directly engaged with FLEGT-VPA activities. However, their knowledge of the process and the forest sector more broadly makes them relevant respondents to assess the changes and impacts of those activities.

Improve forest management 66.7%
Reduce illegal logging and trade 50.0%
Access to the European market 50.0%
Tracebility and legal verification system 29.2%
Reduce deforestation 17.7%
Improve the countries image 11.5%
Reduce corruption 8.3%
Create more jobs in the forestry sector 7.3%
Reduce poverty 6.3%
Increase government revenues 4.2%
Ensure consultation 4.2%
Reduce the consumption of illegal timber 4.2%
Increase the level of professionalisation 2.1%
Other 0.0%

% of respondents
Sample size: N=96

Figure 94. Top principal motivating factors leading Guyana to engage in the VPA process (multiple choice possible)

Capacity building 49%
Definition of legality 42%
Dialogue 40%
Deforestation / Forest conversion 39%
TLAS 38%
Law enforcement 32%
FLEGT certification process 24%
Monitoring 23%
Transparency 21%
Development of new regulations 20%
Social conflict management 17%
Exchanges with the private sector 15%
Not involved 14%
Other 7%

% of respondents
Sample size: N=96

Figure 95. Aspects of FLEGT-VPA respondents are/were most involved in (multiple choice possible)

Honduras

Key takeaways

· 62% of respondents were male and 36% female (2% selecting other).

· High relevance of the expert pool identified and interviewed for the study since the average experience in the forestry sector across respondents was 14.4 years. The knowledge of the different sectors by participants (e.g., local communities and Indigenous Peoples and Afro-descendant populations of Honduras [LC & PIAH], public and private sector, and civil society) was high.

· Relatively balanced sample across respondent categories: LC & PIAH (34%), public sector (25%), private sector (15%) and civil society (15%).

· High respondent levels of involvement in VPA negotiations (91%), with most involved in discussions on law enforcement, definition of legality, deforestation/forest conversion and capacity building.
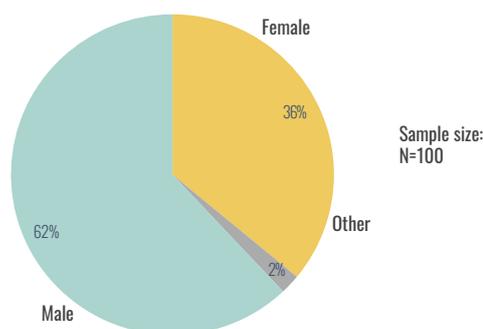
Figure 96. Gender breakdown of respondents
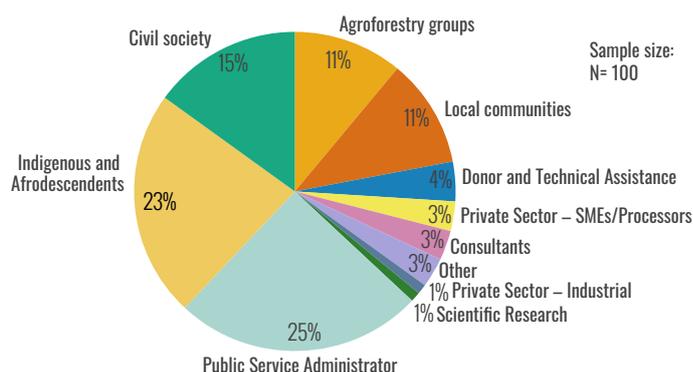
Figure 97. Respondents per their associated sector

The study purposefully identified experts and long-standing stakeholders in the Honduran forest sector, demonstrated by the average number of years of experience in the sector (see Figure 98). We ensured the main actors from each respondent group were included, making provisions to travel to them or them to us. This brought confidence that the data analysed are both accurate and credible. The local facilitator invited respondents to participate in the study through an official invitation. The facilitator was also in charge of the follow-up, inviting respondents to pre-selected slots (based on sector) on a specific time and date (by e-mails and phone calls).

We reduced respondents' associated sectors to five to allow mean comparison tests across groups:[19]

· **Public Administration**: 25%
· **Private Sector**[20]: 15%
· **Civil Society**: 15%
· **Local communities (LC) and Indigenous Peoples & Afro-descendant populations of Honduras (PIAH)**[21]: 34%
· **Others** (Consultant, Research, Financial Partners): 11%

On average, respondents have 14.4 years of experience in the forestry sector (minimum of 1 year and maximum of 50 years). Within respondent groups, the private sector had the most experience (18 years), while the public sector had the least experience (13 years). Respondents were most knowledgeable about LC & PIAH (68%) and the private sector (58%) (see Figure 98).

Respondents identified two main motivating factors that led Honduras to engage in the VPA process: (i) to reduce illegal logging and trade (69%); and (ii) to improve forest management (57%) (see Figure 100).

