The forestry sector in Honduras: the legal barriers

Filippo Del Gatto, Adrian Wells, Michael Richards, Ibis Coindres and Arnoldo Contreras-Hermosilla

Conclusions

- In the Honduran forestry sector there are important barriers to legality, that end up promoting and sustaining illegal activity. These include both obstacles that make compliance difficult or impossible as well as inducements that encourage illegality.
- The most serious obstacles are those involving (i) the confusion and uncertainty surrounding land tenure; (ii) 'faults' in the legislative framework itself; (iii) the weakness of the institutions concerned; (iv) a shortage of information; and (v) economic disincentives.
- Among the incentives to illegal activities are (i) the low risks associated with forest crime (low probability of detection and effective sanction); (ii) corruption in public institutions; and (iii) the situation on the ground in remote forest areas, where there is little central control and a whole web of closely interconnected illegal activities.
- If a way could be found to deal with these issues it would constitute a great leap forward in *preventing* the misuse of forest resources. This is a major challenge facing the entire sector. The present climate of forestry-sector reform provides an excellent opportunity to attempt to overcome these barriers.

Introduction

In Honduras, some 75-85% of broadleaf timber and 30-50% of coniferous timber is produced (or, on a smaller scale, imported) illegally at any one time without authorization, outside state control, and without any taxes being paid on it. That is not all. Even those operations that are legally authorized (with taxes paid and official records kept) are often little more than a cover for a whole host of illegal activities, committed both in the forest and during transportation and processing. Some of these illegal operations are the result of careful planning (so-called 'timber laundering') while others arise from the sheer difficulty of complying with all the legal requirements (especially the high official and hidden costs of negotiating one's way through endless and complex bureaucratic red tape).

Any action undertaken to reduce this illegality must address its underlying causes. These are many, but for the purposes of this briefing note they can be divided into two kinds:

- (i) the obstacles that stand in the way of compliance with the law, and
- (ii) the inducements that stimulate and

provide incentives for illegal activities. Obstacles are defined for this purpose as barriers that stricto sensu obstruct legitimate activity. They derive from a whole variety of factors (uncertainty about the legal situation, inconsistencies in the regulations, an excess of red tape, a shortage of reliable information, and so on). Taken together, they often make compliance with the regulations on timber production economically unviable and force people into illegal activity. At the same time, there are other factors that foster illegal activities by acting as incentives to exploitation and misuse. They include the low risk of detection and sanction, the trifling nature of the penalties imposed, the possibility to take advantage of a corrupt environment, the remoteness of many forest areas and the frequent absence there of any form of law enforcement. These are factors that can be seen as 'encouraging' illegal activity (or, at least, rendering it less risky).

This simple distinction can help identify the various policy measures that are needed to achieve greater compliance with the regulatory framework governing forestrysector activity. Attention must focus on measures to improve *prevention*, by eliminating these barriers to at least some degree, as well as on *detection* and *suppression* in order to deal with factors that encourage illegal activity.

The term 'barrier' is used in this paper to cover both obstacles to legal compliance and incentives to illegal activity. The purpose is to enhance our understanding of these barriers as a first step towards removing them.

Obstacles to legal Compliance

These barriers can be grouped into five general categories:

- (i) confusion and uncertainty surrounding land tenure;
- (ii) 'faults' in the legislative framework itself;(iii) the weakness of the institutions concerned;

(iv) a shortage of reliable information; and(v) economic factors (see Table 1).

Confusion and uncertainty surrounding land tenure

In Honduras, as in many other countries, de facto land tenure does not always coincide with the *de jure* situation. Often, land that is theoretically State-owned is in reality occupied by local peasants, communities, or landowners who claim rights to it (sometimes with a measure of justification, and sometimes not). So, when AFE-COHDEFOR gives approval to a management plan, auctions off a lot with standing timber, or issues a usufruct contract, those who are presently in occupation feel their rights are being denied. This generates conflict with those to whom the AFE-COHDEFOR decision apportions harvesting rights. Those threatened with displacement have a strong incentive to exploit the local forest resources as fast as possible (and, of course, illegally), before the newly licensed logging companies or community organizations

