Conflict-Sensitive Business Practice: Guidance for Commercial Reforestation in Colombia (CSBP-R)

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International Alert.

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Prologue

Today, more than ever, the business sector is recognized as an influential actor in the sustainable development of the areas where they operate. Additionally, they increasingly reflect on and take action around the impacts that generate conflict situations in the development of their business activities and vice versa, on the effects that their operations may have in the prevention, mitigation or exacerbation of conflicts. Colombian businesses are interested and engaged in these dynamics. Besides having a compendium of experience and lessons to learn from, they are also willing to cooperate with governmental and non-governmental agencies, and with agencies of international cooperation to advance the development of schemes and instruments that allow them to carry out their intentions of contributing to the peaceful development of the nation.

This is the case of commercial reforestation companies with which the Environmental Programme of the GTZ has been in partnership. What was originally proposed as an activity aimed at facilitating a motivation for constructive dialogue around the topic of "Forestry Companies and Conflict" resulted in a project of greater scope, which culminates with the publication of this document and the eventual pilot implementation of a Public Private Partnership (PPP) initiative, spearheaded by one of the partner companies.

The "Conflict-Sensitive Business Practice (CSBP): Guidance for the Extractive Industries" Toolbox, drawn up by the British NGO International Alert, has been the basis for a variety of actions: in the first place, a validation for its applicability in the Forestry sector in Colombia (2005) and in the second place, the process of multi-sector consultation for its adaptation to commercial reforestation throughout the country (2006). The processes are based on essential elements for GTZ in its role as facilitator, with an emphasis on participation, transparency and relationships of confidence. Considering this, and with an approach to a topic that remains "sensitive" in Colombia, the Environmental Programme hoped that the companies would define the scope and rhythm of the joint effort.

From the point of view of German Technical Cooperation, the CSBP-R guide is the offspring that leaves home to walk its own path, without implying that our organization is unavailable to interested actors, to support them in their efforts to influence and build capacities in the remaining steps. The companies are the legitimate owners of this document and they will be the ones who will determine its success and subsequent development. In this sense, GTZ hopes that the CSBP-R becomes a catalyst for discussions and actions with profound repercussions in the Colombian forestry sector, as well as similar initiatives in other productive sectors in the country.

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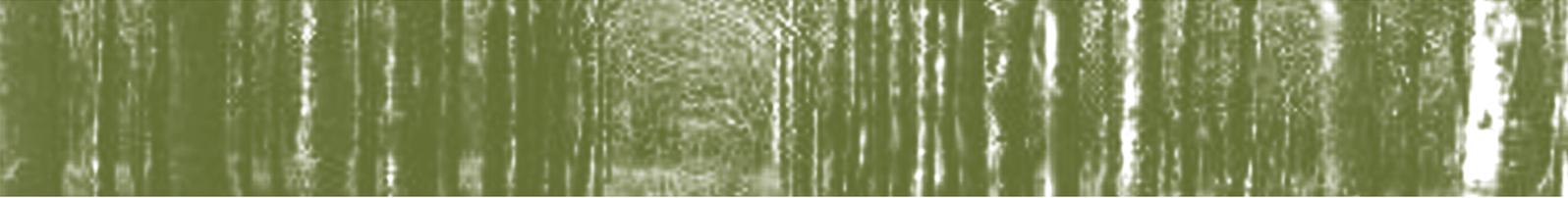
Section 1. Introduction

1.1. CSBP-R Focus

1.1.1. Background and justification of CSBP-R

The CSBP[1] toolbox – Conflict-Sensitive Business Practice – is aimed at companies to develop the capacity to understand the complexity of violent conflicts (potential or existent), analyse the impact on company operations as well as the impact of their activities on the conflict, and implement mitigation and preventative measures so as to contribute to peace-building, through their business activities, social investment and processes of political dialogue.

The conflict-sensitive approach to conflict is based on the recognition that companies have the potential to exacerbate existent and create potential conflicts as much as they do to mitigate and prevent them. This means that companies need an integral understanding of the context, the bi-directional impacts between the conflict and company operations and the costs associated to the corporate activities in these environments.

In 2005, the Environmental Programme of GTZ in Colombia partnered with the British NGO International Alert to initiate a validation process for the application of the toolbox "Conflict Sensitive Business Practice (CSBP)" to the reforestation sector in Colombia.

Stemming from the meetings that took place with the participation of some of the most important reforestation companies of the country and Fundación Ideas para la Paz and the above mentioned validation process, it was decided to adapt CSBP to the specific characteristics of commercial reforestation activities, with the understanding that this type of toolbox cbe of great benefit in the planning and implementation of forestry plantation projects that are or will be developed in the country.

The toolbox "Conflict-Sensitive Business Practice: Guidance for Commercial Reforestation in Colombia (CSBP-R)" is the adapted version of the toolbox CSBP.[2] It used the original methodology as its starting point and elaborated on it through the collection, analysis and selection of international and national information related to planted forests as well as conflict management and resolution. Furthermore, it draws on the results of interviews with the representatives of reforestation companies, government officials, NGOs, think tanks and multilateral organisations related to this field.

There are various combined characteristics in Colombia's commercial reforestation sector:

- The present location of forest plantations in conflict zones and the presence of soils suitable for future plantations in those areas.
- Greater generation of rural employment by commercial reforestation compared to alternative activities, such as cattle ranching.

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[1] The Toolbox "Conflict Sensitive Business Practice (CSBP): Guidance for Extractive Industries" was published in January 2005 by the British NGO International Alert after two years of research, consultations and cooperation with various companies from the extractive industries (oil and mining).

[2] GTZ, 2005. Main findings and recommendations of the first phase of the CSBP validation process for its applicability to the forestry sector in Colombia. Environmental Programme. Bogotá.

- Potential environmental benefits when plantations are planned and managed with sustainable practices.
- Long-term presence of reforestation companies in rural areas.

In the context of the conflict-sensitive approach to business, this set of elements creates a situation which, considering the added peace-building potential of the sector[3] and the prospects for its future growth described in the next section, offers sufficient and undisputable reasons for having an instrument like Conflict-Sensitive Business Practice – Guidance for Commercial Reforestation in Colombia (CSBP-R). Even more importantly, it justifies its application by businesses committed to the development of this activity in Colombia.

1.1.2. Some characteristics of commercial reforestation

Reforestation prospects in Latin America

National and international politics have contributed to the growth of expanse of planted forests and subsequently to the rapid increase in timber resource consumption over the last years. Additionally, the market has played a role in reducing timber supplied by natural forests.

Investment and technology have achieved high productivity of planted forests and consequently the low cost of timber, thus opening new market opportunities and attracting new investment in the sector.

Sub-regional studies by FAO (2005) on the prospects and patterns of the forestry sector until 2020 show that the expanse and sustainable production of planted forests will significantly increase in the next years.[4]

Current situation and prospects of commercial reforestation in Colombia

The characteristics and geography of Colombian soils make them suitable for the development of productive forestry plantations with high yields and reduced felling cycles.[5]

The current area of commercial forestry plantations is estimated at 190,000 hectares. It is anticipated that the establishment of new plantations will increase significantly, considering the official goal to reach 345,000 hectares in 2010 and 1,250,000 hectares in 2019, with which it is hoped to generate 88,000 and 320,000 jobs, respectively.[6]

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[3] Rettberg, Angelika, 2006: *Un sector con "Madera" para la paz: el sector privado forestal como socio en la construccion de paz en Colombia*. GTZ, Universidad de los Andes. Bogota.

[4] FAO, 2006: *Tendencias y perspectivas del sector forestal en América Latina y el Caribe. Bosques plantados, superficie y producción sostenible: perspectivas para el ano 2020*. Estudio FAO Montes: 148 Roma.

[5] Ministry of Environment - Ministry of Agriculture – Ministry of International Trade – Ministry of Development – National Planning Department, 2000: National Forestry Development Plan. Bogotá.

[6] DNP. 2006. Vision Colombia II Centenario: 2019. Bogotá.

In order to promote the development of this activity, various political instruments and legislation have been approved in the last years, including:

- The National Forestry Development Plan[7] that includes a sub-programme on "Increasing the supply of productive forestry resources," which will be based on the establishment of industrial forestry plantations, with important goals aimed at both the national and international market.
- Various CONPES documents, in particular the document on "The stimulation of commercial reforestation in Colombia".[8]
- The National Competitiveness Agreement and various Regional Competitiveness Agreements for the forestry commodity chain, which mostly relate to commercial reforestation.
- The General Forestry Law (Law 1021 of 2006) that provides for state support to developing forestry plantations in areas not covered by natural forests, taking into account its "main function in the production of renewable energy, the provision of primary goods, the supply of environmental goods and services, the increase in supply of forestry resources, job creation and national socio-economic development".

Considering the above, in addition to the important prospects opened up to commercial reforestation by international agreements and instruments related to climate change, it is clear that the activity will develop considerably in the immediate future.

What is the conflict-sensitivite focus?

CSBP-R responds to the need of reforestation companies to operate in a secure and stable environment that allows them to make long-term investments. This need is challenged by the fact in Colombia that much of the soils suitable for commercial reforestation are located in zones of high insecurity (CONIF 2005). The risks demand an active approach by the reforestation companies to the local context that implies fostering security, coexistence and economic development in the region while preventing negative consequences from its actions towards neighbouring communities. In order to achieve this objective, the companies need to have a thorough understanding of the local conditions.

CSBP-R offers a methodology to acquire this understanding. The methodology is guided by four principles (IA ERIC-P 2005:53):

- **Participatory analysis**: Participatory analysis allows for those living in the affected areas to contribute their perspectives, consequently creating a deeper analysis of the context and the possible effects of commercial reforestation.
- **Good communication**: Open channels that permit communication and dialogue between the company and local stakeholders in both directions facilitate the diagnosis and early management of potential problems. This helps to avoid aggravated scenarios and damaged relationships.

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[7] Environment Ministry- Agricultural Ministry – International Trade Ministry – Development Ministry – National Planning Department. 2000. National forestry development plan. Op cit.

[8] Environment Ministry- Agricultural Ministry – International Trade Ministry – Development Ministry – National Planning Department. 2003. Politics of stimulating commercial reforestation in Colombia: 2003-2006. CONPES Document 3237. Bogotá.

🌿 **Strong local relationships**: Local actors have a legitimate interest in the changes that commercial reforestation will make to their livelihoods and landscape. Public and transparent discussions of reforestation projects and their possible revision in light of stakeholder concerns accord value to their perspectives. It furthermore creates the foundations for a positive future relationship between the company and local stakeholders.

🌿 **Shared decision-making**: CSBP-R offers a decision-making process between the companies and affected actors on relevant aspects of business activities. Although it may require more time, a shared decision-making process offers concrete benefits to the company in terms of trust, legitimacy and easing of tensions.

1.2. Context

1.2.1. Costs of conflict for reforestation companies

Many reforestation companies in Colombia have a long history of operating in conflict zones. For this, they have been targets of extortion and victims of attacks against their installations, equipment and staff. They have also had difficulties in maintaining a neutral role in a highly conflictive context, intertwined with various local, national and international interests. However, high levels of conflict have not been a sufficient motive to abandon their industrial reforestation projects. In general, reforestation is seen as a less vulnerable sector in conflictive contexts than, for example, cattle ranching, due to the immobilisation of the capital in plantations, the difficulties of theft and its delayed returns (Rettberg 2006).

Reforestation companies have also developed strategies to manage these conflict-related risks, such as the geographic distribution of plantations and social investment. Distribution of plantations reduces the risk of armed groups obstructing the entire production of the company. At the same time, social investment is an element of social responsibility that contributes to creating a favourable environment.

