



Collecting evidence of FLEGT-VPA impacts

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Honduras country report



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Photo Credit: Romain Fourmy/ADE
Caption: Yodeco, on our way to La Ceiba.

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Abbreviations

ADE	: Analysis for Economic Decisions
ANASILH	: Honduras Woodland Farmers Association
CIFOR	: Center for International Forestry Research
CONPAH	: Confederation of Indigenous People of Honduras
CP	: Comité Petite
CS	: Civil Society
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
FDsF	: Fundación Democracia sin Fronteras
FLEGT	: Forest Law Enforcement Governance and Trade
GDP	: Gross Domestic Product
ICF	: Forest Conservation Institute (Instituto de Conservación Forestal)
LC&IP	: Local Communities and Indigenous Peoples
LFAPVS	: Forest, Protected Areas and Wildlife Law
MFI	: Project of Independent Forest Monitoring
M&E	: Monitoring and Evaluating
NGO	: Non-governmental Organization
PIAH	: Pueblos Indígenas y Afrohondureños de Honduras (Indigenous and Afro-descendant Peoples of Honduras)
PPP	: Public Private Partnership
PRONAFOR	: National Forestry Programme
REDD+	: Reducing Emissions from Deforestation and forest Degradation, plus the sustainable management of forests, and the conservation and enhancement of forest carbon stocks
SFM	: Sustainable Forest Management
SIRMA	: Information System for Timber Tracking
SMEs	: Small and Medium Enterprises
TLAS	: Timber Legality Assurance System
ToC	: Theory of Change
VPA	: Voluntary Partnership Agreement

1 Introduction

The objective of this study, a collaboration between the Centre for International Forestry Research (CIFOR) and *Aide à la Décision Economique* (ADE), financed by the Directorate-General for International Partnerships (DG INTPA), is to identify potential qualitative and quantitative evidence of impacts of the Forest Law Enforcement Governance and Trade-Voluntary Partnership Agreement (FLEGT-VPA) process so far across a sample of four countries – Guyana, Honduras, Côte d’Ivoire and the Republic of the Congo. Results are placed within the global European Union-FLEGT (EU-FLEGT) Monitoring and Evaluation (M&E) indicator database, which includes results from three previous impact assessments in Cameroon, Ghana, and Indonesia, as well as relevant variables from secondary data sources.

A major, broader objective is to continue building a resource base on a long-term complex process which touches upon political, institutional and technical issues, with socio-economic and environmental impacts spanning from very localized to global geographies. By covering four countries at different stages of VPA implementation in addition to the three previous ones, this study will also present findings and lessons at a global level (in a separate summary report), combining results to outline a bigger picture of VPA process impacts where possible. This is also possible because the methodology (see Section 2) used in Cameroon, Ghana, and Indonesia (2019)¹ is the same as that used in these more recent assessments. This provides us with seven countries covered in total, and a real opportunity for in-depth comparative analysis and insight into global-level impacts and specific changes related to negotiation or implementation phases.

The methodology used is designed to be replicable over time and applicable to other VPA countries. FLEGT-VPA impact evidence at a more global level has the potential to provide clearer insights with the inclusion of more VPA countries in the future; and the current

evidence could be used as a baseline scenario should future assessment be repeated in the same countries.

When collecting data, we take into account the fact that countries are at various stages of the VPA negotiation and implementation process. Guyana and Côte d’Ivoire’s VPAs are still in the negotiation phase, while Honduras’ has just been ratified (30 June 2021) and the Republic of the Congo’s has been implemented since 2013. Therefore, the questionnaire was designed to collect information on the current situation, and, through recall questions, on the situation prior to VPA implementation for the Republic of the Congo and on the situation prior to VPA negotiation for Honduras, Guyana and Côte d’Ivoire. This results in indicator values being collected that establish a baseline situation (prior to VPA implementation) for all countries. Furthermore, it also captures perceived changes in various forest sector related domains and the VPA contribution to these perceived changes (due to either VPA implementation or VPA negotiation). While we do not expect VPA negotiations to have made an impact in all the dimensions covered, nor for them to be as important as VPA implementation impacts, it is still relevant to estimate any changes the typically long negotiating phase has brought about, particularly as stakeholders begin to understand the specificities of the VPA process itself.

This report briefly outlines the methodology used, then describes the VPA process and forest context in Honduras, and finally presents evidence of VPA impacts. These results are presented following the general VPA Theory of Change (ToC) logic. This general VPA ToC (Figure 1) details the causal relationship that lead to the expected VPA impacts (far right-hand side) resulting from the expected outcomes (centre and left-hand side).

The CIFOR–ADE team was in Honduras between 4 and 15 July 2021 to collect data. This country report is an intermediary deliverable designed to feed the final synthesis report of the seven countries.

1 <https://www.cifor.org/knowledge/publication/7566>

2 Methodology

Key takeaways

- Thorough desk review undertaken for each country, identifying available VPA negotiation phase impact evidence.
- Sample of respondents representative of the main VPA stakeholders in the country sought.
- Survey carried out enabling a quantitative assessment of the perceived changes in different expected VPA impact fields and VPA contribution to the changes.
- Focus group discussions (FGDs) held allowing respondents to give more qualitative details on their perceptions, as well as to share personal experience on some topics.
- Positive feedback received from respondents on the data collection methodology.

To measure the impact brought about by a VPA, a mixed qualitative and quantitative methodology was developed. This has been rolled out across each of the four countries, with slight contextual modifications for each. The methodology is designed to be replicable over time and applicable to other VPA countries (in any VPA phase).

The final data collection tool has been developed and then deployed through three main stages, which are briefly described below:

- Defining different themes according to the general VPA ToC
- Reviewing the existing literature
- Interviewing key stakeholders

2.1 Main themes of the study relying on VPA theory of change

The first stage is the identification of the most relevant themes to cover during the study. ADE and CIFOR worked together to identify five main themes, which

correspond to the five expected impacts as displayed in the general VPA ToC² (see Figure 1). Note that causal links are not as linear as they seem on the figure and that most result boxes are interlinked. However, to better outline the causal relationship and to structure the report, we have assigned a colour to each impact dimension and coloured the related outcome boxes accordingly. First, we start by describing 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 1).

A mapping of the indicators collected through the perception survey and the general VPA ToC and the respective list of indicators are available in Annex I.

2.2 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 (in particular, literature focusing on impacts within the five main themes). An exhaustive list of the reviewed literature is available in the Bibliography. Note that this desk review (see Cerutti et al. 2020) is a living stand-alone document that can be further amended by adding relevant references when available.

The thorough desk review allows us to identify prevailing hypotheses on impacts. This helps to formulate questions for the survey, and then build indicators that will be used for the data analysis. The desk review also ensures that the questionnaire can be tailored for differing country contexts and that questions are in line with the sorts of impact the VPA would be expected to bring about in each country. This ultimately helps us to compare VPA impact expectations as identified during the desk review, against actual VPA

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

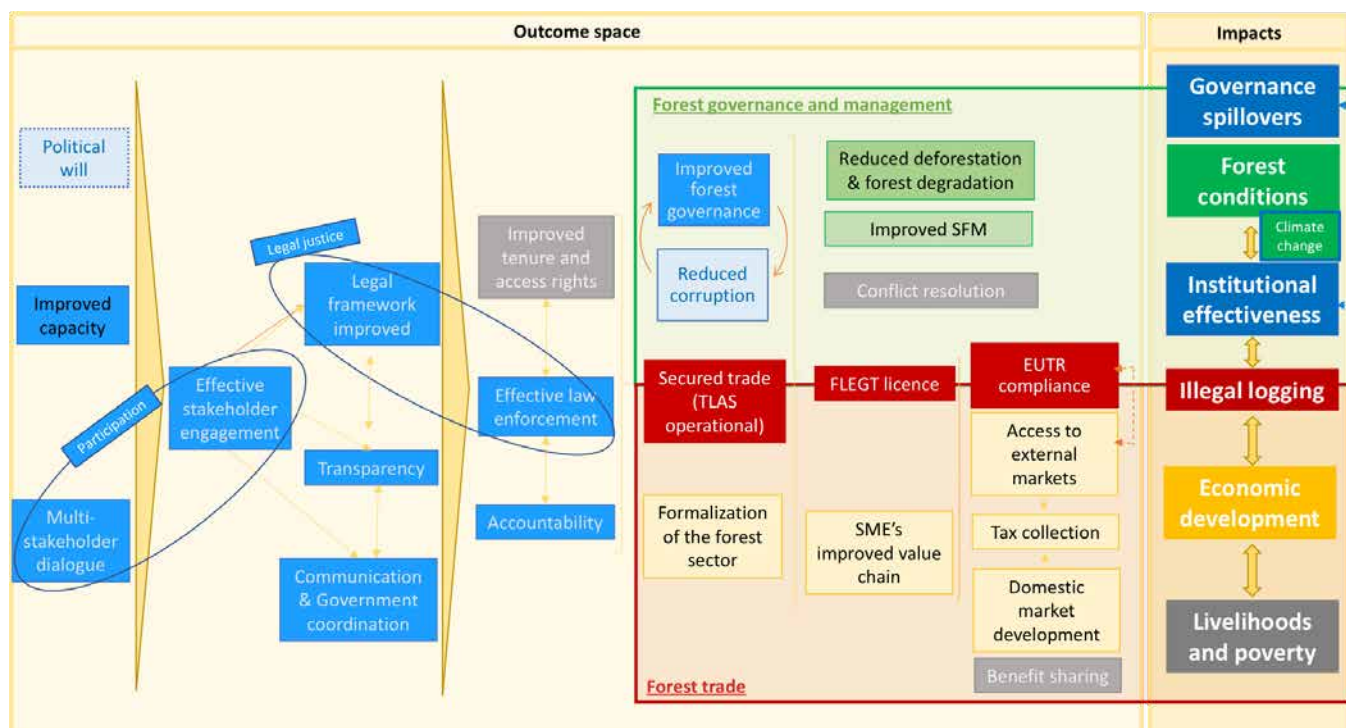


Figure 1. General VPA ToC

Note: For the synthesis report summarizing findings from seven VPA countries (Cameroon, Ghana, Indonesia, Republic of Congo, Côte d'Ivoire, Guyana and Honduras), the ToC has been slightly updated.

progress and possible unintended impacts identified through the primary in-country data collection.

The review includes the following categories of documents.

- VPA annexes and VPA-related documentation
- EU FLEGT Facility and FAO–EU FLEGT reports (publicly accessible)
- 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

One important takeaway from the desk review is that 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 were not considered at the beginning of the process to assess a change; hence the need for first-hand data to be collected.

2.3 Field mission

The **third** stage is deploying the questionnaire in-country. Prior to the mission, the questionnaire

was reviewed and revised where needed by local experts to tailor 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, as well as from local forest communities and Indigenous Peoples. Some representatives from international institutions (EUDEL, FAO–EU FLEGT, EFI, etc.), consultants and academics were also invited and constitute the last category (“Other”).

Sample selection

Through CIFOR/ADE research teams’ and FAO–EU FLEGT/EFI’s connections and knowledge of the context, key experts and long-standing stakeholders in the forestry 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), local communities and Indigenous Peoples (LC&IP), and an additional ‘other’ category grouping of consultants, researchers and donor representatives. In each category, we made every effort to reach out to and include representatives of different associations, non-governmental organizations (NGOs) and

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 existing different points of view regarding the VPA process and possible impacts.

If some preidentified respondents were not available, we made sure that they were replaced by someone who had similar levels of 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 2.4.

Individual survey

CIFOR's ethical review guidelines applied to all interview sessions; the agreement reminded respondents about the anonymous and confidential treatment of the information provided in the survey. Respondents were also reminded that they could stop answering at any time during the survey if any sign of discomfort arose from answering the questions. Lastly, by signing a consent form, respondents agreed to their responses being (anonymously) used 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 min) introductory (PowerPoint©) presentation was shown to all participants. The presentation touched upon the aim and scope of the assessment, the types of questions and answers that participants would find displayed on the tablet computers, as well as a couple of slides with 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 a very important step because various participants from the same group of respondents as well as from different groups may have a different understanding of responding 'very positive' or 'very negative' to a question about an 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 out the questionnaire.

Such common language also allows for more meaningful cross-country comparisons, as 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 other countries B, C, etc.

The answers inputted directly into the tablet were designed to be individually completed using the Computer-Assisted Personal Interviewing in a Group (CAPI-G³) approach. These individual sections were constructed using closed-ended, multiple choice or Likert-scale questions (0–5, 0–3, 0–100%) to capture respondents' personal opinions, hence allowing quantitative analysis.

Questions were mostly designed to understand change trajectories, capturing each respondent's opinion on the current situation within the different impact themes, their perception of the situation prior to VPA ratification – or prior to VPA negotiations start – (recall), and then their opinion on the feasible contribution of the VPA to any perceived (or no) change. Other questions were statement assessments, which either 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.

Focus group discussions

The individual questionnaire was broken up by pauses at the end of each theme/section, during which time the participants could share in more detail the opinions they expressed in response to the questionnaire questions of the previous section, ideally providing **qualitative measures of change** and specific examples. This anecdotal evidence allowed us to better explain findings contained in this report, and questions were tailored according to the group's subject-matter expertise. Indeed, the fact that, where feasible, participants belonged to similar (professional) categories ensured that they felt free to talk and share their experience/vision.

Data collection was bolstered by having two types of input: numerical directly into the tablet – the results of which could be accessed daily – and qualitative with examples (detailed and anonymous notes taken during these focus group discussion (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.

3 This data collection approach has been designed by ADE and proven in previous studies to be efficient and reliable.

Feedback on the interview experience was also regularly sought from participants. Verbal feedback reported from respondents indicated that they enjoyed the two-pronged approach, which 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 because of icons used in association 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.

Additional key informant interviews

Some key domestic and international experts knowledgeable on the forest sector and VPA process in Honduras, who could not be present in the interview sessions or for whom their presence was not deemed pertinent in the group discussions, were invited to individual interviews where all the themes were addressed to collect qualitative inputs. When relevant, the online version of the questionnaire was sent to these participants, sometimes even after the field mission.

2.4 Respondent breakdown

Key takeaways

- Of the respondents **62%** were male and **36%** female (2% selected “Other”).
- Relevance of the expert pool identified and interviewed for the study was **high**, since the average number of years of experience in the forestry sector across respondents was **14.4 years**. Knowledge of the different sectors by participants (e.g. local communities and Indigenous and Afro-descendant populations of Honduras (LC and PIAH), public and private sector, and civil society) was **high**.
- The sample was relatively balanced across respondent categories: LC and PIAH (**34%**), public sector (**25%**), private sector (**15%**) and civil society (**15%**).
- Respondent levels of involvement were **high** in VPA negotiations (**91%**), with most being involved in discussions on law enforcement, definition of legality, deforestation/forest conversion and capacity building.

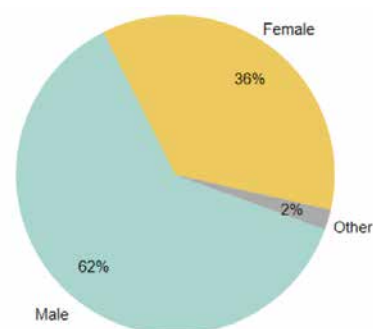


Figure 2. Gender breakdown of respondents (N=100)

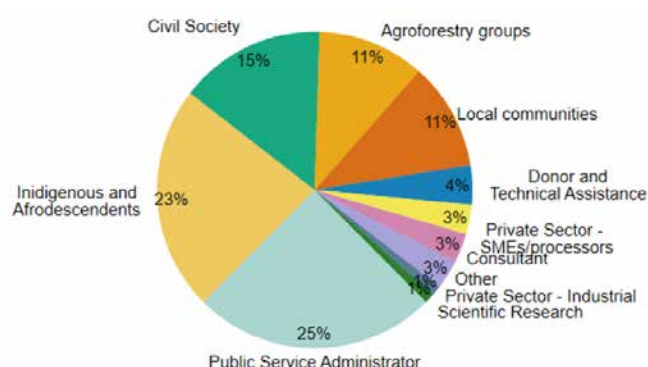


Figure 3. Respondents per their Associated Sector (N=100)

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. We ensured that the main actors from each respondent group were included, making provisions for us to travel to them or them to us, bringing confidence that the data analysed are both accurate and credible. Respondents were invited to participate in the study through an official invitation sent by the local facilitator, who was also in charge of the follow-up by inviting respondents to pre-selected time slots (based on sector) on a specific time and date (by e-mails and phone calls).

To allow mean comparison tests across groups, respondents' associated sectors have been reduced to five:⁴

- **Public administration:** 25%

⁴ The number of responses (N) used for the different analyses is outlined in each figure. Sometimes this number does not correspond to the total number of respondents, since not all respondents replied every time to the totality of the questions.