Factors	Problems	
Confusion and	The ownership and usufruct rights over land and forest resources often	
uncertainty surrounding	overlap, are disputed, or simply ignored. In such cases a tendency to behave	
land tenure	illegally is quite understandable.	
'Faults' in the legislative	The legal framework is 'unviable'. That is, the proliferation of regulations and	
framework	requirements is such that full compliance is impossible.	
	The legislation is confused and contradictory.	
	The law is seen as inappropriate and/or unfair (not justified).	
Institutional weakness	Shortage of staff and money.	
	Staff untrained and unmotivated.	
Shortage of information	Insufficient knowledge about forest resources (database) and, more	
	importantly, about how these evolve over time (monitoring).	
	Insufficient exchange of information within and between government	
	agencies, leading to decisions that often conflict.	
	Insufficient dissemination of information among the actual users of forest	
	resources.	
Economic factors	The costs of production are lower for illegal timber than for legal timber,	
	creating an unlevel playing field. This could be seen as a variation on the	
	problem of the economic unsustainability of compliance with the existing	
	legal framework.	

Table 1. Obstacles to legal compliance in the Honduras forestry sector

can begin doing so themselves. On the other hand, these companies and organizations have the same incentive to cut down as much of the forest as they can and to do so as quickly as they can, since the lack of control over the resources and the threat of violence clearly undermines any guarantee of ongoing access as well as the security of any investment in forest management.

Uncertainty and conflicts constitute powerful obstacles to proper forest management. A stable system of transparent rights to both land and forest cover is a necessary pre-condition (although clearly not a sufficient one) for promoting the needed investments in sustainable forest management.

'Faults' in the legislative framework

When any framework of legislation is applied only to the slightest degree, it is not unreasonable to conclude that there are 'faults' in the way that framework has been designed and implemented. It is frequently the case that the legislative framework is 'unviable' in the sense discussed earlier. That is, the legal requirements are so complex that even those disposed to comply with the law find the costs of doing so unsustainable and/or unreasonable.

As legal requirements proliferate, so, too, does the custom of demanding and paying backhanders, contributing to the formation of a confusing and frequently damaging bureaucratic 'jungle' (see Boxes 1 and 2).

Transaction costs are directly related to the time it takes to complete each stage of the bureaucratic process. It can, for example, take more than two years to get approval for a management plan. The costs involved damage both timber entrepreneurs and community organizations. However, it is the latter who are most affected because they are further away from the towns and cities where decisions are taken (implying greater costs in transport and lodging in order to secure permits etc.) and also because of the attitude of many government officials, who not infrequently give priority to projects involving those with influence at the expense of those proposed on behalf of more marginalized groups (and the consequent delays mean more investment of time).

The problem of management plans deserves a separate mention of its own. They are without a shadow of a doubt a fundamental feature of any properly functioning forest management initiative. Beyond that, they are extremely effective in the fight against illegal logging, since they furnish basic data and include intervention measures than can be used at a later date to verify what has actually been taking place out in the forest.¹ None the less, insisting that communities with few, if any, financial resources and none of the necessary technical know-how submit complex management plans, is a demand that is very difficult for them to comply with and can have grave implications (see Box 3).

Institutional weakness

Here the word 'institution' denotes the whole gamut of state bodies responsible for overseeing the implementation of policy at every

Box 1. An unreasonable requirement

The COATLAHL co-operative was set up in 1977 and achieved legal recognition the following year. For more than twenty years, that legal recognition afforded protection, under currently still valid legislation, to all the groups affiliated to COATLAHL. Nonetheless, towards the end of the 1990s, each affiliated group was required to register as a separate *trading collective enterprise*, under the threat of losing their right to use and trade in forest resources. This is just one example of a totally unjustified legal requirement with the only effect to increase legal requirements (and relative costs) for the groups of this co-operative.

Box 2. Volume constraints in the allowable cut

In accordance with Article 10 of the Regulations attaching to *Clause VI (Forestry)* of the Agriculture Modernization Law, forest producer groups, acting under the umbrella of the Social Forestry System and managing land in public forest areas, may not avail themselves of the full 100 per cent of the annual allowable cut (AAC) envisaged in the forest management plan for their area. Instead, they are restricted to 200 cubic metres only per organization per year in the case of broadleaf forest and to 1000 cubic metres per organization per year in the case of conifers. The unused portion of the AAC then has to be auctioned off to the highest bidder.