Reforestation companies' persistence in operating in conflict zones substantially increases their costs, which in turn may reduce their competitiveness in international markets.

Table 1. Costs of conflict for reforestation companies in Colombia.

Conflict dimensions	Costs for the company
Security	High payments to private security companies; work hours invested in security management
	High insurance policies, loss of coverage
Threats against the company, extortion attempts	Attacks against company equipment, offices and processing plants, theft of machinery, burning of plantations, burning of contractor's equipment
	Kidnapping, murder, physical harm (anti-personnel mines), stress
	Reduced mobility for executives (risk of kidnapping), long distance management of the installations
Reduced access to plantations	Reduced access to plantations due to roadblocks, anti-personnel mines etc., delays in the maintenance and exploitation of the plantations

	Regional dispersion of the plantations to minimise the impact of armed groups, leading to difficulties in achieving economies of scale for the company
	Need for construction of new roads to access the dispersed plantations
Bad labour conditions due to a lack of security	Staff turnover
	Hours of work invested by management to protect staff
Illicit economy	Difficulty to maintain a stable workforce due to the competition of better wages paid in the illegal economy
Weakening of institutions, government, and rule of law	Lack of accepted mechanisms to manage conflicts with neighbouring communities, expensive and damaging legal procedures
Condemnation by international organisations	Damage to company reputation, international boycott campaigns, loss of competitiveness

1.2.2. Corporate social responsibility: promoting "peace economies"

Since the end of the twentieth century, the international community has shown a heightened interest in the corporate social responsibility of private companies working in conflict zones. This has occurred for two reasons. On the one hand, the various initiatives in corporate social responsibility that have emerged, such as the UN Global Compact, have sensitised companies on their growing role and responsibilities in the promotion of sustainable, equitable and peaceful development in a globalising world. This role is illustrated in the Global Compact's Ten Principles, which a large number of national and international companies have already signed on to.

Figure 1: Global Compact's ten principles

Human Rights
1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. Businesses should make sure that they are not complicit in human rights abuses.

Labour Standards
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. Businesses should support the elimination of all forms of forced and compulsory labour;
5. Business should support the effective abolition of child labour; and
6. Businesses should support the elimination of discrimination in respect of employment and occupation.

Environment
7. Businesses should support a precautionary approach to environmental challenges;
8. Businesses should undertake initiatives to promote greater environmental responsibility; and
9. Businesses should encourage the development and diffusion of environmentally friendly technologies

Anti-Corruption
10. Businesses should work against all forms of corruption, including extortion and bribery.

Source: www.globalcompact.org

On the other hand and simultaneously, an intense discussion emerged in academic and political circles on the economic motivations of many ongoing armed conflicts. Summarised in the concept of "war economies", there is increasing evidence that armed actors use their force to pillage natural resources, manage illegal economies, or even exercise control of the formal economy. In these circumstances, economic gain becomes the end motive of war or a mechanism to sustain it. Some examples of these situations are the exploitation of diamonds, oil and timber in Africa's civil

wars (Liberia, Angola, Congo) and the role of drug trafficking as finance strategies for armed groups (Afghanistan, Colombia).

In these situations, the company's responsibility in denying complicity in war economies (i.e.: Kimberley process for the certification of diamonds from conflict zones) and also in contributing to "peace economies" is gaining a lot of attention. The UN Global Compact, for example, carried out a series of international consultations on this subject. Additionally, a series of business-led initiatives have emerged to define codes of conduct for work in conflict zones, such as the "Voluntary Principles on Security and Human Rights". Donor governments and international civil society organisations are partnering with companies from affected sectors such as the extractive industry to develop tools and activities that can maximise the private sector's contribution to "peace economies".

Figure 2: Company contributions to building peace economies

- Monitoring the impact of its operations on the political, economic and social stability of the region.
- Multi-stakeholder processes with government, corporate and civil society representatives to define problems, interests and common standards in order to achieve positive outcomes for all stakeholders from the company's activity.
- Local development projects.

- Transparency in company transfers to public institutions (taxes, royalties, etc.) in order to prevent corruption and the use of resources for military objectives.
- The certification of products to ensure its legal trade and impede the participation of illegal armed actors.
- Responsible security management to protect the company and neighbouring communities and to prevent human rights abuses by security agents.

Source: Ballentine/Haufler, 2005

1.2.3. Entering into international markets: new standards

Another important dynamic is the growing insertion of Colombian reforestation companies in international markets that offer new opportunities for economic growth. These opportunities, however, impose new company standards. Not only do they demand high levels of productivity and quality, but also sustainable production and the adherence to the basic principles of social responsibility. In global competition, the competitiveness of a company not only depends on its economic efficiency but also its reputation. This largely depends on the ethical behaviour of the company.

The various certification initiatives – of which ISO is one of the most well known in the quality management sector – are examples of the permanent increase of the standards in international markets. In fact, for Southern companies, certification has become an "entrance ticket" to the global market. At the same time, large banks, such as the International Finance Corporation (IFC), offer commercial loans with the condition that companies adhere to the relevant standards of their sectors, such as Global Compact's Ten Principles and the Voluntary Principles on Security and Human Rights.

For the commercial reforestation sector, the focus of these schemes includes the legality of the operations, the distribution of reforestation benefits between the company, its workers and the neighbouring communities and the sustainable management of forestry plantations and the environment in which they operate.[9] All of these aspects are important as possible sources of conflicts between the company

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[9] In Colombia, there is the GTCFV initiative that has adopted the "Regulations for the Voluntary Forestry Certification of Plantations in Colombia" under the FSC scheme.

and its environment. Therefore, the development of good practices according to the rules of forestry certification is in itself an important step towards conflict-sensitive business practice ("do no harm principle"). However, CSBP-R demands an even more active company approach towards conflict resolution and peace-building.

1.2.4. Forestry plantations and conflict: international experiences

In contrast to natural forests, which have been used to finance wars in many parts of the world, the role of forestry plantations in war economies has remained limited. Armed groups do not generally have a long term perspective to justify planting trees. Yet, the industrial production of timber may create conflict between the various interest groups that are affected by it. In some Latin American and South-East Asian countries with industrial forestry plantations, the following problems have been observed:

- **Land tenancy and the long-term use of land**: In some cases, commercial reforestation is developed in areas that are characterised by a lack of clarity on the legal status and the ways lands have been appropriated for forestry plantations, and this is often combined with an unequal distribution of land in the region. Sometimes, the establishment of plantations implies the prior deforestation of a natural forest, affecting neighbouring communities' access to non-wood products from the forest for their subsistence. Another problem is the displacement of small land-holders in the reforestation area by economic pressure from the company or from violent pressure (USAID 2004).

- **Rights of indigenous groups**: Forestry areas are often inhabited by indigenous groups or minorities that suffer from marginalisation, poverty and the lack of legal protection. Deforestation and forestry plantations can affect the natural forest as a source of their subsistence, as well as affecting important cultural sites (USAID 2004).

- **Environmental effects**: Forestry plantations can affect the availability of water in rivers and streams, the quality of the water due to the use of fertilisers, land fertility, erosion, biological diversity and landscapes. Conflicts can arise when forestry plantations affect neighbouring communities' access to water, fertile land and a functioning eco-system (CIFOR 2001).

- **Social and economic welfare in neighbouring communities**: Mechanised commercial reforestation generates less employment than most forms of traditional agriculture. Furthermore, most of the employment is seasonal, physically demanding and hazardous because of the risk of work-related accidents. Conflicts emerge between the company and local communities, when the latter feel they do not get a fair share of the economic benefits of reforestation, while at the same time losing access to agriculture and resources from the natural forest.

- **Inconsistent application of law**: Legal international and national rules are sometimes applied inconsistently, arbitrarily and with little effectiveness as a result of the insufficient capacity of public institutions (i.e.: environment ministries) and corruption. In some countries, the legal systems and norms are contradictory and incoherent. This vacuum decreases the legitimacy of regulation efforts by the sector and creates resentment on the part of affected communities (DAC 2005).

A response to these possible effects are the initiatives of forestry certification which offer forestry companies guidelines for social and environmentally sustainable development of forest plantations.

1.3 The role and responsibility of the private sector in conflict zones

What does "Conflict-Sensitive Business Practice" mean?

- Not to aggravate existent conflicts (not become a conflict actor)
- Minimise the negative impacts of company practices
- Contribute to the economic, social and political development of the region and to peace-building

Conflict-Sensitive Business Practice

The concept of "conflict-sensitive business practice" is based on the recognition of a two-way relationship between the company and the conflictive environment. On one hand, it considers the effects of the conflict on reforestation activity ("risks"); on the other hand, it considers the effects of reforestation on its environment ("impact"):

- **Risks**: evaluation of the possible consequences of current conflicts in the region on the sustainability and profitability of the operation, including any new conflicts generated by the nature of the activity.
- **Impact**: Identification of the (possible) negative effects of reforestation on its local environment and its potential to create or aggravate conflicts; identification of the positive effects of reforestation.

In this context, the concept of **conflict sensitivity** defines a double role for the company: first, to make sure its activities comply with the concept of "do no harm". This means that the company tries not to aggravate or create conflicts through its operations, avoiding or mitigating the negative consequences of industrial reforestation in its locality. Second, it demands from the company an active contribution to coexistence and peace in the area.

Definitions

Risks

Changes stemming from the company's external environment or from the actions of its employees that give rise to changes in the company's value. Companies run various risks in the course of routine business activities: financial, political risks, etc. In (armed) conflict environments additional risks arise such as the impossibility of operating in line with international and national standards, the low level of public services, sudden changes in the political context and public perception of company affiliation with actors responsible for human rights abuses.

Source: adapted from OECD Risk Awareness Tool, 2006:40

Effects

The intentional and unintentional consequences, positive and negative, of (business) activity on the living conditions of the local communities and other affected actors. This also includes changes to the political, economic, social and environmental context caused by the business activity.

Source: adapted from GTZ/Sprenger/Kruk, 2005

Definition: "do no harm"

Taken from the hippocratic oath, the principal of "do no harm" implies that an actor that intervenes in a context must ensure that its actions do not have negative effects on it.

Source: adapted from Collaborative for Development Action

The following figure shows the relationship between the company and the conflict according to the concept of CSBP-R.

Risks

Conflict Environment

Reforestation Company
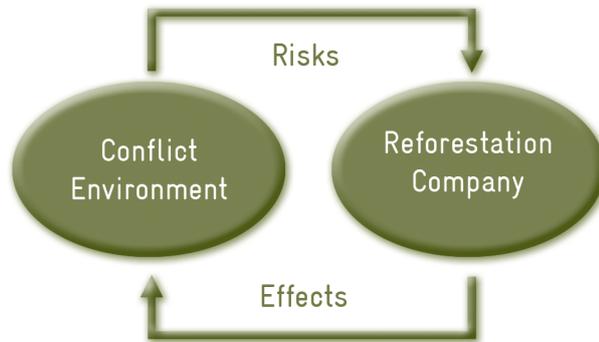
Effects

Fig. 1 Risks and effects of conflict

In order to identify the risks and possible effects of commercial reforestation from a conflict perspective, an analysis of how reforestation affects the factors that contribute to conflict and how reforestation is affected by conflict needs to take place. Through its actions, the reforestation company can reinforce or aggravate the factors that contribute to conflict (i.e. unequal land distribution, culture of violence), but at the same time it can also help decrease them and foment factors that are favourable to peace (i.e. local initiatives for coexistence). The same applies to conflict actors: the reforestation company's activities can strengthen conflict actors, particularly those that have an interest in the prolongation of violence, or support actors that promote a peaceful solution.