- **Private sector**⁵: 15%
- **Civil society**: 15%
- **Local communities (LC) and Indigenous and Afro-descendant Peoples of Honduras (PIAH)**⁶: 34%
- **Others** (consultant, research, financial partners): 11%

On average, respondents had 14.4 years of experience in the forestry sector, with a 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 years of experience (13 years). Respondents were most knowledgeable about LC and PIAH (68%) and the private sector (58%).

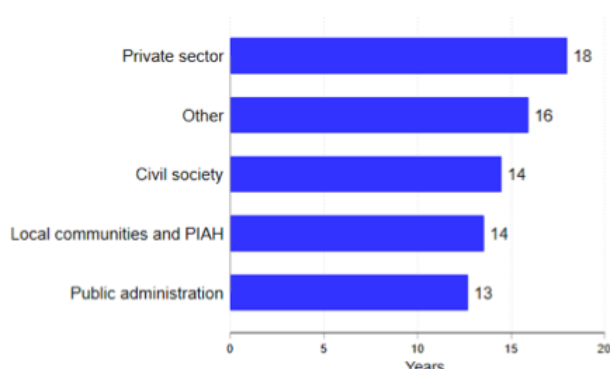


Figure 4. Average number of years of experience per sector (N=100)

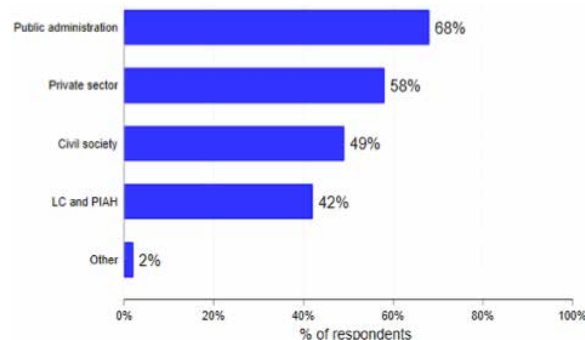


Figure 5. Respondents' knowledge of sectors (N=100)

⁵ 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.

⁶ Although surveys for LC and 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.

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%).

More than half of respondents (62%) noted that 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% and 41% respectively). About 9% answered that they were not actively involved in any of the 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, while respondents may not have been directly engaged in the negotiation with regards to law enforcement and definition of legality, their knowledge of the forest sector more broadly makes them relevant respondents to assess the changes and impacts of those activities.

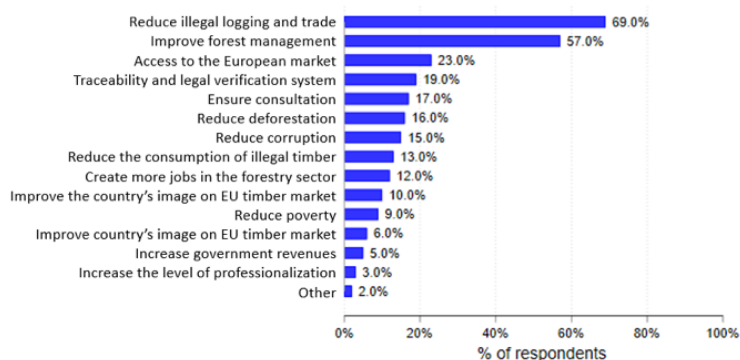


Figure 6. Top principal motivating factors leading Honduras to engage in the VPA process (multiple choices possible) (N=100)

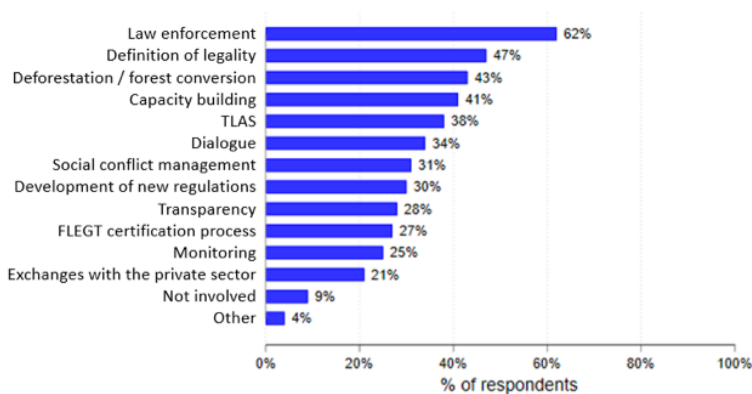


Figure 7. Aspects of VPA respondents who are/were most involved in (multiple choices possible) (N=100)

2.5 Key takeaways of field mission

Key takeaways

- **A total of 100 individual respondents** completed the questionnaire, either in Tegucigalpa, Campamento, Juticalpa, Siguatepeque, Yoro, La Ceiba or by online completion.
- **Eleven group sessions** were convened in the above-mentioned locations (see Annex III for agenda).
- Team met with the EC delegation (online) and Forest Conservation Institute (in person) to outline the purpose of the study, as well as to collect information for the study.

The field team consisted of two experts from ADE and one from Fundación Democracia sin Fronteras (FDsF). The first day was spent in Tegucigalpa to conduct several key informant interviews, and to test and refine the data collection tool. A total of five sessions were conducted in Tegucigalpa in the next days; then, six other sessions were conducted in Campamento, Juticalpa, Siguatepeque, Yoro and La Ceiba (two sessions). In total, 79 respondents

completed the survey in the group sessions, and 21 respondents completed the survey online.

Key lessons learnt

- **COVID-19 measures were respected** as much as possible (PCR tests, masks, sanitizer and disinfectant, social distancing, ventilated environment).
- **COVID-19 context introduced some limitations for some people to participate physically in sessions.** However, the online survey was sent to these people, and one hybrid session (with Zoom) took place.
- **Most actors participating in the negotiations were represented in the survey.** This is especially true for LC and PIAH, which have had a higher level of representation than before negotiations started.
- **Actors agreed that the VPA process is complex**, with many requirements, and a lot of effort remains to complete them all. But there was also a **common understanding that significant progress has been made** and that the process is slowly moving towards its objectives.
- **Most participants showed a lot of interest and were involved in the discussions** and appreciated the exercise. Several participants requested they receive the final report of the study once concluded. We will oblige by planning restitution sessions in all countries.

3 Honduras context in brief

In Honduras, there are 6 million ha of forests, which represents 56% of the territory. The forest cover is distributed as follows: 68% is broadleaf, 31% is coniferous and 1% is mangrove (ICF 2020). According to the Forest Conservation Institute (ICF), **the forest sector accounted for 0.71% of the GDP in 2020** (HNL 1315.5 million), which represents a slight decline from the previous year (0.75%). Furthermore, most recent estimations (from 2016), indicate that **the value chain of wood products employs approximately 28,500 people⁷**, including the use and commercialization of wood (FAO and La Fundacion Hondureña de Ambiente y Desarrollo de la VIDA 2018). With regards to timber exports, it is mainly composed of coniferous sawn wood (31%), and the main destination in 2020 was Salvador (82%) (ICF 2020).

The agricultural sector is driven by the production of cacao and coffee, which plays a pivotal role in the creation of jobs given that its value chain is highly labour intensive. The production of coffee may account for up to 32% of the national agricultural production and represents around 3% of GDP (Organización Internacional del Café 2021). Moreover, the role of coffee and cacao in Honduras is critical for achieving positive forest management, as **the production of these goods is frequently done at the expense of forests.**

The ICF is responsible for forest policy and management. The institution was created thanks to executive decree N° 98–2007, which established the Forest, Protected Areas and Wildlife Law (LFAPVS) in 2007. This decree provides a legal framework for the management of forest resources, comprising their exploitation, restoration and conservation. The country's commitment to the sustainable exploitation of natural resources is also part of the current National Plan 2010–2022.

7 Total population of Honduras is estimated at around 9.9 million based on information from the National Institute of Statistics of Honduras (INE) (2021).

Honduras has several tools to manage forest harvesting, namely: **annual operative plan, annual felling plan for owners of agroforestry systems, rescue plan, recovery plan and certified plantation harvesting licences.** The main tool is the annual operative plan. This plan establishes how forest areas will be managed following clear requirements for exploitation and preservation. In 2020, the ICF approved 133 of these plans, covering a total area of 51,000 ha. Of these, 129 plans were for private forest areas. In total, from 2015 to 2020, the 718 plans for forest management approved represent an area of 819,000 ha (ICF 2020). Moreover, 64% of the production of roundwood in 2020 had been previously approved by the ICF through the Annual Operative Plan (ICF 2020).

Honduras registered a rate of deforestation of 18,500 ha per year during 2016–2018, which is 4,000 ha lower than for the period 2000–2016 (ICF 2020). In total, 373,000 ha was deforested between 2000 and 2016, which represents 6% of the current forest cover. **One of the main causes of this deforestation is due, among other factors, to pest infestation.** The worsening of climate change has rendered some natural phenomena more frequent. Some extreme events such as plagues have become more common. This is also the case in Honduras, where the bark beetle (*Dendroctonus frontalis*) has become a serious threat to forests. “According to the historical register, from 1982 to 2020, the bark beetle has deforested 1 million ha of pine forests (around 16% of current forest cover)” (ICF 2020).

In addition, forest fires and illegal logging contribute, to a lesser extent, to this deforestation. In 2020, there were 10,077 forest fires. Altogether, they affected around 82,000 ha. The authorities determined that 78% of these fires originated from a criminal act (ICF 2020). In, 2011, the Project of Independent Forest Monitoring (MFI) estimated that for each hectare of forests legally authorized, there were two additional hectares of illegal logging. The main departments affected by illegal logging at

that time were Gualaco, Yoro, Atlantida and Juticalpa (CONADEH 2011). Older estimations from 2004 suggested that “*more than 70% (between 125,000 m³ and 45,000 m³ per year) of Honduras’s total consumption of wood from the broadleaved forest came from clandestine production*” (ICF 2020). Although no new data exist concerning illegal logging, the situation has probably not evolved since the last estimations.

In April 2012, Honduras formally asked the EU to initiate VPA negotiations, which started in 2013.

After five rounds of negotiations (in Brussels and Tegucigalpa), **in 2018, Honduras and the EU initiated the VPA, marking the end of the negotiations** with the presence of the Minister-Director of Forests of Honduras and the Director-General of DEVCO, witnessed by the President of Honduras and the Ambassador of the EU in Honduras (Casasola Vargas 2019). In February 2021, the VPA was **signed**. Later during the year, in June and July, the agreement was **ratified**, which acted as the start of the implementation.

4 VPA Impacts

The section below presents the results and their analysis of the study according to the following steps:

- Presentation of quantitative survey data starting with the contribution/impact of VPA negotiations.
- Outlining any statistically different views between respondent groups.
- Highlighting any evolution of indicators from before and after the start of VPA negotiations.
- Setting findings against literature contained in the desk review.
- Complementing findings with anecdotal evidence provided during the FGDs.

As mentioned in Section 2.1, we start our description of the results with impacts related to the governance and institution dimension as they can be considered a prerequisite for other subsequent impacts.

4.1 Governance and institutional effectiveness

This section focuses on two main expected impacts of the VPA process: *institutional effectiveness* and *governance spillovers* (see Figure 8).

- Improved *institutional effectiveness* in the forest sector will be enhanced by increased *forest governance and management* as well as *reduced corruption*, also possibly leading to *spillover effects* as the process might inspire other reform processes.
- To achieve better governance results, *improved participation* and *capacity* at CS, government, and private sector levels are primary necessary conditions.
- Subsequently, *improved participation* and *capacity* will also lead to *improved legal justice* (and law enforcement), as well as more *transparency*, better *communication and government coordination*, enhancing *accountability*.
- *Reduced corruption* will be achieved thanks to all these previously cited improvements and if it exists, *political will*.

These different expected results will be sequentially analysed in this section, using the collected data to construct appropriate indicators for each VPA ToC result box.

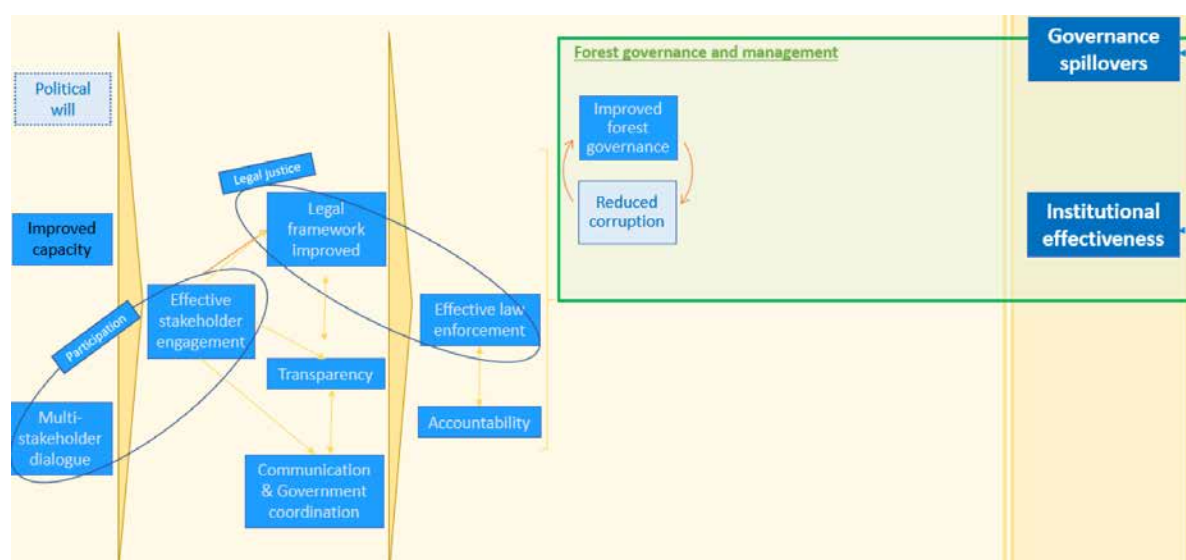


Figure 8. Impact pathways for Governance and Institutional Effectiveness

Key takeaways

- Actors in the forest sector in Honduras advance the notion that motivations to engage in the VPA are more related to governance improvement, than to be able to issue FLEGT licences.
- Although most respondents agree that the work of independent monitoring contributes to reducing corruption, they perceive levels of **corruption to be the same as in other sectors. A large majority of respondents consider that any new bureaucracy linked to the VPA process has not created new opportunities for corruption.**
- While respondents perceive that VPA negotiations have improved the coherence of the legal and regulatory framework of the forest sector, there is a demand to increase co-ordination between institutions** even more (between ICF, Minister of Agriculture, IP, etc.). There is a need to create appropriate incentives in the law to ensure profitability, legality and sustainability in the forest sector.
- VPA negotiations have slightly improved the level of transparency, as well as the level of government accountability.** This is in line with the VPA ToC result logic leading to improved institutional effectiveness and governance spillovers. However, a need for more transparency from central to regional levels was noted by participants. Also, the level of government accountability remains limited, and could be increased by international actors through the application of sanctions.
- VPA negotiations have contributed to improved stakeholder dialogue and more consultation of the different actors (such as civil society, LC and PIAH) involved in the VPA process,** which are key outcomes (left-hand side of the VPA ToC) leading to improved institutional effectiveness. Such dialogue and consultation among actors never happened before the VPA process.
- VPA negotiations have contributed to increasing the role of civil society in controlling legality and identifying irregularities.**
- Nevertheless, **VPA negotiations have contributed to a lesser extent to improve SMEs' technical capacities to conduct their activities legally.** SMEs request more technical and logistical capacities to move forward with the VPA.

4.1.1 Forest governance

We first present the results of indicators that have been replicated following the FERN approach, which uses the FAO-PROFOR methodology to assess and monitor forest governance (PROFOR, 2011). As the implementation phase of the FLEGT-VPA process has not yet started in Honduras, no report is available from FERN. Therefore, the data presented here should be considered as baseline data and could be compared with data potentially collected at a later stage of the FLEGT-VPA process. The questions addressed accountability, government co-ordination, participation, capacity, transparency and legal justice. These six dimensions of governance are also included in the left-hand side of the VPA ToC. The scale ranges from 0 (extremely poor, non-existent) to 5 (very good), which corresponds to a statement matching a potential situation in Honduras.

As outlined in Figure 9, the results are relatively similar across the different dimensions of forest governance, with a score of close to 3 in **Accountability, Government Co-ordination, Transparency and Legal Justice** and closer to 2 for **Participation and Capacity** dimensions.



Figure 9. FERN indicators in Honduras (N=87)

Participation (multi-stakeholder dialogue and effective stakeholder engagement)

Multi-stakeholder dialogue is the first box on the left-hand side of the VPA ToC and is part of the *participation* outcome of the VPA process.