More than half of respondents (62%) noted they were/are involved in discussions on law enforcement during the VPA negotiations in Honduras. Further, they were/are most involved in discussions on the definition of legality, deforestation/forest conversion and capacity building (47%, 43%, 41%, respectively). About 9% answered that they were not actively involved in any aspects of VPA. Their answers have been considered relevant for the remainder of the survey because "not actively involved" does not mean "not knowledgeable" about the VPA process. For example, respondents may not have been directly engaged with the negotiation with regards to law enforcement and definition of legality. However, their knowledge of the forest sector more broadly makes them relevant respondents to assess the changes and impacts of those activities.
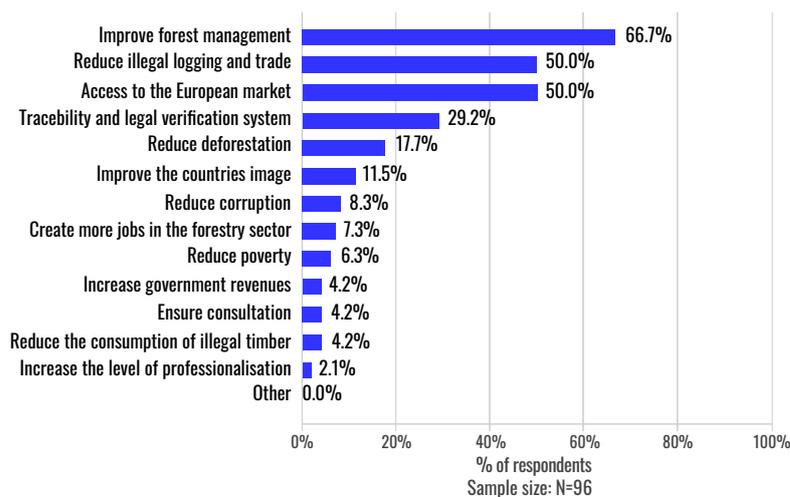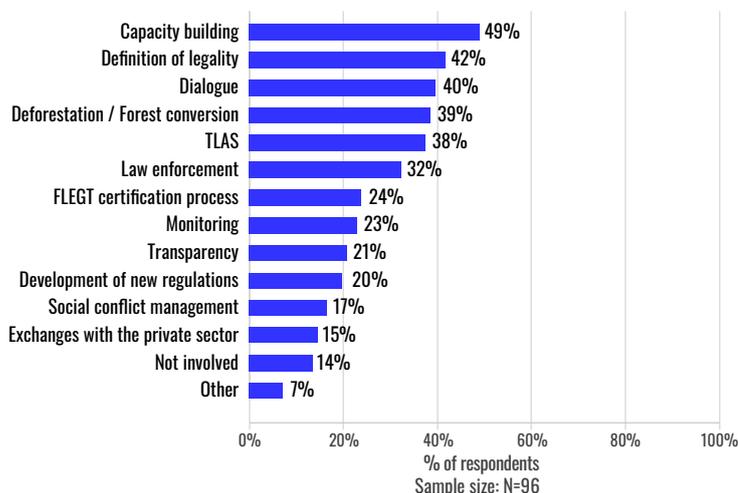
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19 The number of responses (N) used for the different analyses is outlined below in each figure. Sometimes this number does not correspond to the total number of respondents, since not all respondents replied every time to all questions.

20 The private sector includes respondents from SMEs, large operators and agroforestry groups. Although the agroforestry group was surveyed separately during the field mission, we associated this group to the private sector, due their high knowledge of the sector.

21 Although surveys for LC & PIAH were conducted separately during the field mission, we have combined these two groups after the data analysis. We observed no strong divergence in their answers and combining them allowed us to obtain a bigger sample size to compare answers with other sectors.
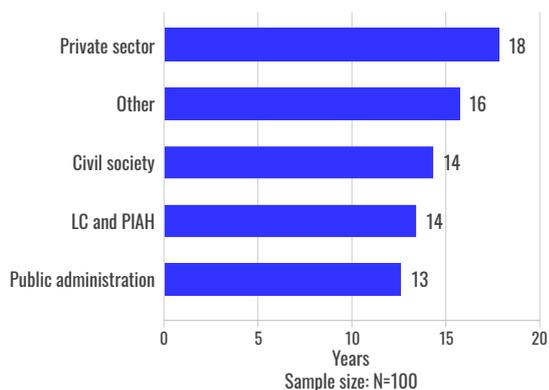
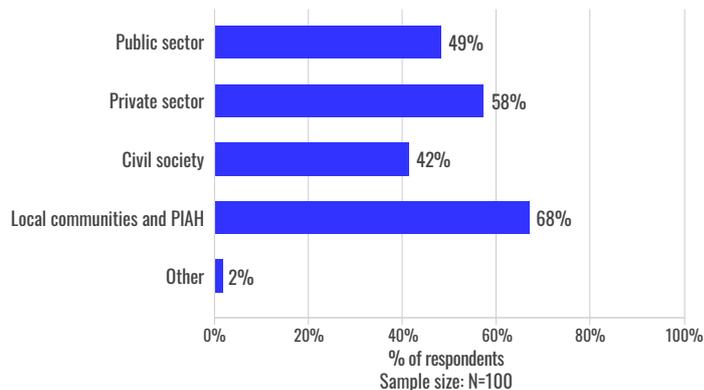Figure 98. Average number of years of experience per sector