Sometimes, reforestation companies are confronted with the dilemma that, in the search for a safe haven for its investments, solutions may be found that assure certain levels of short term security but that contribute to the long term dynamics of armed conflicts.

The role of the private sector in conflict zones

The company's scope of action in a conflict zone can be understood using the concept of "sphere of influence". The "sphere of influence" includes all the individuals with whom the company has political, contractual, economic or geographic relations. All companies, large and small, have a sphere of influence: large or strategically important companies tend to have a larger sphere of influence. This concept implies that the company's capacity to generate positive changes is larger inside the company. The relative influence of the company decreases with the distance of the actors from company operations. Therefore, contractors, partners, suppliers, trade unionists, local communities and company clients all follow in descending order.
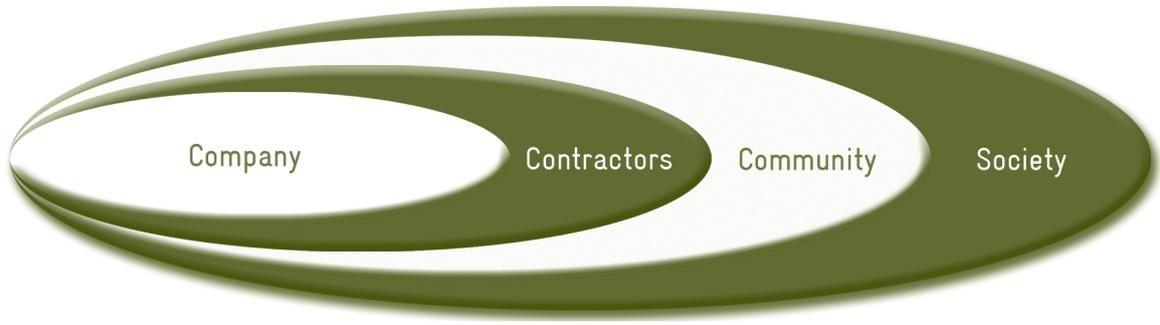
Fig. 2 Sphere of Influence

The company as an accomplice

"A company becomes an accomplice in human rights abuses if it authorises, tolerates or ignores human rights abuses committed by an associated entity, or if the company offers practical assistance or incentives that have a substantial effect on the carrying out of human rights abuses. Company participation does not necessarily need to cause the abuses.

Rather, company assistance or promotion need to be at a level, at which the abuses would probably not have occurred in the same way if the company was not present.

Source: adapted from Global Compact, 2006:9

The following graph can help prioritise the company's strategies for the mitigation of risks and the effects on the conflict:

Fig 3: Company strategies for managing risks and conflict

Obligatory measures need to be taken in order to ensure that company activities comply with relevant international and national legal norms. Company activities include all actions needed in order to achieve its economic objectives as defined by company policies on hiring, buying, labour relations, research, etc. (See Annex 1 for a selection of relevant norms for commercial reforestation).

Expected measures include actions taken by the company in order to respond to the legitimate expectations of the affected actors and to demonstrate its sense of co-responsibility for the effects of its operations. Social investment in the areas where its operations take place is an activity that can be classified in this category. This can include support to the provision of basic services or technical training of members of neighbouring communities.

Desirable measures demonstrate the company's sense of corporate citizenship, through which it seeks to influence the political, economic and security context of its operations, with the aim of improving the living conditions of the local population. These strategies often involve dialogue with political representatives and making alliances with other actors. Dialogue can include discussions on the provision of public services in the region, regional participation in the decision-making process at the national level or the development of regional strategies to reduce the causes and dynamics of violence.

The pyramid indicates the **order of priorities** of these measures. It does not make sense for a company to get involved in social investment or political dialogue if it does not adhere to national and international codes of conduct for its operations. This is a sphere where it has direct influence.

Strategic options for companies operating in conflict zones

Taking into account their risks and capacities as well as regional conditions, companies operating in conflict zones can choose from a diverse set of options to structure their relations within the environment.

- **Pull out:** The company decides to partially or totally suspend its activities. Confronted with this situation, the company is conscious that any decision taken, whether to stay or pull out, will be regarded as a public statement and has a series of repercussions.
- **React:** The company decides to continue its activities with the same objectives. However, it carries out certain changes in order to continue operations, such as, for example, reaching an agreement on transport permits with armed groups or the government.
- **Adapt:** The company consciously decides to adapt its operations to the new conditions, aiming to re-establish a balance and insure positive effects.
- **Support:** The company identifies and supports local initiatives that actively try to influence conflict dynamics. The objectives are to reduce conflict and improve communications and relations between the conflict parties.
- **Intervene:** The company gets actively involved in the conflict by offering to establish links for international mediation, organising capacity building events or helping to balance power relations.

Source: adapted from Fischer et al., 2000

A conflict sensitive approach offers various concrete benefits to companies:

Benefits of a conflict sensitive approach for reforestation companies

- Improved relations with stakeholders
- Improved staff recruitment, reduced staff turnover and increased motivation
- Improved risk analysis and management

- Reduced risk of consumer protests
- Improved corporate reputation and brand image
- Improved "social licence" to work in the area
- Stronger shareholder confidence
- Stable relations with the government, commercial partners, trade unionists, contractors and suppliers

Source: adapted from Global Compact, 2006:6

1.4 Introduction to the toolbox

The CSBP-R guide consists of various tools that can support reforestation companies in the different stages of project implementation.

Contents of the guide "CSBP-R"

The introduction establishes the context for a conflict-sensitive approach for the reforestation sector in Colombia and introduces key concepts and methodologies.

The operational guidance charts show possible problems that can arise in relation to conflicts in the different stages of commercial reforestation projects and shows which relevant CSBP-R tools to use in each phase.

The Macro-level Conflict Risk and Impact Assessment tool (M-CRIA) examines the risks and effects of commercial reforestation at the national level. It supports decision-making for carrying out investment in the country and developing a national level peace building strategy.

The Project level Conflict Risk and Impact Assessment tool (P-CRIA) analyzes the relationship between company operations and its local environment from a conflict perspective and offers various options to mitigate negative risks and effects and increase the company's contribution to coexistence in the area.

The flashpoint issues examine some key topics for conflict-sensitive business practice in the commercial reforestation sector in more detail. The topics include:

1. Environment
2. Access to Land
3. Sub-contraction
4. Social Investment

Other topics such as stakeholder engagement, compensation, resettlement, indigenous peoples, corruption and transparency, security arrangements, and dealing with armed groups and human rights are dealt with in International Alert's "Conflict Sensitive Business Practice: Guidance for Extractive Industries" (2005) (www.international-alert.org)

How to incorporate CSBP-R in the management of a reforestation company?

Conflict sensitivity should be reflected in the implementation of CSBP-R in all company activities, from internal processes to plan and develop a new plantation, the sub-contraction of cooperatives, and forestry management to social investment. The following management areas are key for institutionalising a conflict-sensitive approach:

Company management components

1. Corporate strategy
2. Company policies
3. Processes and procedures
4. Internal and external communication

5. Capacity building
6. Impact measurement and auditing
7. Disclosure of management reports

1.5. Methodological approach

CSBP-R is based on stakeholder consultation and participation. Participatory and inclusive processes are important in the context of commercial reforestation as they increase the transparency of communications between the communities and the company, allow for a joint assessment of the problems and solutions, and consequently improve the relationship between the company and the affected communities. Experience shows that solutions that come out of participatory processes are more likely to respond to the stakeholder needs, which in turn makes them more sustainable.

It is important to adapt these methodologies to each task of CSBP-R. Generally, CSBP-R is based on two types of consultation:

- Expert consultation is used at the national level (M-CRIA) and at the project level (P-CRIA). It is ideal for an analysis of the local context, the identification of key actors, an analysis of existent tensions and conflicts and for risk assessment.
- Participatory consultation is more important at the project level (P-CRIA) in order to identify the effects of commercial reforestation, and to develop joint mitigation strategies and promote coexistence.

1.5.1. Expert consultation

When choosing experts it is important to take into consideration different perspectives and approaches present in the region.

Relevant local experts for commercial reforestation

1. Political Actors
Governors, mayors, political parties, local judicial administration, UMATA, SENA, international and national NGOs (development, humanitarian, human rights)

2. Economic Actors
Chambers of commerce/business associations (e.g. Coffee Grower's Federation), local industries, sectoral commodity chains ("competitiveness agreements", "productive alliances"), other reforestation companies, contractors, suppliers, Juntas de Acción Comunal, unions/worker associations, agricultural cooperatives, national and multinational companies

3. Socio-cultural groups and entities
Indigenous associations, displaced groups, women's organisations, churches, religious groups, community leaders and local media

4. Environmental actors
Environmental authorities, national and international NGOs, communities

5. Security
Military, local police, office of the public prosecutor, private security companies

Source: adapted from IA P-CRIA, 2005:62

1.5.2 Participatory consultation

Who needs to be involved?

The stakeholders to be involved can be identified by the effects of company operations on their lives and interests:

The **directly affected** ("primary stakeholders") include those whose economic, social and spiritual lives will be directly affected by the commercial reforestation (i.e. neighbouring communities of forestry plantations).

The **indirectly affected** ("secondary stakeholders") are those who experience changes in their political, socio-economic, environmental and security environment due to the presence of the company. These changes can be positive (e.g. improved health services) or negative (e.g. pollution). The indirectly affected also include external groups such as environmental NGOs that may feel that their interests have been damaged by commercial reforestation.

It is not sufficient to identify stakeholders only at the initiation of the investment. In order to respond to changes in the socio-political context and to the evolution of the company's operations, identifying stakeholders needs to be part of an ongoing process.

Who facilitates this process?

Some companies prefer to use their **own employees** to facilitate the process with communities and other stakeholders. This process is advantageous as it means there is a direct line of communication with the company and the stakeholders. Larger companies institutionalise this function into a department, which is in charge of all relationships with stakeholders and is often also responsible for social investment. In order to carry out this process effectively, the department needs to have a high status inside the company with direct access to management.

Other companies have had good experiences hiring **NGOs, foundations or consultancy companies specialised in community development** and participatory processes to facilitate P-CRIA. These organisations may be considered to be more neutral by the stakeholders and they generally have more opportunities to consult with difficult actors, to which the company does not have access.

How to prepare the consultation?

The pre-condition for constructive stakeholder participation in the P-CRIA process is their access to **information**. From the initiation of its operation in a region, the company is advised to develop a communication strategy with all the local actors. This identifies the different stakeholders, the content of information and the means to deliver it. The stakeholders need to know the different phases of reforestation, its requirements in terms of land, infrastructure, labour, etc. and the operations that will take place (e.g. building of roads, establishing a tree nursery, cutting of trees, recruitment of workers). This can mitigate possible negative views or too high expectations of the project.

Consultation should take place in areas and during times that are convenient to effected groups. It is not recommended to invite groups to company installations because this could result in more vulnerable groups feeling intimidated.

The consultations should offer all stakeholders the opportunity to express their interests, fears and expectations towards the reforestation activity. In reality, it is difficult to achieve equal participation in the process due to the different status, education and experience of the people present. At the same time, some vulnerable groups may decline participation as they suspect attempts at manipulation. One way of managing these problems could be the elaboration of a **code of conduct for the dialogue** between the parties before the start of negotiations.

The code of conduct can establish the following commitments for the dialogue: principles, procedures, requirements, responsibilities, obligations, presence of third parties and witnesses (see IA P-CRIA, 2005:73).

How to structure the consultation?