Overall, **consideration of the opinions of non-public and non-private stakeholders in the forest sector has improved since the start of negotiations.** Before

them, the consideration of opinions of civil society, SMEs, and LC and PIAH was considered as weak (score close to 2), whereas since negotiations, this level has increased to average (score close to 3). While this evolution is similar for the CS and LC and PIAH, the level remains slightly lower today for SMEs. From the FGDs, SMEs requested **more representation in the forest sector**, because at the end of the day, they will be the ones investing in legality.

Respondents thought that VPA negotiations had contributed to the consideration of the opinions of CS, SMEs, and LC and PIAH during decision-making. Consistent with the finding above, the contribution of VPA negotiations remains lower for SMEs.

The literature also identified a strong participation from a wide range of actors in the negotiations, which was critical in the drafting of the VPA. This is further enforced by Annex II of the FLEGT-VPA, which advances that “the important participation and involvement of the government institutions, the private sector, the civil society organizations, the agroforest groups, the communities, the academic institutions the PIAH on constructing the legality matrix, enabled them to have all the key information to the improvement of forest governance” (VPA Annex II). Furthermore, the IFC led the “Comité Petite” (CP), which integrated different groups of the forest sector in the country. This group was in charge of proposing concrete ideas for achieving the implementation of the VPA (Casasola Vargas 2019). The FGDs also supported this finding, by advancing that the participation of each stakeholder group in the process is among the most prominent impacts of the VPA negotiations. This inclusivity allowed each stakeholder group to meet all the others at the start

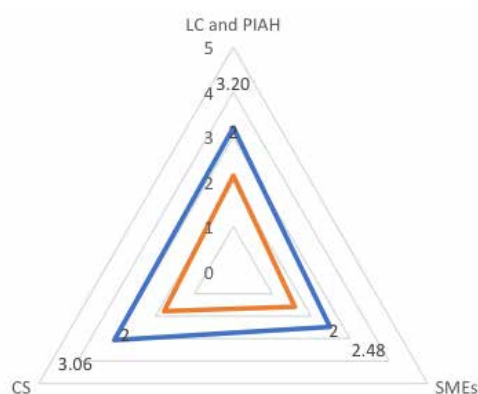


Figure 10. Evolution of the consideration of the opinions of CS, SMEs, and LC and PIAH in decision-making in the timber sector (N=81)

of the negotiations, something that had never happened before, and ensured that all stakeholders were on the same page from the beginning.

Furthermore, both the literature and FGDs advanced the notion that most of the key actors in Honduras consider that emitting FLEGT licences is secondary to improving forest governance.

Additionally, respondents thought that VPA negotiations had a positive effect and made a relative contribution towards there being more consultation with LC and PIAH. As advanced by the literature, Honduras is the only country in which Indigenous Peoples have had their own seat at the negotiation table (EUDEL, 2020). In the first round of negotiations, the participation of communities in Atlántida and Colon was supported through the NGO Madera Verde. The PIAH were then represented by the Confederation of Indigenous People of Honduras (CONPAH) from the third round of negotiations of the FLEGT-VPA (Casasola Vargas 2019). **During FGDs**, participants also advanced the idea that the VPA is the only process promoting such **inclusivity**, especially for civil society, LC and PIAH.

As regards to the **FERN participation indicator** (see Section 4.1.1.), LC and PIAH have slightly higher participation than SMEs (2.16 and 2.09, respectively).

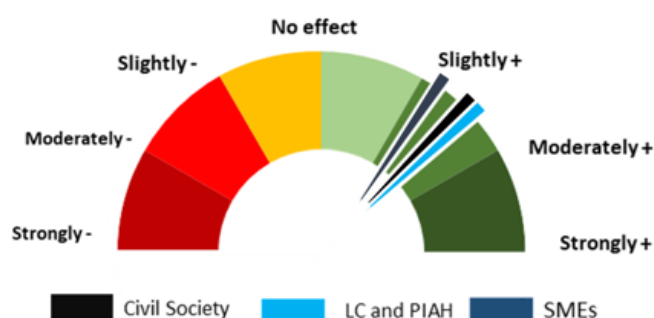


Figure 11. VPA negotiations' contribution to more consideration of CS, SMEs, and LC and PIAH (N=87)

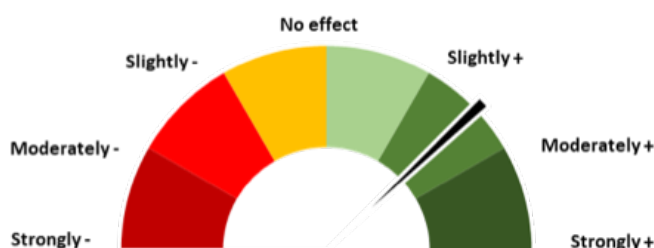


Figure 12. VPA negotiations' contribution to more consultation of LC and PIAH (N=97)

Improved capacity

Along with multi-stakeholder dialogue, *capacity building* is an essential element at the left-hand side of the ToC. It refers to the capacity of the CS to play its role as an independent observer and the capacity of SMEs to comply with laws and regulations.

Since the start of negotiations, both the level of autonomy and effectiveness of CS in its role as independent observer has increased. The level of effectiveness and autonomy is high or very high today (24% and 42%, respectively), compared with only 2% and 16% before the negotiations. Respondents thought that VPA negotiations made a slight contribution in improving these levels. From the literature, the ICF also supported the role of the civil society by advancing the notion that “independent forest monitoring represents a process of social participation and empowering in which the civil society and independent professionals carry out a legality verification and influence over transparency and forest management” (ICF, 2020).

In terms of SMEs’ capacity, VPA negotiations are perceived to have contributed slightly to improving their technical capacities to conduct their activities legally. During FGDs, the private sector mentioned the need to further reinforce the capacities of SMEs, in terms of technical and logistic capacity. This was regarded as crucial for them to implement sustainable management plans and ensure profitability.

As regards to the FERN capacity indicator (see Section 4.1.1.), all actors seem to have a similar capacity level (around 2.5 on a scale of 1 to 5), with the private and public sectors having the lower-rated capacity (of around 2).

Legal justice

Improved legal framework and effective law enforcement both refer to *legal justice* that can be improved thanks to more participation and capacity of the different stakeholders involved in the VPA process.

Respondents perceived a slight to moderate contribution of VPA negotiations around improving the coherence of the legal and regulatory frameworks in the forest sector. From the literature, it was observed that the VPA used the Honduras legal framework to define the legality matrix, taking advantage of an already approved legislation. For instance, in terms of land property rights, the

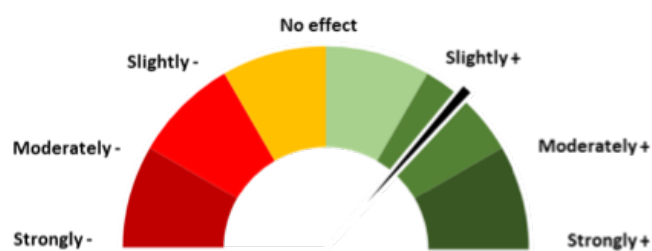


Figure 13. VPA negotiations’ contribution to more effective independent observations carried out by civil society (N=88)

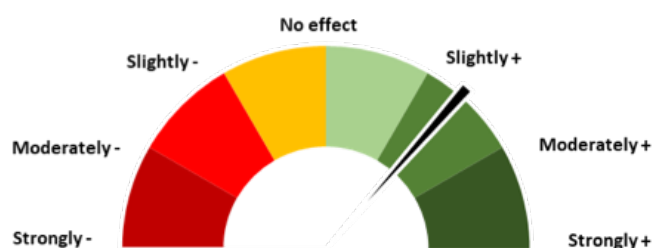


Figure 14. VPA negotiations’ contribution to a greater degree of autonomy of civil society in its role as independent observer (N=90)

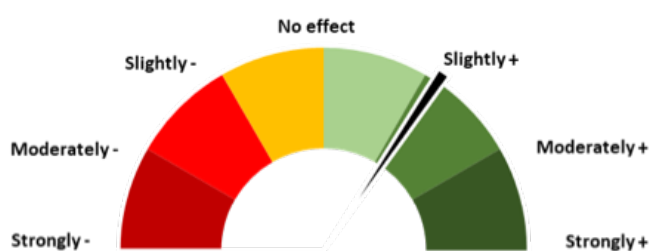


Figure 15. VPA negotiations’ contribution to improved technical capacity of SMEs to conduct their activities legally (N=82)

legality matrix states that public and private forest sector operators involved in productive forestry activities comply with current legislation to prove ownership of forest areas (Annex II). During FGDs, participants advanced the idea that there was still a need to simplify the law and improve the coherence of legal frameworks across the different institutions though, such as between the Forest Conservation Institute (ICF), the Ministry of Agriculture and the Propriety Institute (IP). This was seen as crucial to creating appropriate incentives to promote greater profitability, legality and sustainability in the forest sector. This finding was also shared by the literature, which showed that the decree #37-2016 (art. 1 and art. 4) fosters the production of coffee and cacao in all the territory, creating incentives to continue deforestation (Navarro Monge et al. 2018).

The role played by CS in controlling legality and identifying irregularities has evolved positively: 59% of respondents thought that CS had at least a relatively important role today, compared with 26% before VPA negotiations. VPA negotiations were also perceived to have contributed moderately to providing CS with a greater role in the identification of irregularities.

The perceived level of application of sanctions to actors who do not respect the laws and regulations has increased since the start of VPA negotiations. Of all respondents, 38% considered that sanctions were often applied (compared with 20% before VPA negotiations). VPA negotiations have contributed slightly to this increase in enforcement of sanctions, as well as making these sanctions more credible. During the FGDs, participants outlined some limitations around sanction applications, from lack of capacity (in terms of presence on the ground) to control over what is happening on the ground and the high level of corruption.

The three main reasons for non-compliance highlighted by respondents were conflicts of interest blocking law enforcement (69%), an overall high level of corruption (65%) and no application of the sanctions (61%).

As regards the FERN legal framework indicator (see Section 4.1.1.), the answer “some formal recognition that legal reform is needed, but little action” (2 out of 5) is the most prominent (37%), followed by “laws are being reformed, but the process is far from complete and generally not implemented” (3 out of 5) (30%).

Transparency, communication and accountability

Improved participation and capacity, as well as improved legal justice lead to more transparency and government accountability.

Perceived transparency in the forestry sector has increased in Honduras since the start of VPA negotiations. Of all respondents, 52% considered there to be at least a medium level of transparency in the sector today (versus 26% who considered this was the case before the negotiations). The VPA negotiation process is considered to have made a slight contribution to improved transparency in the forestry sector. The role of civil society played an important role in promoting the transparency. As demonstrated in the literature, civil society played an essential role in communicating the achievement of discussions during VPA negotiations. For example, civil society contributed to ameliorating transparency and public

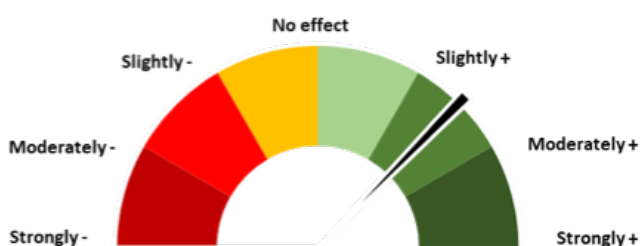


Figure 16. VPA negotiations' contribution to better coherence of the legal and regulatory framework in the forest sector (N=97)

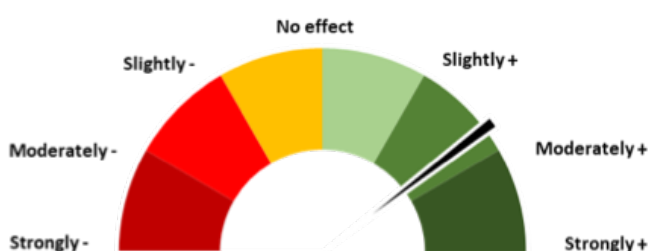


Figure 17. VPA negotiations' contribution to providing civil society with a greater role in controlling legality and in identifying irregularities (N=99)

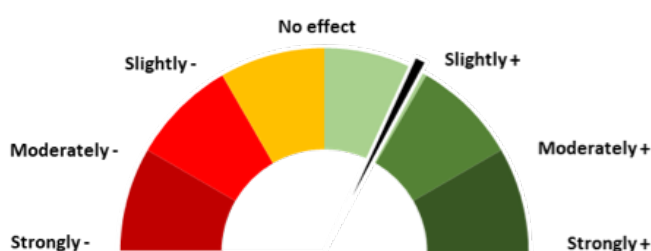


Figure 18. VPA negotiations' contribution to more enforcement of sanctions as outlined in the law (N=92)

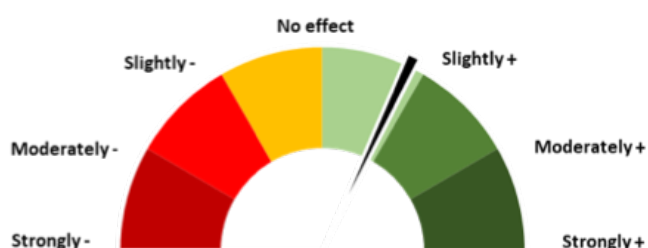


Figure 19 - VPA negotiations' contribution to making sanctions more credible in the forest sector (N=93)

accountability during VPA negotiations. One NGO was part of the negotiation committees and after each negotiation round, it disseminated the achievements of the discussion held (Casasola Vargas, 2019). Despite this, participants in FGDs outlined in discussions a need for improved vertical transparency in the sector from central to regional levels.

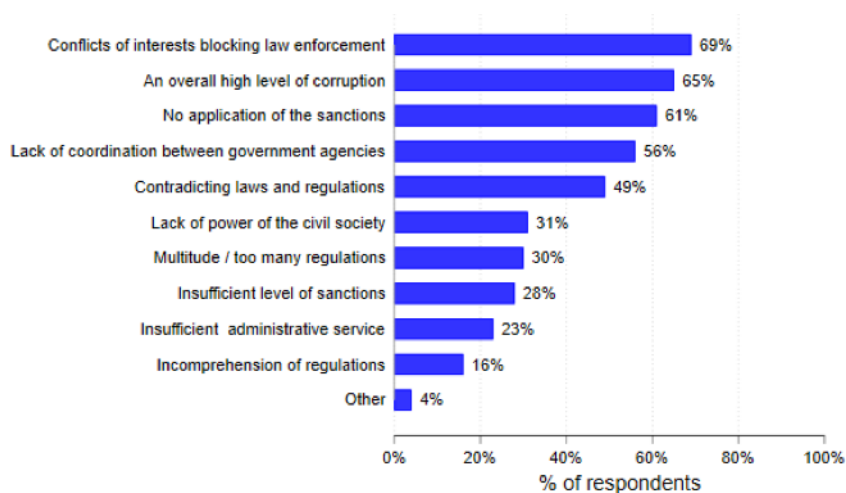


Figure 20. Causes of non-compliance with the law (multiple choices possible) (N=100)

Moreover, participants perceived VPA negotiations to have contributed slightly to making the government more accountable for its actions. Moreover, participants in FGDs mentioned that there was a need for international stakeholders to apply sanctions to the government in the case they did not comply with the agreed VPA-FLEGT agreement. This is not present for now, and stakeholders have identified this need in order to ensure the accountability of the government.

With regards to the FERN transparency indicator (see Section 4.1.1.), 29% of respondents selected “most information is available on request within a reasonable time frame, some information habitually published” (3 out of 5). The second most prominent answer of “some information available on request and on ad hoc basis” (2 out of 5), was chosen by 25% of respondents. Regarding the FERN government co-ordination indicator, 35% of respondents selected “some information sharing, but no co-ordination” (2 out of 5). Then, 24% answered “some information sharing and co-ordination, but in practice, different agencies work in silos” (3 out of 5).

Corruption

Participation, capacity, legal justice, transparency and accountability are five key elements that, when improved, contribute to improved governance and therefore reduced corruption.

Here, different indicators are presented to measure the level of corruption in the forest sector. To fight corruption, political will is an important factor that then allows civil society to play its role of independent observer. An estimation of the level of bribes and informal taxes is another interesting indicator to proxy corruption level in the forest sector.