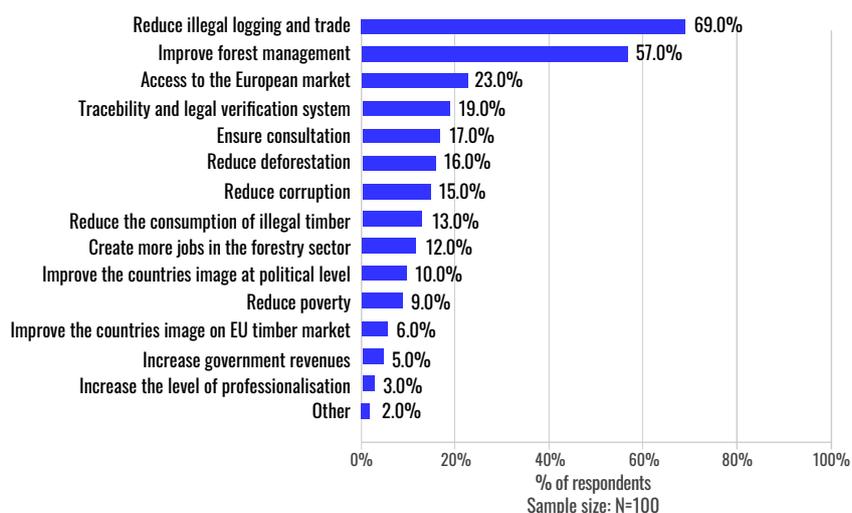Figure 99. Respondents' knowledge of sectors

Figure 100. Top principal motivating factors leading Honduras to engage in the VPA process (multiple choice possible)
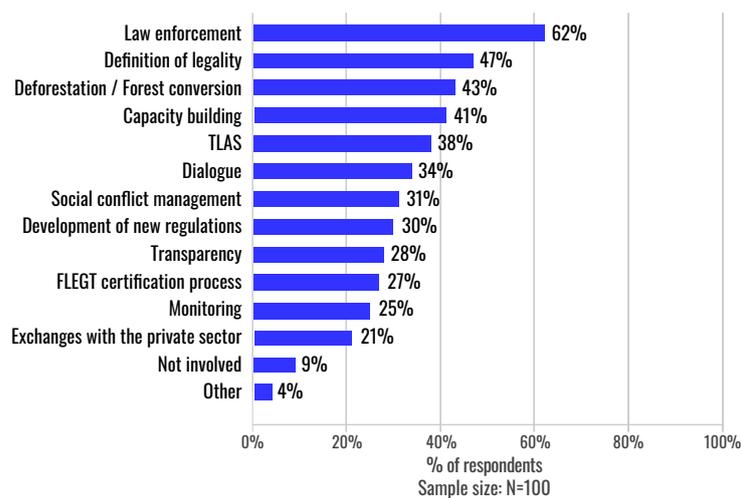

Figure 101. Aspects of VPA respondents are/were most involved in (multiple choice possible)

Indonesia

Key takeaways

- High relevance of the expert pool identified and interviewed for the study since the average experience in the forestry sector across respondents is 15 years and knowledge of the sectors covered in the survey (e.g., civil society, local and indigenous communities, private sector, etc.) is high among respondents.
- Balanced sample across respondents' categories: private sector–artisanal (21.57%), civil society (21.57%) and public administration (15.69%).
- High level of respondent involvement in FLEGT-VPA related activities (91%), with two-thirds involved in TLAS definition and implementation, and nearly half in multi-stakeholder dialogue dynamic.
- Quite good female representation (19%).

Figure 102. Responses per sector (N=102)

Figure 103. Respondents' knowledge of the sectors (N=102)

Figure 104. Responses per sector (N=102)

Figure 105. Respondents' knowledge of the sectors (N=102)

As shown in Figure 102, the 102 survey respondents are working in different fields, all connected to forestry sector (see Annex 1 for a detailed list). We have the same proportion of respondents (21.57%) from the private sector-artisanal and from CSOs; the second largest share works in public administration (15.69%). We also surveyed researchers and consultants (10.78% each). We interviewed only a few private sector-industrial representatives because the study focused, among other things, on better understanding VPA impacts on SMEs. We could meet only a few smallholders because they lived in remote areas, which made it difficult to travel to Jakarta or Bogor. We did not meet representatives of LC & IP for the same reason. However, we see (in Figure 102) that nearly 25% of respondents have good knowledge of the situation of LC & IP in Indonesia. This provides confidence that findings are coherent with the reality of local forest populations. Finally, the "Other" category is composed of certification bodies' and donors' representatives.

Figure 103 shows that respondents have a good knowledge of the issues covered in the survey. This is especially true for the private sector–artisanal (SMEs' knowledge, 62%), which is not surprising in the Indonesian context.

