

**TOOLS FOR CIVIL**

**SOCIETY ACTION**

**TO REDUCE FOREST**

**CORRUPTION**

Drawing Lessons from

Transparency International

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## Introduction and Overview

**T**he forest sector badly needs functioning integrity systems. Corruption promotes illegal logging and trade, and illegal logging is a multi-billion-dollars-per-year problem for the world. Beyond the lost revenues, illegal logging is almost never sustainable. No one has ever quantified the environmental and social harm it causes worldwide.

Transparency International (TI) is the world's leading organization in the fight against corruption. The Forested Integrity Network (FIN) is a TI initiative that aims to address corruption issues in the forest sector. This report, prepared by FIN with PROFOR funding, examines the approach of TI to fighting corruption and considers how it could be applied in the forest sector.

The first chapter explains the underpinning of TI's approach, the theory that corruption is a chronic threat in all societies and is only controlled through national integrity systems. These are built on a foundation of social values and public awareness, and they rely on the various pillars of society providing mutual accountability for corrupt behavior. The pillars include non-governmental actors such as the media and civil society and governmental actors such as the legislature, ombudsmen, and watchdog agencies.

The second chapter takes its inspiration from the corruption-fighting projects of TI throughout the world and asks how civil society groups might apply these examples to the forest sector. It details more

than two dozen tools that groups might apply. Most are based on TI efforts at the national level as reported in TI's Corruption Fighters' Toolkit.

The third chapter considers some key questions about applying these tools:

- Can reformers address corruption on a sector-specific basis? The answer is a qualified "yes." The TI National Integrity System approach teaches that corruption is a systemic problem. However, sometimes incremental solutions are the only ones available, and efforts within the forest sector may help to advance anti-corruption efforts throughout the society.
- Are TI's anti-corruption tools generic and universal? The basic causes of corruption are widespread throughout the world, and generic tools can offer basic guides, but groups using the tools must adapt them to particular local conditions.
- Can civil society efforts work alongside governmental and other anti-corruption reforms? Yes, these efforts can be synergistic. Civil society can help advance the work of the other pillars of national integrity, and the other pillars can help enhance the work of civil society.

The report concludes with a few overarching observations, including an endorsement of TI's approach to tackling corruption as a constructive and perhaps necessary addition to the fight against illegal logging.







## CHAPTER ONE

# Transparency International, National Integrity Systems, and Forest Corruption

### WHAT IS CORRUPTION?

**C**orruption is “the misuse of entrusted power for private gain.”<sup>1</sup> This broad definition encompasses both private and public authority.

There is no broadly accepted way to categorize all the many forms of corruption, and TI’s Source Book notes different ways to do so. One simple way is by actor, as illustrated in Figure 1. Corruption often involves several people: the instigator is not always the person who ends up abusing the entrusted power, and is usually distinct from the victims of the corrupt act. But by focusing on the abuser of power, some simple dichotomies emerge. The abuser can either be wielding public authority or private authority. In general, it is abuse of public authority that carries the greater potential for social harm. Within the public sector, there is abuse of political power and abuse of administrative power — that is, abuse by politicians and abuse by civil servants.<sup>2</sup>

Corruption is usually illegal in itself, but is not always coupled with another unlawful act. This provides another classification dichotomy, illustrated in Figure 2. Corruption may be “according-to-rule” and “against-the-rule.”<sup>3</sup> In according-to-rule corruption, the corrupt actor provides benefits (such as services or contracts) ordinarily required by law, but extracts a payment by threatening to withhold or

delay them, or by threatening to break the law. In against-the-rule corruption, the corrupt actor provides an unlawful benefit.

Corruption also varies by scale and motive. Corruption at its worst completely overwhelms lawful controls over forest use. This overarching corruption can twist the national laws so they no longer conserve forest resources, or it can capture the forest bureaucracy and stop it from guarding the resource.

The TI Source Book distinguishes between grand corruption and small-scale corruption.<sup>4</sup> The latter is also called petty corruption. A distinction can also be drawn between corruption out of greed and corruption out of need, which applies mostly in the case of petty corruption. Figure 3 offers a schematic of all these distinctions. Actually, no firm line separates the small act from the large. Corruption occurs along a spectrum that stretches from controlling a nation’s entire forest resource to “fixing” a minor violation.

Although the word corruption often brings bribery to mind, the TI Source Book notes corruption has other forms. These include cronyism (including nepotism), quid pro quo payments to political campaigns, kickbacks (including subcontracting consultancies), and fraud in all its forms.<sup>5</sup>

Figures 4 through 7 show some of the variation within and among different forms of corruption.

Figure 4, on bribes, follows the TI Source Book's division of bribes into four categories, which differ in their causes and impacts.<sup>6</sup> Category 1 bribes are paid to access a scarce benefit or to avoid a common cost. An example would be a bribe to secure a contract or concession. In these cases, one person's gain is another's loss, and the bribers may be competing to secure the benefit or avoid the loss. Category 2 bribes are paid to receive a benefit that is not itself scarce but is controlled through exercise of discretion. An example would be a bribe to avoid prosecution or to secure a business license. Category 3 bribes are paid for incidental benefits such as speedy service or inside information. Category 4 bribes are paid to entice the official to withhold a benefit or impose a cost on someone else.

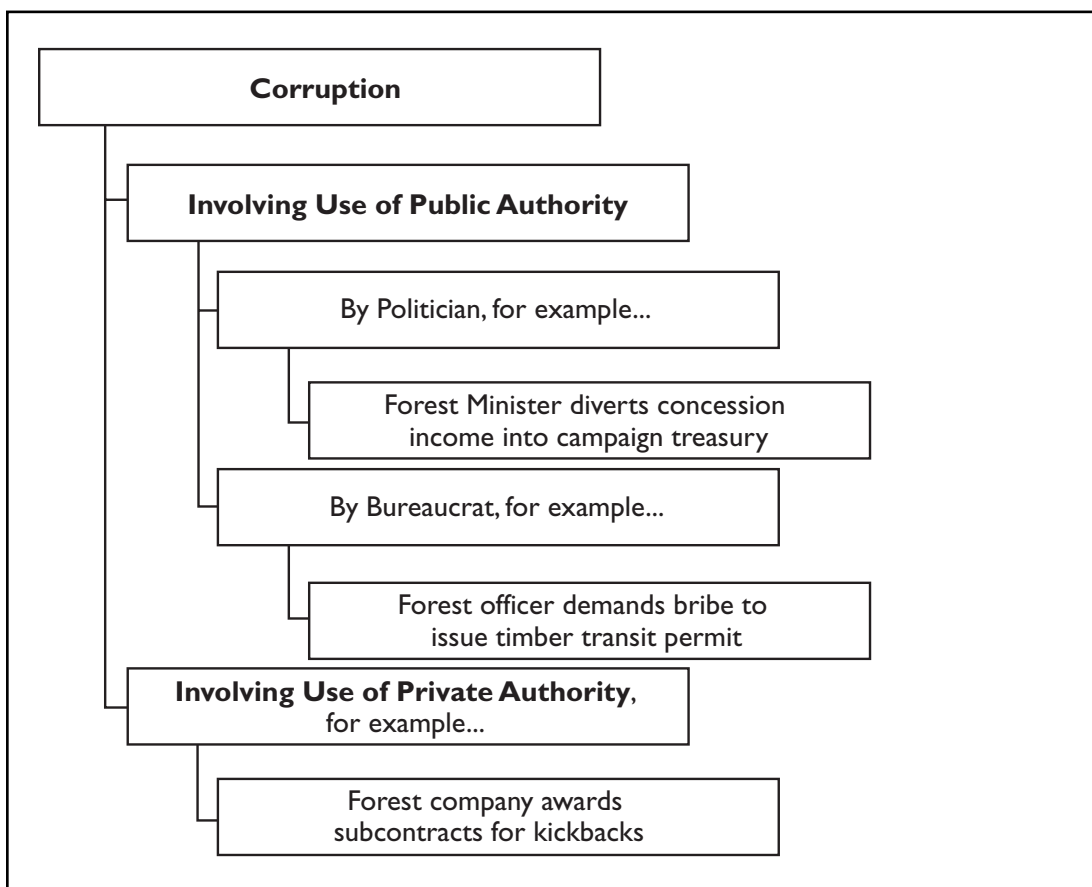
An act of bribery usually involves two separate crimes: the giving of the bribe and the soliciting or

acceptance of the bribe. Soliciting bribes can be a form of extortion. Extortion does not have a separate figure here, but its forms parallel those of bribery. An official can extort money to grant a scarce benefit, to use discretionary powers favorably, to give incidental service, or to impose a cost on others.

Favoritism and patronage illustrate that it does not always take two to commit a corrupt act. As Figure 5 illustrates, a person can abuse power to grant benefits to himself. He can also grant benefits to family (nepotism) or as a reward for loyalty (cronyism).

Kickbacks, illustrated in Figure 6, are not always distinct from bribes. However, the kickback is usually tied to the granting of a scarce good or favor that generates income for the beneficiary, who returns a portion of that income directly or indirectly.

**FIGURE I**  
Categorizing corruption by who is abusing authority



Fraud, illustrated in Figure 7, is a crime that goes far beyond corruption. Broadly, fraud is lying for profit. When a person lies in an official capacity for his private enrichment, or when that person deliberately accepts someone else's lie for his private gain, that becomes corruption.

## CORRUPTION IN THE FOREST SECTOR

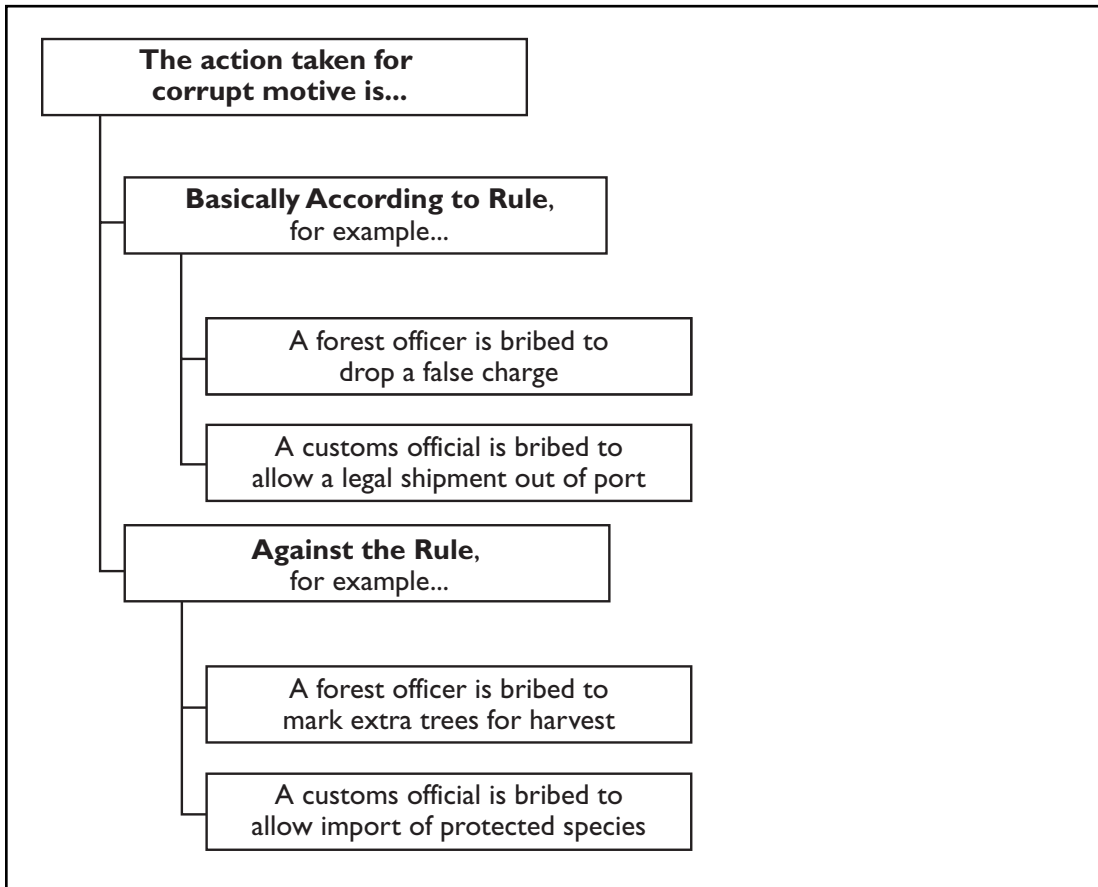
Forest sector corruption and the resulting lawless forest use have many painful impacts. Forests, including protected areas, are destroyed. Local people lose access to forest resources that they have used for many years. Rural societies go through temporary economic booms as forests are stripped followed by inevitable busts that leave the societies shattered. Government revenues that ought to go

towards sustainable forest management and rural economic development go into the pockets of officials and their cronies.