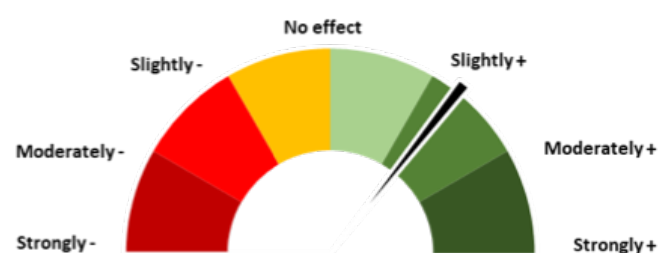


Figure 21. VPA negotiations' contribution to improving transparency in the forest sector (N=96)

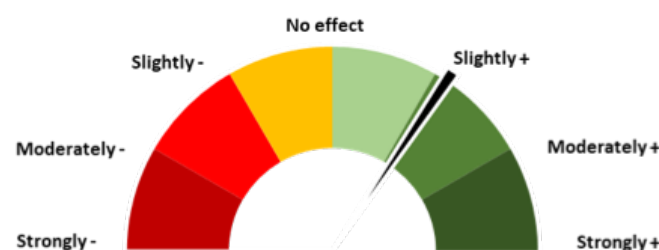


Figure 22. VPA negotiations' contribution to making the government more accountable for its actions in the forest sector (N=93)

Level of corruption in the forest sector

About half of respondents (54%) perceived **corruption in the forest sector as being at the same level as in other sectors** (such as mining, drilling and agriculture), and 32% thought that the level of corruption is lower than in these other sectors. According to the Corruption Perception Index published by Transparency International (2020), Honduras was ranked **157 out of 180** with a score of 24/100 (a decrease of 4 points since 2012). The literature highlights that VPA negotiations stressed the need for future clarification of land tenure rights, which are a major source of corruption and conflicts in Honduras (EUDEL 2020).

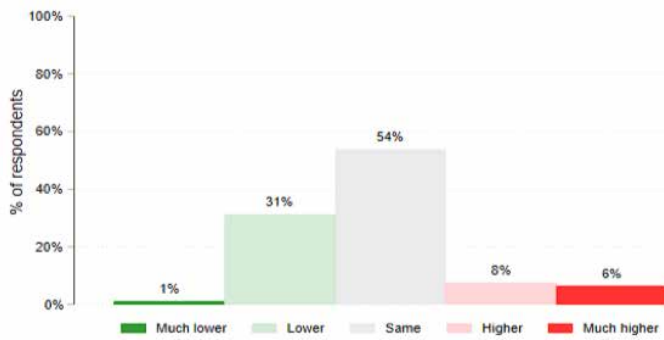


Figure 23. Statement on whether the level of corruption in the forest sector has decreased since the start of VPA negotiations (relative to other sectors) (N=93)

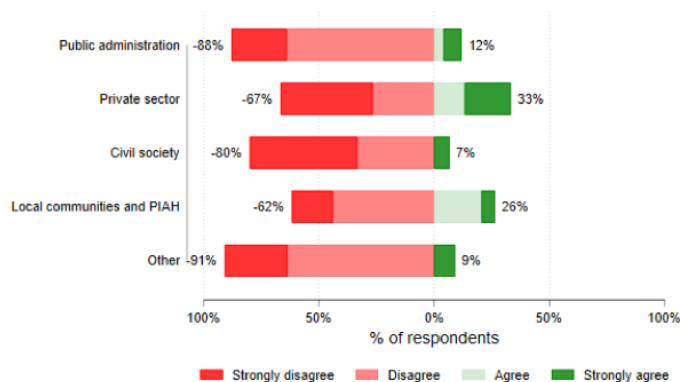


Figure 24. Statement on whether the bureaucracy linked to the VPA process has created new opportunities for corruption (N=100)

A large majority of respondents considered that any new bureaucracy linked to the VPA process has not created new opportunities for corruption. The private sector and LC and PIAH agreed to a higher extent that it created new opportunities for corruption (33% and 26%, respectively).

Likewise, political will to fight corruption was perceived to have increased since the start of VPA negotiations. Of all respondents, 30% thought there was at least a moderate level of political will today (versus 14% before VPA negotiations). With regards to that change, respondents considered **VPA negotiations to have made a slight contribution to the improved political will to fight corruption** in the forest sector. However, the literature identified that international investigations have highlighted how state institutions are deeply entrenched with illegality, often co-opting companies and people who have stakes in them. The substantial absence of political will minimizes the opportunities to reduce illegality, which jeopardizes international agreements such as the VPA-FLEGT (Cáceres 2017).

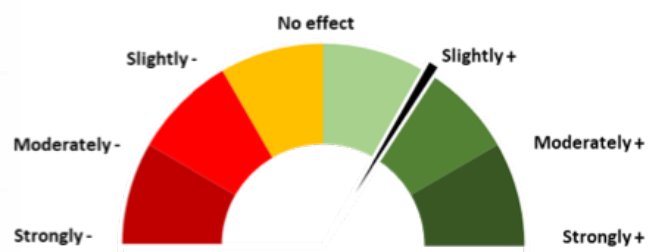


Figure 25. VPA negotiations' contribution to improving the political will to fight corruption in the forest sector (N=98)

Most respondents agreed that the work of independent monitoring contributed to reducing corruption more than before the start of VPA negotiations. However, CS and the private sector disagreed to a higher extent to this statement (27% and 20%, respectively). The literature also showed that some mechanisms were introduced for the promotion of independent monitoring. Civil society and local organizations asked to elaborate and publish a **manual of process and tools in order to exercise citizen oversight or social auditing over the VPA**. This goal was to **contribute to the creation of a system of control and monitoring of forest resources in a participative way**. It was intended to provide a methodological tool to carry out social audits regarding the mechanisms considered by the VPA. Since that manual has only recently been published, its usefulness is yet to be evaluated. However, this demonstrates the engagement of the civil society (Yamauchi Mansur Levy et al. 2021). Furthermore, Indigenous communities can participate and monitor the exploitation of natural resources linked to forest areas through the Forest Advisor Councils. These are instruments of concertation and co-ordination between the public sector and local communities. By 2020, 312 Forest Advisor Councils had been constituted at the community level, 66 at the municipal level, and 17 at the department level (ICF 2020). Although these have been constituted, it does not mean that they are all operational.

During FGDs, participants indeed recognized the presence of monitoring systems in place in the country and plenty of data produced by actors; however, there remains a strong need to harmonize those data to improve collective decision-making. Moreover, these systems are paper based, which introduces some limitation for effective traceability, with the **need to create and promote the use of a digital platform for monitoring** being highlighted. As shown in the VPA agreement, this system is foreseen by the VPA by the development of an Informatic System for Timber Tracking (SIRMA).

Respondents thought that the costs in informal taxes paid by SMEs are the same today as before VPA negotiations started. The level of informal taxes paid by SMEs is perceived to be around 52% of the total amount of taxes paid. Respondents also thought that

VPA negotiations had made a slight contribution to reducing the informal taxes faced by SMEs. Therefore, we can interpret this finding as a situation where informal taxes would have increased more if there were no VPA negotiations.

4.1.2 Governance spillovers

Other sectors might also benefit from or be inspired by new processes developed in the forest sector thanks to FLEGT-VPA, leading to *governance spillovers* in the country as shown on the right-hand side of the VPA ToC.

Of all respondents, 46% considered the VPA process to have initiated spillover effects on other processes, such as the REDD+ programme. This may be highly perceptive considering REDD+ was introduced before the FLEGT-VPA, but participants during discussions acknowledged the overlap and the participatory gap that the VPA process has filled, particularly on the Honduran legal framework.

4.2 Forest conditions

This section focuses on a crucial expected impact of the VPA process: *improved forest conditions* (see Figure 28).

- Forest conditions will improve thanks to reduced deforestation and forest degradation, as well as to more sustainable forest management (SFM).

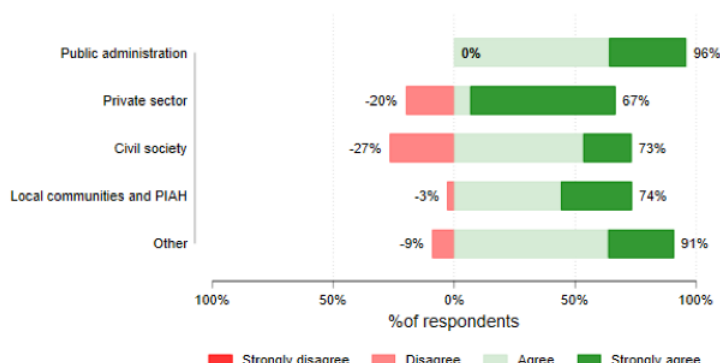


Figure 26. Statement on whether the work of independent observations contributes more to reducing corruption in the forest sector than before VPA negotiations (N=100)

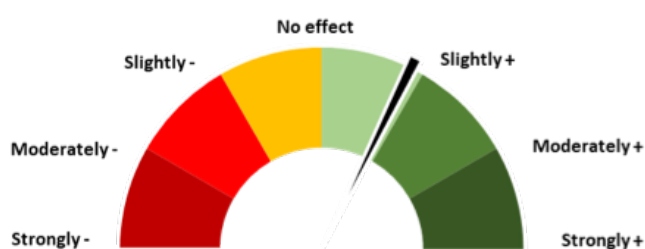


Figure 27. VPA negotiations' contribution to reducing the costs faced by SMEs paid as informal taxes (N=59)

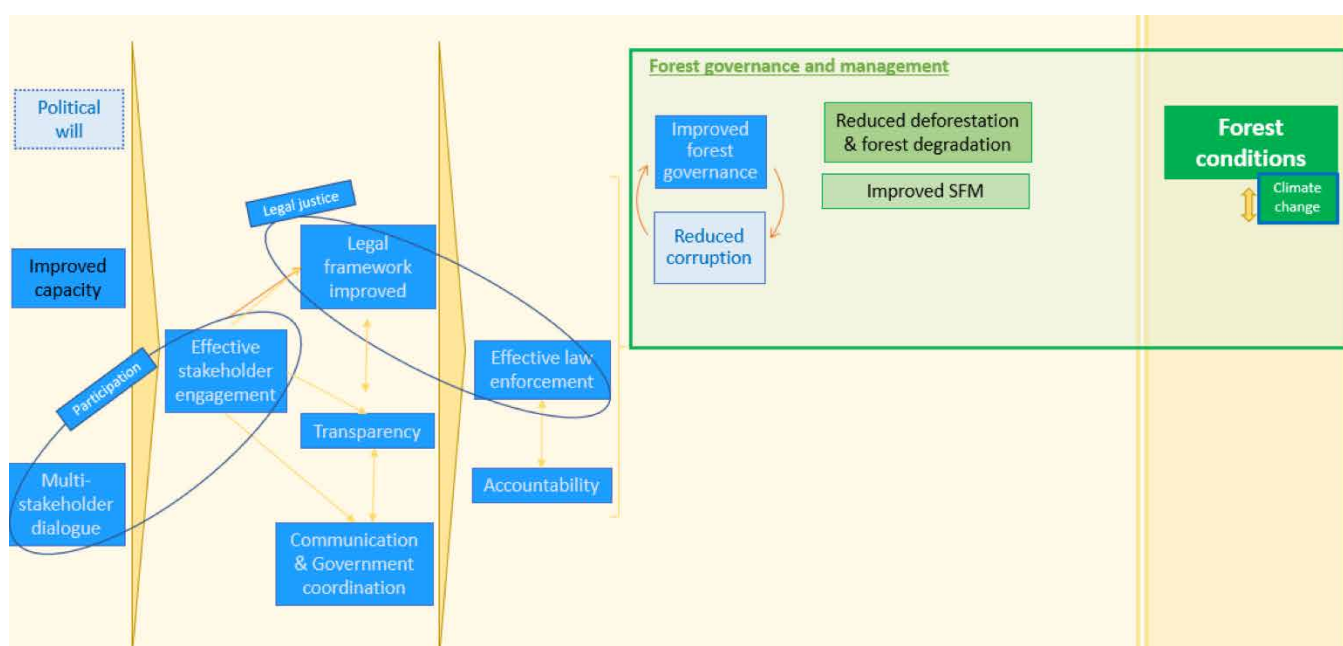


Figure 28. Impact pathways for Forest Conditions

- All three are directly and positively impacted through *improved forest governance* and *reduced corruption* in the forest sector.
- *Improved participation and capacity* and *improved legal justice* are required to achieve *improved forest governance* and *reduced corruption*, as described in the previous section.

These different expected results are sequentially analysed in this section, using the collected data to construct relevant indicators.

Key takeaways

- **VPA negotiations are perceived to have made a slight contribution to the better implementation of forest management plans** in the country. This is in line with the result logic of the VPA ToC which could indicate improved forest conditions in the country. However, there remain limitations in the implementation of these plans, as it has been advanced that few people have the capacity to invest in these plans.
- **All actors are today more aware of the consequences of poor forest governance** (incl. climate change policy) than before the start of VPA negotiations. Furthermore, most respondents (78%) agree that **SMEs have reduced their impact on the environment** since the start of VPA negotiations. These are key outcomes (left-hand side of the VPA ToC) leading to improved forest conditions.

4.2.1 Reduced deforestation and forest degradation

All actor groups were more aware of the consequences of poor governance in the forest sector after than before VPA negotiations. The level of awareness is higher for CS, public sector, private sector, and LC and PIAH (78%, 77%, 73% and 66%, respectively). From FGDs, participants reinforced this finding, and mentioned that VPA negotiations had increased awareness of the negative impact of weak governance and weak climate change policy. More precisely, there was an increased awareness that there is a risk of not having forest in the country in around 40–50 years if the country does not take actions to improve the sustainability of the sector.

A strong majority of respondents (78%) agreed that SMEs have reduced their impact on the environment (e.g. better waste management, better respect for

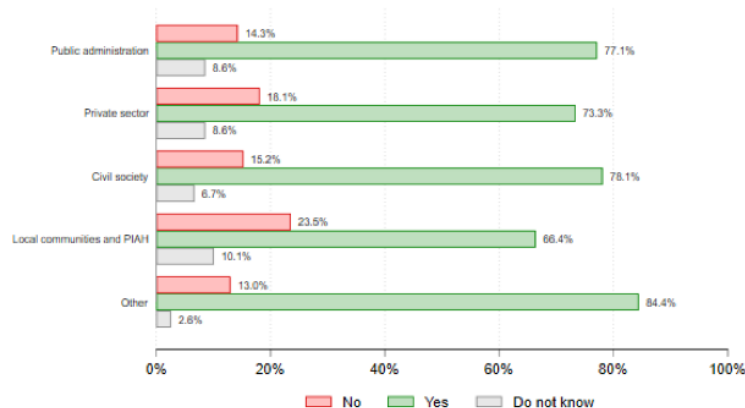


Figure 29. Actors' awareness of the consequences of poor governance in the forest sector (N=96)

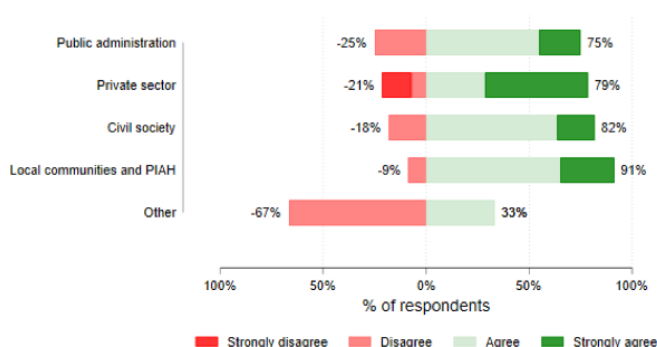


Figure 30. Statement on the reduction of the environmental impact of SMEs since the start of VPA negotiations (N=74)

cutting size, etc.) since the start of VPA negotiations. The level of agreement is higher for the LC and PIAH (91%) and is slightly lower for CS, private sector and public sector (82%, 79% and 75%, respectively). The level is significantly lower for the other category (33%) (although the sample size for this group is also significantly smaller).

4.2.2 Sustainable forest management (SFM)

A strong change in the implementation of forest management plans before and after VPA was perceived by the respondents: 83% of participants indicated that the plans are at least moderately implemented today, compared with 47% before VPA negotiations. With regards to that change, **VPA negotiations had a slight but positive contribution to the better implementation of forest management plans**. From the data published by the ICF, a total of 718 forest management plans were approved between 2015 and 2020, representing an area of 819,000 ha (ICF 2020). The level of forest management plans significantly increased over the years. In 2015

and 2016, there were a total of 75 and 51 forest management plans, respectively. These numbers increased to 149, 210 and 133, in 2018, 2019 and 2020, respectively (ICF 2019). From the FGDs, the notion has been advanced that few people have the capacity to invest in forest management plans.