The sampled respondents also have significant working experience in the forestry sector. The average number of years in the forestry sector was 15 (minimum of 1; maximum of 40). This highlights the relevance of the expert pool identified and interviewed for the study. Female representation is 19%, which is low but coherent with gender distribution in the forestry sector.

Most respondents are/were involved in FLEGT-VPA related activities, with a clear involvement in TLAS development and implementation (65%) and in mu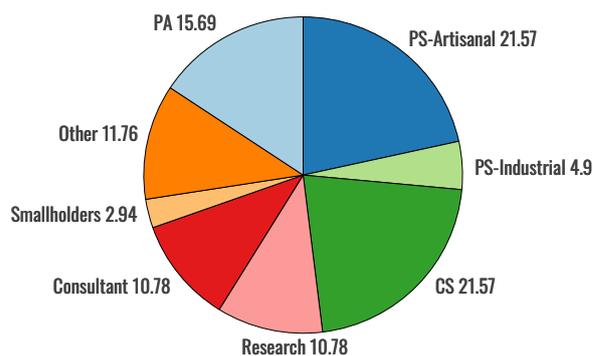lti-stakeh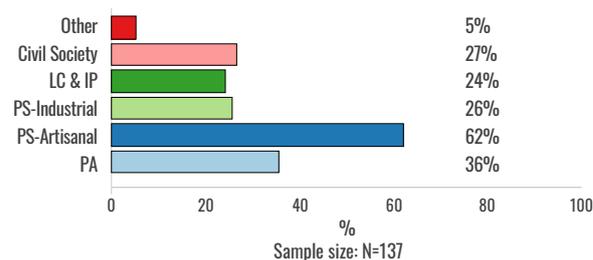older dialogue process (46%) – see Figure 106. Those who declared no FLEGT-VPA involvement are mostly SME representatives who still know about FLEGT-VPA, or at least see consequences on the ground. Hence, they remain relevant respondents.
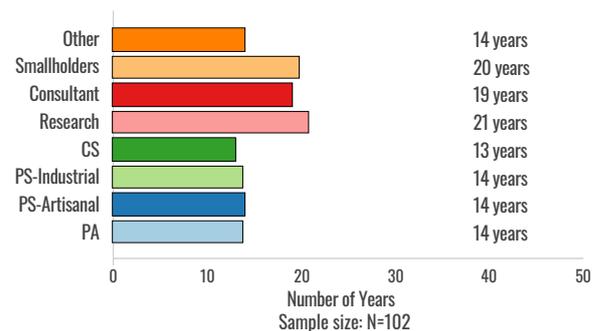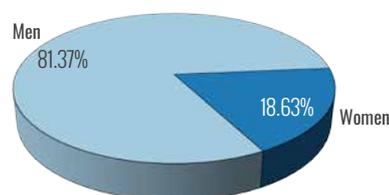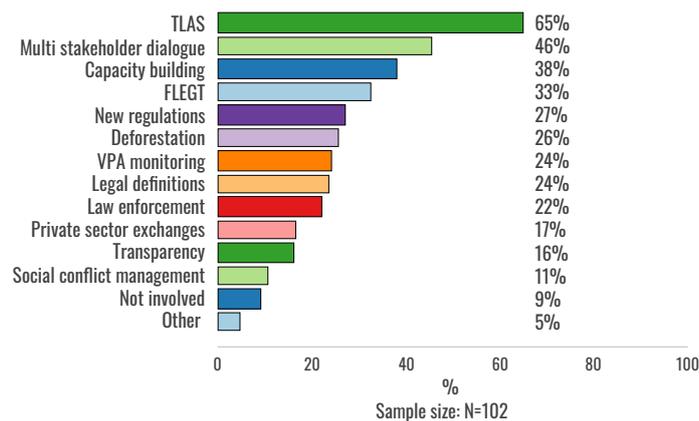
Figure 106. Respondents' involvement in FLEGT-VPA related activities
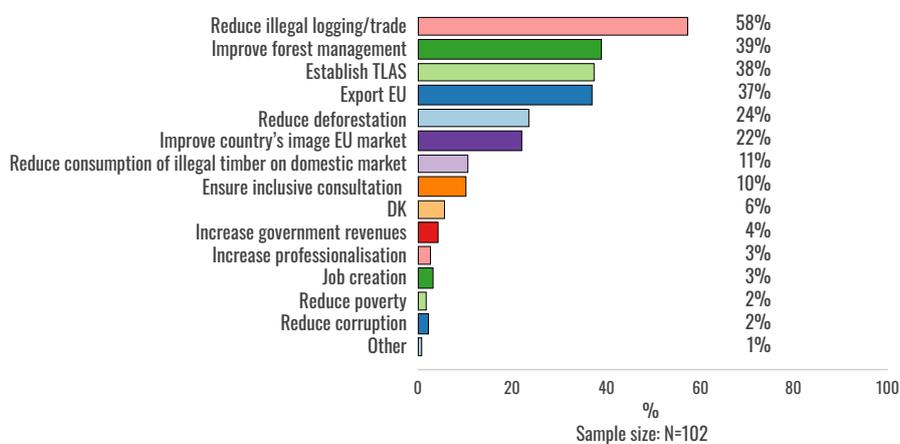
Figure 107. Reasons to engage in VPA process (N=102)