A mere 200 cubic metres which is then divided among 20 or 30 members of a local producer group does not leave a sufficient profit margin for those members to justify their involvement in forest management. On top of which, there is clearly little or no incentive for them to protect the forest from timber theft or conversion for agricultural purposes, if they are themselves only entitled to a tiny portion (often less than 20 per cent) of the sustainable production of the forest in question. For several years, this new regulation was enforced only to a very limited degree, both because its possible negative impacts were plain to see and because few potential purchasers were interested in the auctions. Since 1998, however, attempts have been made to ensure that it is applied more rigorously (even though since then there has not been one single auction of broadleaf forest). The implications of this more rigorous application are extremely serious, as the very groups established under the Social Forestry System themselves recognize: (i) a loss of motivation and cohesion among the groups themselves; (ii) a drastic fall in their membership linked to many ex-members becoming involved in illegal extraction; (iii) growth in the influence and power wielded by local and outside intermediaries; and (iv) the impossibility for these groups to build up financial capital as well as a fall in household incomes.

level and for ensuring compliance with the legal framework. Budget shortfalls and inadequate staff training and motivation are major factors in reducing the operational capacity of these institutions, and they constitute a powerful obstacle to compliance. Frequently, a handful of experts can be in charge of tens of thousands of hectares of forest and quite unable to carry out on-site inspections because they are bogged down in paperwork. In such cases, their ability to provide technical assistance, negotiate their way through the bureaucratic minefield, and, most importantly, exercise some measure of supervision and control are extremely limited.

Institutional rivalries arise between some of the public bodies involved. In the Departments of Olancho and Colón, for example, there have been many legal disputes between AFE-COHDEFOR and the local municipal authorities. There is also distrust between the environment fiscal body (Fiscalía del Ambiente) and AFE-COHDEFOR. Although AFE-COHDEFOR is the government institution which has ultimate responsibility in all these matters, the problem of ensuring legal compliance is clearly bigger than any one institution. The environment fiscal body, municipalities, the National Agrarian Institute, the Central Bank, the customs service, as well as many other bodies all have a role to play in creating an environment in which it is possible to foster and encourage compliance.

Shortage of information

The impact of the barriers outlined above (land tenure, 'faults' in the legislative framework, and the weakness of institutions) is often exacerbated by a shortage of information. At the national level there are gaps in our knowledge of the present state of forest resources (resource census), especially when it comes to how those resources change and evolve over time (monitoring). These defects constitute a significant barrier to the implementation of legislative initiatives and hinder the identification of illegal activities.

Even the information to hand is not always shared or used appropriately. The flow of information between government

Box 3. Management plans? Yes, but what kind of management plans?

The law in Honduras requires a management plan, duly approved by AFE-COHDEFOR, for 'every felling activity or commercial use of the forest'. It also makes AFE-COHDEFOR the legal body responsible for drawing up and implementing management plans in national forests. But AFE-COHDEFOR does not have the staff or the financial resources to do this. It can come as no surprise that the same can be said of the communities entrusted, under the aegis of the Social Forestry System, with managing and exploiting a national forest, especially since there has been a tendency to demand quite complex and detailed plans. This situation has generally led to one of three scenarios: (i) a community draws up its management plan under the aegis of a project and, when the project comes to an end, drifts back into the same situation it was in before: that is, a mixture of dependence on intermediaries and illegal activity; (ii) not having access to any external help, a community fails in its bid to be admitted as part of the Social Forestry System and the local forest continues to be exploited in a thoroughly clandestine manner, usually on the orders of one or more intermediaries, until the supply of the most valuable timber is exhausted (this 'creaming off' frequently heralding the complete clearing of the forest); or (iii) the management plan is financed by a outside intermediary (against an undertaking to repay the cost in timber), which then uses the local organization and its management plan as a front to mask its own direct access to forest resources (the end result being similar to that in the first scenario once the project has come to an end). In the first and third scenarios, the intermediaries, who now have access to the forest resources but no legal responsibility for how they are managed and exploited, have every incentive to operate outside the law and to concentrate their efforts on the most profitable timber. The situation is not so different in the second scenario, save that the risks are greater because there is none of the protection provided by a recognized group with a management plan.

Box 4. Property rights in Sico-Paulaya

Over recent years the National Agrarian Institute (INA) has made strenuous efforts to assign property rights on state-owned land in the Sico-Paulaya Valley, both among newly-formed peasant enterprises set up by recent immigrants to the area and among the 'old' inhabitants. There is no doubt that this policy has contributed positively to a more equitable distribution of land in the valley. However, INA's policy has been to assign private titles over any state-owned land under the altitude of 200 metres above sea level. But under this altitude there are community forest management initiatives over national forests, thus INA's policy has worsened the already precarious situation surrounding forest management in the area and indirectly encouraged the rush to exploit mahogany resources unsustainably.

institutions is, for example, extremely sluggish. As a result, decisions often contradict each other (see Box 4). The problem here has less to do with information channels than it does with the institutional rivalry discussed earlier. But, whatever the cause, the results are the same: haphazard forest management and greater difficulty in tracking down illegal operations.