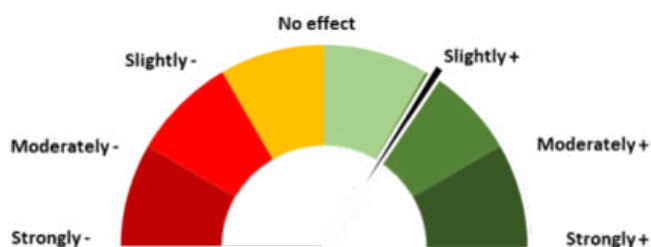


Figure 31. VPA negotiations' contribution to better implementation of forest management plans in the country (N=97)

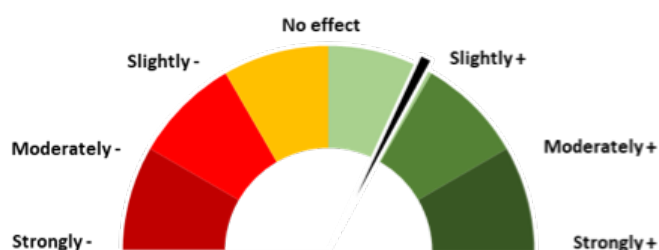


Figure 32. VPA negotiations' contribution to increasing the number of hectares exploited through a private certification system (N=77)

Moreover, participants perceived that **VPA negotiations have had a slight and positive contribution to the increased number of hectares exploited through a private certification system**. However, from the FGDs, private certifications were not really recognized by the private sector, as they did not add much value. The numbers exposed in the literature support this later finding, as there were 150,000 ha of FSC-certified land in 2013, and this number decreased to 17,815 ha in 2018.

4.3 Illegal logging

This section focuses on one of the main and most obvious expected impacts of the VPA process: the reduction of *illegal logging* and trade (see Figure 33).

- *Illegal logging* is expected to decrease especially when the VPA is implemented, once *TLAS* is being developed and operationalized, ensuring that timber logging and trade can be traced, but also that illegal forest activities can be denounced and punished thanks to improved *legal justice* and *forest governance*.
- A fully operationalized *TLAS* leads to the *FLEGT* licence. Furthermore, a well-enforced *EUTR* is also contributing to reducing illegal timber logging and trade. But as the *TLAS* is not fully operational yet, the effect on illegal logging is expected to be limited.
- However, (marginal) reduced illegal practices can be observed thanks to *improved forest governance* mainly due to improved stakeholders' knowledge fostered by higher participation and improved capacity.

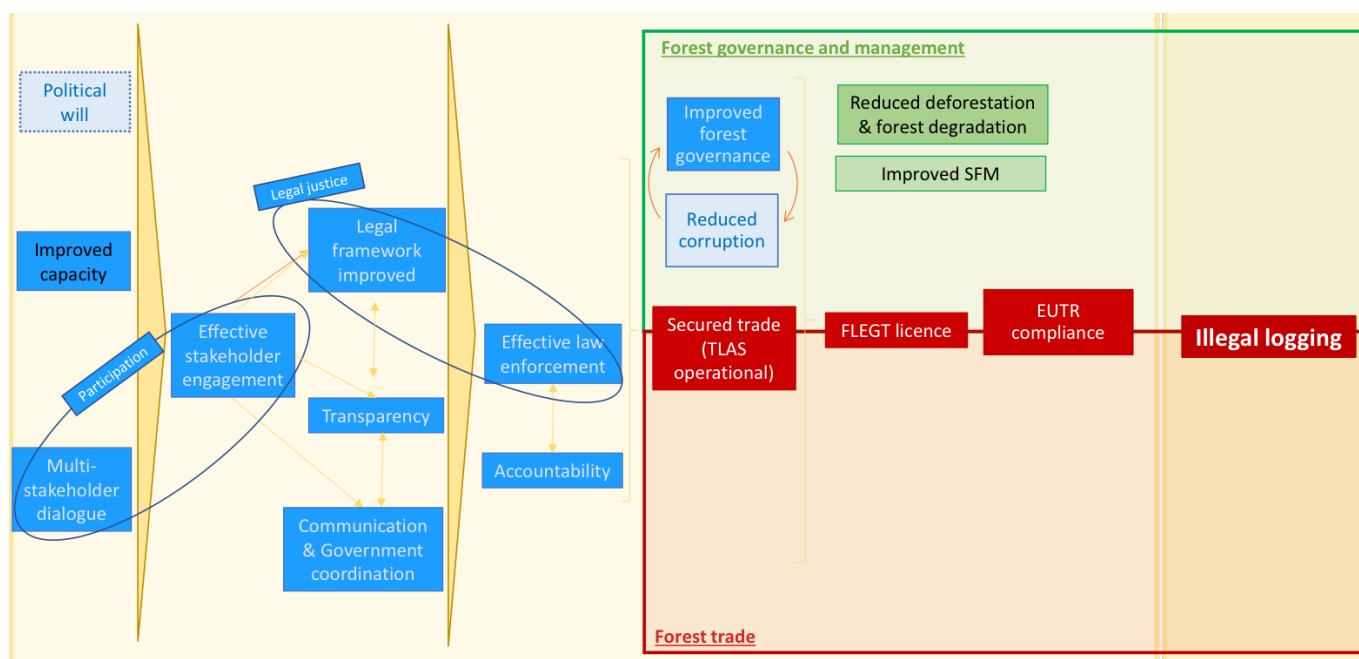


Figure 33. Impact pathways for Illegal Logging

In this section, illegal logging approximations are presented, both in state and non-state forests as well as on the export and domestic markets. These different expected results are sequentially analysed in this section, using the collected data to construct relevant indicators.

Key takeaways

- **Most respondents (57%) agree that illegal logging (in volume) has been decreasing in private forests** since the start of negotiations. However, there is no clear consensus on the status of illegal logging in public forests. However, VPA negotiations are not recognised as having a substantial effect on this potential reduction of illegal logging, but rather will have this effect during the implementation.
- **VPA negotiations are perceived to have made a slight contribution to the increased amount of timber exploited with a legally obtained permit**, as well as to the **increase of legal timber on the domestic and export market**.

4.3.1 Illegal logging measures

From the literature, there are no recent official records or estimations about the amount of illegal logging. Nevertheless, from the total production of roundwood in 2020 (341,256 m³), 64.32% was part of a forest management plan approved by the ICF (2020). Most of this wood came from private forests (80%) and was managed within an operative annual plan. The percentage of wood uncovered by a management plan can be an approximation of illegal logging or inappropriate management of forest resources (ICF 2020).

In public forests, most respondents thought that the level of illegal logging (in volume) had not changed (41%) or had decreased (42%) since the start of VPA negotiations, with private sector and LC and PIAH respondents the most positive regarding the decrease, and CS and public sector outlining that the situation had not changed since negotiations.

In private forests, 57% of respondents thought that illegal logging (in volume) had decreased since the start of VPA negotiations and 34% thought there had been no change.

Its effect is slightly greater in private forests, consistent with the above perception that illegal

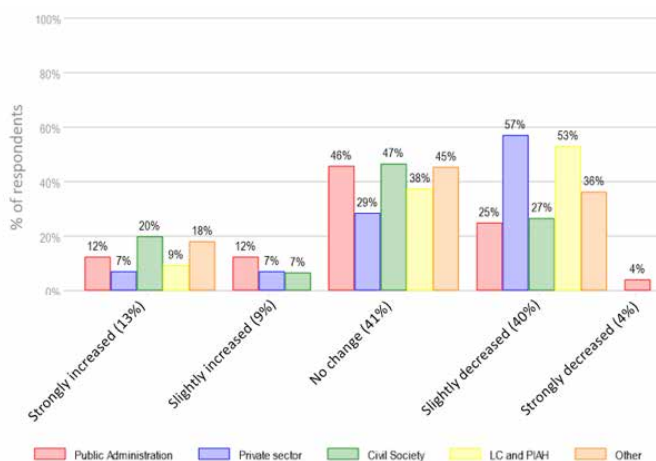


Figure 34. Illegal logging in public forests since the start of VPA negotiations (N=96)

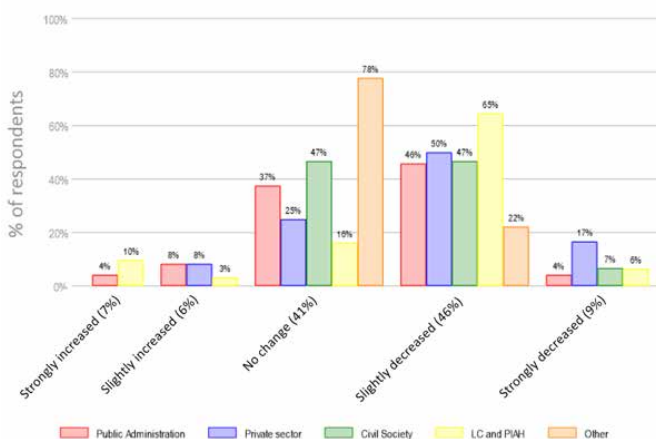


Figure 35. Illegal logging in private forests since the start of VPA negotiations (N=91)

logging has declined more in this type of forest. During FGDs, implementation of VPA is expected to have a higher impact in private and pine forests, which are subject to more illegal logging.

50% of total timber was said to have now been exploited with a legally obtained permit, compared with 40% before VPA negotiations. **VPA negotiations made a slight contribution to this increase in the amount of timber exploited with a legally obtained permit.** Moreover, respondents thought that **VPA negotiations have made a slight contribution to the increase of legal timber on the domestic and export markets. Fifty-six per cent of timber on the domestic market and 61% on the export market are now estimated to be legal**, compared with 38% and 49% before negotiations started.

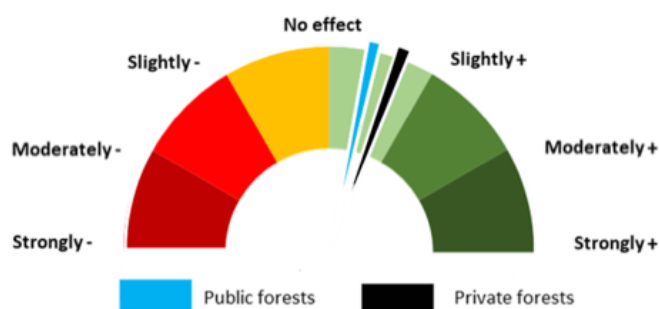


Figure 36. VPA negotiations' contribution to the reduction of illegal logging in state and non-state forests (N=98)



Figure 37. Share of legal timber on domestic and export markets (N=49)

4.3.2 Secured TLAS

As implementation has not started yet in Honduras, we do not expect any impacts of the VPA on the TLAS. Information about the evolution of the Honduras TLAS can be found in the desk review.

4.4 Economic development

This section focuses on a less direct expected impact of the VPA process: *Economic development* (see Figure 40).

- *Economic development* of the country is expected to improve through a better *access to external markets*, the *development of the domestic market* and more *efficient tax collection*.

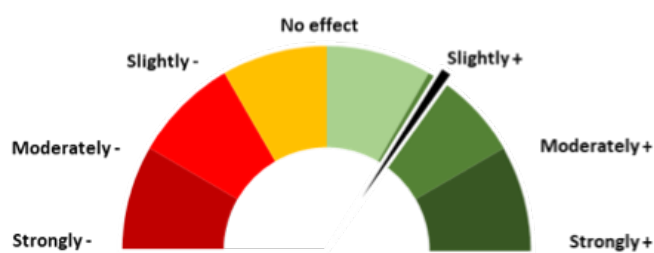


Figure 38. VPA negotiations' contribution to increased amount of timber exploited with a legally obtained permit (N=88)

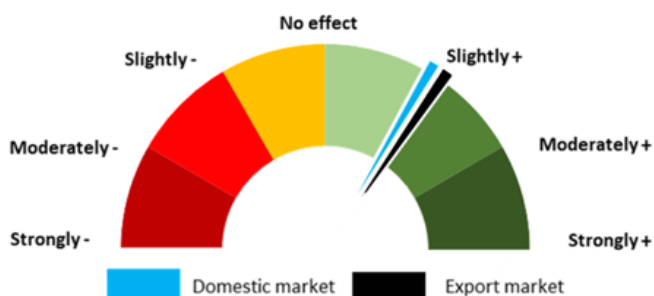


Figure 39. VPA negotiations' contribution to the reduction of illegal logging on the domestic and export market (N=88)

- Domestic and external market opportunities can be created thanks to an increase in *legal timber* produced that is locally traded and exported (to the EU market), which can be achieved, in the long run, with the completion of a VPA process.
- An increase in the legal timber trade, together with *better governance* and *less corruption* in the forest sector, would normally lead to a more *efficient tax collection*.
- As prerequisites to a more *formalized timber market* and to an improved *timber value chain at the SME level* that also contribute to better *forest sector governance*, there must be *better informed and capacitated stakeholders*, in parallel to contributing to *improved legal justice* and more *accountability*.

The following section sequentially describes indicators of the development and benefits of a VPA process for the legal timber export and domestic markets as well as perceived efficiency of tax collection in the forest sector.

As well as for the expected impact on reducing illegal logging and trade, studying the expected impact on economic development is more relevant when the VPA process is implemented. However, it makes sense to assess the current situation in these dimensions (baseline measures, prior to VPA implementation), as well as to highlight potential slight changes thanks to the negotiations.

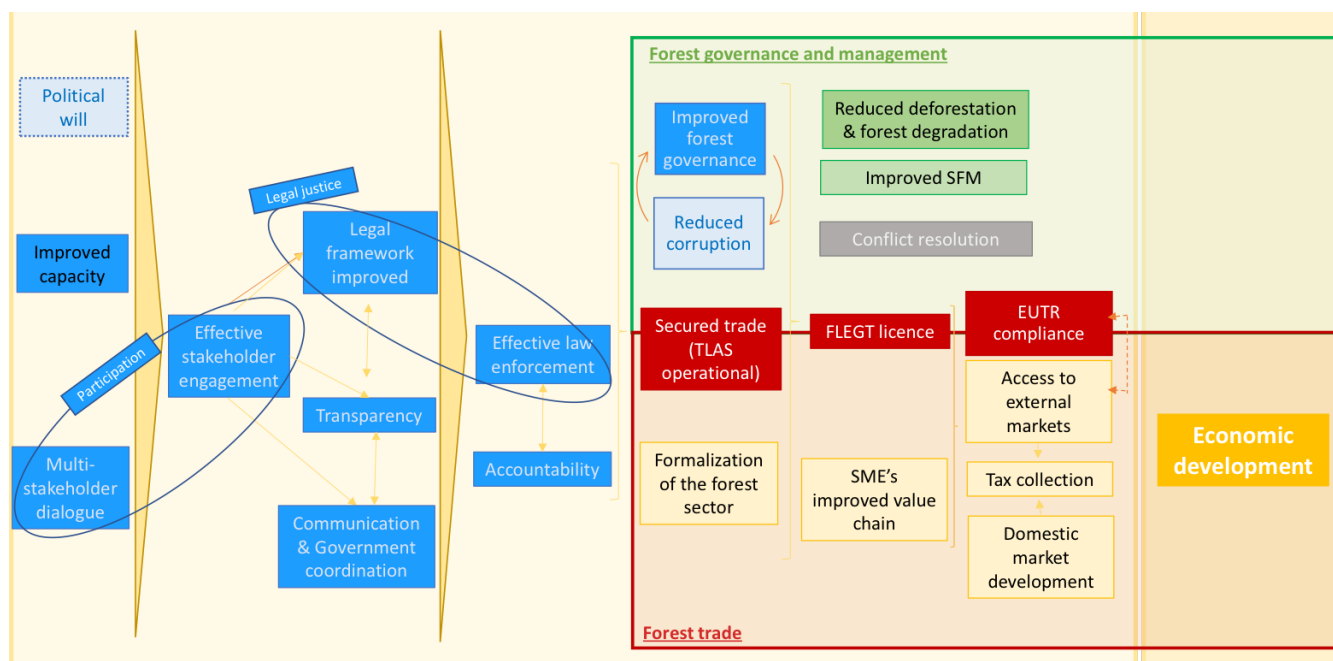


Figure 40. Impact pathways for Economic Development

Key takeaways

- Most respondents agree that being involved in the **VPA process gives a positive image for the country** and that it helps it to be **considered as a reliable business partner**.
- VPA negotiations have had a slight, but **positive contribution to the better recognition of SMEs**. However, this is often limited to the centralized level.
- The number of SMEs is perceived as increasing over the last years. VPA negotiations are considered to have a **positive impact on improving access to the export market for SMEs**.
- However, respondents agree that **legal timber logging/processing is financially too constraining for SMEs**. This is also due to overwhelming regulations and legislation, which increase transaction costs and daunt the investment in this activity.
- However, there is **no strong consensus** among actors on the **demand for legal wood** on the domestic market, the government having not taken action to **increase the attractiveness of such legal wood**.
- Indeed, the **political will** of government to develop the forest sector is perceived as **low**. Strong and consistent political will is recognised as vital by participants to ensure onward implementation of the VPA.
- **VPA negotiations have a slight and positive contribution to a more efficient collection of taxes by the state in the forest sector**. This a key outcome (left-hand side of the VPA ToC) leading to economic development.

Of all respondents, 98% agreed that being involved in the VPA process gives a positive image for the country and that it helps it to be considered as a reliable business partner, as it is a signal of improved governance effort or at least a sign of a will to improve governance.