We reduced respondents' associated sectors to four categories to allow mean comparison tests across groups:

- **Public administration** (using the abbreviation 1_PA) representing 15.69% of the total sample
- **Private sector–Artisanal** grouped with Smallholders/ Tree planters (using the abbreviation 2_PS_art) representing 24.53%
- **Civil society organizations**, including Local Communities and Indigenous Peoples (using the abbreviation 3_CS_LC_IP) representing 21.57%
- **Others**, grouping private sector–industrial, consultants, researchers and "Other" (using the abbreviation 4_ Other) representing 38.22%.

As in TEREA FLEGT-AP Evaluation (2016), respondents were asked to outline the three main reasons why Indonesia engaged in a VPA process. Figure 107 displays the results. Based on respondents' opinions, the top three principal motivating factors leading Indonesia to engage in the VPA process were: (i) to reduce illegal logging and trade (58%); (ii) to improve forest management (39%); and (iii) to

establish the TLAS (38%).[22] Interestingly, the first reason mentioned in the TEREA report – "to improve access to the European market" – ranks only fourth in this survey. This rank is true not only for Indonesia but for all VPA countries engaged in the 2016 evaluation. However, "to reduce illegal logging and trade" as well as "to improve forest management" are still within the three most important motivations.

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22   Multiple choice question with a maximum of three responses per respondent.

Republic of Congo

Key takeaways

- Sample with 88% male respondents and 12% female respondents, which is consistent with the actual gender balance in the Congolese forest sector.
- High relevance of the expert pool identified and interviewed for the study since the average experience in the forest sector across respondents is 15.6 years and knowledge of the sectors covered in the survey (e.g., civil society, public and private sector, etc.) is high among respondents.
- Balanced sample across respondents' categories: public administration (31%), private sector, including SMEs and industrial operators (30%) and civil society (29%).
- "LC & IP" and "Civil Society" have been combined given the small sample size and the links between the two groups of actors.
- High respondent levels of involvement in FLEGT-VPA related activities (93%) with most being involved in the TLAS process, law enforcement and capacity building in the context of the FLEGT-VPA.

The study purposefully identified experts and long-standing stakeholders in the Congolese forest sector. This was demonstrated by the average number of years in the sector (see Figure 110). We ensured that the main actors from each respondent group were included, making provisions to travel to them or them to us. This brought confidence that the data analysed are both accurate and credible. A local facilitator invited respondents to participate in the study through an official invitation. The facilitator was also in charge of the follow-up, inviting respondents to pre-selected slots (based on sector) on a specific time and date (by e-mails and phone calls).

We reduced respondents' associated sectors to five categories to allow mean comparisons across groups:[23]

- **Public Administration**: 31%
- **Private Sector – SMEs, Artisanal**: 9%
- **Private Sector – Industrials**: 21%
- **Civil Society and Local Communities and Indigenous Peoples (LC & IP)**[24]: 29%
- **Others** (Consultant, Research, Financial Partners): 11%

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23 The number of responses (N) used for the different analyses is outlined below in each figure. Sometimes this number does not correspond to the total number of respondents, since not all respondents replied every time to all questions.

24 We have combined "Local Communities and Indigenous Peoples – LC & IP" with "Civil Society" given the small sample size and the links between the two groups of actors. Civil society reportedly plays the role of advocate for LCIP in the Republic of Congo. It was outside the scope of this study to assess such relations. A more focused assessment is warranted to clearly separate the voices of IP and LC.

Sample size:
N= 91

Male 88%

12% Female
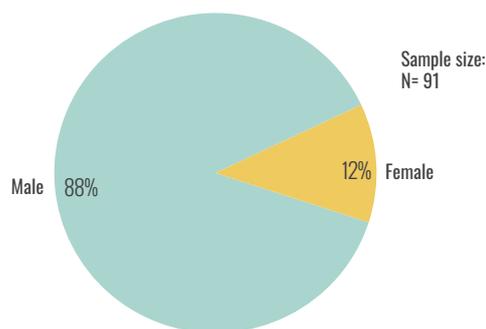
Figure 108. Gender breakdown of respondents

PS-Industrial 21%

Sample size:
N= 91

PS-SMEs/Artisanal 9%

Technical/Financial Part 5%

Other 3%

2% Consultant

2% Community Member

1% Local Community Elite

CS 25%

PA 31%
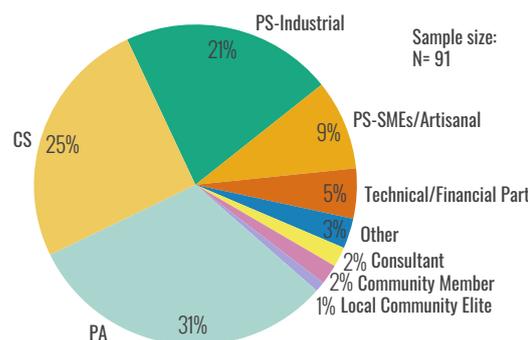
Figure 109. Respondents per their associated Sector

