

Terms of Reference

CAMBODIA: Joint Forest Sector Review Mission of the WGNRM

1. Background

1. The Working Group on Natural Resource Management (WGNRM) is deeply concerned about recent developments in the forest sector¹ and the credibility of the forestry reform process in Cambodia. Problems surrounding public disclosure and transparency, the management planning process, forest crime monitoring, logging in land concessions, revenue collection irregularities, and other events and decisions have left the WGNRM unclear about the government's commitment to reform and the possibilities for effective donor support in the sector. This concern was voiced most recently at the Consultative Group meeting of 28 January 2003.

2. It is essential that concrete actions be taken expeditiously to address forest sector problems in a tangible manner. The WGNRM views public participation as a fundamental element of this process. The WGNRM advocates a stronger focus on decentralization, greater transparency and accountability, improved inter-agency coordination and communication, increased involvement of civil society in decision-making processes, improved capacity of state employees, and separation of the control and management functions concerning forest management in government agencies. The WGNRM calls for urgent attention to problems in five key areas of the forest sector:

- Community Participation in the Reform Process
- Sustainable Natural Resource Management Planning and Control
- Forest Revenue Management and Community Benefit
- Natural Resource Management Law Enforcement and Control
- Forest Land Conversion and Uncontrolled Development

3. Reaching consensus on ways forward requires a comprehensive assessment of the current situation in forestry and natural resource management; dialogue with all relevant line ministries and agencies of the Royal Government of Cambodia (RGC) on their policies and programmatic intentions for the forest sector; consultation with a range of external stakeholders and observers; and reassessment of the assistance currently being provided to key aspects of the sector.

4. Forest sector stakeholders share similar objectives of sustainable forest management, poverty reduction, and protection of ecologically important areas. To achieve these objectives, all stakeholders will need to work together in a constructive and transparent manner. With this in mind, the WGNRM in collaboration with the RGC is seeking to commission a Joint Forest Sector Review Mission in which all stakeholders are welcomed and encouraged to participate.

¹ In this document the term "forest sector" refers to all forests and forestlands regardless of their management regime and the institution mandated to manage them.

2. Objective

Appropriate approach among donors and NGOs in their support to the RGC management of the Forest Sector.

3. Outputs

1. A report that provides:
 - a. A description of the current situation including identifying the root causes of current problems in the forest sector,
 - b. A range of alternatives to better address sustainable use of Cambodia's forests,
 - c. The suggested structure, objectives and content of the National Forestry Management Plan to accord with Article 9 of the Forest Law,
 - d. A plan for immediate and longer-term action,
 - e. Proposals for donor interventions to support immediate and longer-term action
2. Independent Review of Concession Forest Management Plans (FMPs) and Environmental and Social Impact Assessments (ESIAs) that have been publicly disclosed and any final versions as notified by DFW
3. Administrative requirements of World Bank LIL Project are met

4. Tasks

Output 1 tasks:

- a. Analyze available information and data on national and local forest cover, land use and forest quality
- b. Analyze institutional and administrative relationships, roles and responsibilities, and processes
- c. Describe effects of government's forest policy and implementation on poverty reduction and sustainable forest management
- d. Describe effects of donor and NGO interventions on forest sector reforms and capacity building, including analysis of the effects of the World Bank's interventions on the forest sector reforms, in the context of the World Bank's Forest Policy and Operation Safeguards
- e. Evaluate the forest sector in regards to sustainable forest management, policy, livelihoods and poverty reduction, revenue, environmental protection, enforcement and protection, biodiversity conservation, forest products supply, and forest governance
- f. Formulate WGNRM input to the National Forest Management Plan to accord with Article 4 and Article 9 of Forest Law
- g. Produce a plan for immediate and longer-term action
- h. Outline proposals for possible donor interventions, including use of the LIL, if extended

- i. Propose short-, medium- and long-term time-bound milestones/benchmarks for monitoring forestry reform

Output 2 Tasks:

- a. Review the government's criteria and indicators for evaluating the FMPs and ESIA's, identify gaps and deficiencies and detail appropriate criteria for the plans and ESIA's based on internationally recommended standards
- b. Undertake a review of the publicly disclosed versions of the forest management plans and make recommendations for the cancellation of concessions
- c. For the FMPs and ESIA's retained after the initial review, conduct more in-depth study, including spot checks, field visits, over-flights, interviews with community representatives, concession managers and sub-contractors
- d. Undertake a further assessment, if necessary, of the final versions of the FMPs the Department of Forestry and Wildlife proposes to approve

Output 3 Tasks:

- a. Assess the prospects for continued relevance and constructive outputs from the LIL
- b. Review the findings of the government's mid-term LIL review
- c. If necessary, propose an immediate action plan for priority actions with benchmarks and milestones to make the LIL satisfactory by September 2003

6. These tasks should be addressed with due attention to: the impacts on the livelihoods, rights and participation of local communities; the conservation and sustainable management of Cambodia's forests; Cambodia's ecology and biodiversity; and the contribution of the sector to poverty reduction in Cambodia.

5. Scope of the Review Mission

7. The Mission is intended to provide a broad-based, holistic overview of the forest sector and forest management in Cambodia. Its aim is to assist a wide range of stakeholders, including the donor community, government agencies and NGOs, to re-adjust, re-focus and consolidate their efforts in improving the sector performance. The Mission will assess the overall status of the Cambodian forest sector and the progress made since the mid-nineties. In areas where progress is lacking the Mission will identify constraints, analyze root causes and explore possible ways forward and contribute to the National Forest Management Plan.

8. The Mission will consider the current status of the forest sector, including the functioning of the Cambodian concession system, community forestry, protected forest and protected area management, and other commitments and claims on forest resources. It will analyze and evaluate the available information on the extent, condition, diversity and use of the forest resource, the current legislative and law enforcement environment, analysis of the functioning of institutions involved in forest use, forest and overall governance, corruption and its impact on administrative structures.

9. The Mission will analyze positive and negative sector developments and develop recommendations on the basis of the following key elements:

Institutional frameworks and stakeholders

10. The Mission will analyze the government's institutional capacity for sustainable forest management. It will assess coordination arrangements within government including the Department of Forestry and Wildlife, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy and Finance, the Ministry of Environment, Ministry of Land, Urban Planning and Construction, Ministry of Industry, Mines and Energy, the Ministry of Justice, the Judiciary and other agencies. It will also identify and assess non-governmental constituencies (such as forest communities) which have or could have the potential to significantly contribute to improved forest resource management.

Technical baseline data

11. Members of the Mission will review available information and data on national and local forest cover, land use and forest quality. They will review the support provided by donor agencies to resource data collection and analysis, including verification inventories and forest type mapping. They will evaluate existing and alternative proposals for national forest mapping, resource valuation and landscape planning. The Mission will prepare a list of activities required to complete technical baseline data in order to enable sound forest management decisions.

Governance and legal framework

12. The Mission will examine the legal framework of forest management in Cambodia, including the role of the judiciary in processing forest crime cases, and identify key constraints against its implementation including the effects of involvement by officials and security forces in forest crime and forest protection. Team members will assess the role of donor initiatives on forest governance issues and will explore strategies to strengthen the socio-economic benefits of forest utilization. The Mission will develop a comprehensive strategy to reduce corruption and to increase accountability in the sector.

Forest value assessment

13. The Mission will analyze different forest management models and their feasibility in the Cambodian environment. Team members will conduct a value assessment of current and proposed forest utilization schemes and identify future areas of support from a poverty alleviation and benefit sharing perspective.

14. The Mission will review SFMP and ESIA on the basis of internationally recommended standards and requirements. The Mission will provide comments on plans and will advise the WGNRM on next steps with respect to plan review and disposition.

Forest ecology

15. The Mission will identify biodiversity and landscape conservation considerations to be incorporated in future forest management and exploitations schemes. Team members will also prepare a list of priority actions for research and conservation.

Ongoing and past projects

16. The Mission will review current and past projects financed by donors and NGOs, giving particular attention to the specific projects identified below.