By its nature, forest corruption is clandestine, and assessing its dimensions is difficult. The World Bank has estimated that the amount of revenue lost to illegal logging each year is on the order of five billion US dollars.

This estimate does not necessarily reflect the scope of corruption. Corrupt logging and illegal logging often overlap, but not always. Some acts of corruption, such as kickbacks for promotions within the bureaucracy, are not tied to particular acts of illegal harvest or trade. Some forms of illegal logging, such as when local people continue traditional forest uses despite new laws, have nothing to do with corruption. However, corruption probably fosters many of the largest illegal operations.

FIGURE 2  
Categorizing corruption by the legality of associated actions.



## Reported and Alleged Incidents of Forest Sector Corruption

Corruption in the forest sector reflects the range of corruption seen throughout society. There is petty corruption and grand, administrative and political, and bribery in many forms. The following are typical reported and alleged incidents:

- Forest officials extort payments from landowners for forestry services that the state ought to supply at a nominal fee.
- To avoid delays in issuance of a timber transit permit, landowners bribe not only the local forester, but also local tax and land officials.
- Enforcement officials stop perfectly legal log shipments on the road and threaten to charge the drivers with illegal transport unless the drivers pay a bribe.
- To win the right to cut trees on a government forest, a bidder makes cash payments to a forest officer.
- Officials award timber concessions to their relatives.
- Forest officers, police officers, or prosecutors take bribes to ignore violations of forest laws, including laws forbidding harvest in

parks and laws protecting endangered species.

- In a forest-related court case, bribes fly to the court clerks, the judges, and even to opposing counsel to secure a favorable and prompt verdict.
- Officials take bribes to allow export of illegally harvested timber.
- Customs agents take bribes to allow timber to enter the country without paying duties or in violation of endangered species protections.
- A forest officer demands that his subordinates pay him kickbacks for salary increases and promotions.
- A forest officer places friends and relatives on the agency payroll, though they are “ghosts” who do no actual work.
- Ministers, legislators, or other high officials accept bribes to shape forest laws, institutions, and procedures to favor the bribers.
- Ministers use timber receipts to fund political campaigns.
- Ministers siphon money off of donor-sponsored project for personal enrichment.

Corruption can also foster apparently legal logging. This can happen on small or large scales. A small-scale actor might bribe a clerk to speed processing of a permit request. A large-scale actor might bribe lawmakers to reshape forest laws and institutions to favor private gain over good forest management.

Given all this, it seems safe to estimate that the impacts of corrupt logging are at least as large as the impacts of illegal logging. Corruption is probably associated with a large volume of the world’s illegal timber, and estimates of illegal harvest and trade do probably not adequately reflect corruption’s full monetary scope.

On top of this revenue loss, no one has ever placed a value on the damage suffered by ecosystems and rural societies. The toll is enormous. In many countries with significant forest resources, there is little hope of sustainable forest management without honest government oversight.

## TRANSPARENCY INTERNATIONAL AND COMBATING CORRUPTION

Transparency International (TI) is the only international organization devoted exclusively to fighting corruption. TI’s corruption-fighting efforts are based on a set of premises:

- That corruption is a pervasive threat.
- That corruption is inimical to good governance.
- That many factors promote corruption.
- That a multi-faceted National Integrity System is a country’s best defense against corruption.

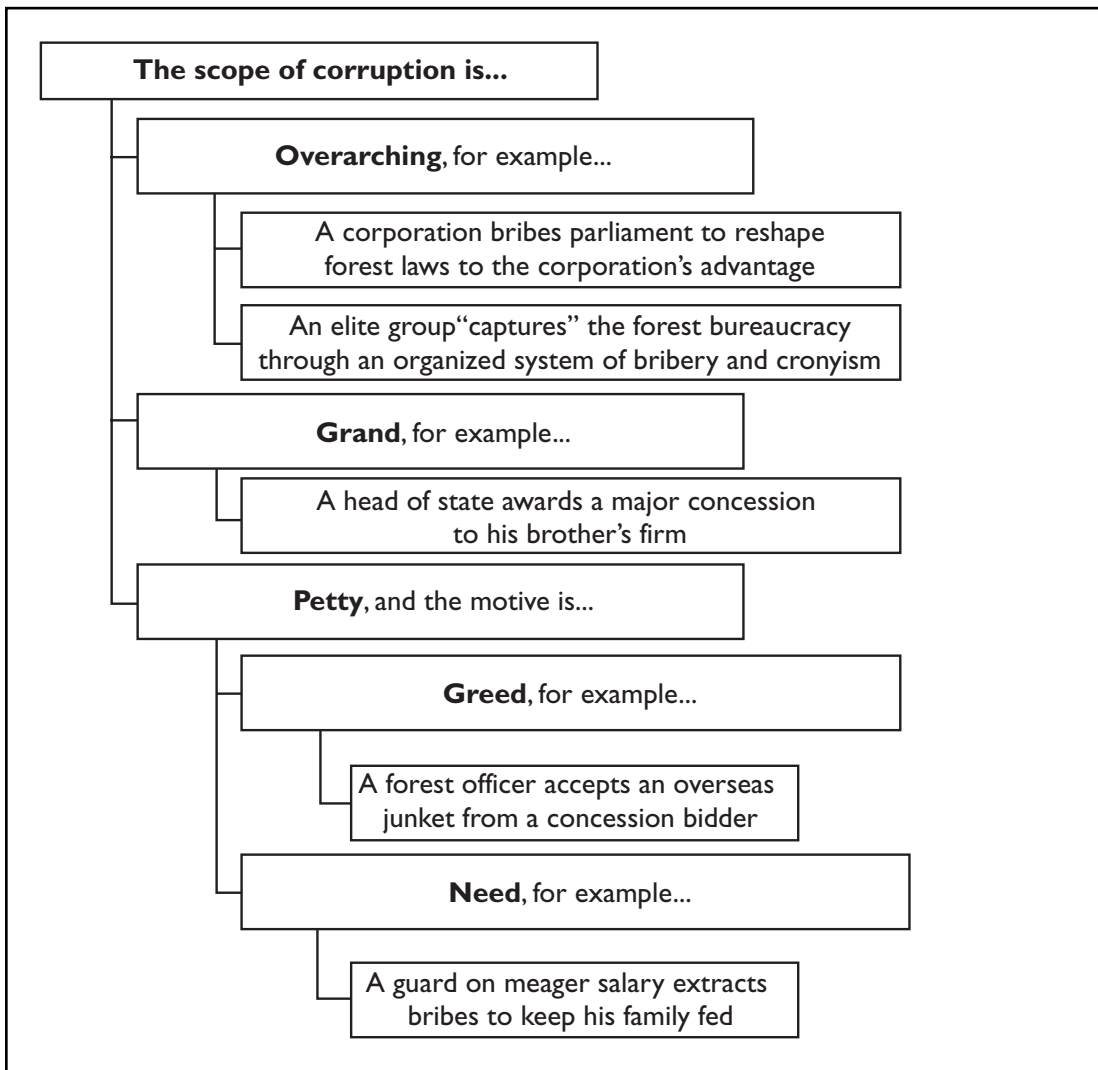
*That corruption is a pervasive threat* means that some degree of corruption occurs or threatens to occur in every society. The effort to suppress corruption must be ongoing in every society.

*That corruption is inimical to good governance* means that fighting corruption is essential to improving governance. TI rejects the view that corruption is no worse than an extra tax. If unchecked, even petty corruption tends to escalate and become institutionalized. Once in place, it distorts both the market and the government. In forest situations, a few buyers who know how to grease the corrupt wheels often step in and control the timber market, offering landowners artificially low prices. Forest agencies skew their budgets to favor projects that

offer opportunity to divert funds. Decisions on forest management turn on short-term enrichment rather than sustainability.

*That many factors promote corruption* means that there are multiple routes to attack corruption. For example, corruption feeds on both opportunity to bribe (or solicit bribes) and inclination to do so. In the case of petty forest corruption, we can fight opportunity through institutional changes, by eliminating or restricting the authority of petty officials over forest use, or by providing equivalent

FIGURE 3  
Categorizing corruption by size and motive.

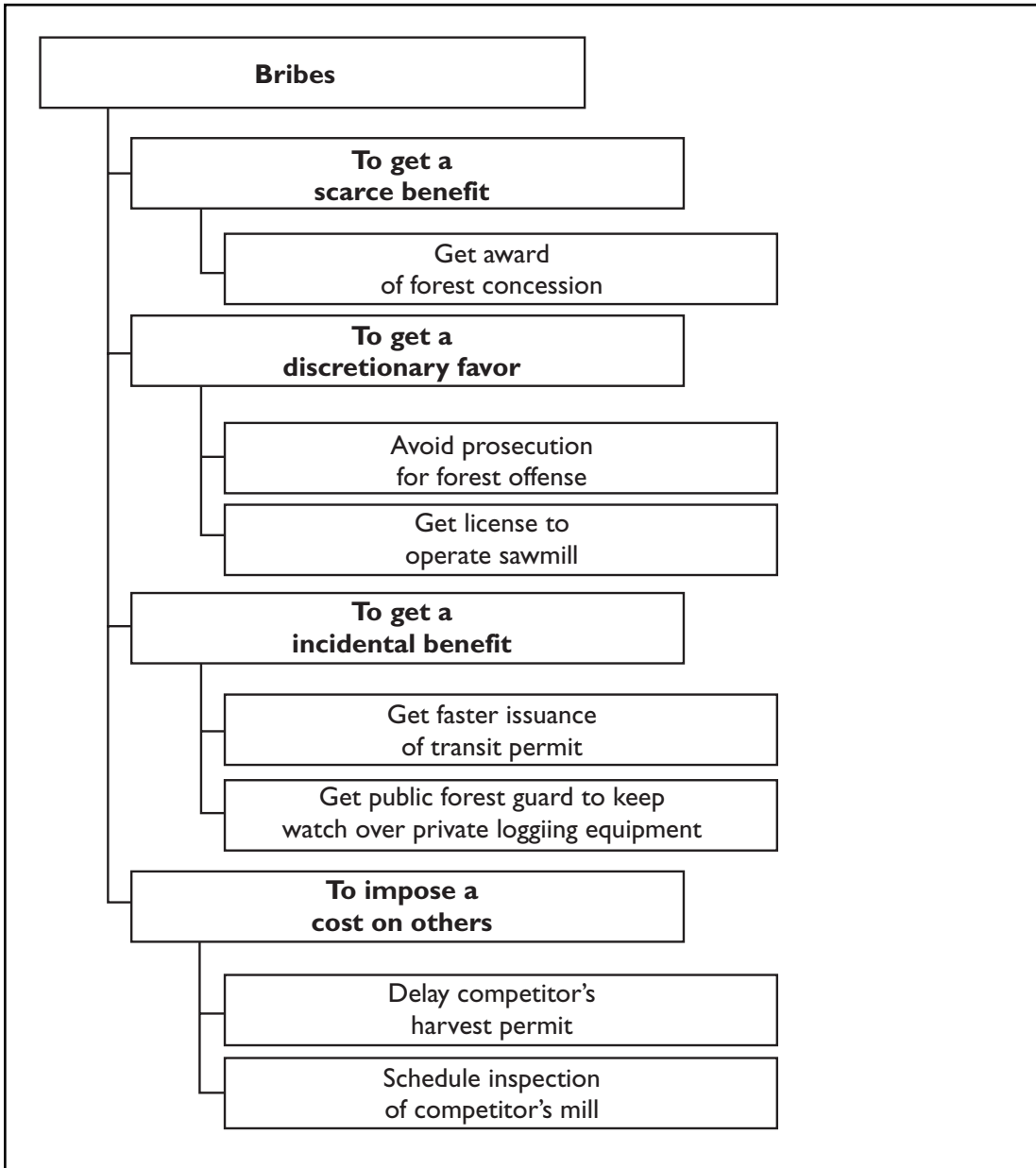


government services through more than one office or agency. We can fight inclination by increasing government salaries and increasing the likelihood of corruption coming to light, turning it into a low-profit, high-risk activity.