This problem not only arises between the various government institutions. It can also occur within a single institution: for example between officers out in the field and their colleagues back at headquarters. As a result, there is a need for more effective and flexible information exchange at all levels in such institutions. This would greatly facilitate the whole process of decision making and implementation, as well as monitoring and internal supervision.

The limited public transparency of many of the institutions involved constitutes another constraint on the system. Combined with the physical remoteness of many forests, it is easy to see why the public at large has only the vaguest idea of what is actually going on out in the forest and of the consequences of existing levels of exploitation. A better-informed public would be in a stronger position to put pressure on the relevant institutions to 'do something', not only about illegal exploitation of the forest but also about the corruption that is rife in the institutions themselves.

A further consideration is the degree to which information is made available to those actually working on the ground. Local people are often ignorant of the rights, responsibilities, and restrictions associated with forest production. The demarcation line between the core zone of a protected area and the multiple-use zone is often unclear. There can also be confusion about just what is and what is not permitted or prohibited in the multiple-use zone (as has happened, for example, in the River Plátano Biosphere). In such a situation, local people may, quite unknown to themselves, be taking part in illegal activity. The flip side of the coin is that certain individuals (usually acting on behalf of local bosses or outside intermediaries) deliberately exploit the confusion as a way of encouraging illegal logging.

Economic factors

Analyses of the trade in Big-leaf Mahogany (*Swietenia macrophylla*) suggest that the production and transport costs per cubic metre of illegal timber amount to roughly 75 per cent of the production

and transport costs for the same quantity of legal timber. It is reasonable to assume that a similar pattern applies to the trade in the great majority of other woods in Honduras, with costs in the illegal sector ranging between 60 and 80 per cent of those in the legal sector. The lower cost of production and the greater profit margin that can be made as a consequence constitute the basic economic motive for illegal logging. The fact that savings can be made allows traders to offer the end product at a price that undercuts that of legal timber.² On top of that, market saturation by illegal timber reduces demand for the raw material and pushes prices down as a result. Even if they wanted to, those operating on the right side of the law could not compete in a market distorted by illegal timber. The alternatives would seem to be either for them to offer their product for export (where the additional constraints in the form of quality and quantity standards and other requirements are difficult to satisfy) or to condone a reduction in the compliance standards imposed by the law (in other words, to allow the whole sector to slide into illegal activity).³ Such economic obstacles can also be regarded as variations on the theme we discussed earlier of the unsustainable costs of legal activity.

Incentives to illegal activity

In this section we shall summarize the factors that an act as 'catalysts' to illegal behaviour. They can be divided into three main groups: (i) a low level of risk; (ii) exposure to corruption; and (iii) the situation on the ground (see Table 2).

Low risk

It is a fair assumption that the greater the chance of making a profit and the lower the risk of getting caught and punished, the more likely it is that people will be willing to indulge in criminal activity. To put it another way, when the risks associated with illegal exploitation are minimal, there is clearly no reason to alter one's behaviour (even if the obstacles to compliance discussed in the previous section are reduced or even eliminated altogether). A key first step in this whole process must be the introduction of legal penalties commensurate with the crimes involved. A simple administrative fine imposed by the authorities on anyone found transporting illegal timber does not constitute a disincentive as there are rarely any legal consequences. A second key element consists of

Table 2. Incentives to illegal forestry-sector activity in Honduras

Incentive	Problem
Low risk	The law does not provide
	adequate sanctions.
	Limited facilities for detection and
	sanction.
Exposure to corruption	Too much discretionary power
	and monopoly, and too little
	accountability among civil
	servants.
	Lack of transparency and
	information.
Situation on the ground	Overlaps between the timber
	trade and other illegal
	commercial activities; social
	breakdown.

increasing the chances of arresting and punishing those involved – the ability, that is, to *detect* and *deal with* illegal activities of this kind. The responsibility for doing this clearly does not rest with AFE– COHDEFOR alone, but is shared by other institutions outside the forestry sector proper. The roles of the National Crime Prevention Force and the Ministry of the Environment are fundamental in this regard. The same goes for those institutions responsible for overseeing imports and exports. It is equally the case that, where the legal authorities are ineffective or open to corruption, the chances of forest crime being appropriately punished will be slim. Any factor which, in one way or another, reduces the capacity of the system to detect and punish malefactors becomes, in effect, a further incentive to illegal activity.