However, 60% of respondents believe that other sectors, such as the mining or oil sector, are prioritized over the development of the forest sector. Public and private sector respondents (56% and 47%,

respectively) were more adamant that this was the case, whereas LC and PIAH, CS and others (33%, 29% and 20%, respectively) were not as convinced. **Strong and consistent political will is recognized as vital by participants to ensure onward implementation of the VPA**, which was judged as being lacking for now. This finding was also discussed in the literature, where of the complaints of the private sector during the VPA negotiations was the lack of political will to foster the development of the forest sector. For now, this sector perceives that Honduras's actual

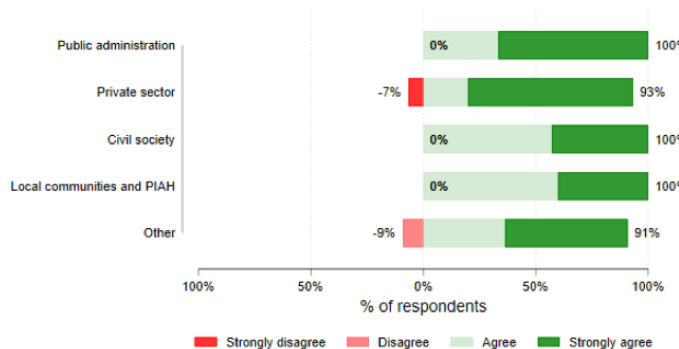


Figure 41. Statement on whether being involved in a VPA process gives a positive image of the country (N=94)

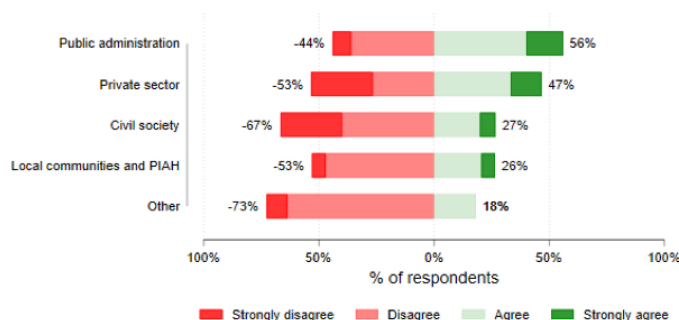


Figure 42. Statement on whether political will exists to give as much priority to the development of the forest sector as to the other sectors (N=100)

legal framework pays more attention to protecting and preserving forest resources through the LFAPVS, than to fostering the development of the forest sector (ANASILH 2019).

4.4.1 Export market opportunities

Of the total volume of exported wood, the share coming from SMEs has slightly increased since the start of VPA negotiations, with 57% of respondents considering the share to be at least 10% today (versus 28% of the respondents before VPA negotiations). The VPA negotiation process is perceived to have a slight effect on improving access to the export market for SMEs. The VPA is expected to boost exports of timber to Europe. Forest products represent around 0.01% of Honduras's total exports. In the local economy, the forest sector represents approximately 0.71% of Honduras's GDP (ICF 2020).

Furthermore, the sector is perceived to have developed further through a slight increase in the number of SMEs since the start of negotiations. This perception was shared by the majority of respondents (66%).

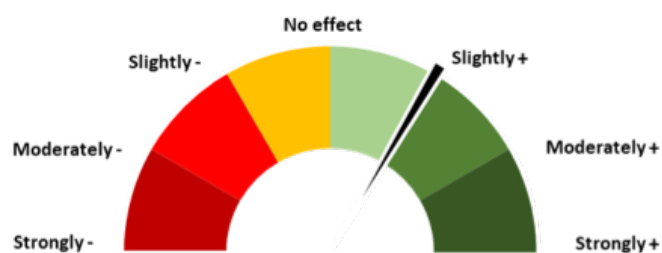


Figure 43. VPA negotiations' contribution to improving access to the export market for SMEs (N=96)

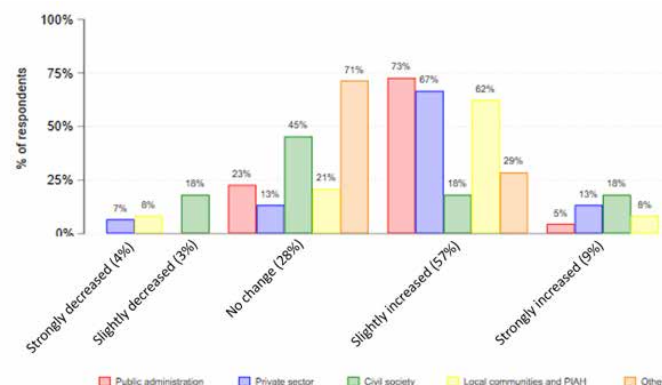


Figure 44. Evolution of the number of SMEs (N=79)

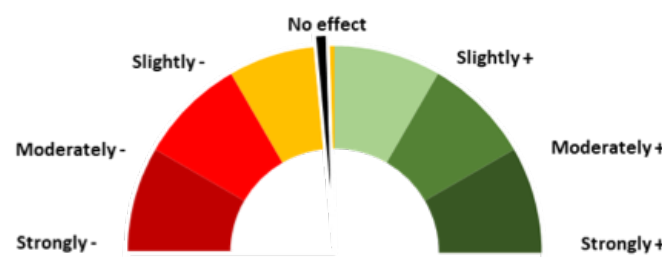


Figure 45. VPA negotiations' contribution to squeezing SMEs out of business (N=72)

Along with an increased amount of produce on the export market and increased number of SMEs, VPA negotiations are not considered to be squeezing SMEs out of business (due to more stringent requirements).

Perception of VPA-FLEGT benefits for SMEs – large companies

From the FGDs, the VPA process is thus regarded as a strong opportunity to regularize the sector. At the moment, different costs exist in different regions due to the lack of coherence among municipalities in terms of taxes. With standardization, the sector could better ensure sustainability and legality, which could then open up other market opportunities.

The literature also advances the notion that the VPA represents opportunities for multilateral co-ordination against illegal logging among public and private actors, as well as generating cost-efficient solutions for forest management (Navarro Monge et al. 2018).

Perception of VPA-FLEGT potential issues

Nevertheless, successful implementation of the FLEGT-VPA would need to deal with several challenges –high pressure over forest soils and resources caused by demographic growth; unequal distribution of land; and property rights conflicts (Yamauchi Mansur Levy et al. 2021).

From the FGDs, SMEs request a lot more technical, financial and logistical capacity building to bring them in line with VPA implementation standards. More capacity would dissuade SMEs from moving into more profitable sectors, such as agriculture. One suggestion from SME participants was to exhibit concrete evidence on the sustainable and profitable practices in the forest sector, as they are perceived to be lacking in the country for now. Such evidence could provide the incentives to remain in the forest sector, rather than moving to another sector, such as agriculture.

Furthermore, the literature advances the notion that exports of timber and its derivative products are very modest. Also, the share of timber exports to the EU is negligible, around 2% of the total timber exports. These exports are mainly composed of coniferous sawn timber (63%). In regard to the lack of investment for the production of forest products, the private sector highlights that the LFAPVS, the National Forestry Policy and the National Forestry Programme (PRONAFOR) do not mention explicitly anything related to the promotion of forest investments. In order to increase the number of benefits, the private sector has made several propositions to reform the forest policy in Honduras. These measures include allowing forests and biomass to be considered as a bank guarantee, fostering PPP, among others (ANASILH 2019).

4.4.2 Domestic market development

Demand and awareness of legal wood on the domestic market

Of all respondents, 43% thought that there is at least a high demand for legal wood on the domestic market (followed by 34% for average demand and 23% for weak to no demand).

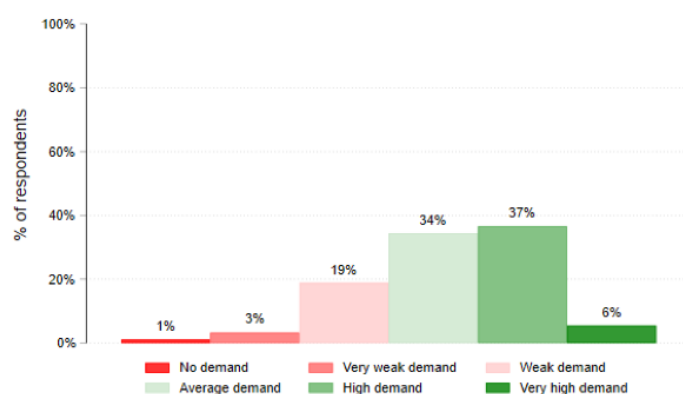


Figure 46. Demand for legal wood on the domestic market (N=90)

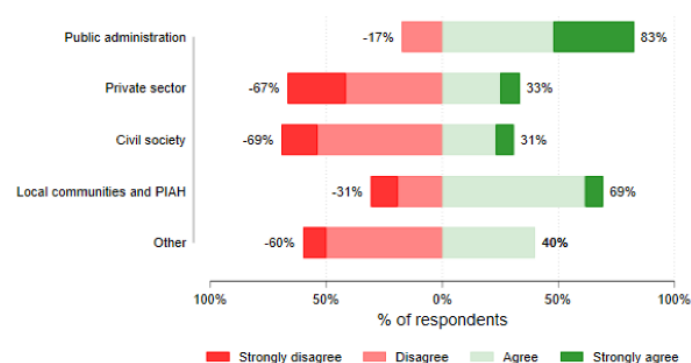


Figure 47. Statement of whether government has made legal wood more attractive on the domestic market (N=84)

With this appetite for legal wood, 58% of respondents agreed with the statement that government has made legal wood more attractive on the domestic market since the start of VPA negotiations (such as subsidies, awareness raising, among others). While the public sector and LC and PIAH tend to agree to a large extent, the private sector, CS and others disagree more.

Legal wood constraints on the domestic market

Financial constraints are seen as the biggest area stopping SMEs from producing more wood for domestic consumption, with 80% of respondents from the public and private sectors, and CS thinking so. This is true for LC and PIAH and others as well, but to a lesser extent (68% and 64%, respectively). From the literature, forest landlords consider that forest sustainable management is not profitable, due to overwhelming regulations, which increase transaction costs and limit investments. Many landlords prefer to operate from forests illegally. “In Honduras, costs related to red tape, bureaucratic procedures and taxes are higher than expected returns from investments in sustainable forest management” (Navarro Monge et al.

2018). As mentioned above, participants from SMEs expressed orally that there is indeed a need to have more financial capacity to move forward with the VP. Furthermore, the literature also advances the idea that according to woodland farmers, the economic barriers they face are legal obstacles to access to raw materials, unfair competition from illegal timber, an high competition from metal and plastic substitutes (FAO & La Fundacion Hondureña de Ambiente y Dessarollo de la VIDA 2018).

Private sector organization and formalization (associations)

VPA negotiations have made a slight, but positive contribution to the better recognition of SME associations in the forest sector, but this is often limited to the centralized level.

4.4.3 Tax collection efficiency

Of all respondents, 52% thought that at least part of the amount of taxes as provided by law was effectively collected in the forest sector, and that this had increased since the start of VPA negotiations (from 41%). With regards to that increase, VPA negotiations were perceived as having made a slight and positive contribution to a more efficient collection of taxes by the state in the forest sector.

4.5 Livelihoods and poverty

This section focuses on the last expected impact of the VPA process: *livelihood and poverty* (see Figure 51).

- *Improved livelihoods and less poverty* are directly linked to the potential impact on *economic development*, mainly through the potential increase in job opportunities and improvement of working conditions in the forest sector.
- Furthermore, on one side, increased *legal timber business* and *improved governance* leading to more efficient *tax collection* would entail a better redistribution of taxes and benefit sharing, improving livelihoods.
- On the other side, improved *legal framework and law enforcement* (legal justice) in the forest sector would contribute to better consideration of *property rights*, and in particular those of LC & IP, but also more inclusion of women, youth and marginalized groups, which in turn would contribute to the development of *conflict resolution mechanisms*, hence improving people's living conditions.

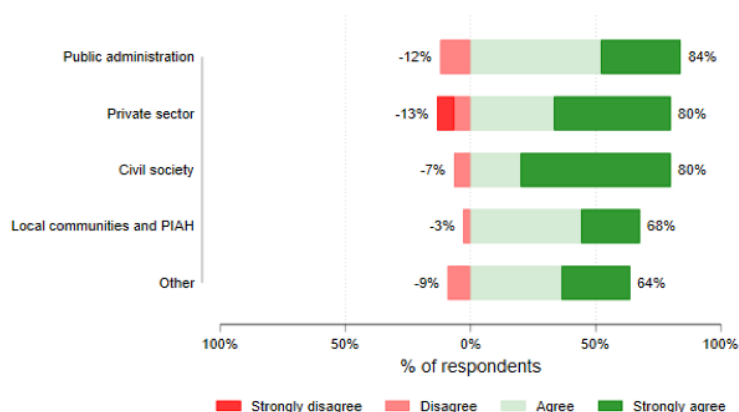


Figure 48. Statement on whether the legal exploitation of wood is too constraining for SMEs (technically and financially) (N=100)

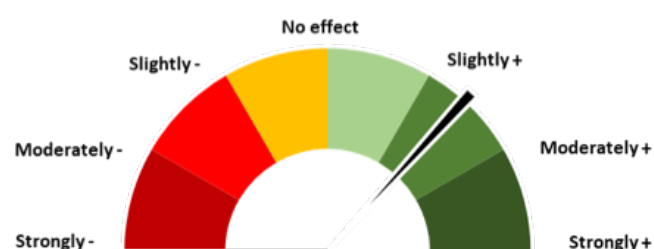


Figure 49. VPA negotiations' contribution to better recognition of SME associations in the forest sector (N=86)

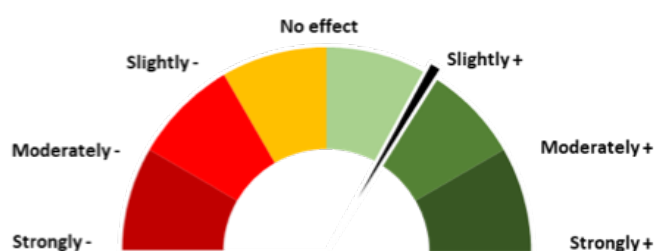


Figure 50. VPA negotiations' contribution to a more efficient collection of taxes by the state in the forest sector (N=69)

As for the previous impact dimensions, countries in the VPA negotiation phase might not see an influence of the VPA process on livelihoods and poverty yet. Below, different indicators to assess the potential impact of the VPA process on livelihoods and its contributing factors are presented.

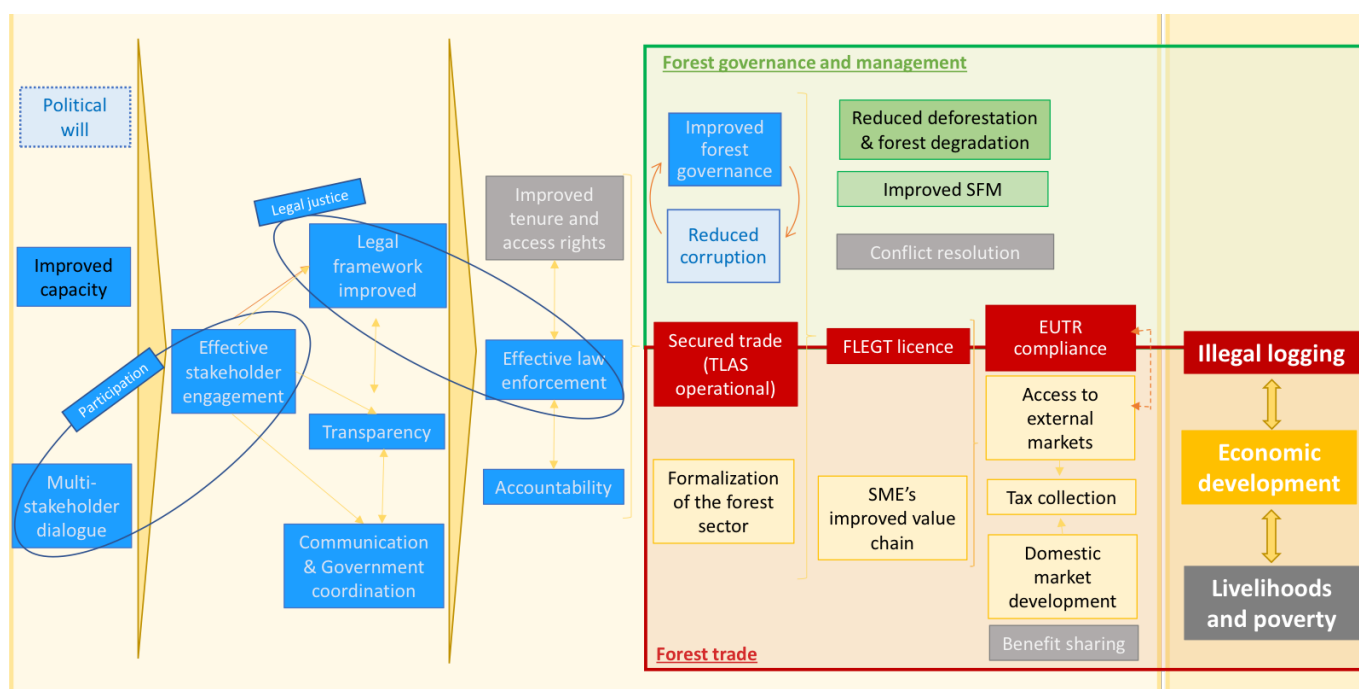


Figure 51. Impact pathways for Livelihoods and Poverty

Key takeaways

- As Honduras is just finalizing the negotiation stage of the VPA process, the effects on livelihoods and poverty levels are quite limited yet. Therefore, no strong effect could be identified, for instance on the number of jobs and opportunities, security of jobs and organization of workers.
- Since the start of VPA negotiations, the curriculum of institutions now better integrates the themes of legality and sustainable forest management. However, participants still expressed a need to promote the topics of governance, traceability and sustainable markets at universities.
- Moreover, workers tend to have better expertise than before the negotiations.
- VPA negotiations have contributed slightly to improving the consideration of both the rights and property rights of LC and PIAH. These are key outcomes (left-hand side of the ToC) that are in line with an improved legal framework, leading to the expected impact of improved livelihoods and reduced poverty. In that context, respondents also perceive that VPA negotiations have made a slight, but positive contribution to the reduction of conflicts in the timber sector.
- Furthermore, VPA negotiations have contributed to the better consideration of women, youth and marginalized groups in questions related to forest management and logging.