*That a multi-faceted national integrity system is a country's best defense* means that in the long run, a

country's best hope to resist corruption depends on maintenance of a constellation of institutions and processes, all reflecting social values and kept working by public awareness, leadership, and political will. TI has developed a theoretical framework for fighting corruption based on strengthening national integrity systems.

**FIGURE 4**  
Forms of bribery, by objective, with forest-sector examples.



**NATIONAL INTEGRITY SYSTEMS:  
AN OVERVIEW**

TI pioneered the concept of national integrity systems (NIS). It presents the concept in detail in its Source Book.

The NIS approach argues that a society becomes resistant to corruption when a whole set of institutions are present and functioning well. These institutions include an elected legislature, a transparent executive committed to the rule of law, and an independent judiciary. In Figure 8, these institutions are represented as the pillars of national integrity.

FIGURE 5  
Forms of favoritism and patronage, with forest-sector examples.

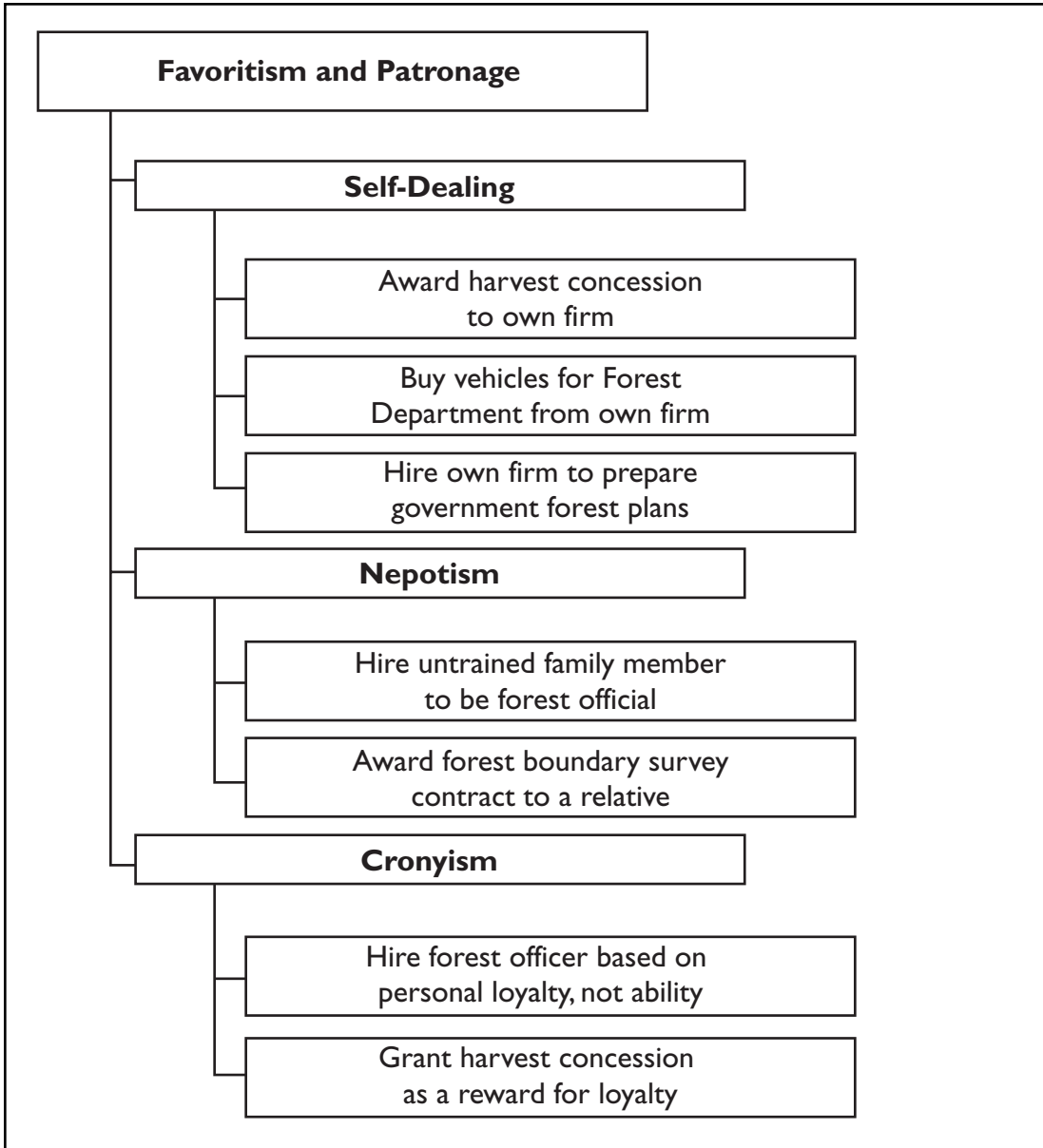
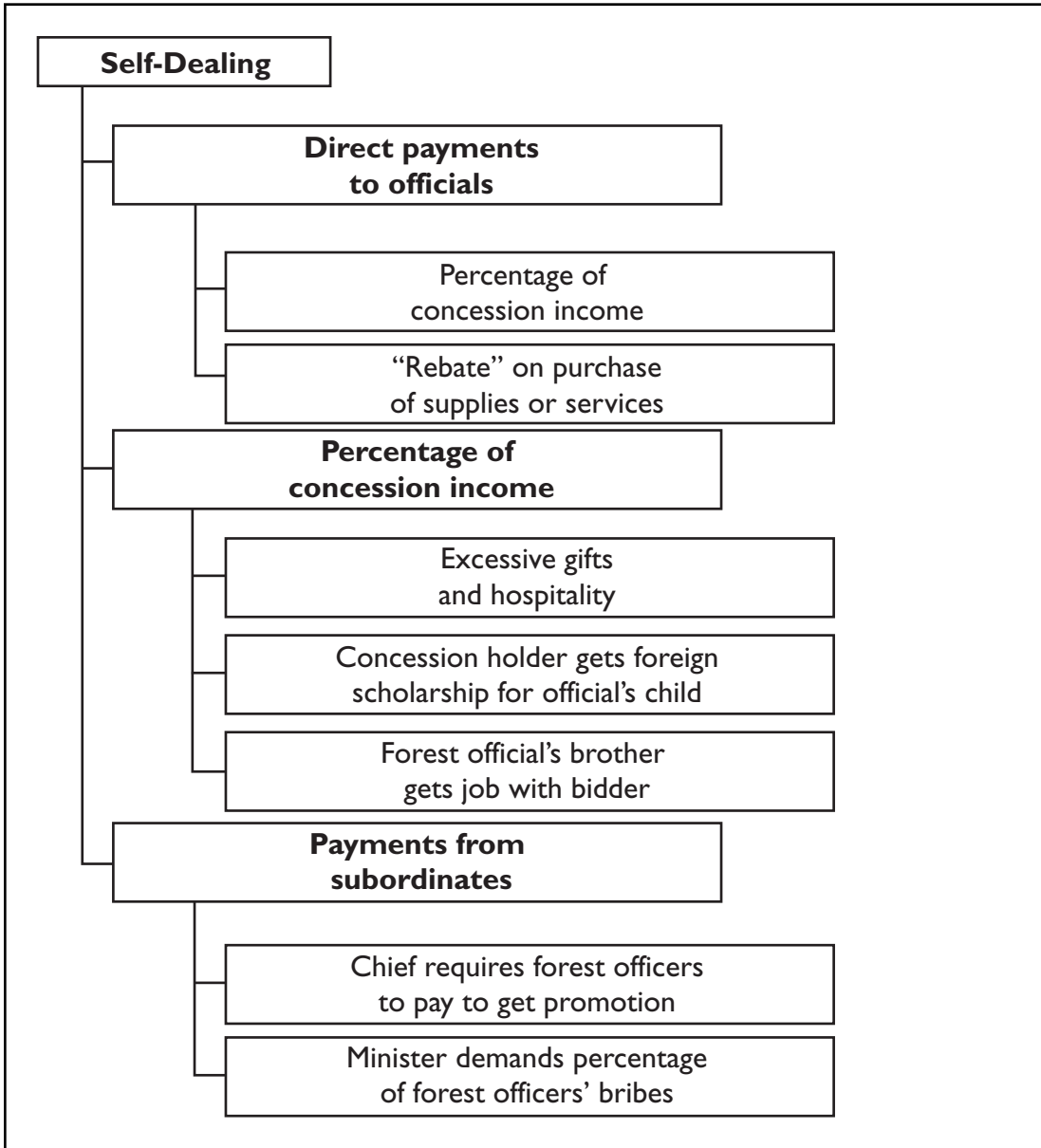


Figure 8: The Foundations and Pillars of National Integrity, and some of the social goals that honest governance supports. Diagram from Pope (2000).

The institutional pillars rest on a dual foundation. At the very base are society's values. These

include fairness, integrity, accountability, and honest dealing. TI has found these to be universal. It rejects the view that some cultures embrace bribery or accept abuse of power as a social norm. In every country where TI has worked, it has found that most people resent corruption.

FIGURE 6  
Forms of kickbacks, with forest-sector examples.





The institutions also sit on a foundation of public awareness. Public awareness allows vertical accountability. If the public turns a blind eye to the actions of government, it cannot hold the responsible leaders accountable.

