# EFI's Forest Governance Index –
## what it is, how it works

## Introduction

The Forest Governance Index (FGI) is an assessment and monitoring tool for capturing evidence in areas of governance applicable to the production, protection and conservation of forests. The evidence-based assessment supports the scoring of indicators that can help understand the forest governance situation and changes in a country on an annual or periodic basis, including at earlier points in time since the indicators are informed by evidence rather than perceptions.

The assessment specifically covers changes in areas that are addressed by forest-related policy processes. Most of the areas of governance and indicators respond equally to different forest-related policy processes. However, some areas, for example, participation, may vary greatly across policy processes.[1] A country assessment can therefore cover one or more policy processes. Which policy processes are assessed is decided at the start of a country assessment.

## Which governance aspects are measured?

The FGI currently allows to describe the governance situation and changes over time as seen in relation to **(1) five governance areas, (2) 15 governance features, (3) four areas of law, (4) selected policy processes and (5) four stakeholder groups**.

### Areas of governance

The **areas of governance** addressed by the FGI are:

    A.      Stakeholder participation
    B.      Legislative and institutional clarity
    C.      Accountability and oversight
    D.      Transparency
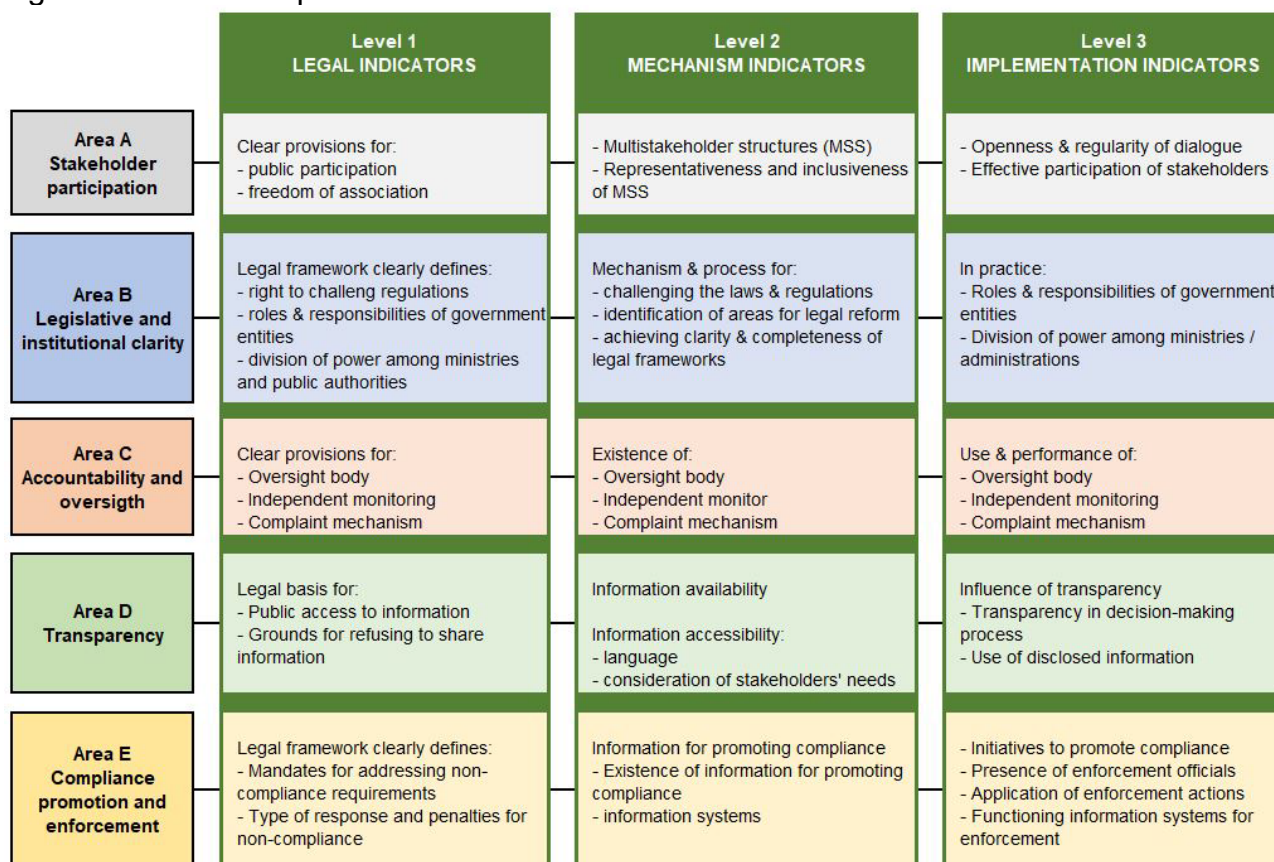    E.      Compliance promotion and enforcement