Exposure to corruption

Public institutions that are vulnerable to corruption are obviously less able to carry out their functions and protect the public interest. The likelihood that, thanks to corruption, the risks run by those involved in illegal logging will decrease constitutes a powerful incentive to break the law.⁴ Unfortunately, a number of factors conspire to make the forestry sector in Honduras particularly vulnerable to corruption: (i) the remoteness and huge size of the forested areas; (ii) the market value of forest resources and the huge profits associated with illegal exploitation; and (iii) the chronic shortage of staff and money suffered by the institutions involved.

Because of the remoteness of the forest areas, government officials visiting them for the purpose of finding out what is happening on the ground enjoy a wide measure of discretion (and have no one to monitor what they are doing) when it comes to certifying that commercial forestry operations are acting within the law. Staff shortages frequently lead to situations in which officials enjoy a virtual monopoly in respect of the duties they perform. The lack of supervision reduces the need for them to account for the decisions they take (to their bosses, to other public institutions, or to local community representatives). It is easy to see what the cumulative effect of these factors is when one considers the simple formula: C = D + M - A (corruption (C) equals discretion (D) plus monopoly (M) minus accountability (A)). In other words, corruption tends to flourish in direct proportion to the discretion of decision making enjoyed by public officials and to grow in proportion both to the degree to which those officials have a virtual monopoly when it

Box 5. Paying 'travel expenses'

In order for AFE-COHDEFOR to approve an application (for an inventory, an operating licence, a bill of lading, and so on) one of its technicians has to scrutinise the application. Yet AFE-COHDEFOR frequently finds itself without the resources to pay the travel expenses of the technician who has to carry out the on-site inspection. To ensure that their application does not get bogged down indefinitely, the 'owners' of the timber concerned (the local community, an intermediary, or an entrepreneur) often opt to pay such 'expenses' (which sometimes include other sweeteners). This creates opportunities for corruption or, at best, for bias, when it comes to assessing the volume of timber logged, the species involved or the exact part of the forest from which the timber is taken.

comes to decision making and to the absence of any requirement that they be accountable to others for what they decide. It is clear that the forestry sector is a particularly tricky one, in which civil servants are vulnerable to pressures and offers from vested interests (see Box 5). This weakness is exacerbated by the fact that inspections frequently take place in remote and dangerous areas and are carried out by officials who are often acting alone. In such circumstances, an official will find it extremely difficult to oppose local pressure groups and powerful local interests. A key issue is, then, how to introduce reforms to the monitoring system so that other interested groups in society have their say.

To minimize exposure to corruption it is necessary to clarify the nature and degree of the discretion enjoyed by officials,⁵ limit the number of situations in which they have a virtual monopoly when it comes to making decisions, and increase the extent to which civil servants are answerable to others (via internal checking procedures, monitoring both within and between institutions, and some measure of control by society at large).

Monopolies are not a problem confined to government officials. Illegal activity, as well as corruption itself, tends to thrive where political and economic power is concentrated in the hands of a few individuals. Such a concentration of power increases the risk that those with money and influence will come to control an entire

Box 6. Mahogany: Exploiting *dead wood* in the River Paulaya Valley

The two years 2000 and 2001 saw widespread forest exploitation in the Paulaya Valley, coinciding with an AFE-COHDEFOR policy initiative which issued licenses authorizing the exploitation of *dead wood*: that is, of trees that had fallen as a result of natural causes (such as Hurricane Mitch) or had been felled to facilitate a change of land-use to agriculture or animal husbandry. From a strictly legalistic point of view, then, this was not clandestine or illegal logging, but was for the most part based on licences issued by AFE-COHDEFOR. In all, 8,696 m³ of mahogany timber was released for commercial exploitation, 93 per cent of it being 'dead wood'. What actually happened, on the other hand, bore little resemblance to this official picture. Evidence suggests that around 80 per cent of the timber extracted came from other sources. In other words, the dead-wood licences that were issued just served as a cloak for trade in illegally logged timber. Not that anyone was surprised at that—it was common knowledge from the beginning. Right from the outset there was a steady stream of anecdotal evidence concerning what was actually taking place on the ground. None the less, the dead-wood policy remained in place for the full two years in the Paulaya Valley (until the start of a new political cycle after national elections brought in a new forestry administration). Why, when there was ample evidence of negative impacts, did no one do anything to change the policy? What went wrong? Were there private interests at play and was pressure applied through the distribution of 'favours' to ensure that the policy 'fig-leaf' was kept in place?

sector, often highjacking the public institution decision-making process and subverting it in their own favour (see Box 6).