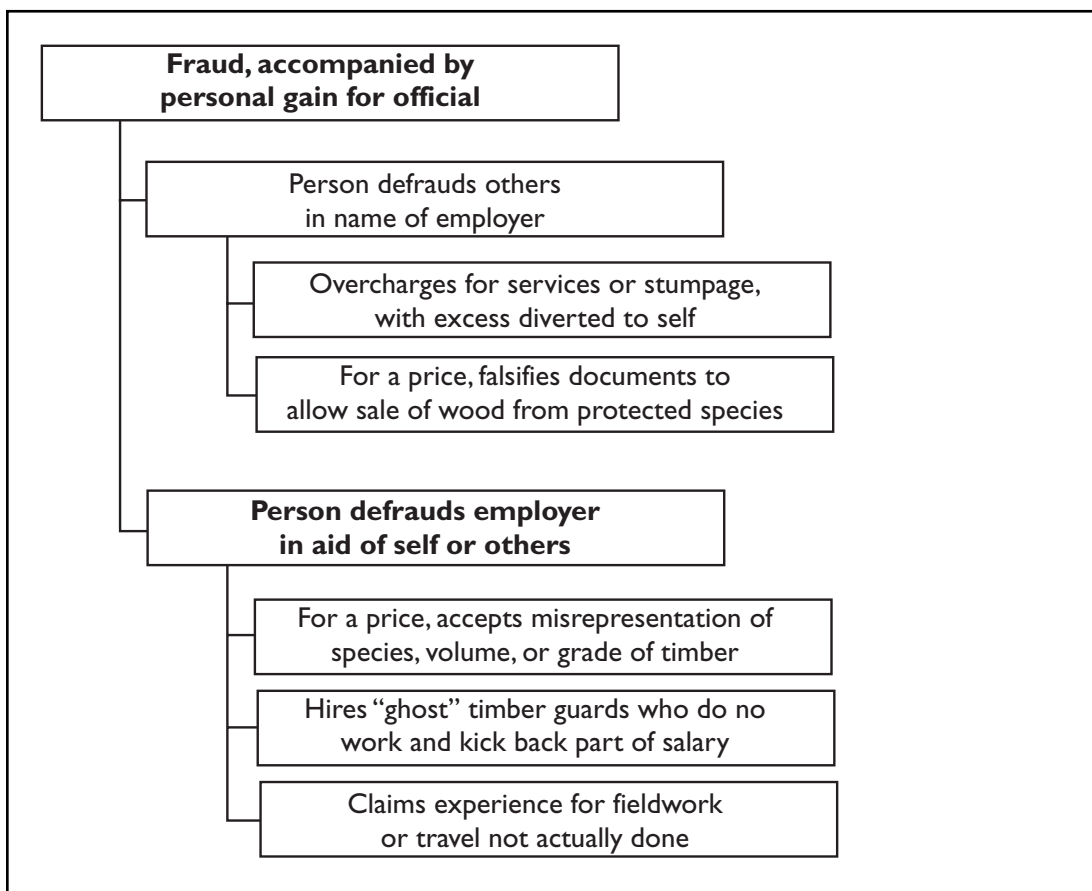
Along with structures, societies need effective processes to discourage corruption. For example, transparency and free and fair elections enhance the effectiveness of vertical accountability.

Vertical accountability alone is usually not enough to deter corruption. Society also needs processes that create or enhance horizontal accountability, where one pillar becomes a watchdog of another. Thus, through legislation and oversight, the legislature can check and balance the power of the executive. Through judicial review, the

courts also act as a check on the executive. Institutionalized overseers such as auditors general or ombudsmen look for waste, fraud, and abuse throughout government. An ethic of public service encourages government employees to foster transparency, enhancing accountability generally. Watchdog agencies keep an eye on abuses in the private sector or in public enterprises. The media, civil society, private sector, and international actors all contribute to public awareness and hold the government accountable for its actions.

As the illustration suggests, national integrity is not an ultimate goal, but rather the means of supporting the achievement of other goals attained through good governance. These include improved quality of life and sustainable development.

**FIGURE 7**  
Forms of fraud combined with corruption, with forest-sector examples.



**WHAT KINDS OF ACTIONS CAN CIVIL SOCIETY TAKE TO ENHANCE NATIONAL INTEGRITY?**

TI has developed and put into practice a number of tools to fight corruption. However, TI has chosen not to investigate and expose individual cases of corruption. It views its role not as a watchdog of the government, but more as a facilitator of the National Integrity System. TI works to make National Integrity Systems stronger and more effective.

TI has identified seven categories of tools that it and its national chapters use. The categories are:

- I. Awareness Raising
- II. Procurement
- III. Election Campaigns
- IV. Access to Information

- V. Public Institutions
- VI. Business Ethics
- VII. Diagnostics

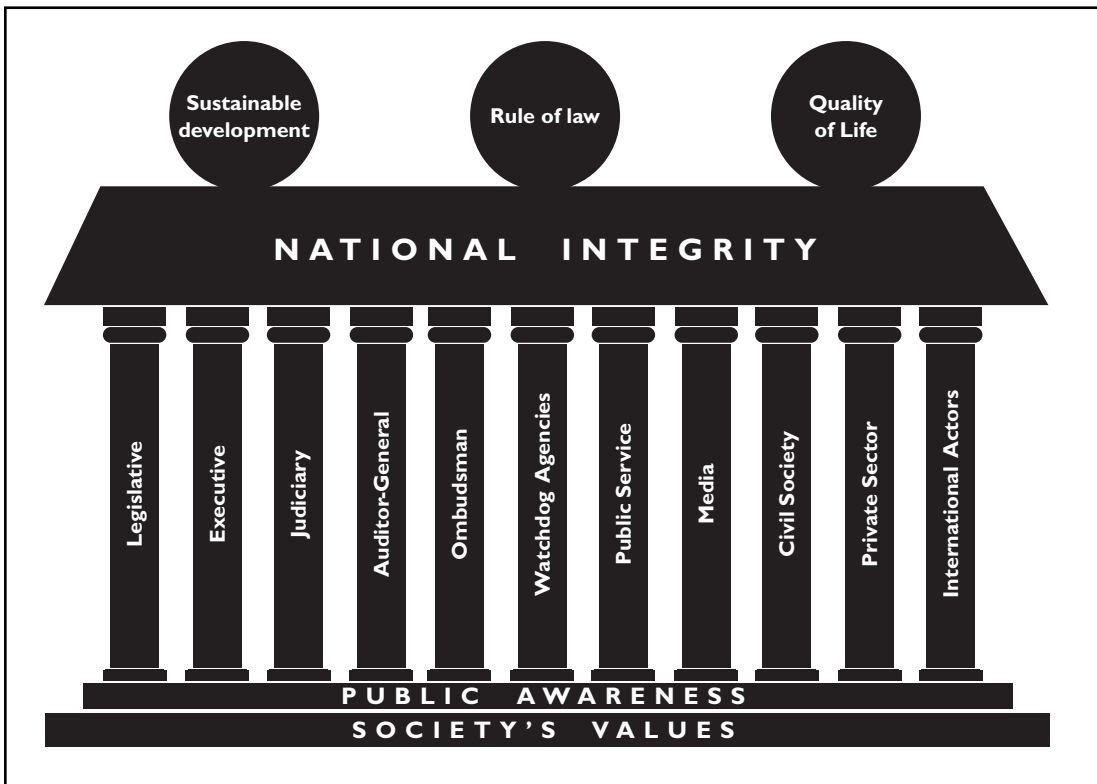
TI publishes a Toolkit<sup>8</sup> that documents how national chapters have used tools in each of these categories to fight corruption.

*Awareness raising* tools bring the issue of corruption to the public’s attention. They remind the public that corruption is a problem and inform the public about actions that individuals can take to fight corruption. TI chapters have carried out awareness raising campaigns through publications, advertisements, and classes. TI’s Toolkit is itself an awareness tool, informing people of other’s successes in fighting corruption.

*Procurement* tools address commercial transactions between the government and the private sector. Through training and dissemination of information, local chapters have found ways to make

FIGURE 8

The Foundations and Pillars of National Integrity, and some of the social goals that honest government supports. Transparency International: Source Book 2000, The Elements of Confronting Corruption: Integrity System, page 35.



procurement more open and honest. TI's Integrity Pact tool is a powerful example. For a particular competitive procurement, all participants, private and public, agree to abide by a set of rules for honest behavior as set out in an integrity pact. An independent third party monitors their behavior and has the power to punish violations of the rules. TI is now implementing integrity pact projects in several countries.

*Free and fair election campaigns* are fundamental to vertical accountability. TI chapters have developed tools that monitor media coverage and political spending and encourage accountability among the political parties.

*Access-to-information* tools take many forms. For the ordinary citizen, TI chapters have produced educational materials on what to expect of government and how to get government services. The chapters have encouraged adoption of stronger transparency laws. And they have encouraged and protected whistleblowers. The "Publish What You Pay" campaign, begun by Global Witness, TI, and other NGOs, advocates that corporations disclose what they pay for the right to exploit public resources, such as forests. This information is a starting point for citizens who want to track what happens to that income.

*Public institutions* tools focus on particular arms of government. TI chapters have set up watchdog projects to provide the public with information on the activities of legislatures, courts, and municipal governments. They have done studies comparing the activities of bureaucracies such as customs agencies with similar agencies in nearby countries. They have produced citizen manuals for monitoring social programs.

*Business ethics* tools aim at the private sector and the professions. One of the most promising of these tools is TI's Business Principles for Countering Bribery, developed with Social Accountability International and a group of other interested businesses and civil society organizations. As more and more enterprises are putting corporate social responsibility management systems in place, these stand out as one of the few sets of management principles that directly address corruption and abuse of power.

*Diagnostics* include two of TI's best-known tools: the Corruption Perception Index and the Bribe Payers Index. The first documents the reputation of governments for honest practice, and the second documents the reputation of private enterprises from particular countries for willingness to pay bribes. TI produces international versions of these surveys. TI chapters have used surveys to document corruption on the national and local level.

## NOTES

1. TI web page, <http://www.transparency.org/faqs/faq-corruption.html>. See also Pope (2000) [hereinafter "TI Source Book"], p.2.
2. TI Source Book, pp.2–3.
3. TI Source Book, p.3.
4. TI Source Book, p.3.
5. TI Source Book, p.14.
6. TI Source Book, pp. 16–17.
7. See, e.g., Curran et al. (2004) documenting illegal logging's toll on protected areas in Indonesian Borneo.
8. Transparency International (2003) [hereinafter "Toolkit"] was used as the basis for this paper.





## CHAPTER TWO

# Applying TI's Tools to the Forest Sector

13

**T**his chapter offers nearly thirty ideas for civil-society anti-corruption projects in the forest sector. Most of the ideas are adaptations of tools from the TI Corruption Fighters' Toolkit. Some are based on other TI projects. A few are inspired by actions outside TI. The first section of this chapter lists four tools that FIN hopes to make part of its core program. The second section of this chapter lists over twenty tools that a TI national chapter might consider implementing. The third section of the chapter lists a few tools that would be implemented regionally or globally.

### TOOLS PROPOSED FOR USE IN FIN'S PROGRAM

#### Create a knowledge center

*Activity Type:* Access to Information.

*Description:* Create an Internet-based analytical clearinghouse for identifying best practices in the fight against forest corruption and illegal logging. The clearinghouse would provide at least three services: 1) documentation and tracking of efforts to combat forest corruption, providing where possible information on each effort's success and poten-

tial for dissemination; 2) a library of links to documents, articles, news reports, and other publications relevant to forest corruption; and facilitation of ongoing discussions among practitioners on forest corruption issues.

*Similar Programs:* The TI website and the TI Toolkit document efforts to fight corruption, but without focus on any particular sector. The Royal Institute of International Affairs maintains a web index of materials on illegal logging, but without focus on corruption. The World Bank has hosted international electronic conferences, including one on forest law enforcement and governance, but it does not offer regular venues for anti-corruption activists to exchange opinions and information.

*Rationale:* This will give individual corruption fighters access to key information tools. In this context, the premise is that information leads to action.

#### Establish and implement model forest integrity pacts

*Activity Type:* Public Institutions, Business Ethics.

*Description:* Develop a model Integrity Pact for the forest sector and apply it in pilot projects in selected countries.

An Integrity Pact (IP) is a tool to discourage corruption in public contracting. It entails an agreement between a government agency or department and all the private sector bidders for one or several public contracts. All parties agree that bidders will not offer bribes and that public officials will not demand bribes. The IP is enforced by ensuring maximum transparency at every stage of the process, a careful monitoring of the process by independent observers such as local NGOs, and the application of severe sanctions when violations occur. Civil society organizations such as TI National Chapters and other nationally based NGOs play a key role in monitoring and overseeing such a pact.