For each of these five areas, the FGI indicators are structured according to three levels to provide useful insights into the types of changes:

Level 1: Legal indicators, which seek to assess the existence of legal provisions within the national legal framework that promote good governance

Level 2: Mechanisms indicators, which seek to assess the existence of tools, mechanisms or processes to effectively implement the legal provisions

Level 3: Implementation indicators, which seek to assess the extent to which the tools, mechanisms or processes are effectively used and implemented

Figure 1. Schematic representation of the Forest Governance Index

| | Level 1 LEGAL INDICATORS | Level 2 MECHANISM INDICATORS | Level 3 IMPLEMENTATION INDICATORS |
|---|---|---|---|
| **Area A Stakeholder participation** | Clear provisions for: - public participation - freedom of association | - Multistakeholder structures (MSS) - Representativeness and inclusiveness of MSS | - Openness & regularity of dialogue - Effective participation of stakeholders |
| **Area B Legislative and institutional clarity** | Legal framework clearly defines: - right to challeng regulations - roles & responsibilities of government entities - division of power among ministries and public authorities | Mechanism & process for: - challenging the laws & regulations - identification of areas for legal reform - achieving clarity & completeness of legal frameworks | In practice: - Roles & responsibilities of government entities - Division of power among ministries / administrations |
| **Area C Accountability and oversigth** | Clear provisions for: - Oversight body - Independent monitoring - Complaint mechanism | Existence of: - Oversight body - Independent monitor - Complaint mechanism | Use & performance of: - Oversight body - Independent monitoring - Complaint mechanism |
| **Area D Transparency** | Legal basis for: - Public access to information - Grounds for refusing to share information | Information availability Information accessibility: - language - consideration of stakeholders' needs | Influence of transparency - Transparency in decision-making process - Use of disclosed information |
| **Area E Compliance promotion and enforcement** | Legal framework clearly defines: - Mandates for addressing non-compliance requirements - Type of response and penalties for non-compliance | Information for promoting compliance - Existence of information for promoting compliance - information systems | - Initiatives to promote compliance - Presence of enforcement officials - Application of enforcement actions - Functioning information systems for enforcement |

## Features within the governance areas

For each of the five governance areas, three **key features** serve to illustrate three aspects of governance:[2]

**Stakeholder participation**
- Foundations for participation
- Active representation
- Effective dialogue

**Legislative and institutional clarity**
- Process for reforms
- Quality of regulations
- Division of roles & power

**Accountability and oversight**
- Oversight function
- Independent monitoring
- Complaints mechanism

**Transparency**
- Foundations for public disclosure
- Availability & accessibility of information
- Information use & influence

**Compliance promotion and enforcement**
- Legal basis for compliance and enforcement
- Information and education for promoting compliance
- Prevention, detection of non-compliance and enforcement

## Disaggregating data on the basis of areas of law

A number of indicators provide for the collection of data on the following four **areas of law** related to the forest sector:

- Land-use planning as it relates to the forest sector
- Land allocation as it relates to the forest sector
- Forest use and management
- Activities impacting forests and forest lands

The indicators that provide for this relate to: (i) breadth and quality of participation in relation to the allocation and use of forests and forest land, (ii) division of roles and power, (iii) quality of regulations, (iv) legal basis for compliance and enforcement, and (v) prevention, detection of non-compliance and enforcement.