Sample size: N=100
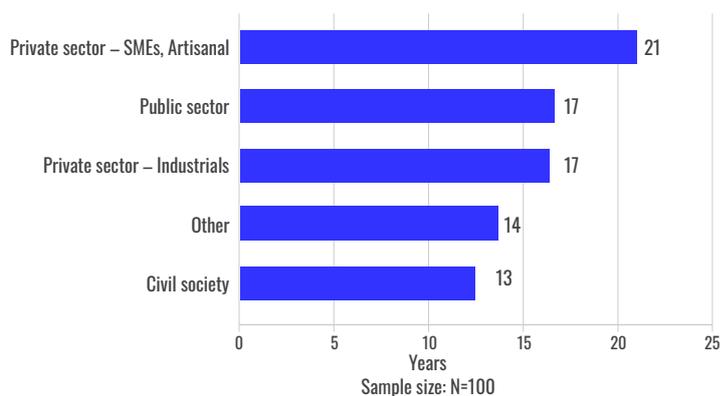
Figure 110. Average number of years of experience per sector

Sample size: N=80
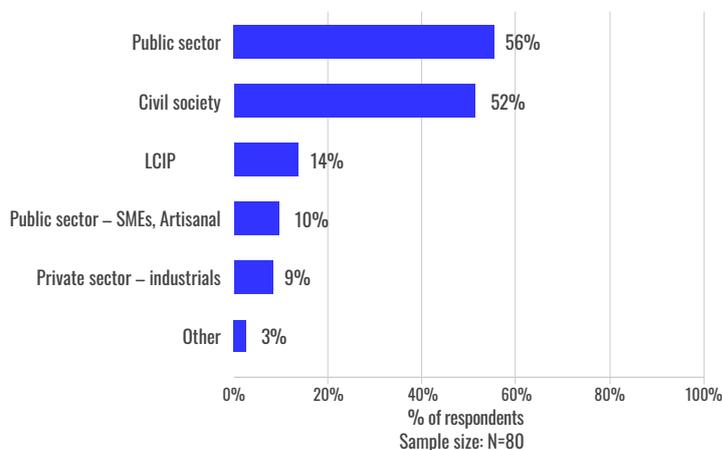
Figure 111. Respondents' knowledge of sectors

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The average number of years of experience in the forest sector is 15.6 (minimum of 1 year and maximum of 48 years). Within respondent groups, the SMEs operators have the most experience (21 years), while civil society has the least (12.6 years). The respondents are most knowledgeable about civil society and public sector.

Respondents identified the following factors as the primary motivators for the Republic of Congo to engage in the VPA process: (i) to improve forest management (66%); (ii) to reduce illegal logging (60%); and (iii) to access the European market (43%) (see Figure 112).

More than half of respondents (56%, 53% and 51%, respectively) noted they are/had been involved in the TLAS process, law enforcement and capacity building in the context of the FLEGT-VPA in Republic of Congo. About 7% answered that they are not actively involved in any aspect of FLEGT-VPA (see Figure 113). Their answers have been considered relevant for the remainder of the survey because "not actively involved" does not mean "not knowledgeable" about the FLEGT-VPA process. For example, respondents may not have been directly engaged with drafting and implementing TLAS or transparency-related activities. However, their knowledge of the FLEGT-VPA process and the forest sector more broadly make them relevant respondents to assess the changes and impacts of those activities.
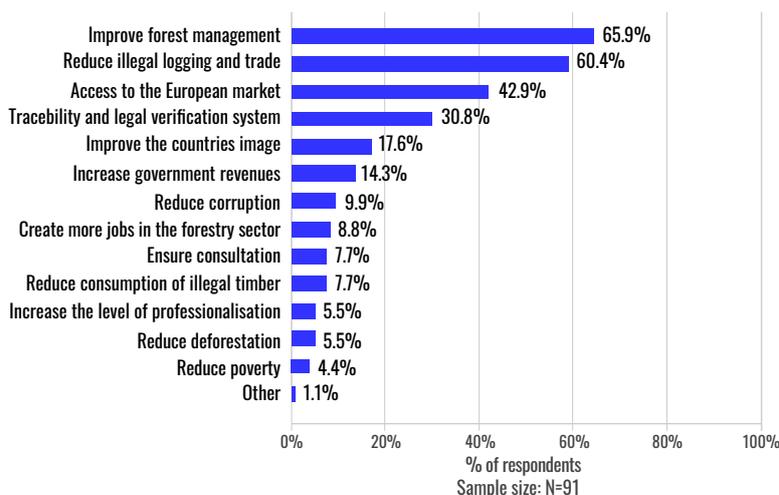