**Similar Programs:** TI has implemented IPs in more than 14 countries, in various sectors.

**Rationale:** A forest sector IP could:

- a) increase accountability and transparency by enhancing publicity and access to information on logging concession awarding processes;
- b) create equity and efficiency in such processes;
- c) reduce the high costs of corruption to both governments and bidders, and counter distortion of the concession and timber market;
- d) provide a basis for further monitoring whether a company abides to the concession granted;
- e) facilitate and enhance sustainable timber harvest and sustainable forest management by strengthening environmentally responsible companies; and
- f) help the government to curb the evasion of concession and royalty payments that can be used for forest conservation, improving the quality of forest resources and development projects.

### **Draft business principles for the forest sector**

**Activity Type:** Business Ethics.

**Description:** Convene a committee of stakeholders to draft a set of model anti-corruption principles for businesses in the forest sector. The principles would cover all aspects of corruption, including such things as facilitation payments to government officials and kickbacks to private suppliers. Publicize the principles and assist businesses that wish to adopt them.

**Similar Programs:** TI has worked with businesses and NGOs to produce a generic set of Business Principles to Counter Bribery (BPCB). This FIN project would build on that TI program, focusing on the forest sector.

**Rationale:** Applied to the forest sector, a good set of business principles can:

- a) decrease acts of bribery within forest sector enterprises;
- b) increase accountability, transparency, and social and environmental responsibility of forest sector enterprises;
- c) enhance awareness of corruption in the forest sector and its adverse environmental and social effects and help to develop preventive strategies;
- d) increase the reputation of forest sector enterprises and lower the risk of corruption scandals that give negative signals to sensitized consumers;
- e) reduce corruption-related distortion of markets by reducing the cost of doing business;
- f) decrease corruption-related distortion of open competition;
- g) discourage non-participants of the BPCB program from seeking bribes and kickbacks from participating companies;
- h) lower the risk of disruption of a company's organizational structure; and
- i) facilitate and enhance sustainable timber harvest and sustainable forest management by strengthening environmentally and socially responsible companies.

### **Create a forest sector corruption perception index**

**Activity Type:** Diagnostics.

**Description:** Use public surveys to detect and publicize the presence of corruption in the forest sector. In a large country, the survey could compare perceived corruption levels in different regions or subdivisions of the country. In a large forest bureaucracy, the survey could compare perceived levels of corruption in different arms of the agency (for example, social forestry versus traditional production forestry) or at different levels of the agency (forest guards versus junior forest officers versus senior forest officers).

**Similar Programs:** The grandfather of these sorts of programs is TI's international corruption perception index, which compares government against government.<sup>9</sup> TI also has a bribe payers index, which measures the propensity of businesses from particular nations to pay bribes.<sup>10</sup>

The TI Toolkit offers examples of TI national chapters adapting this kind of diagnostic tool to local problems. For example, Transparency International Kenya produced an urban bribery index.<sup>11</sup> The Lithuanian national TI chapter conducted a set of surveys of corruption within the country.<sup>12</sup> Transparency International-Initiative Madagascar (TI-IM) with the help of the International Secretariat of TI conducted a pair of opinion surveys of corruption in Madagascar.<sup>13</sup> Transparencia Mexicana produced a national survey of public experiences with corruption in the supply of government services in each of Mexico's states.<sup>14</sup> TI-India has conducted a national survey of corruption in ten sectors, but not including forests.<sup>15</sup>

**Rationale:** Corruption is often an open secret, taboo to mention publicly. Such surveys break the taboo and bring the problem into the realm of public discussion. The surveys also show that not all people and agencies are corrupt. This removes the excuse that corruption is inevitable. A survey can create public pressure for the government to improve and it can encourage competition among bureaucrats to improve their bureau's standing.

## TOOLS FOR USE AT THE NATIONAL LEVEL

The list below generally follows the TI Toolkit's organization: Awareness Raising projects come first, followed by Procurement, Access to Information, Public Institutions, and Diagnostics. Some of the proposed tools involve more than a single category. Some tools appear out of strict category order because they are related to other tools or because they address similar aspects of corruption.

### Create an anti-corruption forest comic book.

**Activity Type:** Awareness Raising

**Description:** Create anti-corruption forest comic books. The books will carry the messages "Don't pay bribes to police or foresters" and "Don't let people steal our trees!"

**Similar programs:** The comic book idea is mentioned in passing in the TI Source Book.<sup>16</sup> There are some examples of general anti-corruption comics at <http://www.worldcomics.fi/anticorruption.html>. These include single-panel editorial style cartoons as well as extended stories.

**Rationale:** The comic book format is engaging and fun to read. Both children and adults will read them. They are effective even if there is not a tradition of reading. Children especially will take these messages to heart and urge their parents to follow.

### Create anti-forest-corruption advertisements.

**Activity Type:** Awareness Raising

**Description:** Using a variety of means, put out the message that forest corruption hurts everyone. This activity is in the same vein as the comic book, but potentially addressed to a broader audience. The means could include roadside signs, bumper stickers, posters, radio spots, or even television.

**Similar programs:** In a fire-prone country, you have only to look at how the forest agency reminds local people of the importance of preventing forest fires. The means may be as simple as slogans spelled out with painted stones on a cleared hillside.

TI national chapters have produced radio and television campaigns. Transparencia Brasil produced a series of general anti-corruption radio spots aimed at upper-middle-class listeners in São Paulo.<sup>17</sup> Association Nigérienne de Lutte contre la Corruption produced a series of three-minute television spots. TI Nepal also has produced television spots.<sup>19</sup>

In a slightly more ambitious use of media, Transparency Thailand has produced a live, two-hour radio talk show on corruption, which features experts in the Bangkok studio and calls from listeners. It also has produced a 15-minute taped program for the nation's military radio stations, which is aired on ten stations throughout the country.<sup>20</sup>

As part of an anti-corruption week, TI Uganda has used a broad range of publicity tools, including live phone-in radio and TV programs.<sup>21</sup>

TI Slovakia has put together an ambitious set of awareness tools that include television programs on corruption.<sup>22</sup>

**Rationale:** Advertising can convey information and sway public opinion. Even simple messages can strengthen public values, which are the foundation of national integrity.

### **Form an anti-corruption theater troupe**

**Activity Type:** Awareness Raising.

**Description:** Produce a series of short plays or skits that illustrate the problems of corruption. The exact format would depend on the local culture. For example, in some countries a puppet theater would be effective, and in others a single storyteller could play all roles. In some countries the appropriate tone would be clownish and satirical, and in others serious or melodramatic. The troupe would tour forested areas spreading an anti-corruption message.

**Similar Programs:** TI Bangladesh has created a People's Theater.<sup>23</sup> Staffed largely by volunteers, it has three separate troupes that have put on performances in schools and public venues such as bus stations. Thousands of people have seen the plays, and many more have heard of them through press coverage. The project has involved youth in the productions and reached an audience that includes low-income people with minimal access to services. The message has been a general anti-corruption message, not specific to any sector.

In central and east Africa, the International Anti-Corruption Theatrical Movement sponsors anti-corruption theater. It has worked with TI Uganda to raise awareness.<sup>24</sup>

**Rationale:** Spreading messages through performance is a tradition in many cultures. In rural areas, the theater format allows the message to reach whole communities at once and does not depend on literacy. Using humor or fantasy, a theater production can raise issues that would be dangerous or impossible to raise directly in the press.

### **Create a traveling anti-forest-corruption exhibit or booth**

**Activity Type:** Awareness Raising.

**Description:** Make an anti-corruption exhibit for a public fair or market. A small information booth could offer landowners information on both good forestry and their legal rights. It could also offer the general public information to raise awareness of corrupt practices in the forest. A more sophisticated booth at a trade fair can promote business principles, integrity pacts, and other anti-corruption tools for the corporation.

**Similar Programs:** TI South Korea organized an entire fair around corruption fighting.<sup>25</sup>

**Rationale:** A fair or market exhibit can reach the victims of forest corruption. An exhibit next to the firewood sellers could explain how corruption increases the cost of wood and threatens the reliability of the supply. An exhibit at the trade fair can offer buyers and sellers ideas to limit bribery and kickbacks.

### **Draw attention to lost revenue**

**Activity Type:** Awareness Raising.

**Description:** Estimate and publicize lost revenues. Commission a study to estimate the amount of public money lost due to illegal logging and related corruption, and the rate at which losses occur. Include loss of stumpage fees and tax revenues, and also loss of future income due to lack of forest management. Create a way to dramatize the amount, such as a clock-driven sign or web page that gives an instantaneous updated estimate, so that people can watch the money fly away.



**Similar Programs:** None in Toolkit.

**Rationale:** People underestimate the importance of forests and the harm brought by corruption. This tool will make the point that corruption is hurting everyone.

### **Educate journalists**

**Activity Type:** Awareness Raising.

**Description:** Hold educate-the-press sessions. Invite journalists to briefings on forest corruption. The briefings could be done as a workshop, or perhaps better, as a series of breakfast or lunch meetings over several weeks or months. The speakers should include activists, experts, and reform-minded officials. The briefings would be done “off-the-record” — with the journalists promising not to cover the briefing as a news event or to quote the speaker — to encourage more candid discussion.

**Similar Programs:** The Public Awareness Campaign in Slovakia included seminars for journalists.<sup>26</sup> Anti-Corruption Week in Uganda included press conferences.<sup>27</sup>

**Rationale:** These briefings will achieve several ends. Reporters will get basic information and contacts in the area, so that when something newsworthy happens, they will understand the context and know where to go for more information. Speakers will get enhanced standing in the eyes of the press. Also, the reporters will see other reporters at the briefing, which tells them that there is interest in the subject. It will make them more likely to cover this kind of news.

### **Put together a concession manual and workshop**

**Activity Type:** Procurement; Access to Information.

**Description:** Produce a forest concession bidder’s manual and offer concessions workshops. These would guide enterprises large and small seeking to compete for concessions and would clarify the private parties’ rights. The materials would describe the

laws that apply to the process, the agencies that implement the laws, the fees involved, and the deadlines or typical time necessary for the agency to process requests. The workshops should include agency officials.

**Similar Programs:** The Lebanese Transparency Organization has prepared a permit manual for obtaining construction permits. Transparencia Paraguay has run public procurement workshops for officials.<sup>29</sup>

**Rationale:** The project would make concession bidders aware of their rights and of normal procedures, and would make them better able to protest if officials tried to deviate from the law. Having the officials participate would both educate them and make it hard for them to change procedures arbitrarily.

### **Set up a concession website**

**Activity Type:** Procurement; Access to Information.

**Description:** Create a country-specific website with information on advertised and active forest concessions. Such a website should include information useful to potential bidders, so that more may participate, and information that will allow the public to judge whether particular concessions have been awarded fairly and whether the terms of the concession are being followed.

The project could build on the concession manual project. The entire concession manual could be available online. Besides this generic information, though, the website should provide current information on specific concessions.

**Similar Programs:** Corporación Latinoamericana para el Desarrollo, the Transparency International national chapter in Ecuador, has created a website dedicated to public procurement.<sup>30</sup> The site collects information on procurement published in newspapers around the country and presents them in a searchable database.

Some countries have government-sponsored websites that perform a similar function.

**Rationale:** This project aids both the potential bidder, who learns more about opportunities for bids, and the interested citizen, who can watch the progress of the concession process in a single instance or overall.

### Compile a forest law reference

**Activity Type:** Access to Information.

**Description:** Compile a forest law reference — an authoritative source book of forest-related laws in force — and keep it up-to-date. Make it available on paper and on the web. Translate it into local languages. Where laws are not published, or are out-of-date, point this out.