## Disaggregating data on the basis stakeholder groups

To better understand the engagement of different groups in a policy process, data is collected on the following four **stakeholder groups** for the area of governance on stakeholder participation and the indicator on the identification of areas for legal reform:

- Forest-dependent/indigenous peoples, smallholders/smallholder groups and community-based organisations
- Informal enterprises and/or their representative associations
- Civil society organisations
- Formal enterprises and/or their industry associations

The indicators concerned enable an analysis of the level and quality of participation for each of these groups, and hence the identification of areas of strength and weakness in stakeholder engagement in a policy process.

# How is FGI data assessed and validated?

The methodology for the assessment and validation process of EFI's Forest Governance Index data uses a standard 'questionnaire' but its application can be adjusted to the country context. This section covers the ideal and most common approaches.

## Desk review

In the **first** stage, EFI experts conduct the **initial assessment** by gathering the most relevant evidence for each indicator for each year assessed, to inform and support their scoring. Clear guidance and definitions are provided to ensure consistency in the assessment. The collected evidence should provide for the substantiation of the score rather than relying on experiences or experts' perceptions. Evidence may be in the form of verifiable sources such as reports, meeting minutes, legal documents, website links to information or tools from government or civil society, audio/visual recordings, or any other relevant sources. The more comprehensive the evidence, the better it can support the assessment score and help explain the context and evolution of forest governance over time in the executive summary report. Based on the evidence, a temporary score is assigned to each indicator. A scoring guide, which will later be rescaled to a maximum of five, is used for each indicator.

After the evidence is collected, EFI experts work with consultants to finalise any remaining data collection and to support the validation process. The aim of the data validation process is to minimise any potential bias introduced by the initial assessment carried out by EFI experts.

## Discussions with key stakeholders

The **second** stage of the work is to assess the veracity of the data with key stakeholders at national level. The process of **validating the data** starts with the selection (involving the consultant(s) together with key local government and non-government actors) of at least 15 country actors with relevant historic and contemporary knowledge, with a balance across different stakeholder groups, to participate in the validation process.[3]

The data validation is preferably done via face-to-face interviews but can be done virtually.[4] Participants may choose to draw on input from others in their own organisation/department. Whenever additional evidence is provided, the participants are asked to provide supplementary data as evidence to support their assessments. When needed, focused discussions are held with selected stakeholders – typically to solve cases where there is conflicting evidence or to reach an agreement on the scoring of a particular indicator.[5]

The consultant(s) and EFI experts cross-check the final scores to ensure that the evidence provided matches the assigned value chosen by country experts. If evidence and scoring do not match, the consultant(s) bring this to the attention of EFI experts for a readjusting of the score or the provision of supplementary evidence. Ultimately, scores are adjusted to reflect the supporting evidence.

## Analysis of the data

In the **third** stage, the collected data is analysed using a scoring guide, **assigning scores** to each indicator on a scale of one to five after rescaling. Mean scores are calculated for key features, areas of governance and levels of change – including the legal basis, implementing mechanisms, and extent of implementation. The score for each key feature is the average of the scores of its constituent indicators, and the score for each area of governance is the average of the scores of its constituent key features. Mean scores for levels of change are determined by averaging the scores of their respective indicators. No weighing is applied in the calculations.

To interpret the scores, predefined thresholds categorise the magnitude of change. Once validation is concluded, the scores are interpreted. To do so, predefined thresholds categorise the magnitude of change. Changes below 0.15 points are considered as 'no change', changes between 0.15 and 1 point as 'moderate', and those exceeding 1 point as 'substantial'.

# How to build a forest governance community of practice?

After collecting and validating EFI's FGI data, it is crucial to engage representatives of the relevant stakeholder groups and foster the establishment of a community of practice. This will ensure that the data gathered is used to support lesson learning and potentially to inform forest governance improvements. Through such dialogue, stakeholders can provide feedback on the data, share their perspectives on the findings, and better identify areas for improvement in forest governance.