These is a vast literature on participatory tools that have been successfully used by private companies in infrastructure projects, the management of environmental conflicts and community development (see Annex 2). The most widely recognised tool is **Rural Participatory Analysis** that offers a range of instruments for context analysis , impact evaluation of external interventions and participatory planning of development activities.

The general characteristics of a good consultation process are:

- **Attention to participant needs:** The consultation should make the mutual needs and expectations explicit. It should seek win-win situations that are acceptable to all.
- **Participation:** All stakeholders should actively participate in problem analyses, the search for solutions and implementation of agreements.
- **Transparency:** Ensure transparency of all proposals, discussions and agreements that come out of the consultation and ensure that the participation and focus addresses all the needs.

How to manage problems?

Participation in the consultations can create risks for stakeholders. To publicly air problems and grievances – and also to support the reforestation project - can lead to accusations of endangering the project or, alternatively, of collaborating with the company. Both may precipitate reprisals and ostracism. On the other hand, government politics restrict direct consultations with armed groups. Confronted by these limitations, the company has to consider the risks of not consulting certain actors who could later go against its actions. Its objective should be to create a **safe space for dialogue** that allows for an open, constructive and critical debate.

It is possible that tensions may have existed before the arrival of the company, making the type of consultations envisaged by P-CRIA difficult to carry out. At the same time, the high expectations associated with the arrival of the company can bring out latent divisions in the locality. The best way to manage these dynamics is through absolute transparency from the start with regards to the real objectives of the meetings and the long-term goals, capacities and plans of the company in the region.

If tensions with the stakeholders get to the point of disrupting the dialogue, it is recommended that a third party be invited with group consensus to facilitate the process.

Section 2. Operational Guidance Charts

2.1. Objective

The Operational Guidance Charts offer a brief overview of the possible company/conflict issues that man arise at different stages of commercial reforestation projects at both the macro and project levels, and which indicate the relevant stage of Conflict Sensitive Business Practice (CSBP-R) guidance. They are included as an operational guide, and do not attempt either to summarise all the issues that can arise, nor convey full detail CSBP-R guidance, which is explained further in this publication, but include practical steps and indications of the kind of management resources required.

The CSBP-R Guidance is intended to begin at the earliest stages of a potential reforestation project and is designed to accompany the full lifecycle of a project. The stages are presented as a linear process in order to give approximate indications as to where each element is intended to be used. It is important to note, however, that its method is iterative and ongoing, requiring regular analysis of conflict-risk factors and impacts to inform project design as it unfolds, and that this analysis is kept alive to accommodate both internal (new phases of development, staff changes, etc) and external shifts (elections, increased violence, a change in government, etc) to the operating environment.

The analyses offered here ensure that reforestation companies do not limit their operations to "do no harm", but actively seek opportunities to contribute to peace-building through all their activities.

2.2. Feasibility

Typical Activities

Feasibility studies of development projects aimed at the establishment, management and use of commercial forestry plantations (of medium and large size) usually comprise a strategic assessment of their economic and financial aspects. In addition, they examine technical-operative, social, environmental, institutional/political and security issues in order to determine the short, medium and long-term feasibility of the project.

CSBP-R Guide

Participatory analysis component of P-CRIA for early impact assessment should be an ongoing, in-depth analysis of relevant issues as the feasibility study progresses.

For this reason, the feasibility study should provide preliminary information on the purpose and scope of the project to relevant local and/or regional authorities and other related entities and stakeholders. In the decision-making process, stakeholders should be given the opportunity to express and exchange their views with other stakeholders.

The following issues may become a source of conflict:

- Access to land (legal aspects)
- Changes in the use of the soil
- Development of infrastructure projects
- Effects on the local or regional economy
- Project contribution to local/regional development
- Social Investment
- Employment
- Activities in each phase related to the establishment, management and use of the plantations that may have environmental effects
- Inadequate provision of information and consultation

The potential environmental, social, economic and political effects, both negative and positive, should be determined

through a preliminary impact assessment procedure as part of the feasibility study.

The history of the region also needs to be taken into account – especially with regards to human rights abuses and the associated legal risks for the company – as does the security situation/presence of armed groups, which can affect the feasibility of the project. It is also important to study the institutional dimension – State presence, social and security services provided by the State and the existing conflict management mechanisms in the region.

Through the preliminary M-CRIA and P-CRIA process, other conflict risk issues and impacts on other aspects need to be identified early on, together with possible mitigation strategies.

Access to land needs to be evaluated in terms of its potential conflict. The initiation of the project should be discarded if there are indications that previous or legitimate owners were violently dispossessed of the land. In such circumstances, alternative areas should be sought or the initiation of the project should be delayed until the situation is legally cleared through available mechanisms.

Conflict risk mitigation strategies at both the macro and project level will influence core business project design at this stage and include interventions through social investment and policy dialogue, in partnership with other stakeholders.

Consult "Flashpoint Issues" papers for further guidance on the environment and sustainability, access to land, social investment and sub-contraction.

2.3. Strategic Planning

Typical Activities

Once the feasibility of the project is assessed, strategic planning determines the long term objectives and goals, generally defining the processes, activities and resources needed to achieve them.

Strategic planning of commercial reforestation investment projects should , among other things, consider the following:

the ecological characteristics of the area and current land use; possible forms of land access (profit-sharing arrangements rent, purchase, etc); carry out basic studies on environmental and socio-cultural aspects; examine the relevant parts of the productive chain, including transformation, markets and commercialisation of timber and other products; study the labour situation, training needs of the local population to enable them to find employment on the plantations, the possibility/risk of migrant labour to the area for work on the plantation; assess the impact of the plantation on the local economy, its potential for creating jobs and generating economic benefits through subcontracting services to regional companies/cooperatives; take into account the

CSBP-R Guide

When structuring the strategic plan, principles established in national legislation, and when possible, others that form part of recognised forestry certification systems, guidelines, models or voluntary codes need to be considered and applied when relevant and appropriate for the development of the project.

The "Relevant Principles" for forestry plantations, established by the **General Forestry Law** (Law 1021 of 2006) are presented at the end of this section (Figure 1).

The **FAO Code of Planted Forests** Principles (Draft copy, 14 March 2006) are presented at the end of this section (Figure 2).

Other principles and guidelines specifically designed for their application in the establishment and management of forestry plantations can be found in:

🌿 Norms for Voluntary Forestry Plantation Certification in Colombia under the FSC scheme. (GTCFV- 2003)

company strategy to constructively manage conflicts and the conflict management capacity of its personnel; take into account the security strategy and management in the area (i.e.: code of conduct for company and contractors); revise and verify applicable legislation in all aspects.

- Guidelines for the sustainability of forestry plantations in Colombia (CONIF – Environment Ministry –OIMT – 1998)
- Criteria and indicators for the development of tropical industrial forestry plantations (with links to Code of Conduct) (CIFOR 2001)
- Code of conduct for the development of industrial forestry plantations in the tropics. (CIFOR 2001).
- OIMT guidelines for sustainable establishment and management of tropical planted forests (OIMT 1993)

The consideration and incorporation of these types of environmental principles and models in the strategic planning process of the commercial reforestation project is a fundamental measure to guide all further operations during the life-cycle of the project (normally long term). However, while these points are necessary, they are not sufficient. CSBP-R allows for additional focus on matters related to conflict management around the forestry operation through the application of M-CRIA and P-CRIA.

The following issues may become a source of conflict at this stage:

- Access to land (legal aspects)
- Changes in soil use
- Development of infrastructure projects
- Effects on the local or regional economy
- Project contribution to local/regional development
- Social Investment
- Employment
- Activities related to the establishment, management and use of the plantations that can have environmental effects
- Inadequate provision of information and consultation

The potential environmental, social, economic and political effects of the plantation, both negative and positive, need to be determined through an impact assessment.

Other types of conflict risks and impacts need to be identified, together with other mitigation measures, through the preliminary process started by M-CRIA and P-CRIA.

Consult "Flashpoint Issues" papers for further guidance on the environment and sustainability, access to land, social investment and sub-contraction.

2.4. Operational Planning

Typical Activities

The plan outlines the operations in each of the principal phases of development of forestry plantation: establishment, management and use.

It takes into account the relevant economic, social, environmental and labour security issues. It also includes a description of the main forestry operations during the development of the project, its programming and the necessary resources needed for its implementation.

CSBP-R Guide

In this phase, the CSBP-R guidance helps develop an initial strategy to mitigate conflict risks at local and national levels, in order to manage relevant matters in all aspects of operations. This should be reflected in work plans and programmes and can include:

- Agreements with sub-contractors who need to adopt conflict-sensitive business practice
- Preference for local work force and suppliers

- Establishment of community relations and communications infrastructure
- Institutional strengthening of local government, particularly with regards to transparency in revenue management
- Conflict-sensitive social investment projects that tackle conflict risk factors and respond to genuine needs.

When structuring the operation plan for the establishment, management and use of forestry plantation, environmental, socio-economic and institutional sustainability criteria and indicators need to be considered and applied, to the extent possible, preferably those that form part of recognised forestry certification systems or are articulated in voluntary codes for forestry plantations and are deemed relevant and adequate for the development of the project.

Strategies need to be developed that generate economic benefits for the region and integrate a social investment strategy in company operations. A communication strategy, as well as interaction with communities, also needs to be developed.

Relevant criteria and indicators for the establishment, management and use of forestry plantations can be found in:

- Norms for Voluntary Forestry Plantation Certification in Colombia under the FSC scheme. (GTCFV, 2003)
- Criteria and indicators for the development of tropical industrial forestry plantations (with links to Code of Conduct) (CIFOR, 2001)

Considering and incorporating these criteria and indicators in the operative planning process of the commercial reforestation project is a fundamental measure to guide all further activities throughout the life-cycle of the project (normally long term). However, although they are necessary they are not sufficient. CSBP-R, through the implementation of M-CRIA and P-CRIA, gives additional focus on conflict management around the forestry operation.

Consult "Flashpoint Issues" papers for further guidance on the environment and sustainability, access to land, social investment and sub-contracting.

2.4.1. Establishment of the forestry plantation

Typical Activities

- Delimitation of plantation zones
- Delimitation of conservation zones
- Species selection
- Obtaining vegetable matter
- Selection of area to be planted
- Selection of soil and site
- Preparation and management of the plantation site
- Planting methods
- Fertilisation

CSBP-R Guide

Effective internal and external communication strategies need to be in place during this phase. The internal strategy needs to ensure that all the relevant company departments, including management, technical, public relations and human resources are committed to CSBP-R. The external strategy needs to ensure that information regarding the duration of the project, job creation and guarantees of social investment are shared and that stakeholder consultation processes are taking place.

- Human resources
- Occupational safety
- Teams and materials

Possible source of conflict:

- Land tenancy and use
- Employment
- Immigration/emigration
- Contractor behaviour
- Selection of species
- Selection of plantation site
- Elimination of natural forests in order to establish the plantation
- Use of chemical products

Consult "Flashpoint Issues" papers for further guidance on the environment and sustainability and sub-contraction.

2.4.2. Management

Typical Activities

- Weed control
- Pruning and thinning
- Pest and disease control
- Fire protection
- Controlled fires
- Building of access-ways
- Production prediction
- Inventory
- Human Resources
- Occupational safety
- Teams and materials
- Research

CSBP-R Guide

Comprehensive conflict risk management strategies need to be fully in place, both at the macro and project level, in order to confront key conflict factors. M-CRIA and P-CRIA need to be regularly updated to ensure they continue being relevant and effective.At the project level, rewarding of negative or violent behaviour should always be avoided and open communication with all stakeholders should be maintained.