4.5.1 Job opportunities and working conditions in the forest sector

Most respondents (48%) thought that the number of jobs (both formal and informal) in the forest sector had increased or had not changed (40%) since the start of negotiations. The private sector and LC and PIAH agreed more strongly, while the public sector and CS agreed more strongly on a stagnation in the number of jobs since negotiations started. Increases were said to have come about from more business and there being new types of jobs in the sector, such as intermediaries. Moreover, half of respondents (51%) considered VPA negotiations to have contributed to this increase in jobs, while 40% (mostly from CS, the public sector and others) attributed no contribution. Besides, 40% of respondents did not perceive any impact from the negotiations on the labour market.

Furthermore, the majority of respondents (53%) considered there had been an increase in employment opportunities for local communities since the start of VPA negotiations. Encouragingly, a larger part of local community respondents agreed, although 37% of respondents did not think any change had taken place.

Improved working conditions

Only 38% of respondents agreed that forest sector workers have access to more secure jobs today than before VPA negotiations. The private sector and LC and

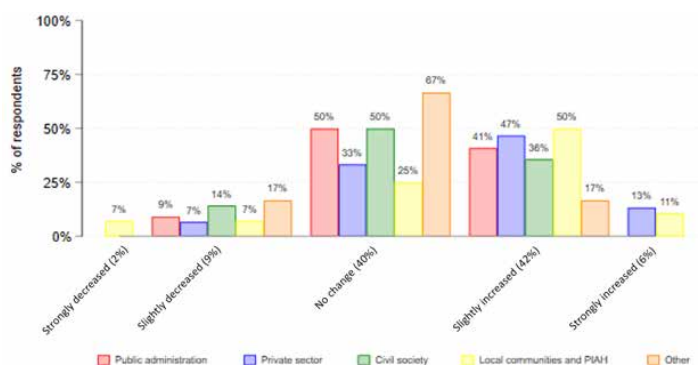


Figure 52. Evolution of the number of jobs in the forest sector since the start of VPA negotiations (N=85)

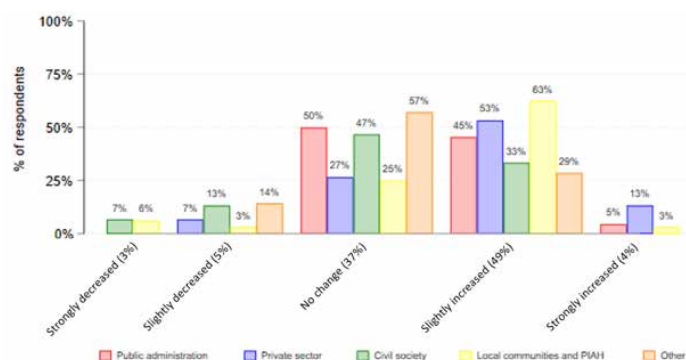


Figure 53. Evolution of the employment opportunities for LC since the start of VPA negotiations (N=91)

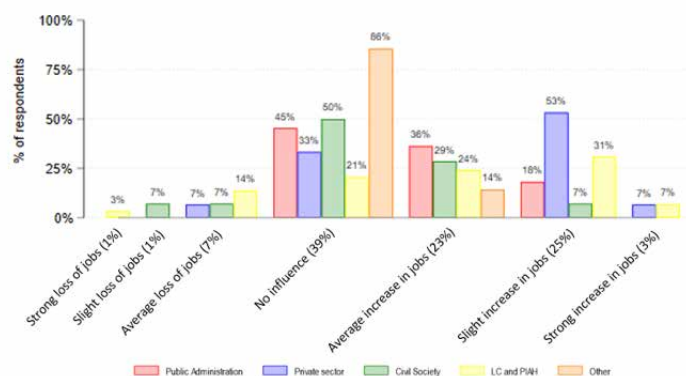


Figure 54. VPA contribution to change in the labour market (N=87)

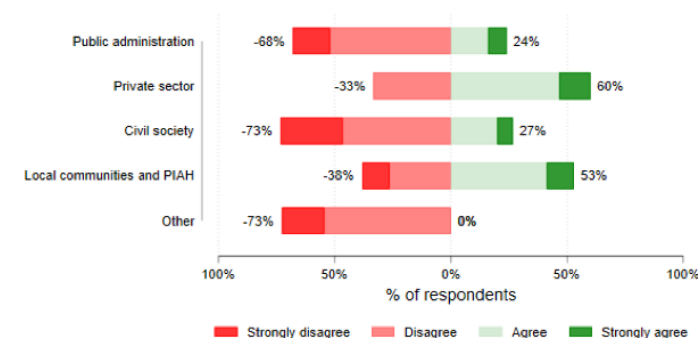


Figure 55. Statement on whether the forest sector workers have access to more secure jobs than before VPA negotiations (N=100)

PIAH tend to be the most represented among those who agree (64% and 58%, respectively), while others, the public sector and CS disagree to a larger extent (100%, 74% and 73%, respectively).

Despite ongoing job insecurity, respondents did think that VPA negotiations had made a slight but positive contribution to improving working conditions in the forest sector, possibly helping to stop conditions deteriorating as quickly.

No consensus existed among respondents on any improvement in the organization of workers in the forest sector compared with before VPA negotiations. Private sector and LC and PIAH respondents tended to agree, while the other actors disagreed.

Improved workers' curricula and expertise

Most respondents (73%) agreed that the curriculum of institutions now better integrates the themes of legality and sustainable forest management than before VPA negotiations started. There seems to be a consensus among actors regarding this topic, with more agreement from private and LC and PIAH respondents. During FGDs, participants expressed a need to promote the topics of governance, traceability and sustainable market at universities.

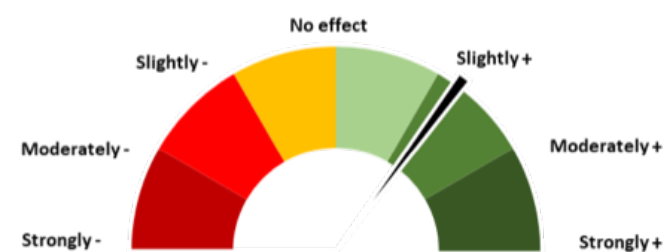


Figure 56. VPA negotiations' contribution to improving working conditions in the forest sector (N=90)

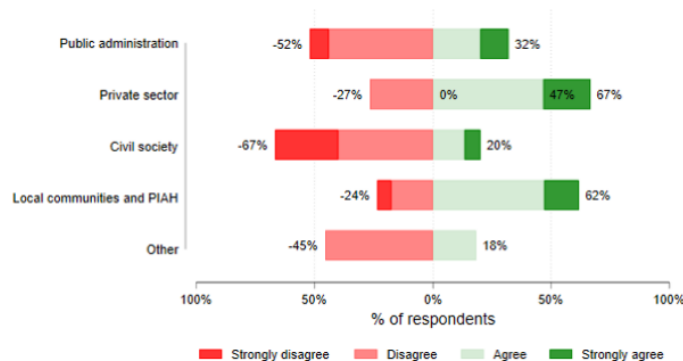


Figure 57. Statement on whether the forest sector workers are better organized then before VPA negotiations (N=100)

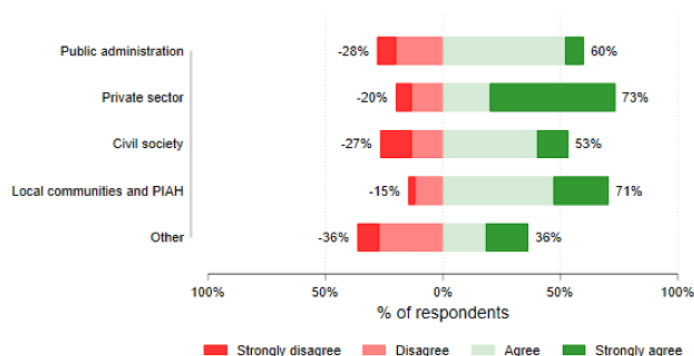


Figure 58. Statement on whether the curriculum of institutions better integrates the themes of legality and sustainable forest management than before VPA negotiations started (N=100)

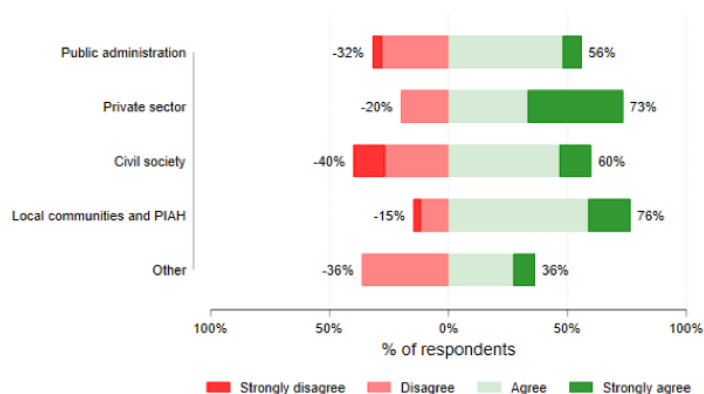


Figure 59. Statement on whether forest sector workers have greater expertise than before VPA negotiations started (N=100)

Furthermore, a large majority (71%) of respondents agreed that forest sector workers have greater expertise than before VPA negotiations started. With regards to the transformation sector, the literature does not really support this finding. Indeed, the lack of skilled workers and training schools thwart the development of this economic activity. Currently, Honduras relies on imports for highly elaborated goods made from wood (Navarro Monge et al. 2018).

4.5.2 Tax redistribution and well-being of local communities and PIAH/benefit sharing

As the VPA is not yet implemented in Honduras, there are no impacts of the agreement on tax redistribution and benefit sharing.

4.5.3 Rights and property rights (land tenure) of local communities and PIAH

Respondents thought that VPA negotiations had slightly to moderately contributed to an increase in the consideration of both the rights and

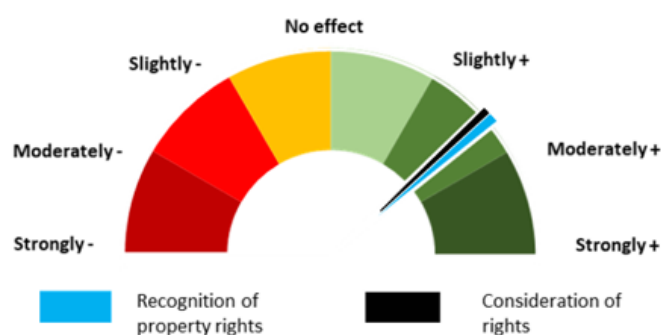


Figure 60. VPA negotiations' contribution to consideration of the rights of LC and PIAH and recognition of property rights of LC and PIAH (N=98)

property rights of LC and PIAH. As advanced by ICF, all communities, including Indigenous tribes, have the right to subscribe to contracts over forest management programmes over national forests. In this way, the ICF assigns forest areas to these communities and sets out their rights and liabilities (ICF 2020). This is also included in the Annex V of VPA, where the government committed to render more dynamic the titling process in favour of the PIAH and local communities, which represents an acknowledgment of their historical land tenure (VPA Annex V).

4.5.4 Inclusion of women, youth and marginalized groups

Around half of respondents (54%) thought that employment opportunities for women, youth and marginalized groups in the forest sector have increased since the start of VPA negotiations (although 38% did not perceive any change). The public and private sectors and LC and PIAH agreed the most. In the literature, it was found that women's participation in the management of forest resources in Honduras is very low. They are barely present in the value chain of wood products, approximately 16% (FAO & La Fundacion Hondureña de Ambiente y Desarrollo de la VIDA 2018). However, initiatives from the civil society helped to increase the participation of women in public dialogues. One example is the work done by the civil society in the department of Olancho. With funding from FAO–EU FLEGT, it carried out workshops to integrate civil society and local governments into the FLEGT–VPA negotiations. As a result of this, the organization highlighted that such a discussion provided a space for women to

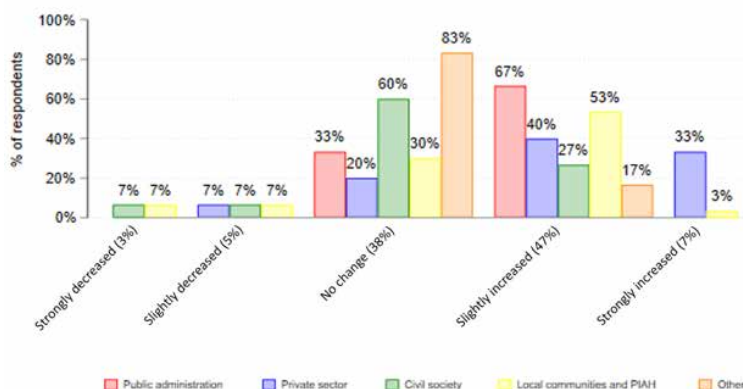


Figure 61. Evolution of employment opportunities for women, youth and marginalized groups in the forest sector ((N=87)

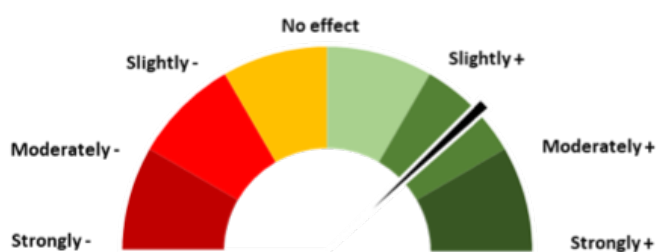


Figure 62. VPA negotiations' contribution to better consideration of the status of women, youth and marginalized groups in questions of forest management and logging (N=96)

participate in public affairs. This in turn could be a pivotal tool for women's empowerment, not to mention the fact that it gives communities an environment in which to monitor forest resources, of course (Casasola Vargas 2019).

VPA negotiations have also made a slight to moderate contribution to the better consideration of women, youth and marginalized groups in questions related to forest management and logging.

4.5.5 Conflict resolution

As identified in the literature, successful implementation of the FLEGT-VPA would need to deal with several challenges in the country, ranging from high pressure over forests, soils and resources caused by demographic growth, unequal distribution of land, and property rights conflicts (Yamauchi Mansur Levy et al. 2021). From the survey, respondents perceived that VPA negotiations made a slight, but positive contribution to the reduction of conflicts in the timber sector.

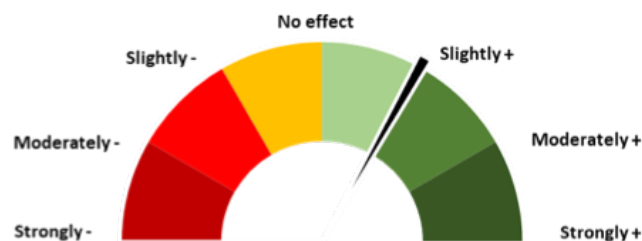


Figure 63. VPA negotiations' contribution to reducing conflicts in the forestry (N=92)

5 Summary of impacts

Figure 64 summarizes the four impact dimensions excluding livelihoods and poverty, with indicators indicating a **change between the periods before and after the start of the VPA negotiations**, on average, for all available indicators. In addition to this measure of change, we identify the **level of VPA contributions to such change**.