Forest Crime Monitoring and Reporting Project

17. The Mission will analyze the lessons learned from the *Forest Crime Monitoring and Reporting Project* and the independent monitoring initiative and will explore the feasibility, potential structure and the outline of a national forest protection program

Forest Concession Management and Control Pilot Project

18. The *Forest Concession Management and Control Pilot Project* is one of the largest development assistance projects in the forestry sector and will be a special focus of the Mission. The project aimed to assist the Cambodian Department of Forestry and Wildlife (DFW) develop and strengthen its approach to and capacity to administer the system of industrial forest concessions. It consists of components addressing concession planning, operational control, and forest law enforcement and should address, inter alia, technical, logistic, administrative, policy, social and environmental aspects of the concession system. Together with other reforms, the project was designed to help put in place in appropriate forest areas a regulatory system that promotes sustainable management of forest resources capable of supporting industrial exploitation without undue environmental or social harm. The three year project was expected to contribute to strengthening of a problematic governance framework and to reduce opportunities for corruption.

19. The Mission will assess the rationale and appropriateness of the project concept, design and structural framework, the implementation of the project, recommend revisions to the project program, structure and design and propose additional activities, initiatives or other changes in line with overall objectives for the sector. The Mission will form a view on whether, and to what extent, the assumptions behind project, as well as the general forest sector, have provided and continue to provide a basis for contributing to overall forest sector development.

20. For this purpose, the Mission will consult with a range of stakeholders and interested observers, including forest industry, donors, NGOs, communities and community representatives, and advisers to other projects.

6. Methodology and Reporting

Consultation with Stakeholders

21. The Mission will seek out the views of the widest possible range of stakeholders on forest developments in Cambodia and conduct primary research as necessary, on forest concession management and alternative institutional arrangements for forest management within and outside government structures, on project design and performance, and on opportunities for adjusting existing project designs. Key stakeholders include forest industry and concessionaires, environmental and community-oriented NGOs, academia and development research groups and donor agencies. The Mission will explore the level of capacity and competence of the existing timber industry in implementing concepts of sustainable forest management, the quality and impact of ongoing civil society involvement in forest management, relations among NGOs, between NGOs and government and donors. The Mission will put special focus on the relation between government institutions and local forest-dependent communities.

Reporting of Findings and Recommendations

22. The Mission will report to the WGNRM. The Mission will prepare a comprehensive report detailing its findings and discussions. This report should provide detailed guidance on Mission recommendations for the National Forest Management Plan and proposed donor agency involvement.

23. The Mission will summarize its findings in a briefing paper to be discussed with senior officials of the RGC (including the National Committee to Prepare and Implement Forest Policy) and members of the WGNRM. Based on its work, as described above, the report should provide an overall assessment of the forestry sector, government policy and development assistance priorities for forestry.

24. The Mission will also propose a detailed Action Plan that specifies priority actions and near- and long-term results needed. These should be tailored to provide a definitive indication of the readiness of the government to make progress sufficient to justify continued support to the forest sector.

25. All reports presented by the team will be made available to the general public in English and Khmer.

6. Composition of the Review Mission

26. The Mission team will represent the stakeholders in a capacity as full members and/or resource members. Full members are being endorsed by the WGNRM as the primary group conducting the Review, while Resource members, e.g. state agency representatives, are attached to the Mission in order to provide specific expertise and on-going input.

27. A Mission Leader will be appointed for the duration of the review and will have responsibility for coordinating the Mission's work, consultations with government and other stakeholders, and lead the preparation of the Mission's reporting. The Mission Leader will arrive in Cambodia in advance of other team members to prepare a detailed work plan for the overall working period (planned for 6 months). The work plan will further identify, specify, and set priorities among key activities and tasks based on the TOR, consultations, and draft inputs to the work plan developed by key stakeholders. In addition, the work plan will include a detailed schedule, comprehensive TOR for other team members, and specification of inputs from Resource members as provided by the WGNRM/RGC.

28. *Forest Policy/Governance/Institutional Specialist(s)* will join the Mission to help address sector-wide policy issues. They will review administrative and institutional arrangements in the forestry sector including those related to environmental assessment, land allocation, community consultation, forest revenue systems, fiscal issues, and other issues. The Mission will identify key opportunities and constraints for sustainable forest management in Cambodia and will develop a set of guidelines and standards for future sector support by donor agencies in order to improve sound governance.