The conflict mitigation strategies based on the M-CRIA and P-CRIA analysis, particularly those related to social investment, ensure that the activities of the reforestation company are not limited to 'do no harm', but actively seek opportunities for peace-building through all its areas of operation.

Possible sources of conflict are:

- Reduction in local employment
- Migration
- Contractor behaviour
- Invasive species
- Water sheds
- Use of chemical and biological products
- Building of pathways
- Transit of vehicles
- Social investment
- Threats and security
- Corruption and lack of transparency in the local context

Consult "Flashpoint Issues" papers for further guidance on the environment and sustainability, social investment and sub-contraction.

2.4.3. Use of the forestry plantation (harvest)

Typical Activities

- Demarking areas
- Felling, trimming and cutting up
- Small transportation
- Large transportation
- Human resources
- Occupational safety
- Teams and machinery
- Building of access ways
- Camps

CSBP-R Guide

Comprehensive conflict risk management strategies, both at the macro and project level, need to be fully operational in order to confront key conflict factors. M-CRIA and P-CRIA need to be regularly updated to ensure their relevance and effectiveness.

At the project level, rewarding of negative or violent behaviour should always be avoided and open communication with all stakeholders should be maintained.

The conflict mitigation strategies based on M-CRIA and P-CRIA analysis, particularly those related to social investment, ensure that the activities of the reforestation company are not limited to 'do no harm', but actively seek opportunities for peace-building through all their areas of operations.

Possible sources of conflict are:

- Employment and labour security
- Migration
- Contractor behaviour
- Teams and machinery
- Building of access ways
- Camps
- Transit of vehicles
- Alterations to the landscape
- Water sheds
- Social investment
- Extortion attempts
- Corruption and the lack of transparency in the local context.

Consult "Flashpoint Issues" papers for further guidance on the environment and sustainability, social investment and sub-contraction.

2.5. Post-harvest

Typical Activities

- Recovery of areas
- Planning for the next stage

CSBP-R Guide

Conflicts can originate in the post-harvest stage of the plantation due to the possible deterioration of the land, especially with regards to soil conditions and alterations in the landscape.

Social disputes could arise over future land use or the rapid fall in local and regional employment in cases in which the company does not continue operations in other areas that would allow for the relocation of personnel.

Consultations on the management of social impacts should be carried out if the used area is not to be replanted. In such circumstances, the CSBP-R principles on ensuring full stakeholder participation should be followed.

Possible sources of conflict are:

- Employment and labour security
- Emigration
- Alterations in the landscape
- Soil
- Water sheds
- Social Investment.

Consult "Flashpoint Issues" papers for further guidance on the environment and sustainability and social investment.

Figure 1. Relevant principles associated with forestry plantations, established by the General Forestry Law (Law 1021 of 2006)

- The conservation and sustainable management of natural forests and the establishment of forestry plantations in forested land is declared a national priority and of strategic importance for the development of the country. These activities shall be carried out in accordance with the relevant instruments of International Law, of which the Republic of Colombia is a signatory.
- The State will promote the development of the forestry sector recognising the economic, social and environmental benefits that it will generate. The development of the forestry sector is declared a task of national priority to achieve peace and citizen coexistence.
- Support for forestry activities needs to be directed towards conservation and the sustainable management of ecosystems, employment generation and the improvement of living conditions for rural populations and society in general.

- Forestry plantations, as well as agro-forestry systems, play a fundamental role in the production of renewable energy, the supply of natural resources, provision of environmental goods and services, the increase in the supply of forestry resources, employment generation and national socio-economic development. The State will therefore stimulate its development without natural forests.
- Forestry projection is recognised as a right of titleholders or proprietors of legally registered private forestry plantations, in order to build guarantees with any financial institution over future plantations. For judicial purposes, trees are considered movable goods according to article 659 of the Civil Code.

Figure 2. Guiding Principles[10] for the development, management and use of Planted Forests. Planted Forest Code FAO. (Draft 14 March 2006)[11]

1. Institutional Principles[12]

Principle 1: Good governance
Taking into consideration the time frame and risks in establishing and managing planted forests, as well as their use, marketing and trade, governments should facilitate an environment of stable economic, legal and institutional conditions to encourage long-term investment, sustainable land-use practices and socio-economic stability.

Principle 2: Integrated decision-making and multi-stakeholder approaches
Taking into consideration the multifaceted interfaces of planted forests with communities, agriculture, animal husbandry, naturally regenerating forests and agro-forestry land uses, both with and in the landscape, policy-makers should encourage integrated decision-making by stakeholders in planning, management and utilizing planted forests.

Principle 3: Effective organisational capacity
Governmental, private sector and other organisations require the capacities and ability to deliver knowledge, technology and other support services for sound planted forest management at all levels.

2. Economic Principles

Principle 4: Recognition of the value of goods and services
Planted forests, both for production and protection, should be recognised for the commercial and non-commercial benefits that they provide, such as wood and non-wood forest products and social, cultural and environmental services.

Principle 5: Enabling environment for investment
Governments should create the appropriate conditions needed to stimulate small and medium sized corporate investors to invest in planted forests in the long term and to yield a favourable return on investment.

Principle 6: Recognition of the role of the market
To improve the probability of achieving acceptable returns on the investment, the investors in planted forests, particularly those having productive functions, should design their planning and management to respond to signals from international and national markets. Establishment and management of planted forests should be market-driven, rather than production-driven, unless otherwise established for environmental, protective or civic reasons.

3. Social and cultural principles

Principle 7: Recognition of social and cultural values
Social and cultural values should be taken into consideration in planning, managing and using planted forests, including the welfare and empowerment of adjacent communities, workers and other stakeholders.

Principle 8: Maintaining social and cultural services
The balancing of competing objectives in planted forest investment causes social and cultural changes. Thus it is necessary to adopt planning, management, utilization and monitoring mechanisms to avoid adverse impacts.

4. Environmental principles

Principle 9: Maintaining and conserving environmental services
Planted forest management will impact the provision of ecosystem services. Thus, planning, management, utilization and follow up mechanisms should be adopted in planted forests in order to minimize negative effects and promote positive ones, as well as to maintain or enhance the conservation of environmental services.

Principle 10: Conservation of biologica diversity
Planners and managers of planted forests should incorporate the maintenance and conservation of biological diversity as a fundamental element in planning, management, use and followup of planted forests.

Principle 11: Maintenance of forest health and productivity
In order to reduce environmental risks and to ensure that planted forests are managed so as to maintain and improve forest health and productivity and reduce the damaging impact of a-biotic and biotic agents, policy makers, planners, managers, scientists and the universities should work together to establish the mechanisms (policies, laws, management systems, follow-up systems, response systems teaching and training) that are appropriate and coherent for the protection of planted forests.

Principle 12: Territorial focus
Since planted forests interact with and effect local land use and the environment territorial focus should be adopted such that the upstream and downstream effects are planned, managed and periodically controlled according to acceptable environmental standards.

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[10] Each Principle corresponds to a series of specific conditions which are not included here.

[11] The final draft version of the Code will be presented for revision to the Forestry Committee of the FAO in March 2007.

[12] Although the principles are divided into institutional, economic, environmental, social and cultural categories, they are all intertwined and any development of planted forests should take a holistic approach to these principles.
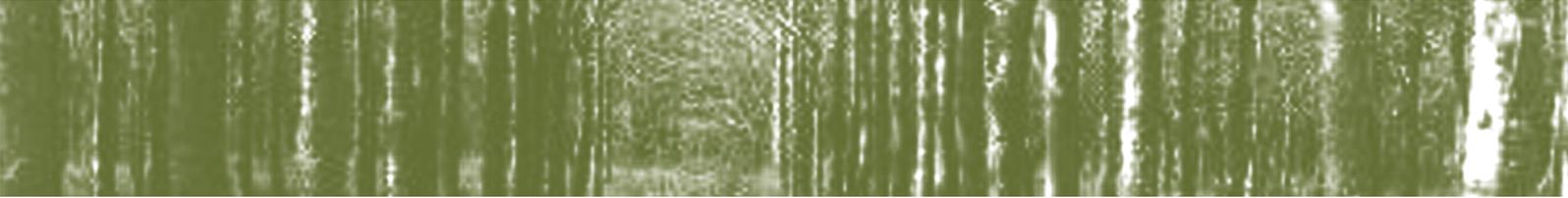
Section 3. Macro-level Conflict Risk and Impact Assessment Tool (M-CRIA)

3.1. Introduction

What is M-CRIA?

M-CRIA is a tool for reforestation companies that have investments or are considering investment in Colombia. M-CRIA supports companies in analysing the conflict risks to their operations and the possible impacts, both negative and positive, of their operations on conflict situations. Based on the results of this analysis, M-CRIA proposes an action framework for the company to mitigate conflict risks. Thus, M-CRIA complements in-house management procedures of political and financial risks.

M-CRIA examines the risks and effects of commercial reforestation at the macro level (national), while P-CRIA analyses them at the project level (local/regional).

Who is it aimed at?

The methodology is aimed at national and multinational companies that have invested in commercial reforestation in Colombia and or are considering doing so.

- **National companies**, many of which have a long history in the reforestation sector, can use the tool to review and enhance their risk management and corporate responsibility provisions from a conflict perspective.
- **Multinational companies** that are in the process of considering a forestry project in Colombia can use the tool to support informed decision-making based on an analysis of the Colombian conflict situation and the development of conflict risk management strategies and strategies to mitigate possible negative impacts.

What does it consist of?

M-CRIA is based on **a list of guiding questions** that identify the main risks and effects of commercial reforestation at the national level from a conflict perspective. Using this analysis, M-CRIA proposes a conceptual framework that identifies the **measures to manage conflict risks and mitigate negative impact**.

When is it used?

The use of M-CRIA is an iterative process that accompanies the life-cycle of a reforestation project from its inception to its conclusion. It is recommended to use M-CRIA in the following stages:

- Identifying a country for investment in commercial reforestation (in the case of a multinational company)
- Developing a company strategy for the management of political and security risks.
- Developing a corporate responsibility strategy (including the 'do no harm' principle).

How is it used?

M-CRIA is based on an in-house process of collecting and analysing information. The analysis is led by the relevant body (planning department, risk management and security department, corporate responsibility department) in collaboration with other company departments. Occasionally, it may be appropriate to hire external consultants specialised in conflict management and corporate responsibility to support the

process. In this case, a team should be formed, composed of both company staff and external consultants.

The M-CRIA analysis includes the following steps:

1. Preliminary analysis (literature, statistics etc.)
2. Consultations with relevant actors (government, NGOs, media, religious leaders, academics, business leaders, international community).
3. Data analysis, identification of risks and effects.
4. Development of a proposal for managing conflict risks and possible positive and negative effects of the reforestation project.
5. Presentation of the results to the company's executive board/management committee in order to make decisions and implement the strategy.