**Similar Programs:** As part of an effort to fight corruption in customs administration, Center for Regional Development/Transparency International Armenia compiled the customs laws and regulations in force in Armenia, Georgia, and Azerbaijan.<sup>31</sup> The other parts of the project included surveys of experience of businesses with customs and production of simplified educational materials on customs laws and procedures for businesses and customs officials.

**Rationale:** In some countries, no one has ever compiled all the statutes, rules, and official policies that apply to forest into a single source. In fact, in some countries the rules and policies are not publicly available at all. Worse, they may not exist in written form. Creating a source book can pressure the government to put its rules and policies in writing and to follow them consistently. Making the laws easily available can help educate people about their rights. (People may be paying “fees” that they believe are required by law but that are actually required by the presiding official and remain in his pocket.)

### Put together a landowner permit manual and workshop

**Activity Type:** Access to Information.

**Description:** Produce a permit manual and offer workshops for landowners on how to market their wood. The materials would describe the laws that apply to the process, the agencies that implement the laws, the fees involved, and the deadlines or typical

time necessary for the agency to process requests. The workshops should include the officials from the agencies as well as the landowners.

**Similar Programs:** The Lebanese Transparency Organization has prepared a permit manual for obtaining construction permits.<sup>32</sup> The Armenian customs project, described elsewhere in this paper, included production of a booklet on customs requirements and procedures.<sup>33</sup>

**Rationale:** This would be useful in areas where forest officers extort bribes from landowners. The manual or workshop would make landowners aware that they did not have to pay bribes and how to act if bribes were sought. It would also educate officials, who themselves may not be aware of all the rules. By having an open, public discussion of the proper procedures, the officials will find it more difficult to deviate from them later.

### Encourage forest certification

**Activity type:** Access to Information, Business Ethics

**Description:** Forest certification programs set standards for production of forest products and then certify whether products or producers meet those standards. By doing that, the programs assure consumers that forest managers followed good practices in producing forest products. The most prominent programs today focus on following environmental standards, but programs may also include social standards, such as worker safety or compliance with laws. Some programs are self-policed, while others rely on independent audits. Some programs certify the forest management program, while others include chain-of-custody tracking and certify the products produced. Some programs include transparency provisions, which allow interested citizens and groups access to information on past or planned forest management activities.

**Similar programs:** TI has not been involved in forest certification, however other NGOs and industry associations have. The Forest Stewardship Council has created a system favored by many environmental NGOs. It employs independent auditing and chain-of-custody tracking. Though it focuses on sustainable management, it includes some social principles. The Pan European Forest Certification

(PEFC) is another widely subscribed to scheme. And there are a number of national level initiatives such as that by the Ecolabelling Institute in Indonesia.<sup>34</sup>

**Rationale:** Many analysts of the forest sector see certification systems as an effective tool to fight large-scale illegal logging. In particular, systems with chain-of-custody tracking, transparency requirements for harvest planning, and independent auditing can help trace the origin of wood and make it difficult to hide theft. If information on certification follows the wood through the stream of commerce, informed consumers can have a positive influence on behavior in the forest. Also, when a company agrees to be certified, it embraces a code of conduct, which is similar in effect to adopting a corporate ethics pledge (see discussion of that tool, below in this paper).

Although these are desirable effects, existing certification systems are not necessarily cures for corruption problems. First, many systems are silent on corruption — they simply do not include an anti-corruption standard. Second, corruption is far more difficult for an auditor to detect than, say, unsustainable forest management or theft of timber. Third, the certification system may be vulnerable to corruption itself, through bribery of auditors. All this means that certification cannot absolutely guarantee that a product is untainted by corrupt practices.

On balance, however, including anti-corruption standards in certification systems should be worthwhile. Honest businesses should embrace the addition of anti-corruption standards to certification systems. And even without specific anti-corruption standards, the transparency provisions in some certification programs will make corrupt practices harder to hide.

### **Document government performance on forest-related tasks**

**Activity Type:** Public Institutions; Diagnostics.

**Description:** Gather, analyze, and publish data on government approval of routine forest-related activities. The activities would include land-related approvals, such as permission to harvest and transport logs, and trade-related approvals, such as permission to export or import forest products. The

data would include numbers of approvals or applications handled by each office of the responsible agency and average time for processing. Business surveys could collect information on how often bribes were solicited or paid. Ideally, the data would allow comparison of similar processes in different offices and jurisdictions, or for similar kinds of approvals outside the forest sector. Repeat annually to seek trends.

**Similar Programs:** The Armenian customs project mentioned above included a survey that gathered data on people's experiences with customs in Armenia and Georgia, including the length of time it took to clear customs, the and the kinds and amounts of bribes paid.<sup>35</sup> The national TI chapter in Bangladesh documented how long it takes the national Anti-Corruption Bureau to complete routine tasks.<sup>36</sup>

**Rationale:** If the data show a consistent pattern of corruption, or contrasts between tasks or agencies, they will help build the case for reform. If the data show long delays or large variation in the time it takes to process seemingly simple tasks, it would point to possible efforts to obtain facilitation payments.

### **Collect statistics on forest law enforcement**

**Activity Type:** Public Institutions; Diagnostics.

**Description:** Create a scorecard for forest law enforcement, compiling information on the numbers of arrests, prosecutions, convictions, and sentencing. Compare jurisdictions or point out patterns of failure to prosecute cases fully.

**Similar Programs:** A study of forest law enforcement in the Atlantic coastal forests of Brazil by Conservation International showed that the government was putting much emphasis on detecting illegal acts but not enough on prosecuting, and that few arrested people drew significant punishments.

**Rationale:** This project could bring public attention to the efforts of law enforcement to detect and suppress corruption and associated forest crimes. A pattern of failure to suppress crime could suggest underlying corruption of the enforcement apparatus.

## Train enforcers in forest-related skills

**Activity Type:** Public Institutions

**Description:** Offer training for law enforcement officials on technical issues related to forest corruption. For example, customs agents could be trained in recognizing species of wood to help detect mislabeled shipments. Finding a pattern of such shipments could suggest illegality and perhaps corruption in the harvest of the wood. Police could be trained in investigating accounts to detect signs of fraud or abuse of power. Prosecutors could be trained in gathering and presenting evidence of corruption. Judges could be trained to understand the scientific issues that may arise in these cases (for example, the importance of protection of natural areas) to help them both decide the case and arrive at appropriate punishments for the guilty.

**Similar Programs:** The Whistleblower Protection program in South Africa includes training on application of the whistleblower law.<sup>37</sup>

**Rationale:** Sometimes corruption goes undetected, unpunished, or under-punished for lack of knowledge. For example, the NGO Pacific Environmental has alleged that customs inspectors in Russia cannot prevent export of illegally cut Korean pine because they cannot recognize the wood when they see it. Judges have been known to give minor sentences for forest-related illegality, not understanding the degree of environmental harm that the illegal acts, facilitated by corruption, have caused.

## Document forest agency staffing and structure

**Activity Type:** Public Institutions.

**Description:** Create and publish a complete organogram or roster of forest agency personnel, with contact information for senior officials. The organogram would illustrate the organization of the agency, explaining the roles of the various branches. It would also reveal exactly how many people worked in each branch, and at what rank. Revise the roster regularly to keep it accurate.

**Similar Programs:** None found in the Toolkit, however “mapping” an agency is a common part of information gathering in preparation for institutional reform.

**Rationale:** This would serve two purposes. It would expose and discourage “ghosts” on the payroll. The organogram would illustrate excess staff levels and allow follow-up verification that all posts were actually filled by real employees. The product would also become a tool for reporters or citizen activists who wish to deal with the agency. It would help steer interested people to the proper official at the agency and help identify an official’s superior if a matter needed to be elevated within the agency.

## Produce a biographic directory of senior forest officials

**Activity Type:** Public Institutions.

**Description:** Maintain and publish career biographies of past and present senior forest officials. Include information about training and past positions. If possible, also include information about family members who have connections to government or the forest sector.

**Similar Programs:** None in the Toolkit.

**Rationale:** The directory would serve several purposes. First, it would be useful to citizens trying to approach their government. For example, by being able to identify which forest officers speak a particular local language or which have had training in social forestry, a citizen might be able to locate those officials most likely to be interested in particular regions or projects. Second, it would help citizens identify whether the best trained and qualified people tended to advance in the government. If this were not happening, it might suggest that other factors, including nepotism and cronyism, were influencing advancement. Third, it would help document revolving-door activity between government and the private sector.

## **Hold a series of agency/citizen workshops on corruption**

*Activity Type:* Public Institutions.

*Description:* Hold a series of forest-agency/citizen workshops on corruption. The workshops would discuss the extent of corruption in the forest sector and explore ways to combat it. People would meet with the understanding that the workshops would be forward-looking, not finger-pointing. They would seek solutions rather than cast blame.

*Similar Programs:* Transparencia Mexicana's citizen's manual for monitoring social programs grew out of workshops involving agency members, beneficiaries of agency programs, representatives of civil society, and others.<sup>38</sup>

*Rationale:* Properly designed, the workshops would offer a safe atmosphere to discuss a delicate subject. They would encourage contact and build trust between citizens and forest officials, and they could lead to further joint efforts to combat corruption.

## **Create a program to encourage forest whistleblowers**

*Activity Type:* Access to Information; Public Institutions.

*Description:* Provide a program to support whistleblowers among in the forest agency or other agencies that regulate forest commerce. If the country has a whistleblower protection law, the program could monitor its implementation and encourage the government to honor it. The program could offer confidential counseling to potential or actual whistleblowers. In cases where the government offers no protection to whistleblowers, it may be appropriate to offer to take anonymous complaints and have a mechanism for objective and discreet screening of these complaints to identify serious concerns.

*Similar Programs:* The Open Democracy Advice Centre of South Africa has a Whistleblower Protection program.<sup>39</sup> A central feature of this program is a whistleblower hotline, with advice offered to callers.

*Rationale:* Whistleblowers can effectively bring internal agency problems to light, but often at a high personal cost in terms of their future within the agency. A whistleblower support program would make agency employees feel safer about bringing problems to light.

## **Create an outlet for citizen complaints**

*Activity Type:* Public Institutions; Diagnostics.

*Description:* Provide a safe channel for taking and compiling complaints from citizens about forest-sector corruption. Assist citizens in pursuing their complaints using existing governmental channels. Besides helping with specific complaints, give out general information on how to discourage corrupt activity and how to participate in other TI projects. Produce a periodic public report on the complaints received, analyzing their nature and frequency. Compare the rate of complaint in various parts of the agency.

*Similar Programs:* TI Polska, in Poland, has a program that helps citizens pursue complaints within the government.<sup>40</sup>

*Rationale:* Citizens may avoid making complaints directly to the government because they fear reprisal, they expect complaints will be ignored, or they do not know how to register a complaint. A third-party program to handle complaints can overcome these obstacles. The program could gather aggregate data while assisting in individual complaints. The data would not have the statistical validity of a survey, and they would be subject to manipulation. However, they would produce some rough idea of the nature of citizen concerns. The program would also allow motivated citizens to vent their frustrations and make a connection to the local TI chapter.

## **Create a public stakeholder panel**

*Activity Type:* Public Institutions.

*Description:* Set up local stakeholder committees, made up of representatives of landowners, residents, small businesses, larger enterprises, NGOs, etc. to meet once a month, take citizen input on forest concerns, and report to the public on the functioning of

the forest agency. The Bolivian municipal monitoring committees may serve as a model.

**Similar Programs:** Bolivia set up municipal monitoring programs by law.<sup>41</sup> In the Bolivian system, various civil society organizations elect a representative to sit on a stakeholder committee to oversee municipal government. The law gives the committee specific oversight powers and duties. A similar mechanism could exist informally, organized by civil society.