The objective of such dialogue is to enhance stakeholders' understanding of the forest governance situation and their engagement in forest governance reform processes, ultimately improving the management and protection of forests. Engaging in a dialogue with relevant stakeholders is essential for ensuring that the data gathered through data collection is used to support positive change in forest governance, and that the lessons learnt are shared and applied across all stakeholder groups.

Building a community of practice of stakeholders to use forest governance data involves several key steps:

1. **Identifying and engaging representatives of key stakeholders** involved in forest and land-use governance reform processes, including government agencies, civil society organisations, local communities, Indigenous Peoples, and (formal and informal) private sector actors, who have an interest in better understanding the forest governance situation.

2. **Enhancing the understanding of the forest governance data** and ensuring that it is easily accessible and presented in a user-friendly format to facilitate stakeholder engagement. To that end, EFI works with local consultant(s) to produce summaries of the forest governance situation, identifying key trends, challenges, and opportunities for improving forest governance. This step involves the production of reports that present the findings in text and graphic forms, and the production of targeted outreach material such as slides and info briefs, to promote the uptake of the forest governance findings among relevant stakeholders.

3. **Facilitating the uptake and use of forest governance data**. EFI and/or local consultants work with identified representatives from different stakeholder groups to discuss the forest governance findings; identify opportunities to use the data/findings (the whole FGI data or a subset of it) in national processes, mechanisms and reporting; and facilitate the use of the findings to enhance forest and land use governance reform processes.

# How might FGI data be used?

Information on how forest governance has evolved over time, and what has triggered changes, could be used to support evidence-based decision making and improve forest governance. The FGI enables the assessment of a historic baseline and interim years up to the current time – this together with follow-up assessments on a periodic basis will identify where change happens and the forms that it takes. The information produced through such repeated use can serve a number of purposes, such as the following:

1. **Identifying governance gaps and weaknesses**: The FGI can help identify gaps and weaknesses in the legal foundations, mechanisms and their application in relation to stakeholder participation, institutional and legislative clarity, accountability and oversight, transparency, and compliance promotion and enforcement. By highlighting areas of weakness, indicators can inform policy makers and other stakeholders on where targeted interventions are needed to improve forest governance.

2. **Benchmarking performance and monitoring over time and across regions**: The FGI can be used to benchmark the performance of different regions or areas of law over time. This can help identify best practices and lessons learnt, as well as areas where improvement is needed. The use of standardised indicators facilitates comparative analysis and learning across different jurisdictions.

3. **Assessing the effectiveness of policies and interventions**: The FGI can be used to assess the effectiveness of specific policies and interventions aimed at improving forest governance. By tracking changes in indicators over time, it is possible to assess the contribution of interventions and identify areas where adjustments may be needed.

4. **Supporting stakeholder engagement and participation**: The FGI can be used to facilitate stakeholder engagement and participation in the forest sector and forest-related policy processes. Providing stakeholders with information on the state of forest governance can help foster dialogue and collaboration among different actors and facilitate the development of more inclusive and participatory forest governance processes, ultimately leading to better outcomes for both the forests and the communities that depend on them.

5. **Informing investment and resource allocation decisions**: The FGI can be used to inform investment and resource allocation decisions in the forest sector, whether by the state, private sector or development cooperation. Providing information on the state of forest governance can help investors and resource allocators identify areas where they can have the greatest impact, and ensure that their investments are aligned with sustainable forest management objectives.

6. **Communicating on governance progress and achievements:** The FGI can be used to communicate governance progress and achievements with global partners and stakeholders. For instance, a country could consider using these indicators as part of their reporting requirements for participation under REDD+ (Reducing Emissions from Deforestation and Forest Degradation in developing countries). By using this index, countries can provide evidence-based information on the state of their forest governance, facilitating dialogue and collaboration with global partners, and enhancing their ability to access international financing and support for sustainable forest management.