3.2. Risks and effects of commercial reforestation at the national level

Although there is no consensus on the relative importance of the **factors that contribute to armed conflict** in Colombia, a few can be pointed out:

- Economic and social inequality
- Weak public institutions
- Lack of democratic spaces for conflict resolution
- History of violence
- Illicit crops and drug trafficking
- Impunity

Source: Kurtenbach, 2004

Factors such as illicit crops and impunity, can present obstacles to the reforestation activity and therefore represent risks to the company. Others, such as economic inequality, can be reinforced through the reforestation activity. In the sense of 'do no harm', the reforestation company should seek ways of avoiding these possible effects.
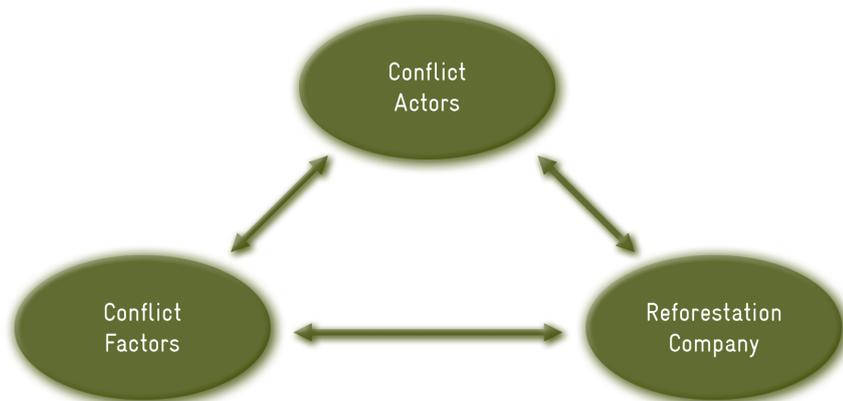
Figure 1: Relation between commercial reforestation and the conflict environment

The same logic applies to the analysis of the conflict actors, those who benefit from the conflict and those who seek peace. These include:

- The government (national, departmental and municipal levels)
- State security services
- Illegal armed groups
- Private business
- Catholic church and other religious groups
- Civil society
- Indigenous, afro-Colombian and peasant communities
- Associations of the victims of violence

Some of these actors could constitute a risk for the reforestation company when its operations affect their interests in a negative way. Other actors could become partners of the company as it promotes coexistence.

The following checklist highlights some of the risks and effects at the macro level that may be found in the context of commercial reforestation.

Conflict factor/actor	Potential risk to commercial reforestation	Potential impact of commercial reforestation
Economic and social inequality	Low level of education of the labour force Protests (potentially violent) against the company	Increase in the unequal distribution of land Reinforcement of the violent appropriation of land Increase in forced displacement
Weak public institutions	Lack of clarity on the rights and obligations of reforestation companies Non-transparent implementation of legal norms Corruption	Increase in opportunities for corruption through taxes paid by reforestation companies social investments Risk of "privatisation" of public services by the company (i.e through social investment) putting at risk the role of public authorities
Lack of democratic spaces for conflict resolution	Low level of efficiency of the judicial and democratic mechanisms for the resolution of conflicts between the company and other actors	Weakening of public institutions due to non-transparent company practice
History of violence	Violent actions against the plantations and company installations	Infringements of human rights by public and private security agents
Illicit crops and drug trafficking	Scarcity of labour for reforestation Increase in wages due to competition from illicit crops	Arrival or increase of violent delinquent activities Distortion of the local/regional economy
Impunity	Low level of efficiency in the legal persecution of contract infringements between the company and other actors or of violent acts against the company	Non-transparent company practices or infringements of the law which reinforce the sense of impunity among the general population

Presence of illegal armed actors, especially in rural areas	Threats against the company	Transferring resources to armed groups strengthens their structures and prolongs the armed conflict
	Insecurity, extortion and kidnapping	
	Perception of the company as being associated with the armed groups	

3.3. Identify mitigation strategies

Scope of influence

Within its scope of influence, a reforestation company can identify a range of activities to minimise conflict risks and its negative effects on its activities and to strengthen its positive contribution to peaceful coexistence in the country. According to the pyramid of corporate conflict management strategies (Fig. 3, Section 1), these strategies may include core business activities (all activities undertaken to achieve the economic objectives of the company, i.e. contracting, managing workers, forestry research), social investment (company investment in projects that fall outside of the short term economic objectives of the company, but can generate benefits for both the community and the company), and political dialogue, in which the company engages public representatives on conflict issues and seeks to generate positive decisions.
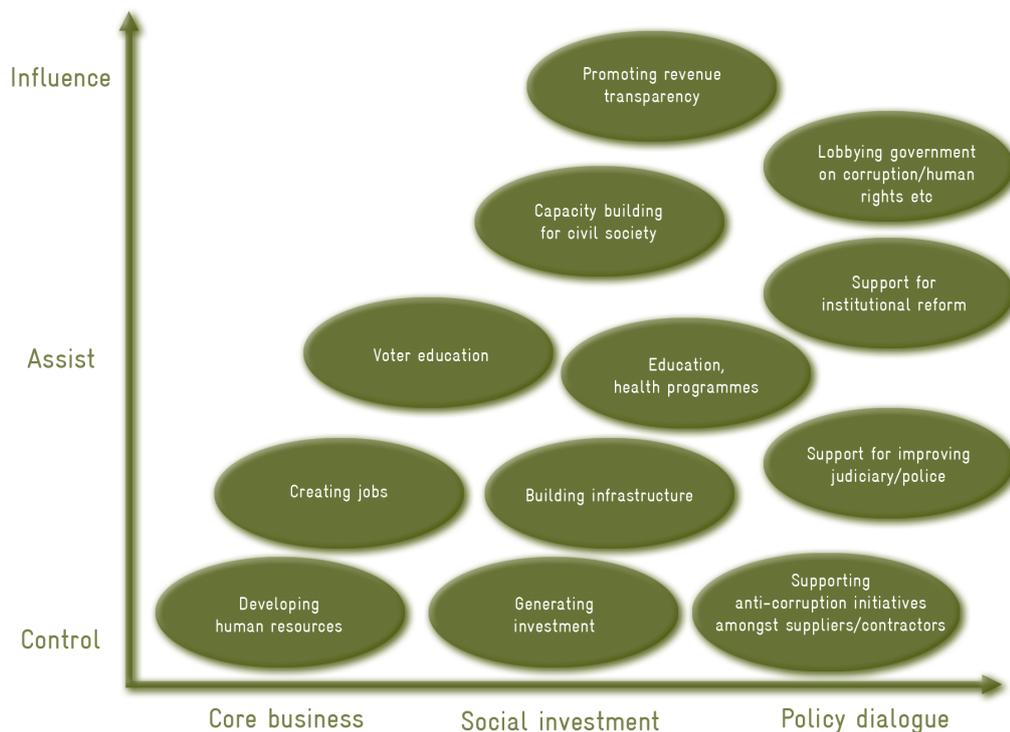
Source: IA M-CRIA, 2005: 42

Figure 2: Company's scope of influence

The company can increase the impact of its strategies by searching for alliances with other actors that share its interests or are affected by its activities. Identifying relevant actors from a conflict perspective is also important for the development of a dialogue and cooperation strategy based on the different interests and capacities of these actors.

Relevant actors and possible reforestation company partners at the macro level

1. Political

Presidential office, Congress, political parties, Ministry of Agriculture, Ministry of Environment, Housing and Territorial Development, National Planning Department, Regional Autonomous Corporations (environmental authorities), territorial entities, judicial administration, national NGOs (environmental, development, humanitarian, human rights)

2. Economic

Business associations, chambers of commerce, FEDEMADERAS, commercial associations ("Productive Alliances", "Competitiveness Agreements"), other reforestation companies, contractors, suppliers, unionists/worker associations

3. Socio-cultural

Indigenous associations, displaced groups, women's organisations, Church, religious groups, traditional leaders and the media

4. International

Donor governments, multilateral organisations, international NGOs, multinational companies

Source: adapted from IA M-CRIA, 2005: 42-43

Mitigation strategies

The company has various instruments at its disposal to mitigate its risks and effects, such as its core business activities, which should always be the main focus, social investment and political dialogue.

Table 2: Risk and negative impact mitigation strategies (examples)

Risk/Negative Effects	Core business activities	Social Investment	Political Dialogue
Corruption	Promotion of the company's ethical standards among staff, contractors, suppliers (code of conduct)	Support civil society organisations that promote anti-corruption initiatives	Form alliances with other companies in order to combat corruption through institutional reform
Lack of Security	Promotion of the "Voluntary Principles" within the organisation and with the private security providers	Support human rights training for members of the state security services	Dialogue with the government on the protection of rural communities
Elections	The company observes national regulations for financial assistance to political parties; should not allow the use of its installations and infrastructure for political campaigns, offer civic education programmes to its staff.	Support civic education programmes in the region	Support citizen oversight committees
Lack of democratic spaces for the resolution of conflicts	Participatory planning of its operations, consultations with affected communities	Support legal assistance programmes for vulnerable groups	Promote and form part of "Peace Alliances"
Illicit crops	Offer employment to those not affiliated to the illegal economy Strengthen legal productive chains by buying their products or services.	Support prevention of drug use and treatment programmes Social investment programmes for the generation of alternative legal incomes	Promote and form part of the board of directors of "Regional Peace and Development Programmes" or the government "Alternative Development" programmes and others

3.4. Summary of M-CRIA analysis (fictitious example)

Conflict Factor	Possible conflict impact on the company (risk)	Possible reforestation company impact on the conflict	Risk Level	Mitigation strategy
Weak public institutions	Non-transparent implementation of legal norms; corruption	Increase in opportunities for corruption through taxes paid by reforestation companies	Yellow	Core Business (CB): Promote ethical standards among staff, contractors, suppliers (code of conduct) Social Investment (SI): Support civil society organisations in the promotion of anti-corruption initiatives Political Dialogue (PD): Form alliances with other companies to combat corruption through institutional reform
Lack of democratic spaces for the resolution of conflicts	Low level of efficiency of judicial and democratic mechanisms for the resolution of conflicts between the company and other actors	Weakening of public institutions due to Non-transparent company practices	Red	CB: Participatory planning of its operations, consultations with affected communities
Economic and social inequality	Low educational levels of employees (Violent) protests against the company	Increase in unequal land distribution Reinforcement of violent land appropriation Increase in forced displacement	Yellow	CB: Permanent staff training, payment of sufficient wages to support a family, creation of rural employment SI: Offer training and micro-credit programmes in neighbouring communities, promote diversification of the local economy PD: Dialogue with local authorities in order to create a favourable environment for economic development
Presence of illegal armed groups, especially in rural areas	Threats to the company Insecurity, extortion, kidnapping Company perceived as being associated with armed groups	Transfer of resources to illegal armed groups that strengthen its structures and prolong the armed conflict	Red	CB: Promote "Voluntary Principles" within the company and with private security providers SI: Support human rights training for members of the state security services PD: Dialogue with government about protection of rural communities
Impunity	Low level of efficiency in the judicial persecution of contract infringements between the company and other actors or of violent acts against the company	Non-transparent company practices or infringements of the law (i.e. compensation) reinforce the sense of impunity among the general population	Yellow	CB: Create and implement clear rules on staff conduct; observe national and international norms in all company activities SI: Support legal assistance programmes to vulnerable groups
Illicit crops and drug trafficking	Lack of work force for reforestation Increase in wages due to competition from illicit crops	Distortion of the local/regional economy Beginning or increase of violent delinquent activities	Red	CB: Offer employment to those not involved in illicit crops SI: Support drug use prevention and treatment programmes

Risk level colour key: Red: Company activity has a high risk of creating or worsening conflicts. Yellow: Company activity has a medium risk of creating or worsening conflicts. Green: Company activity has a low risk of creating or worsening conflicts, but should be monitored for possible changes in the local context. Core Business; SI: Social Investment; PD: Political Dialogue

Source: adapted from IA CRIA-M, 2005:36-29
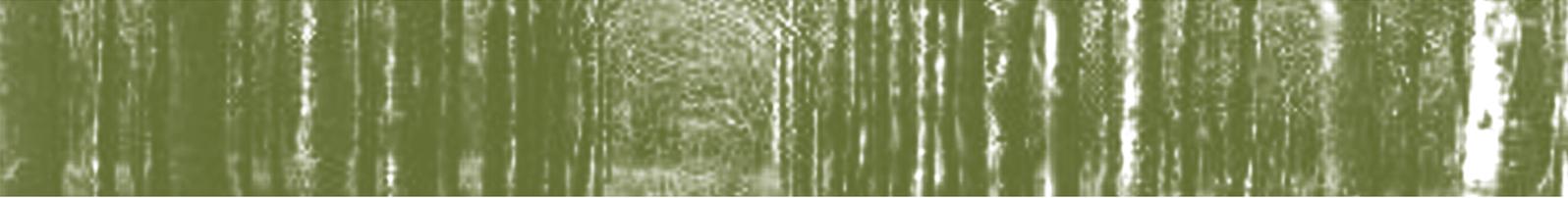
Section 4. Project-level Conflict Risk and Impact Assessment Tool (P-CRIA)

4.1. Introduction

What is P-CRIA?