Figure 112. Top principal motivating factors leading the Republic of Congo to engage in the VPA process (multiple choice possible)
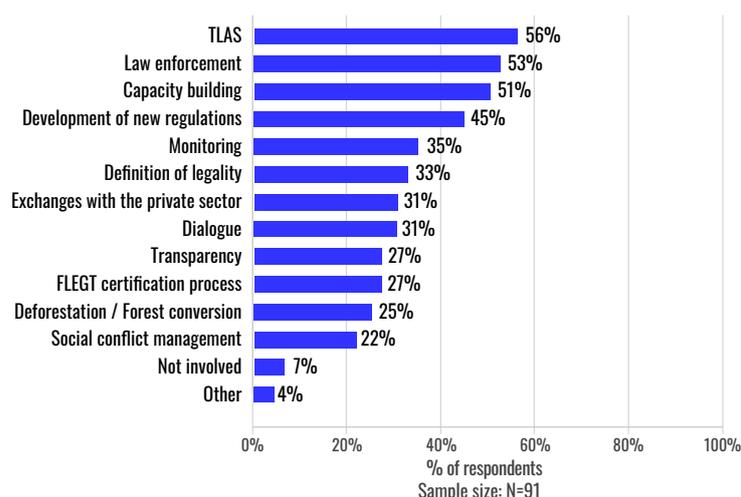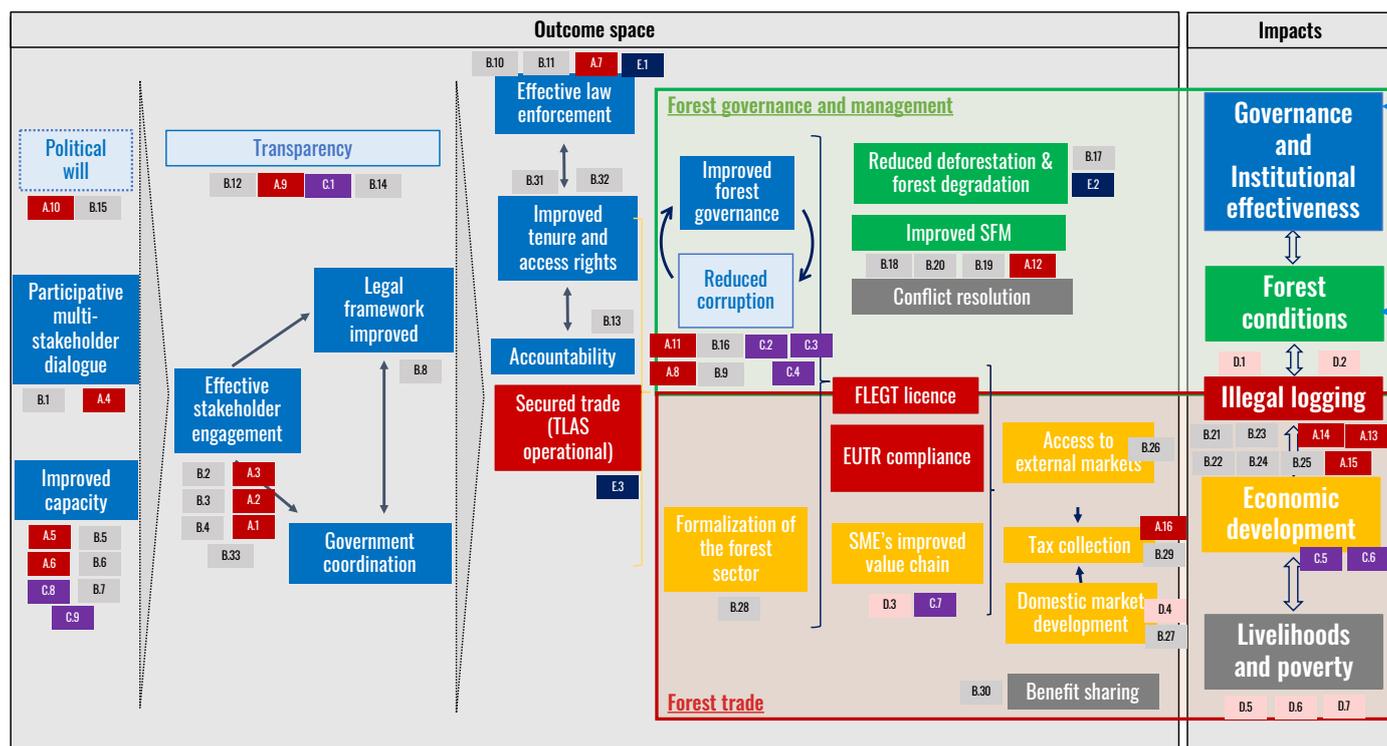

Figure 113. Aspects of FLEGT-VPA respondents are/were most involved in (multiple choice possible)

Annex 3. Theory of change & indicators mapping

A. VPA impact – Change indicators (before and after VPA ratification/negotiation)

A.1 Level of consideration of CS opinion in forest sector decision making

A.2 Level of consideration of SME opinions in forest sector decision making

A.3 Level of consideration of LC and IP opinions in forest sector decision making