29. *Community Forestry Specialist(s)*, together with the *Rural Livelihoods Specialist(s)*, will have responsibility for reviewing the livelihood aspects and impacts of forest exploitation in Cambodia, including the social implications of the current concession systems and the proposed annual coupe system. They will review the effect of World Bank, other donor and NGO interventions on forest-dependent communities and indigenous people. They will review existing RGC guidelines covering social responsibility considerations in forest concession planning and operations; assess the quality of social assessment work in the received forest management plans and ESIA submissions; evaluate the DFW approach to community consultations. They will also explore opportunities for contributing to the development of community forestry in Cambodia, including refinements to the draft Sub-Decree on Community Forestry, an action plan for its implementation, and possible reallocation of credit proceeds to support of community forestry.

30. *Forest Management Specialist(s)* will be responsible for reviewing aspects related to the sustainability of existing and proposed forest management schemes, including the concession systems and the proposed annual coupe system. The team will review the planning framework as interpreted by the DFW, paying particular attention to the adequacy of medium term/compartments planning. They will assess the standards for timber harvesting plan review and approval and the procedures being implemented for verification inventories, forest typing, estimation of operable area and Annual Allowable Cut calculation. They will review the organization of the plan review process, including the sequencing and timing of desk and field reviews; the quality of interaction between the DFW and concessionaires, and DFW and other stakeholders (e.g. local communities); and the quality of DFW supervision of field work, including inventories and consultations and control of harvesting operations. They will assess the Principles, Criteria and Indicators developed for the plan review and will propose a set of

internationally recognized standards, applicable to all timber harvesting operations. They will review the appropriateness of procedures envisioned for ongoing compliance monitoring subsequent to plan approval. They will assess the breadth of technical assistance being financed by the *Concession Management and Control Pilot Project* and will review the adequacy and fulfillment of terms of reference by project technical advisers.

31. *Forest Ecology/Biodiversity Specialist(s)* will review the environmental impacts of the current exploitation of forest resources and the alternatives being considered. Analyze existing data on Cambodia's forest ecology, distribution, composition and its biodiversity value in the regional/global context. Special focus will be put on identifying key forest ecosystems, short and medium-term threats and management/planning options from a forest landscape perspective. The Mission will assess the representation of different forest ecosystems in the national protected area systems under MoE and MAFF, including their disturbance status and biodiversity values. The Mission will identify gaps in the existing data pertaining forest biodiversity and identify priority areas for research. The specialist will contribute to the review of the forest management plans in regards to the identification and management of high conservation value forests and biodiversity in general.

32. *Natural Resource Legal and Law Enforcement Specialist(s)* will review the government's efforts in combating forest crimes, under the Forest Crime Monitoring and Reporting Project (FCMRP) and otherwise. The Mission will explore the structural and institutional constraints and opportunities to develop a multi stakeholder national forest protection program. This initiative will be a follow-up on the recommendations of the joint UNDP, FAO, Royal Government of Cambodia evaluation report of the FCMRP and will incorporate the lessons learned from independent monitoring and other forest law enforcement activities and concepts. In particular, the Mission will explore the potential of civil society stakeholders to participate in the reduction of forest crimes in Cambodia. The Mission will also examine the issues surrounding justice administration and forest crimes.

33. The Mission will evaluate the models for forest law enforcement and compliance monitoring developed by DFW in cooperation with various partners.

34. *Natural Resource Economist(s)*: examine the economic viability of timber and land concession areas, the current fiscal arrangements and comparative benefit distribution under various management scenarios. Special consideration should be given to the potential benefits of supporting community and medium-scale forestry enterprises.

7. Implementation and Management

35. The Mission will be organized by the WGNRM. It will maintain an on-going dialogue with the Resource members and the WGNRM.

36. The team will organize roundtable discussions and convene public workshops and have individual discussions with government officials, specialists on forestry and natural resource management issues in Cambodia. The team will consult with forest industry, nongovernmental organizations and will be available for contacts with the general public. The team will undertake travel within Cambodia as necessary. It will visit concessions to inspect forest conditions, previous operations and to consult affected communities.

37. The review is scheduled for approximately six months.