**Rationale:** This program would institutionalize public participation. Even a transparent bureaucracy can get away with criminal acts if the public is not carefully watching the government. Watching the government takes time, interest, and expertise. This program ensures that a group of interested, capable people will maintain watch.

### **Hold a conference on professional responsibility**

**Activity Type:** Business Ethics.

**Description:** Hold a national or regional conference or workshop on professional responsibility and ethics for foresters.

**Similar Programs:** TI has been holding workshops on its Business Principles for Countering Bribery.<sup>42</sup>

**Rationale:** If TI or FIN drafts a model code of forester ethics (see project in the last section of this paper), conferences would be an effective way to disseminate the code and encourage its adoption.

### **Encourage officials to sign an ethics pledge**

**Activity Type:** Public Institutions.

**Description:** Start a take-the-pledge campaign. Ask senior forest-sector civil servants and ministers to sign a pledge that (1) they are acting in compliance with all civil service laws and regulations and (2) that they will follow a voluntary honor or ethics code. Design the campaign with the help of a few high-ranking, reform-minded officials, who will be happy to sign, and then use peer pressure to spread participation.

**Similar Programs:** This idea is related to TI's Integrity Pact tool. The integrity pact focuses on public contracting, involves both sides of the transaction, and is third-party verified. The ethics pledge would be both broader — applying to the full range of official activities — and less elaborate — without third-party verification.

**Rationale:** This program provides a means for senior officials to communicate to staff the importance of honest administration and it provides a way to inform staff about proper and honorable behavior. It also may help to create an esprit de corps that will make the senior civil service more resistant to corruption.

### **Recognize outstanding public service**

**Activity Type:** Public Institutions, Awareness Raising.

**Description:** Award a “Medal of Merit.” Give annual private awards to public employees, government offices, or citizens who helped reduce corruption or eliminate waste, fraud, or abuse of authority in the forest sector. A public nominating process could raise the profile of the project. Creating a panel of prominent citizens to judge the nominees and select the winners would also give weight to the effort.

**Similar Programs:** None in the Toolkit.

**Rationale:** An awards program can be a relatively inexpensive way to raise the visibility of anti-corruption efforts. Few if any people will intentionally set out to win such an award. However, simply by existing, the award will send a message that the society values honesty. Also, an employee or group that wins the award will have a reputation to live up to.

### **Create a forest corruption risk map**

**Activity Type:** Awareness Raising, Diagnostics.

**Description:** Identify, measure, and grade the risks of corruption in the forest sector in particular parts of the country. Take the preliminary analysis and review it in workshops with government, business, and civil society participants. Produce a final report with maps or tables showing, for example, the level of pressure for corrupt activities, the local resistance

or openness to corruption, and the potential for ecological damage from corrupt activities.

**Similar Programs:** TI Costa Rica has implemented a mapping program for public procurement in roads and infrastructure and is now doing the same for the forest and land use sector.

**Rationale:** This tool directs public attention to variations in the level of corruption in the country, inviting discussion of the causes and cures of the problem. The process of reviewing the preliminary data in workshops serves to raise awareness while improving the quality and credibility of the risk map.

### **Produce a forest sector citizens report card (CRC)**

**Activity Type:** Awareness Raising, Diagnostics

**Description:** Survey citizens about the honesty, efficiency, and quality of government forest management services. The survey may also cover other government services to forested populations, such as health care or water supply, to allow comparison of the forest bureaucracy with sister agencies, and it may draw geographical distinctions to allow comparison of services among forest districts. The survey can also collect information on how citizens use government services, what services citizens value most, and what new services citizens want. Publish the results in a report card format.

**Similar Programs:** NGOs around the world have used CRCs to bring government successes and shortcomings to light.<sup>43</sup> For example, with World Bank funding the Public Affairs Foundation of Bangalore recently prepared a pilot citizen report card of forest, health, drinking water, education, and rural credit services in the state of Jharkhand, India. These kinds of efforts generally have not focused exclusively on corruption, but have looked at it in the broader context of evaluating its effects on the quality of public services delivery.<sup>44</sup>

**Rationale:** The report card can raise awareness of government shortcomings and point to models of success. By covering more than one service sector or district, it invites comparisons and creates a competitive atmosphere for improvement. By collecting data through random and confidential surveys, it

protects the identity of informants and encourages candid reporting of patterns of corruption.

## **TOOLS FOR USE ON THE INTERNATIONAL LEVEL**

### **Convene to exchange best practices**

**Activity Type:** Access to Information.

**Description:** Hold a multi-national anti-corruption-practices-in-the-forest-sector conference. Bring together TI national chapters, public officials, business leaders, and others to discuss best practices. (This may be more appropriate in a few years, after some of the other ideas have been tested.)

**Similar Programs:** The regional Forest Law Enforcement and Governance conferences in Southeast Asia and Africa have done this for illegal logging generally, and the forest-sector workshop at the last few International Anti-Corruption Conferences has done this globally for forest-sector corruption, but no one yet is doing this regionally with a focus on corruption in the forest sector.

**Rationale:** This will help to propagate ideas, generate enthusiasm, forge alliances, and promote action. Though the FIN knowledge center will provide some of these services, periodic face-to-face meetings will create social bonds and rededicate people to the effort in ways that Internet tools cannot.

### **Create a model professional ethics code for foresters**

**Activity Type:** Business Ethics; Awareness Raising.

**Description:** Working with an organization such as the International Society of Tropical Foresters, draft a model code of professional behavior for foresters in developing countries. The model code could either focus on corruption or it could be broader, dealing with other areas of social responsibility, such as environmental stewardship.

**Similar Programs:** Corporación Transparencia por Colombia has developed a program to promote business ethics in small to medium sized enterprises.<sup>45</sup> TI Secretariat has developed a set of Business Principles

for Countering Corruption.<sup>46</sup> The Society of American Foresters and the Association of Consulting Foresters<sup>47</sup> of America<sup>48</sup> are examples of professional forestry associations that require their members to follow an ethical code.

**Rationale:** Having a model code would encourage local foresters' organizations to adopt their own codes. The process of adopting a code makes the members of an organization more aware of the importance of honorable behavior within the profession. Future enforcement of the code can help maintain this awareness.

## NOTES

9. The current version is Lambsdorff (2002).
10. The current version is Galtung (2002).
11. Toolkit, pp. VII-14 to VII-23.
12. Toolkit, pp. VII-33 to VII-41.
13. Toolkit, pp. VII-42 to VII-46.
14. Toolkit, pp. VII-88 to VII-100.
15. The report is available online at <http://www.ti-bangladesh.org/ti-india/documents/corrInd.htm>.
16. TI Source Book 2000, p. 42.
17. Toolkit, pp. I-1 to I-6.
18. Toolkit, pp. I-33 to I-44.
19. Toolkit, pp. I-67 to I-70.
20. Toolkit, pp. I-71 to I-74.
21. Toolkit, p. I-52.
22. Toolkit, pp. I-45 to I-48.
23. Toolkit, pp. I-55 to I-59.
24. Toolkit, p. I-49.
25. Toolkit, pp. I-15 to I-19.
26. Toolkit, p. I-47.
27. Toolkit, p. I-52.
28. Toolkit, pp. IV-1 to IV-6.
29. Toolkit, pp. II-12 to II-19.
30. Toolkit, pp. II-1 to II-11.
31. Toolkit, pp. V-51 to V-69.
32. Toolkit, pp. IV-1 to IV-6.
33. Toolkit, p. V-51.
34. Atyi and Simula (2002).
35. Toolkit, p. V-60.
36. Toolkit, pp. VII-1 to VII-9.
37. Toolkit, pp. IV-40 to IV-47.
38. Toolkit, pp. V-40 to V-49.
39. Toolkit, pp. IV-40 to IV-45.
40. Toolkit, pp. IV-7 to IV-14.
41. Toolkit, pp. V-17 to V-25.
42. See the web page at [http://www.transparency.org/building\\_coalitions/private\\_sector/business\\_principles.html#ws](http://www.transparency.org/building_coalitions/private_sector/business_principles.html#ws)
43. <http://www.pacindia.org/>
44. Paul et al. (2004)
45. Toolkit, pp. VI-1 to VI-13.
46. [http://www.transparency.org/building\\_coalitions/private\\_sector/business\\_principles.html](http://www.transparency.org/building_coalitions/private_sector/business_principles.html)
47. <http://www.safnet.org/who/codeofethics.cfm>
48. <http://www.acf-foresters.com/acfcoe.cfm>





## CHAPTER THREE

# Key Questions

25

In the course of advancing the efforts of the Forest Integrity Network, and the effort against forest corruption generally, supporters have raised some critical questions:

- Can we address corruption on a sector-specific basis?
- Can we develop generic tools, or must we shape them to fit specific social and political contexts?
- Can we find synergies in our work, where the efforts of a civil society group such as TI might complement the efforts of government reformers, international donors, and others?

This chapter addresses these questions.

### **CAN REFORMERS ADDRESS CORRUPTION ON A SECTOR-SPECIFIC BASIS?**

The National Integrity System approach suggests that fighting corruption is a broad battle that we must fight on several fronts. Most of the key pillars of national integrity are not sector-specific. Can effective reforms even occur within a single sector?

The answer is a qualified “yes.” TI occasionally takes sector-specific approaches. The biennial International Anti-Corruption Conference, which TI initiated and continues to sponsor, has included

sector specific workshops. In fact, the last two International Anti-Corruption Conferences, to which TI functions as a secretariat, have included forest sector workshops.

TI has published or co-published conference reports on corruption in health services<sup>49</sup> and official arms trade.<sup>50</sup> It has put out several sector-specific working papers<sup>51</sup> including ones on the environment<sup>52</sup> and tropical forest resources.<sup>53</sup> However, being able to discuss problems within a sector differs from being able to solve problems within a sector.

Inherently, sector-specific reforms have limits. A forest sector project cannot fix enforcement problems if the courts are thoroughly corrupt. It cannot weed all corruption out of the legislature or magically turn a captive press corps into effective independent watchdogs. These are system-wide problems that need broad programs to address.

However, even in a society with system-wide problems, incremental improvement and sector-specific reforms can happen. For example, TI’s environment working paper discusses how environmental management systems applied to local government can help suppress corruption in public environmental services programs.<sup>54</sup>

In fact, incremental reforms are a practical long-term strategy for corruption reform. In the literature of TI or elsewhere, there are few examples of dramatic changes in the level of corruption in a society

unless accompanied by general revolutionary social or political change. In fact, the pace of change can be measured in years or even generations.

A case in point in the forest sector is that of the United States from the early nineteenth century to the early twentieth. In the last forty years of that time, the country went from a thoroughly corrupt public forest administration system to one that was reasonably honest.

### **Case Study: Addressing Corruption in the United States' Forest Sector in the 19th and 20th Centuries**

In the early nineteenth century, the administration of public resources was deplorable, with systemic flaws that prevented the government from policing itself. In the words of one scholar:

[A]dministration was weak, incompetent, and corrupt. Major scandals featured land frauds, frequently involving bribery of state legislators and theft of Native American lands. More than 90 cases involving land fraud reached the U.S. Supreme Court. The Court's reaction was consistently to refuse to order an examination of official wrongdoing no matter how compelling the evidence. In *Fletcher v. Peck* [a case decided in 1810], Chief Justice Marshall said it would be improper for the Court to inquire into bribery of the legislature; that it must assume the incorruptibility of every department of the government.<sup>55</sup>

In the mid-nineteenth century, the government adopted a policy to encourage settlement and development of lands in the western United States. Historians have called the resulting exploitation "the Great Barbeque."

[T]imber was effectively open for the taking, much as was the case with federal minerals and rangeland. ...