A.4 Level of LC and IP consultation in forest sector decision making

A.5 Level of CS effectiveness as independent observer

A.6 Level of CS autonomy as independent observer

A.7 Level of sanction enforcement

A.8 Level of importance of CS role as a control agent to denunciate irregularities in the forest sector

A.9 Level of transparency

A.10 Level of political will to fight corruption

A.11 Share of SME costs paid as informal taxes

A.12 Level of implementation of forest management plans in the country

A.13 Proportion of legal wood on the export market

A.14 Proportion of legal wood on the domestic market

A.15 Proportion of national timber production exploited with a legally obtained permit

A.16 Level of efficiency of tax collection

 Paolo Omar Cerutti, Tatiana Goetghebuer, Nastassia Leszczynska, Jean Newbery, Bruna Almeida, Raphael Tsanga, Romain Fourmy and Luisa van der Ploeg

B. VPA impact – Contribution indicators

B.1	VPA C° to more consultation of LC & IP
B.2	VPA C° to better consideration of LC & IP opinions
B.3	VPA C° to better consideration of CS opinions
B.4	VPA C° to better consideration of SME opinions
B.5	VPA C° to more effective CS independent observation
B.6	VPA C° to greater autonomy of civil society in its role as an independent observer
B.7	VPA C° to improving the technical capacity of SMEs to conduct their activities legally
B.8	VPA C° to better coherence of the legal and regulatory framework
B.9	VPA C° to providing CS with a greater role in controlling legality and identifying irregularities
B.10	VPA C° to better enforcement of sanctions
B.11	VPA C° to making sanctions more credible
B.12	VPA C° to improving transparency in the forest sector
B.13	VPA C° to making the government more accountable
B.14	VPA C° to providing information allowing SMEs to conduct their activities legally
B.15	VPA C° to improving political will to fight corruption
B.16	VPA C° to reducing share of SME costs paid as informal taxes (bribes)
B.17	VPA C° to decreasing deforestation
B.18	VPA C° to better implementation of forest management plans
B.19	VPA C° to better integration of multiple forest functions and ecosystem services
B.20	VPA C° to increase in privately certified areas
B.21	VPA C° to reducing illegal logging type 1
B.22	VPA C° to reducing illegal logging type 2
B.23	VPA C° to reducing share of illegal logging on export market
B.24	VPA C° to reducing share of illegal logging on domestic market
B.25	VPA C° to increasing production exploited with a legally obtained permit
B.26	VPA C° to improving SMEs' access to the export market
B.27	VPA C° to squeezing some SMEs out of business
B.28	VPA C° to better recognition of SMEs' associations
B.29	VPA C° to a more efficient tax collection
B.30	VPA C° to better redistribution of taxes to LC & IP
B.31	VPA C° to better consideration of LC & IP rights
B.32	VPA C° to better recognition of LC & IP property rights
B.33	VPA C° to better consideration of women, youth and marginalized groups' opinion

C. VPA impact – Statement indicators

C.1	Publicly available information on legality requirements is relevant for SMEs to meet the requirements.
C.2	Bureaucracy linked to the VPA process has created new opportunities for corruption.
C.3	The level of corruption in the forest sector has decreased since VPA ratification (relative to other sectors).
C.4	The work of independent observation contributes more to reducing corruption in the forest sector than before VPA ratification.
C.5	VPA process gives a positive image of the country and helps it to be considered as a reliable business partner.
C.6	Political will exists to give as much priority to the development of the forest sector as the other sectors.
C.7	SMEs in the forest sector provide better quality timber than before VPA ratification.
C.8	Legal exploitation of wood is too constraining for SMEs (technically and financially).
C.9	The curriculum of institutions integrates the themes of legality and sustainable forest management better than before VPA ratification.

D. VPA impact – Evolution indicators (since VPA ratification/negotiation)

D.1	Illegal logging evolution type 1
D.2	Illegal logging evolution type 2
D.3	Evolution of the number of SMEs
D.4	Evolution of the demand for legal wood on the domestic market
D.5	Evolution of job opportunities in the forest sector
D.6	Evolution of job opportunities for LC & IP in the forest sector
D.7	Evolution of job opportunities for women, youth and marginalized groups in the forest sector

E. VPA impact – Other indicators

E.1	Causes of non-compliance with the law
E.2	Actors' awareness of the consequences of poor governance in the forest sector
E.3	Effects produced by the process of TLAS development

This study synthesizes qualitative and quantitative evidence of EU-FLEGT Voluntary Partnership Agreement (VPA) impacts across seven countries – Cameroon, Ghana, Indonesia, Republic of Congo, Côte d'Ivoire, Guyana and Honduras. These countries are at different stages of the VPA process – from negotiation to implementation to issuance of Forest Law Enforcement, Governance and Trade (FLEGT) licences. By studying countries at different stages, findings allow for global lessons to be learned across different geographies and time.

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