Overall, the FGI can serve as a powerful tool for improving forest governance and promoting better forest management practices. By providing an objective basis for assessment, the use of indicators can help foster transparency, accountability, and informed decision-making in the forest sector.

# End notes

[1] The FGI allows to capture the existence of multi-stakeholder structures enabling participation and/or how open is the administration is to the participation of other actors within the context of a given forest policy process.

[2] Foundations for participation
- A.1.a – Conducive policy and legal framework for stakeholder participation in VPA or FLEGT process
- A.2.a – Multistakeholder structures established with recognised role in the VPA or FLEGT process

Active representation
- A.2.b – Representativeness of multi-stakeholder structures engaged in the VPA or FLEGT process

Effective dialogue
- A.3.a – Dialogue between government entities and stakeholders on the VPA or FLEGT process
- A.3.b – Participation of stakeholders in VPA or FLEGT processes

Process for reforms
- B.1.a – Legal basis for raising concerns the laws and regulations
- B.2.d – Mechanism for raising concerns regarding the laws and regulations
- B.3.a – Identification by stakeholders of areas for legal reform
- B.3.d – Use of mechanisms for raising of concerns regarding the laws and regulations by non-state stakeholder groups

Quality of regulations
- B.2.a – Process for achieving clarity in laws and regulations
- B.2.b – Process of achieving completeness of the laws and regulations
- B.2.c – Consideration of specific mechanisms to promote regulatory efficiency

Division of roles & power
- B.1.b – Legal basis for the division of roles and powers among different ministries and across levels of administration
- B.3.b – Division of roles and powers among ministries established and followed
- B.3.c – Division of roles and powers across levels of administration established and followed

Oversight function
- C.1.a – Legal basis for oversight body
- C.2.a – An oversight body exists
- C.3.a – Effective functioning of an oversight body
- C.3.b – Reports of the oversight body

Independent monitoring
- C.1.b – Legal basis for independent monitoring
- C.2.b – Independent monitor
- C.3.c - Effective functioning of independent monitoring
- C.3.d - Independent monitors reports

Complaints mechanism
- C.1.c – Legal basis for complaint mechanism
- C.2.c — Complaint mechanism
- C.3.e – Use of complaint mechanism by non-state actors
- C.3.f – Resolving complaints

Foundations for public disclosure
- D.1.a – Legal basis for public disclosure
- D.1.b – Legal grounds for refusal

Availability & accessibility of information
- D.2.a – Information availability
- D.2.b – Information accessibility

Information use & influence
- D.3.a — Influence of information transparency
- D.3.b – Transparency in decision making
- D.3.c – Legal developments contribute to outreach on laws and regulations

Legal basis for compliance and enforcement

- E.1.a Clarity of mandates for addressing non-compliance with applicable legislation
- E.1.b Clarity of the type of response for addressing non-compliance with applicable legislation
- E.1.c Clarity of penalties for addressing non-compliance with applicable legislation

Information and education for promoting compliance

- E.2.a Existence of information for promoting compliance
- E.3.a Application of educational initiatives for promoting compliance
- E.3.b Application of educational initiatives for promoting future compliance after an offence

Prevention, detection of non-compliance and enforcement

- E.3.c Presence of enforcement officials for preventing non-compliance
- E.2.b Existence of information systems in support of detection and enforcement
- E.3.d Functioning of information systems in support of detection and enforcement
- E.3.e Application of enforcement actions for non-compliance with applicable legislation

[3] The aim is to strike a good balance across stakeholder groups, and to ensure that participants with both historic and contemporary knowledge are consulted. In addition to a 'preferred' list of roughly fifteen people, a 'back up' list of additional people to approach, if needed, is also compiled.

[4] During COVID restrictions, data validation was done virtually.

[5] When participants do not reach consensus on the scoring, disagreements are referenced in the evidence text. The consultant, in agreement with EFI experts, chose then the most appropriate scoring to the evidence provided. More conservative score generally chosen.

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