P-CRIA is a tool for reforestation companies that operate in conflict contexts. P-CRIA analyzes the interaction between the company's activities and its local environment from a conflict perspective. Both the effects of the local environment on reforestation activities (risks) and the effects of reforestation on the local environment (impacts) are taken into account:

- Risks: Assessment of the possible consequences of existing conflicts in the region for the sustainability and profitability of the operation, including those of new conflicts generated by commercial reforestation itself.
- Impact: Identification of the (possible) negative effects of reforestation on the local environment and its potential for creating or worsening conflicts; identification of the positive effects of reforestation.

Building on this analysis, P-CRIA supports the identification of strategies for risk prevention and the mitigation of negative effects, according to the 'do no harm' principle. Furthermore, it supports the identification of opportunities to maximize the positive effects of the company's presence and to actively contribute to co-existence and peace-building in the area.

Who is it aimed at?

P-CRIA is aimed at reforestation companies that have or are thinking of undertaking reforestation activities in Colombia.

Within the company, P-CRIA is used by a multidisciplinary team that includes representatives of the following departments, or others depending on the structure of the company, and which reports to company management:

- Planning, technical-operational, community relations, communications, risk and security management, human resources, contractors (contractors and suppliers)

How is it used?

P-CRIA offers guidance on the necessary steps and important aspects of risk management, conflict mitigation and promotion of peaceful coexistence for commercial reforestation. Each step is self-contained and can be used individually, although it is recommended to follow through the entire procedure at least once at the start of operations in a region since the latter make reference to the former.

With every step, the tool offers sample questions, analytical tables and practical recommendations. Users should adapt them to the specific needs of their context.

When is it used?

P-CRIA can be used in two ways:

- **Support company decisions in a specific moment:** When making decisions such as the selection of a new plantation site, P-CRIA complements other technical (soils, climate) and economic studies with the security and conflict dimension.
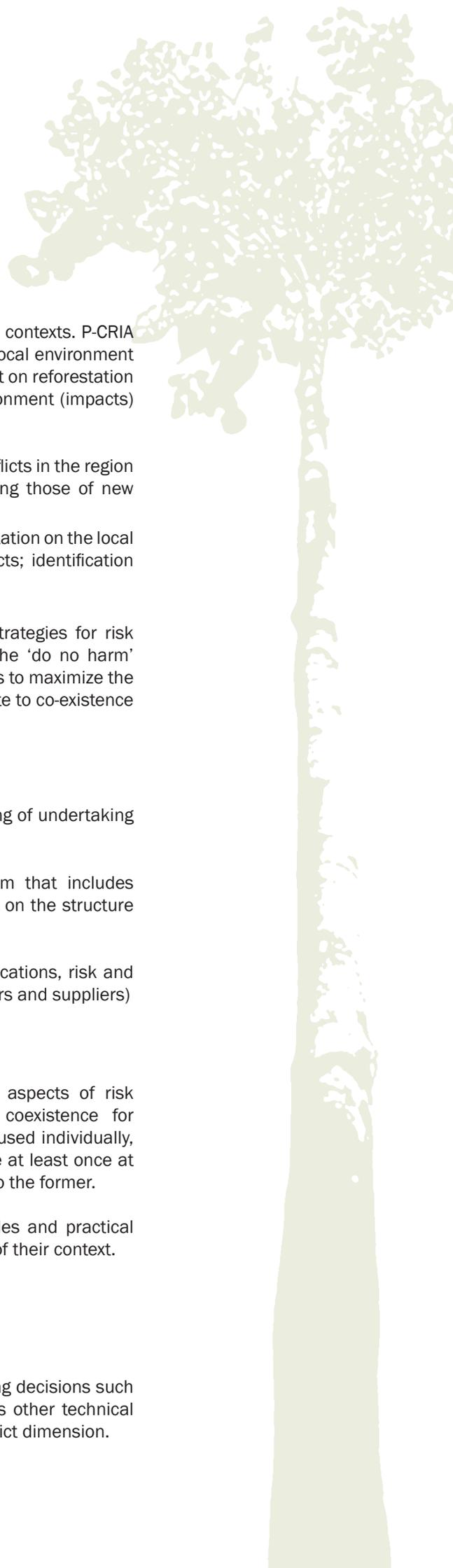
❧ **Integration of P-CRIA in company processes over a prolonged period of time:** P-CRIA offers a framework for a continuous consultation process between the reforestation company and local actors and feeds a conflict-sensitive orientation of decision making in all company sectors. It may include:

- Management of the environmental impacts of the plantation
- Management of the work force, work contract conditions
- Contract conditions with sub-contractors and suppliers
- Social investment strategy
- Communication strategy
- Strategy for political dialogue (e.g. on important topics for communities)
- Definition of a code of conduct for staff of private security companies
- Crisis management (i.e. security crisis, reputation crisis)

More specific recommendations on some of these aspects can be found in the Flashpoint Issues section.

What does it consist of?

P-CRIA introduces three basic steps for the assessment and management of conflict risks and impact. It starts with a **context analysis**, which is comprised of a profile of the local context, an analysis of the relevant actors and institutions, and identification of existent conflicts and tensions in the region. The next section on **risk and impact analysis** offers tools to identify local conflict risks to the reforestation company and to identify the (possible) negative effects that its operations may have on the region. It concludes with a selection of **mitigation strategies** that suggest concrete ways to manage the identified risks and (negative) impact.

4.2. Local Context Analysis

The local context analysis consists of a description of the region independent of the reforestation company's intervention. It is comprised of three parts: a general analysis of the local situation, the identification and analysis of the main actors in the region, and an analysis of the existent conflicts and tensions. This information serves as background to evaluate the risks and effects of commercial reforestation from a conflict perspective.

4.2.1. General assessment of the region

The general assessment of the region gathers information on the political, economic, social and security conditions and the current dynamics among them. Apart from complementing the company's technical and economic assessments in preparation for a new investment, it also offers detailed information that allows for a better understanding of the role of different local actors, the causes of existent conflicts and tensions and the possible consequences of the company's activities.

Sources of information for the general analysis include scientific studies, publications from diverse local institutions and organisations, local media and interviews with a variety of "experts".

It is important to develop a clear definition of the region that will be affected or where dynamics will affect the company's activities. Instead of using mechanical criteria such as physical distance from the plantation ("all settlements that are within 5 km from the plantation"), it is preferable to define criteria that take into account the political structures (i.e. municipalities), economic and ecological systems (i.e. water basins) and social relations.

Box 1: Questions for the general assessment of the region

1. Geographic and ecological profile

Physical geography, climate, suitable soils for commercial or community reforestation, water resources, ecological aspects, natural forests, protected areas and natural parks, significant sites (religious etc), infrastructure.

Size and composition of population (rural/urban, native, colonizers, displaced, minority) number and size of municipalities, social indicators (poverty, health, education, etc.).

2. History

Political development of the region, regional identity, regional status within the country, disputes with the national government, conflicts and periods of violence in the past, traditional social structure (large and small estates, agricultural frontier, indigenous or Afro-Colombian territories, etc.), immigration and emigration history, relations with neighbouring regions.

3. Political and social profile

Local government: structures, capacities, functions, dynamics of local elections, status of judicial institutions and of the media, grass-roots organisations, minority organisations and representatives, political and economic role of women, presence of internally displaced and/or demobilised people.

4. Economic profile

Main sectors of the local economy (industry, agriculture, commerce, services), natural resources, employment/ unemployment, food security, small and medium-size enterprises, business associations, trade with other regions.

5. Armed conflict and security

Security situation, critical dynamics and events, presence of illegal armed groups, presence of Armed Forces, location, human rights situation, number of victims, damage to infrastructure.

Source: adapted from IA P-CRIA, 2005:58

If the company already has a history in the region, it is worth starting the analysis with the reconstruction of the company's local history, including conflicts between the company and local actors and its socio-economic and political impacts (See annex 2 for more conflict analysis tools).

4.2.2. Identifying the main actors and groups in the region

The identification of the main institutions and groups in the region and their interrelations is an important step towards knowing:

- The actors that may suffer negative consequences from the company's activities;
- The actors that can affect the profitability and sustainability of the operation;
- Possible partners for supporting peaceful coexistence in the region.

In order to build constructive relations with these actors, the company needs to include them in its participatory processes and communication strategy.

Each actor's interests and relations with other actors need to be analysed. The following questions can guide the analysis:

- **Interests:** What interests does the actor have in relation to commercial reforestation and how are they manifested in practice?

- **Relations with other actors:** What are the relations between actors (divisions within groups, power relations, interest in conflict)?
- **Capacities:** What capacities does each actors have to influence – negatively or positively – the company's activities? (Administrative control, taxes, protests, employment, etc.) What capacity does each actor have to influence other actors?
- **Potential relation with the company:** How do the company's activities affect the actor? What obligations does the company have towards that actor? Partner? Critic? Directly or indirectly affected? What role can the actor play in the company's mitigation strategy? Can he be integrated into company activities?

The following questions can help identify the main local actors:

Table 1: Questions for identifying the main local actors

Actors	Examples of questions
Public institutions (government, mayors, environmental authorities, etc.)	What are the main public institutions in the region? Which individuals and groups dominate local politics? What is their sphere of influence (e.g. planning permission, local taxes, security forces, public sector employment)? Who are the elites in the region? What are the relationships among them? How much power does the central government have to enforce its politics in the locality (e.g. collect taxes, labour and environmental standards, security provision)?
Civil Society	Do groups with socio-cultural identities exist in the locality? What is their status? Who are the community leaders? How important are they in the mobilisation of public support or rejection of a company initiative? What are the main forms of obtaining or sharing information in the region (local newspapers, local radio, Word-of-mouth)? What role do the media play in local conflicts? What are the main civil society organisations in the region? Which are regarded as legitimate and representative? What role do they play in local politics?
Business associations and trade unions	Which unions are active in the region? How are they organised? Are there business associations? Who do they represent? What influence do they have?
Large landowners	Are there large estates in the region? What are their main economic activities? Is there competition between reforestation and other land uses?
Small and medium enterprises	What are the main sectors of small and medium-sized enterprises? Which could support commercial reforestation, which will suffer economically with the arrival of the reforestation company? How are they affected by the local security situation?
Communities	To what extent do communities, or part of them, depend on access to natural resources (e.g. land, water, natural forests, roads) for their subsistence? Which resources? What role do subsistence crops play in the household economy? Do communal land rights exist in the locality? What role does access to natural resources play in afro-Colombian, indigenous and peasant economies? Is there land in the area that has been designated for agrarian reform?
Internally displaced and colonizers	Is there a history of displacement in the locality? For what reasons? How did it occur? Have the displaced been relocated? Did they receive compensation? Who is currently using the land of those displaced?