The average improvements are highest for governance and institutional effectiveness (85%) and forest conditions (75%) and lower for illegal logging (40%) and economic development (17%). This is in line with the chain of causality of the VPA-ToC, assuming that

the latter dimensions are impacted at a further stage of a VPA process. **Importantly, the contributions of the VPA negotiations per dimension are high according to the respondents:** 41% for governance and institutional effectiveness, 35% for forest conditions, 35% for illegal logging and 32% for economic development.

It is to be noted that although in the case of indicators A.11 and A.16 a decrease was reported, this does not mean that the VPA negotiations contributed negatively to the development; rather, the decline could have been even stronger if the negotiations had not taken place.

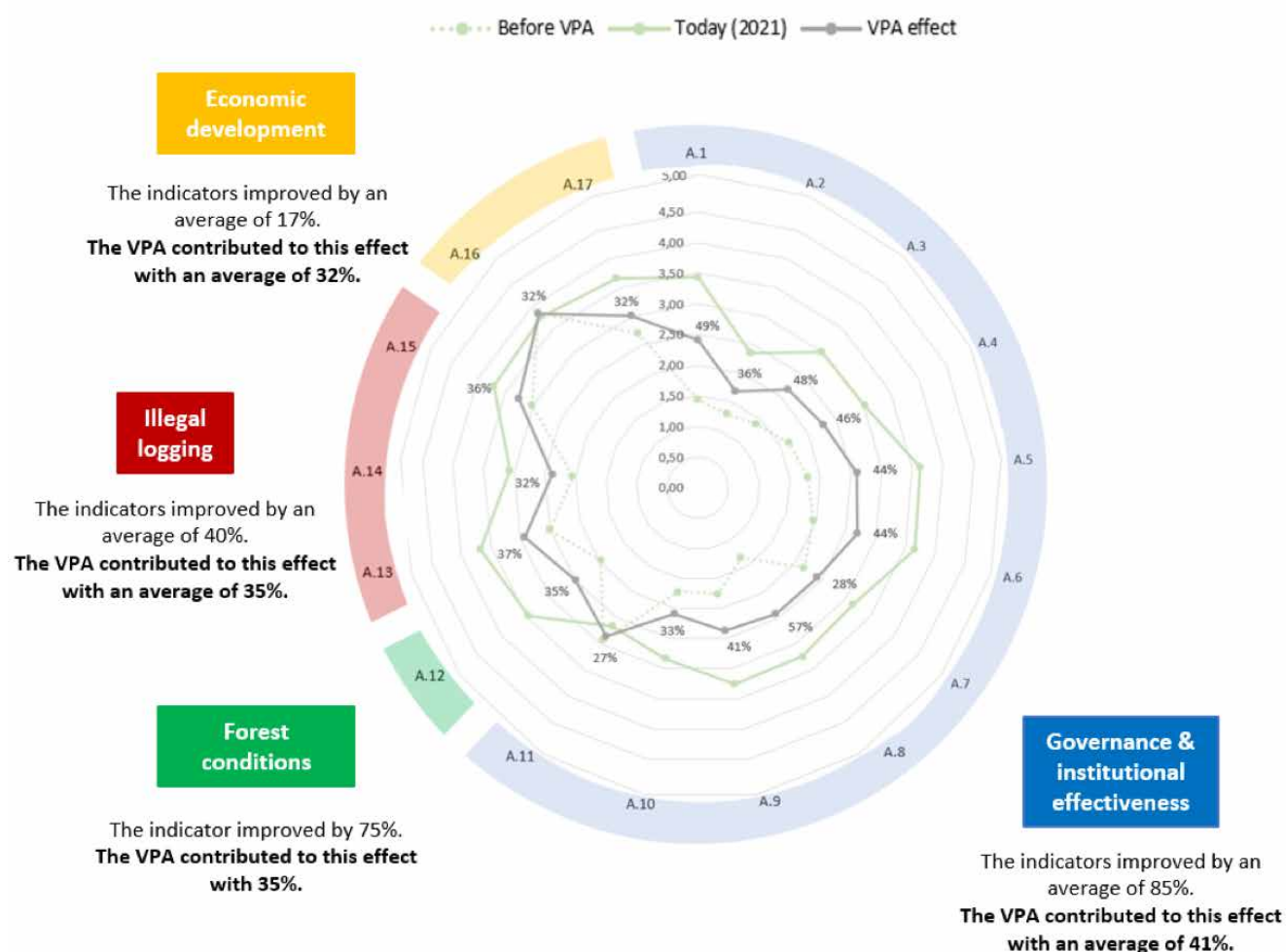
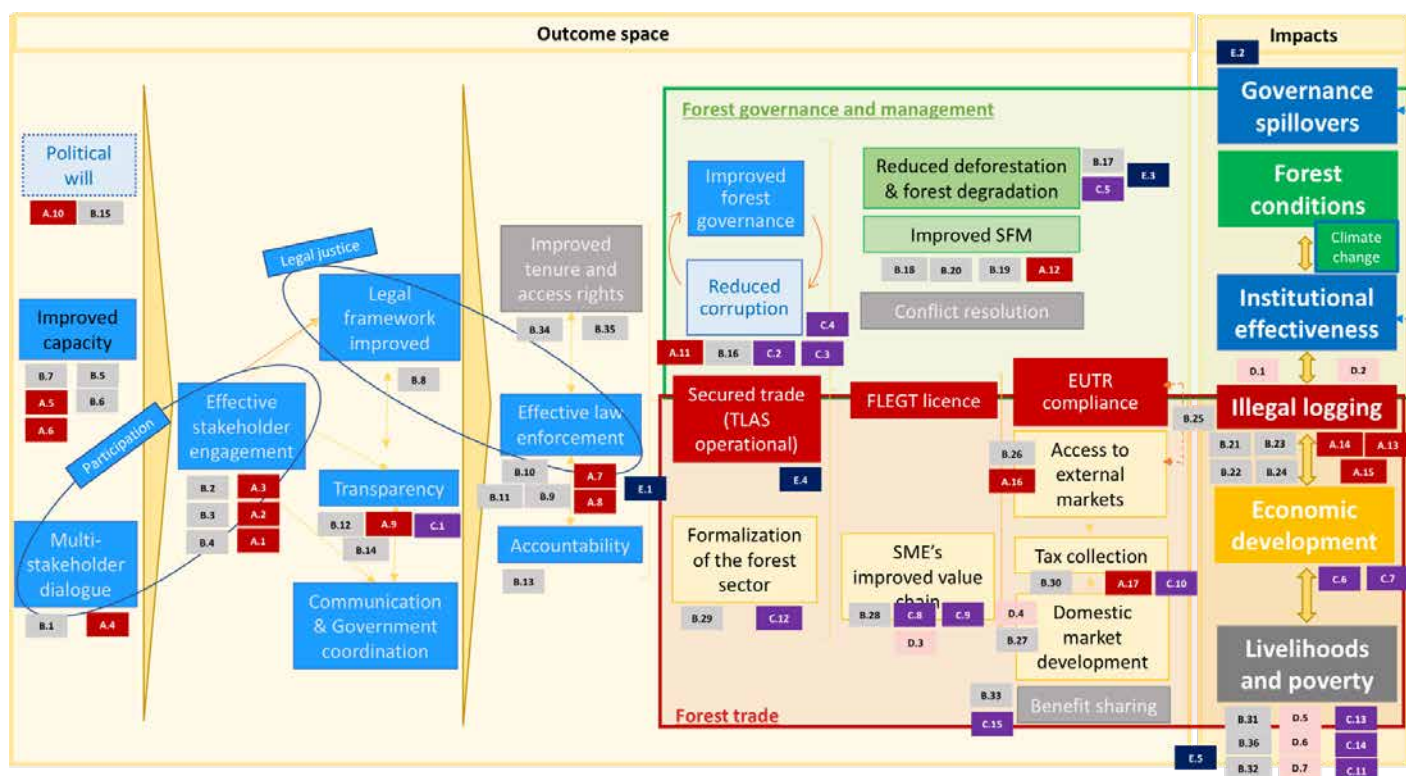


Figure 64. Change measurements between before and after VPA negotiations with the estimated VPA contribution to these changes (scale from 0 to 5)

Annexes

Annex I. Theory of change mapping and indicators



A. VPA Impact – Change indicators (before and after VPA ratification/negotiations)

- A.1** Proportion of legal wood on the domestic market
- A.2** Proportion of legal wood on the export market
- A.3** Proportion of national timber production exploited with a legally obtained permit
- A.4** Level of implementation of forest management plans in the country
- A.5** Level of LC and IP consultation in the forest sector decision-making
- A.6** Level of consideration of LC's and IP's opinions in forest sector decision-making
- A.7** Level of efficiency of tax collection
- A.8** Share of SMEs' costs paid as informal taxes
- A.9** Level of consideration of SMEs' opinions in forest sector decision-making
- A.10** Share of SMEs' business in export market
- A.11** Level of sanction enforcement
- A.12** Level of importance of CS's role as a control agent to denunciate irregularities in the forest sector
- A.13** Level of CS's effectiveness as independent observer
- A.14** Level of CS's autonomy as independent observer
- A.15** Level of consideration of CS's opinion in forest sector decision-making
- A.16** Level of political will to fight corruption
- A.17** Level of transparency

B. VPA Impact – Contribution indicators

B.1	VPA contribution (C°) to reduce illegal logging type 1
B.2	VPA C° to reduce illegal logging type 2
B.3	VPA C° to reduce share of illegal logging on export market
B.4	VPA C° to reduce share of illegal logging on domestic market
B.5	VPA C° to decrease deforestation
B.6	VPA C° to increase production exploited with a legally obtained permit
B.7	VPA C° to better implement forest management plans
B.8	VPA C° to increase in privately certified areas
B.9	VPA C° to better integrate multiple forest functions and ecosystem services
B.10	VPA C° to increase consultation of LC and IP
B.11	VPA C° to better consider LC's and IP's opinion
B.12	VPA C° to better consider LC's and IP's rights
B.13	VPA C° to better recognize LC's and IP's rights
B.14	VPA C° to better redistribute taxes to LC and IP
B.15	VPA C° to better consider women, youth and marginalized groups' opinions
B.16	VPA C° to make tax collection more efficient
B.17	VPA C° to make market less disrupted
B.18	VPA C° to better recognize SMEs' associations
B.19	VPA C° to squeeze some SMEs out of business
B.20	VPA C° to reduce share of SMEs' costs paid as informal taxes (bribes)
B.21	VPA C° to improve the technical capacity of SMEs to conduct their activities legally
B.22	VPA C° to better consider SMEs' opinions
B.23	VPA C° to improve SMEs' access to the export market
B.24	VPA C° to change the labour market in the forest sector
B.25	VPA C° to improve working conditions in the forest sector
B.26	VPA C° to ensure better coherence of the legal and regulatory framework
B.27	VPA C° to ensure better enforcement of sanctions
B.28	VPA C° to make sanctions more credible
B.29	VPA C° to provide CS with a greater role in controlling legality and identifying irregularities
B.30	VPA C° to ensure more effective CS's independent observations
B.31	VPA C° to ensure greater autonomy of civil society in its role as an independent observer
B.32	VPA C° to ensure better consideration of CS's opinion
B.33	VPA C° to improve political will to fight corruption
B.34	VPA C° to make the government more accountable
B.35	VPA C° to improve transparency in the forest sector
B.36	VPA C° to provide information allowing the SMEs to conduct their activities legally
B.37	VPA C° to improve the working conditions in the forest sector

C. VPA impact – Evolution indicators (since VPA ratification/negotiations)

- C.1 Evolution of the number of SMEs
- C.2 Evolution of the demand for legal wood on the domestic market
- C.3 Evolution of job opportunities in the forest sector
- C.4 Evolution of job opportunities for LC and IP in the forest sector
- C.5 Evolution of job opportunities for women, youth and marginalized groups in the forest sector

D. VPA impact – Statement indicators

- D.1 VPA process gives a positive image of the country and helps it to be considered as a reliable business partner
- D.2 Publicly available information on legality requirements is relevant for SMEs to meet the requirements
- D.3 Bureaucracy linked to the VPA process has created new opportunities for corruption
- D.4 The level of corruption in the forest sector has decreased since VPA ratification (relative to other sectors)
- D.5 The work of the independent observation contributes more to reducing corruption in the forest sector than before VPA ratification
- D.6 Environmental impacts of SMEs since VPA ratification have been reduced
- D.7 Political will exists to give as much priority to the development of the forest sector as the other sectors
- D.8 SMEs in the forest sector provide better quality timber than before VPA ratification
- D.9 Legal exploitation of wood is too constraining for SMEs (technically and financially)
- D.10 Obtaining a certificate of legality (FLEGT) introduces new formal and informal taxes
- D.11 Forest sector workers have access to more secure jobs than before VPA ratification
- D.12 Forest sector workers are better organized than before VPA ratification
- D.13 The curriculum of institutions integrates better the themes of legality and sustainable forest management than before VPA ratification
- D.14 The forest sector workers have better expertise than before VPA ratification

E. VPA impact – Other indicators

- E.1 Causes of non-compliance with the law (multiple choice possible)
- E.2 Actors' awareness of the consequences of poor governance in the forest sector
- E.3 Effects produced by the process of TLAS development
- E.4 Other processes in the country inspired by the VPA process

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Annex III. Field mission agenda

Day 1: Sunday 4 July

Arrival of CIFOR and ADE facilitator teams in Tegucigalpa.

Day 2: Monday 5 July

AM Interview with Executive Assistant of ICF (Tegucigalpa)
PM Interview with EUDEL (Zoom)
PM Interview with large private sector operator (Tegucigalpa)
PM Interview with associations of forest holders (Tegucigalpa)
PM Trial of the data collection tools (individual and FGD), testing skip patterns, prompts, logic of content and time that it takes. This involved the CIFOR team members and local facilitator wherever possible to ensure correct terminology. Debrief by facilitators, preparation for second session of day. Preparation of tablets.

Day 3: Tuesday 6 July

AM Session 1: members of public sector
AM Interview with Minister of ICF
PM Session 2: members of public sector

Day 4: Wednesday 7 July

AM Session 3: members of private sector (SMEs)
AM Interview with member of private sector
PM Interview with consultant from EFI
PM Organization of travel for the next days

Day 5: Thursday 8 July

AM Session 4: members of civil society
AM Sending of emails for online survey
PM Session 5: members of PIAH associations
PM Interview with Vice-Minister of ICF

Day 6: Friday 9 July

AM Travel to Campamento
AM Session 6: members of local communities
PM Travel to Juticalpa
PM Session 7: members of ICF (Olancho)
PM Travel to Tegucigalpa

Day 7: Saturday 10 July

AM Travel to Siguatepeque
AM Session 8: members of PIAH
PM Travel to Yoro

Day 8: Sunday 11 July

AM Session 9: members of PIAH

PM Travel to La Ceiba

Day 9: Monday 12 July

AM Interview with FAO (Zoom)

PM Debrief by facilitators, notes editing and clarification of outstanding statements on focus group sessions

Day 10: Tuesday 13 July

AM Session 10: members of agroforestral groups

PM Session 11: members of agroforestral groups, ICF (La Ceiba), and academia

PM Data upload to server

Day 11: Wednesday 14 July

PM Travel to Tegucigalpa

Day 12: Thursday 15 July

AM Travel back to Belgium

This Honduras report is part of a series of seven country level studies (Cameroon, Côte d'Ivoire, Ghana, Guyana, Honduras, Indonesia and Republic of Congo) which intend to gather qualitative and quantitative evidence of the impacts of the Forest Law Enforcement Governance and Trade – Voluntary Partnership Agreement (FLEGT-VPA) process to date. This initiative was financed by the European Union and results are placed within the global European Union-FLEGT (EU-FLEGT) Monitoring and Evaluation (M&E) indicator database. The analysis is structured along five key thematic areas (with indicators clustered into governance and institutional effectiveness, illegal logging, forest conditions, economic development, and livelihoods and poverty). The methodology used is designed to be replicable over time as well as applicable to other countries. Each country assessment provides a baseline for future studies in the same country, that would help to measure progress (or regress) between two points in time. More countries can also be added over time to increase the overall sample and help to derive lessons based on more evidence. By covering seven countries that are 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. These lessons and global findings are presented in a separate synthesis report, which combines results to outline a bigger picture of VPA process impacts where possible.

In total, 100 respondents were interviewed in Honduras, which started its negotiation phase in January 2013 and signed and ratified the VPA in July 2021.

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Financed by the European Union and led by the Center for International Forestry Research (CIFOR), GML is a five-year project implemented across Sub-Saharan Africa that aims to address key knowledge, technical and policy gaps related to the global impacts of the FLEGT Action Plan, as well as forest and land governance, trade in informal and legal timber products, deforestation-related commodity-based agribusiness, woodfuel and ultimately sustainable forest and land-use management and improvement of livelihoods.

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