

2.39 Corruption in the forest sector

ACKNOWLEDGING that good governance, transparency, democratic processes, and human rights are fundamental components of the *Rio Declaration on Environment and Development*, which can be significantly undermined by corrupt practices;

RECOGNIZING that corrupt acts in the forest sector in some parts of the world have profound negative economic, ecological, and social impacts and act as a direct impediment to achieving sustainable forest management, poverty alleviation, and sustainable development;

NOTING that the failure to recognize and analyze the influence of corruption in the forest sector is a significant factor in many forest sector planning failures, including those financed by multilateral and bilateral institutions;

CONCERNED that corruption in the forest sector reduces the likelihood of good forest management and can have long-term negative environmental impacts on forests and biodiversity;

AWARE that corrupt forestry activity can have adverse impacts on forest communities and can lead to conflicts;

NOTING that corruption can lead to rapid and unsustainable practices and that countries associated with long-term forest sector corruption have ultimately seen declines in their domestic industries, as the quantity and quality of the forest estate declines;

FURTHER NOTING that corruption erodes public trust in the government and reduces forest-based revenues;

RECOGNIZING that the Organization for Economic Cooperation and Development (OECD) *1997 Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*, that came into force in February 1999, lends added weight to the need to address corruption;

ACKNOWLEDGING that corruption contributes to unsustainable logging practices, which threaten many of the world's forests; and

RECALLING Recommendations 1.21 *Forest Concessions*, 1.22 *Voluntary Independent Certification of Forest Management and Marketing Claims* and 1.62 *Illegal International Trade in Forest Products*, which were adopted by the 1st Session of the World Conservation Congress;

The World Conservation Congress at its 2nd Session in Amman, Jordan, 4–11 October 2000:

1. REQUESTS the Director General to conduct, together with interested IUCN members, an analysis of forest sector corruption that focuses on regions where corruption poses a significant impediment to achieving sustainable forest management, where the analysis includes:

- (a) a review of policy options to help eliminate corrupt practices, including an analysis of the types, actors, causes, locations, and scale of corruption, in regions where corruption poses a significant impediment to achieving sustainable forest management;
 - (b) case studies of policies implemented to help eliminate forest sector corruption, e.g. requiring performance bonds from companies to which logging rights are issued, which can then be confiscated if the company does not comply with all applicable laws and contracts; and
 - (c) an annotated directory of national, regional, and international organizations and instruments involved in the elimination of forest sector corruption through good governance;
2. CALLS ON the Director General to:
- (a) collaborate with the secretariats of relevant national, regional, and international organizations and instruments with a view to enhancing cooperation and coordination in achieving the goal of eliminating forest sector corruption; and
 - (b) report to the IUCN Council in 2002 on the actions requested above;
3. URGES States, in collaboration with appropriate stakeholders, in particular civil society, States, and corporations, to perfect codes of conduct that would contribute to sustainable forest management.

The delegation of the United States made a formal Statement for the Record, indicating, inter alia, that the delegation welcomed IUCN work to address illegal activities in the forest sector and noting that IUCN's niche would be clearer following an upcoming World Bank conference relevant to the issue. The Statement, which is reproduced in full in the Congress Proceedings also outlined a number of initiatives undertaken by the US.