This lack of transparency reflects the absence of a sense of responsibility towards others. Government bodies, for example, are under no obligation to make their decisions public, issue accounts of income and expenditure, list their priorities, or record their achievements. When information becomes the private preserve of a few, the chances of that information being corruptly used to further the private interests of those few rise accordingly. The problem exists even at community level, where familiarity with the bureaucratic procedures to be negotiated and the laws governing exploitation is concentrated in the hands of one or two local leaders, who often have links with outside intermediaries, while those lower down the ladder or outside the social structure altogether have no bargaining power.

The situation on the ground

The remote rural areas of the country, home to most of the most valuable forest resources, have in recent years witnessed a boom in the black economy driven by business activities which, while apparently unrelated (drugs, livestock rustling, illegal logging, the trade in wild animals, and other criminal activity), often overlap and are connected one to the next.

The negative impacts of such criminal behaviour are not limited to the cash they channel into unlawful activities in the forest. Above all else, they contribute to the growth of a climate of conduct, values, and attitudes which condones and even encourages criminal behaviour. In such a climate, respect for the law becomes simply an option which one can ignore when it is to one's advantage to do so.

Conclusions

We can sum up by saying that the forestry sector suffers from powerful barriers to legal compliance and that these are responsible for the creation of a climate in which illegal activities can and do flourish. Reducing these barriers would lend a great head of steam to efforts to prevent illegal exploitation of forest resources. To achieve this constitutes a core challenge to the sector as a whole. It is not an easy task, but there are some positive signs. Right now, three significant pieces of legislation are going through the process of drafting and approval: a new Forestry Law, the Citizen Participation Initiative, and the Public Information Act. In addition to these, the Administration Simplification Act was recently passed into law (in August 2002).

Now, therefore, is a good moment to try and solve, or at least attenuate the problem posed by the barriers we have been discussing. It cannot be overemphasised that to do this we need close collaboration between the legal authorities, government bodies, and the many other players in society as a whole (private enterprises, communities, NGOs, and so on).

Footnotes

1 For more on this problem, see the paper 'Strategies to reduce barriers to legality in the forest sector' (Contreras-Hermosilla and Global Witness, 2003), available on the site www.talailegal-centroamerica.org.

2 Note, however, that illegal timber is not always sold at a lower market price (even though production and transport costs are lower). In practice, the economic unsustainability of forest management and the consequent abandonment of such initatives means that little legal timber now arrives on the market. As a result, illegal timber is often the main and sometimes the only source of supply and there is no need to bring down the price.

3 Low profit margins naturally result in an effort to drive down costs and this often involves cutting out the costs incurred in complying with the legal framework, with a resulting increase in illegal activity. Higher profit margins might constitute an incentive to comply with the law, provided there are in place sufficiently effective systems of monitoring and control. Where there are not, higher profit margins might actually work in favour of illegal logging.

4 Note that corruption not only stimulates the growth of illegal activity but actually constitutes an obstacle to compliance. Once you have a climate of corruption, it becomes ever more awkward and expensive to act in accordance with the law. For example, there is plenty of anecdotal evidence to suggest that, in Honduras, even those operators who strive to remain on the right side of the law find themselves having to grease the occasional palm in order to ensure that their applications do not get hopelessly tied up in red tape.

5 It should be emphasized that the freedom to exercise their own judgement is one of the principal sources of motivation for civil servants. As suggested earlier, a lack of motivation can in itself consitute a barrier to compliance. Therefore, limiting the freedom to take decisions could have negative effects. This is why it is important to clarify and monitor the freedom to take decisions rather than seek to remove it altogether.

This *policy brief* was written by Filippo Del Gatto with help from Adrian Wells, Michael Richards, Ibis Colindres and Arnoldo Contreras-Hermosilla. It is based upon an assessment of unregulated logging in Honduras and Nicaragua financed by the UK Department for International Development (DFID), the World Bank, and the Canadian International Development Agency (CIDA). The study was carried out by the Honduran Broadleaf Forest Management Network (REMBLAH) under the auspices of the State Forestry Adminstration—Honduran Corporation for Forestry Development (AFE-COHDEFOR) and the Honduran Federation of Agroforestry Cooperatives (FEHCAFOR); coordinated by the UK Overseas Development Institute (ODI); and supported by the Technical Support Unit of the UN Food and Agriculture Organization (FAO). -•

۲

21/05/2004, 14:46

.

.