In addition to outright theft of timber, there was rampant abuse under the homesteading laws. The fraudulent schemes were so varied and colorful, no summary can do them justice ....<sup>54</sup>

Scandal helped propel the turnabout. Railroad owners took a shell corporation called Credit Mobilier of America and awarded it lucrative contracts to construct new tracks. The owners allowed the construction company to overcharge the railroad, making fabulous profits, and passed stock in Credit Mobilier to members of Congress and the Vice President to assure the railroad favorable treatment, including western land grants contingent on construction of more tracks.

The scandal became public during the administration of President Ulysses S. Grant. When Rutherford Hayes succeeded Grant in 1877, he appointed a reform-minded man named Carl Schurz as Secretary of the Interior with responsibilities for the public lands.

Schurz supported not only better conservation practices but also civil service reform. Still, he fought an uphill battle. When Hayes declined to run for a second term as president after four years, Schurz wrote to the new president:

The Interior Department is the most dangerous branch of the public service. It is more exposed to corrupt influences and more subject to untoward accidents than any other.<sup>57</sup>

Out of office, Schurz continued to crusade for civil service reform. In 1883, a new civil service law reduced the number of political appointments and began a trend towards applying standards of merit in the hiring and promotion of federal civil servants.

In 1884, the Republican Party nominated James Blaine for president, a man tainted by the Credit Mobilier scandal years before. Schurz, himself a Republican, revolted and split the party, allowing the Democrat Grover Cleveland to win the election. Cleveland, who served from 1885 to 1889 and again from 1893 to 1897, was instrumental in reforming public land laws and creating forest reserves.

The cleaning up the administration of the public forests took a great leap during the presidency of Theodore Roosevelt, from 1901 to 1909. Roosevelt had first made his political reputation fighting corruption as police commissioner of New York City. He went on to become governor of New York State, Vice President, and President.

Besides having a reputation as a corruption fighter, he was known as an outdoorsman, and one

of his close advisors was Gifford Pinchot, a forester in the federal Department of Agriculture. Pinchot had a low opinion of the Interior Department, writing in his autobiography:

The Administration of the public-land laws by the General Land Office of the Interior Department is one of the great scandals of American history. At a time when, in the West, the penalty for stealing a horse was death—death without benefit of law—stealing the public land in open defiance of law was generally regarded with tolerance or even with open approval. ...

When I was appointed to the Division of Forestry [in the Agriculture Department] in 1898, the Forest Reserves ... were still in the Department of the Interior. To get charge of them [became] my chief object in life.<sup>58</sup>

In 1905, after a great deal of political spadework, with Roosevelt's help and the Congress's approval, Pinchot succeeded. He then set about creating a new, corruption-resistant bureaucracy to manage the lands. He had been thinking about the problem for some time. In the early 1890s, Pinchot had corresponded with the respected German forester Dietrich Brandis. How to keep forest officers free of corruption?

This problem required special handling, Brandis offered, due to the dispersed nature of a forest service, spread out and isolated over a vast terrain. It required creation of "a Staff of Officers, animated by strong and delicate feelings of honor, [and] impelled and roused by enthusiastic zeal for the public good."<sup>59</sup>

Pinchot recruited idealistic young men to serve as foresters. He imbued them with an esprit de corps and a sense of duty that persisted in the US Forest Service long after political winds forced Pinchot out of the federal bureaucracy. The result was a marked change in the administration of the federal forest reserves.

This story of reform is too simple in a sense. First, Roosevelt and Pinchot did not clean up pub-

lic land administration completely or for all time. There would be scandals yet to come, including the Teapot Dome scandal over oil, which rocked President Harding's administration in the early 1920s. There would be further reforms and crusaders.

Second, there were far more players behind reform than the politicians and the bureaucrats. There were investigative reporters and editors, scientists and academics. Editorial cartoonists have an honored history of rousing public opinion against corruption in America. Ding Darling, a cartoonist in the first half of the twentieth century, was so effective in skewering the abuse and mismanagement of natural resources that a federal wildlife reserve is now named in his honor. Civic organizations such as the American Association for the Advancement of Science, the American Forestry Association, the Sierra Club, and the Society of American Foresters all played roles. Reform-minded legislators help change laws and institutions. In short, many other pillars of the National Integrity System were involved.

But the story has some valid lessons to teach. Sector reforms advance as a sum of general and special efforts. General civil service reforms, for example, fight cronyism and patronage across all of government, aiding forests as well. Special efforts in the area of forests, though, can score gains for forests that become models for other sectors. Local success demonstrates that corruption is not inevitable. It builds political will for wider reforms, and it sharpens the tools needed to carry out that reform.

Also, anti-corruption efforts do not have to focus purely on fighting corruption. Pinchot and Roosevelt sought to improve forest management in general. They found that they had to address corruption as part of the problem. Anti-corruption groups can find allies among those fighting for better use of natural resources or greater justice for forest-dependent communities.

Sector-specific efforts do have a place in what will be a long battle against corrupt use of forest resources. And in any case, there is no profit in waiting for system-wide reforms. Forests and forest-dependent communities are suffering injuries today that may never heal and losses that are impossible to compensate. Any incremental gains that local efforts win are worth the effort.

## CAN REFORMERS DEVELOP GENERIC FOREST-SECTOR ANTI-CORRUPTION TOOLS?

Can reformers develop generic tools, or must we shape them to fit specific social and political contexts? International development workers who try to import reforms based on successes in other societies often hear the refrain, “Yes, but you must understand the local context.” What works in one country may not work in another, depending on local knowledge, practices, values, and culture in general.

Nonetheless, the TI National Integrity System approach is based on some universal precepts, including that no society broadly approves of corruption and that transparency and accountability tend to discourage corruption. Many of the tools in the TI Toolkit grow out of these simple ideas.

The tools themselves are not universal approaches. The TI Toolkit describes each tool as it has been adopted in a particular situation in a particular country. No one advocates taking any tool and replicating exactly in another context. Each tool serves as a model to be adopted as needed to local conditions.

So, the answer is yes, reformers can develop generic forest-sector anti-corruption tools. The tools must be based on widely applicable principles and must be adapted to local use. Not every tool will serve in every situation, but with a variety of tools to choose from reformers should benefit from well-described generic options.

This report offers a first set of generic forest-sector anti-corruption tools for civil society groups. As reformers test the tools in varied contexts, there will be improved understanding about the relative merits of each and the best ways to adapt them. New tools will be identified, and perhaps some on the list will be discarded as impractical or ineffective. The package of tools offered here, like the tools in TI’s Toolkit, can evolve into a practical set of best practices for civil society to fight forest sector corruption.

## HOW DO THE EFFORTS OF A CIVIL SOCIETY GROUP FIT WITH THE EFFORTS OF OTHER REFORMERS?

The National Integrity System model suggests that effective reform efforts will involve improving many pillars of the system, as well as strengthening its foundations. Can the efforts of a civil society group be effective without direct help from other pillars? If civil society is to play a constructive role, how might the efforts of other pillars boost those of civil society?

First, many of the general tools offered in the TI Toolkit and in specific form in this paper aim to increase public awareness. In the National Integrity System model (recall Figure 8), strengthening public awareness strengthens all the pillars of national integrity. In that sense, many of these tools indirectly advance any other efforts taking place in pillars such as the legislature, the watchdog agencies, and the media.

Second, some of the tools are aimed at directly strengthening other pillars. For example, the “educate journalists” tool strengthens the media, and the “train enforcers” tool can strengthen executive and watchdog agencies.

Third, some of the tools increase the accountability of the other pillars. For example, documenting forest agency staffing and structure both checks abuses in staffing and makes the agency more transparent to the public. Implementation of integrity pacts strengthens accountability of the private sector.

Fourth, some of the tools provide substitutes for weak or missing pillars. For example, collecting statistics on forest law enforcement or documenting government performance on forest-related tasks are efforts that an auditor general might take on, but that a civil society organization can attempt if the auditor general is unwilling, uninterested, or absent entirely. Creating an outlet for public complaints is a task normally handled by an ombudsman, but a civil society group can help air complaints even if no ombudsman is present.

On the question of integrating the efforts of other pillars with those of civil society, there are many opportunities for synergy:

- The Legislature, through legal reform, oversight, and appropriations of funding, can:

- Increase the transparency of the forest-sector bureaucracy, making it easier for civil society groups to shed light on agency actions. Tools such as documenting government performance are easier to implement if the agency is transparent.
  - Establish forest auditors and ombudsmen, if they do not already exist. This will give civil society efforts additional avenues for influencing government behavior.
  - Fully fund anti-corruption efforts within the forest bureaucracy and allow government workers to take advantage of such things as civil society training and conferences.
  - Allocate funds directly to civil society groups to promote their participation in forest anti-corruption efforts.
  - Through legislative hearings, provide a forum to inform the public about civil society efforts.
- The Executive can:
- Release discretionary drafts of forest regulations and plans and invite civil society and the public in general to participate in rule-making and planning.
  - Open government forestry budgets and records to media, civil society, and the public in general.
  - Cooperate with civil society groups in disseminating information about forest contracts and concessions.
  - Take advantage of training and capacity building offered by civil society groups and others.
- The Judiciary can:
- Apply the laws concerning transparency and corruption firmly, evenhandedly, and fairly within the forest sector.
  - Protect the rights of forest whistleblowers and other reformers.
  - Take advantage of training and capacity building in forest-related areas.
- Auditors General, Ombudsmen, and Watchdog Agencies can:
- Follow up on forest sector complaints brought by civil society groups.
  - Participate in civil society workshops and training.
  - Be transparent themselves, so that civil society groups can fairly report on the effectiveness of their oversight.
- Public Service personnel can:
- Cooperate with civil society in adopting codes of ethics and professional responsibility for government foresters.
  - Take advantage of training and capacity building.
- Media can:
- Help increase the success of civil society public awareness campaigns by reporting on them.
  - Find common cause with civil society in pushing for greater transparency in public forest activities.
  - Use civil society resources to learn more about forest corruption, its impacts, and how to fight it.
- The Private Sector can:
- Participate with civil society in implementing forest integrity pacts.
  - Urge government to establish fair and open forest concession and contracting systems.
  - Take advantage of civil society information on forest concessions and contracting to make the process more competitive and open.
  - Use market power to reward good actors in the forest sector.
- International Actors can:
- Help fund civil society anti-corruption work in the forest sector.
  - Help with training and capacity building.
  - Make sure trade laws and treaties promote transparency and integrity in the forest sector.

## NOTES

49. Inter-American Development Bank (2002).
50. Transparency International (2001).
51. See list and links at [http://www.transparency.org/working\\_papers/index.html](http://www.transparency.org/working_papers/index.html).
52. Lippe (1999).
53. Hafner (1998).
54. Lippe (1999).
55. Futrell (1993), pp. 11–12.
56. Wilkinson (1992), pp. 120–21.
57. Futrell (1993), p. 20.
58. Pinchot (1947), pp. 243–244.
59. Miller (2001), p. 279.



## Concluding Observations

**F**orest sector corruption is a chronic problem that invites action from many actors on many levels. Civil society groups have the potential to play a highly constructive role. More than most other groups, they can raise public awareness and inspire other corruption fighters to take action.

Transparency International's dedication and approach to corruption fighting is unique. The efforts of TI chapters around the world, as reported in the TI Toolkit, offer project blueprints that civil society groups can readily adapt to the fight against forest corruption.

An unusually broad coalition of stakeholders has emerged in recent years to fight illegal logging.

In this effort, forest corruption is often given too little emphasis. The common tools available to fight timber theft and illegal trade, including increased enforcements, certification, and chain of custody tracking, cannot put an end to bribery, fraud, and the other forms of forest corruption. In fact, those tools are in constant danger of falling victim to corruption.

The TI approach is a constructive and perhaps necessary addition to the fight against illegal logging. In this fight, programs like the Forest Integrity Network have a role to play and deserve the forest community's support.







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