	How has displacement affected land ownership in the region? Are there conflicts over land ownership?
	How are the displaced organised? What are their political and economic interests?
Security bodies (public and private)	Who provides security? How are the State's armed security forces seen? Are they implicated in abuses, extortion or corruption? What is the relationship between local and national security forces?
Illegal armed groups	Do illegal armed groups exist in the region? What is the political and economic role of these groups? Who controls criminal activities? Do the authorities have the capabilities to sanction these groups?
	What are the main economic activities of the illegal armed groups? How will they be affected by the forestry plantations?

Source: adapted from IA P-CRIA, 2005: 63-64

4.2.3. Existent conflicts and tensions in region

The local context analysis concludes with the study of tensions and conflicts that previously exist in the region, independent from the reforestation project. It also identifies "weak points" in the region's political, economic and social system that could lead to conflict due to the presence of an economically strong company. Finally, it examines the current security situation.

The company requires this information to avoid worsening these conflicts, even involuntarily. This not only prevents an increase in conflicts and violence in the communities but also prevents the risk that these conflicts turn into negative factors for the company.The following questions can help identify conflictive relations and issues in the region:

Table 2: Guiding questions for identifying existent tensions and conflicts in the region

Conflict factor	Sample questions
1. Politics and governance	
Political representation, legitimacy	How does local government work? How democratic, representative and legitimate is the local government? How are local elections organised and what are their results? How are conflicts of interest managed between various groups?
Public sector	To what extent does the local government provide basic public services (health, education, security, infrastructure, etc.)? What is the level of transparency in the public sector? Is there equal access to public sector employment and public services? What groups are excluded, what groups are favoured?
Judicial power	How independent and accessible is the judicial power? What is the level of impunity?
2. Economy	
Social inequality	What is the wealth distribution between the social classes? Are there significant differences in access to education and economic opportunities? What are the causes?
Land concentration	How is land distributed in the region? Large estates (hectares), small estates (hectares), percentage (%) of landless population. What are the current dynamics in land distribution? Causes?

Legal status of land	Are there communal lands or agrarian reform lands in the region? Are the communal rights of indigenous and afro-Colombian communities respected? Is there a history of displacement in the region? Are there multiple claims on some lands?
Local Economy	What are the main activities of the local economy? What resources, infrastructure, labour force, technology is required for these activities? Do they provide enough employment and income to the inhabitants of the region? What alternative economic practices take place in the region (i.e.: emigration)? Are there qualified companies or people in the region that the company can contract for certain services? Is there competition in this sector? How is this competition manifested?
Employment and unemployment	What is the unemployment rate in the locality, particularly among youth? Who constitutes the qualified labour force at the local level? Are they representative of all local groups? What is the history of labour relations in the locality?
3. Social and cultural factors	
Media	How open and objective are the local media? How important are they? Whose opinions do they represent? Do certain politicians or businesspeople have an undue influence on local media?
Landscape	Are there important historical, cultural or spiritual sites in the region? Who are they important to? Is there public interest in protecting them? Is there a special cultural relationship with the forest?
4. Security and human rights	
General security	How secure is the locality for the general population? How do they perceive security? Are there certain members of the population that are more secure than others?
Criminality	What is the level of criminality, particularly violent and economic crime? Who carries out the crime and for what reasons?
Security services	Who provides security: police, private security companies, illegal armed groups? How are these groups perceived by the general population and local authorities?
Respect for Human Rights	Are there local authorities that have been accused of violating human rights? Against specific groups? Are there functioning accountability mechanisms for human rights abuses?
Presence of arms	What is the nature and availability of arms? Who has access to arms? How are they used? Where do they come from?
5. Environment	
Land deterioration	Are the soils adequate for forestry plantations? Is there a risk of erosion after the harvest of the trees? Does the land have the capacity to recover after the forestry plantation's productive cycle is complete?
Water availability	Is there sufficient water for both private and commercial use? What role does the region play in providing the region/country with water and other environmental services?
Loss of biodiversity	Are there protected areas in the region? Are there protected flora and wildlife species in the region?

Source: adapted from IA P-CRIA, 2005: 60-61

4.3. Conflict risk and impact analysis

This section examines the relation between the reforestation company and the local context from a conflict perspective. Firstly, it considers the effects of the local situation, especially of (armed) conflicts, on the company's capacity of achieving its objectives. Secondly, it examines the consequences of the company's activities on the different actors in the region. Through these procedures, options are sought that avoid or mitigate the negative consequences and strengthen the conditions for peace and coexistence in the region, according to the principle of 'do no harm'.

This analysis can be carried out in different moments:

🌿 In the **preparation phase** of a new investment (i.e. new plantation), in which the **hypothetical or potential risks and impacts** of the activity are identified.

🌿 During the **implementation** of an investment, when **real risks and impacts** are analysed.

4.3.1. Analysis of the conflict risks for the company

What risks do local conflicts create for the reforestation company?

Risks are understood as all those factors that may reduce the profitability and sustainability of the forestry plantations. Risks can be of an economic, financial, legal, technical, political or security nature. Generally, risks cannot be avoided, but companies should develop strategies to manage or control them. Therefore, risk assessment and risk management play an important role in executive decision-making about new investments and the management of company operations.

Traditionally, reforestation companies considered technical and economic risks in the planning of their investments, such as land productivity, profitability, growth potential and labour supply. However, rarely did they consider criteria such as State presence or public order. Yet the consequences of ignoring security risks and the (lack of) State presence have been important. In the last years, some reforestation companies in Colombia have suffered from:

🌿 Attacks against machinery, offices and installations, theft of machinery

🌿 Burning of plantations

🌿 Accidents and deaths in the plantations due to a lack of security (e.g. land mines)

🌿 Difficult access to the plantations for executives due to kidnapping

🌿 Extortion threats and attempts

🌿 Lack of labour due to competition generated by better pay offered by illicit crops.

🌿 International and national reputation problems due to public perception of company links with illegal armed groups and their practices, especially forced displacement

🌿 Legal cases from accusations associating them with illegal activities.

It is clear that operating in areas with high levels of conflict carries legal, economic, security and reputation risks. That is why the management of these risks should be a priority for the company.

How to identify the risks that the company faces in the region?

The 'risk equation' is a way of evaluating the security risks that a company faces, although it can also be used for other types risks. The equation stems from the observation that the risk of being a victim of a security incident is increased by a threatening environment and the company's own vulnerability, whilst it can be reduced by strengthening its capacities to resist the threat.

$$Riesgo = \frac{Amenaza \times Vulnerabilidad}{Capacidades}$$

Fig 1. The Risk Equation

Security Risk

The security risk indicates the probability that a situation that affects the company, its personnel or its capital will arise. This outcome can occur, but it is not inevitable. In the case of a high risk, there is an increase in the probability that such a situation will occur.

Threat

The threat consists of the possibility of causing harm to the company, its personnel or its capital, or violently harming its physical and moral identity, or its material possessions.

Vulnerability

Vulnerability is the measure in which the company, its personnel or capital are susceptible to loss, harm, suffering or death in the case of a violent act.

Capacities

The capacities represent the company's strengths and reserves, giving it a certain level of security, acceptance or dissuasive force for the protection of its activities.

Source: van Brabant, 2001

How to manage the risks?

From the risk equation, two risk management strategies emerge. As the threat level cannot be changed, the risk can only be decreased by reducing the vulnerability of company activities towards threats and by increasing the company's response capacities.

An example of reducing vulnerability is to geographically disperse forestry plantations reducing the impacts of violent attacks against plantations and impeding access by illegal armed groups. Other examples include practices to share the risks of investment and plantation uses between various actors, such as land owners, through the 'joint accounts' model or with cooperatives that need to acquire their own machinery.

However, if the distribution of risks and benefits between the company and other actors is seen to be unequal, it can be a source of new conflicts.

Another strategy is the search for acceptance by local communities. Acceptance can be achieved through offering work for communities in the plantations, by reducing the plantation's negative impacts on the locality and through social investment.

Other security strategies fall under increasing the company's capacity. The response capacity to a threatening environment includes protecting the company's personnel and installations.

4.3.2. Impact analysis of the company's activities from a conflict perspective

What type of local impacts can commercial reforestation generate from a conflict perspective?

Commercial reforestation produces important effects in the local context, which the company needs to know and recognise as its responsibility. The impacts can be direct (e.g. using fertile land for its plantations) and indirect (e.g. migration of day labourers). It is important not to just consider the political and security impacts, but also the economic, social and environmental impacts, as they can also cause conflicts if they harm local actors' quality of life.

The following table shows some possible consequences of commercial reforestation and the company activities that may lead to them. Whether these consequences actually occur depends on the characteristics of the local context and the nature of company practices. The objective of the following list is to stimulate reflection, through dialogue with other stakeholders, among those responsible for reforestation activities on the possible conflict impact of their operations.

Table 3: Possible local effects of commercial reforestation

Company activity	Possible local effects
Political effects	
Negotiation of new investments with local authorities (or other actors)	Official recognition of the authority's power can affect the balance of power in the region and create competition (violent)
Payment of taxes to regional authorities	Increased corruption among those authorities
Financing and management of basic public services (education, health, etc.) by the company	Undermine the State's responsibility and capacity in providing basic services Replace the State in rural areas
Acquisition of communal or agrarian reform lands for plantations	Reject minority constitutional rights
Economic effects	
Acquisition of land for plantations	Land concentration (against agrarian reform) Small producers lose access to land

Location of plantations	Lost access to community lands
	Displacement for economic reasons
	May result in the interruption of plantations by roads, remote communities may lose access to neighbouring towns, markets, wells, religious sites, cemeteries, forests, etc.
	Migration of plantation workers from other parts of the country.
Converting agricultural land to reforestation	Loss of employment in agricultural activities (because of reforestation)
	Abandonment of subsistence crops, loss of family self-sufficiency in reforestation areas
	Endangering families' food security
Company domination over the local economy	Dependence of the local economy on commercial reforestation (wages and basic services), difficulty of economic adaptation at the end of the reforestation cycle
Flexible contracting of labour (for tree nurseries, plantations, transformations)	Irregular income for workers' families, increase in economic vulnerability
Subcontracting services or entire plantations	Economic and security risk is shared with the local population; contractors run high risks, which may be beyond their coping capacity

Environmental effects	
Use of water by plantations	Water drainage; harvest of the trees interrupts the environmental services of the planted forests (water regulation); effects which can occur when the soils and harvest are not appropriately managed
Rapid changes in ecosystems (tree plantations, use of the plantations)	Rapid changes in soil retention capacity, availability of water, local wildlife etc., effects which can occur when the soils and harvest are not appropriately managed.
Use of pesticides, fertilisers, etc.	Land and water pollution
	Health risks for neighboring communities
Monoculture	Visual impact due to changes in the landscape
	Land degradation
	Reduction in biodiversity
	Few benefits from the planted forests for neighbouring communities (i.e. firewood)

Social and cultural effects	
Commercial reforestation in indigenous or afro-Colombian areas	Effects on communal lands, beliefs, traditions or sacred sites
Recruitment of executives, engineers and workers from outside of the area.	Migration to the region
	Change in wage levels in the area
	Increase in the cost of real estate and in the cost of living
Staff recruitment	Can reinforce competition between different local groups (political, family, ethnic groups; between local and immigrant populations)

Social investment	Can change the distribution of resources and influence between local groups (by uneven access to company resources)
	Can reinforce competition and tensions inside and between neighbouring communities and communities located further away from the company's installations
Security effects	
Company presence in the region	May attract armed groups looking for economic opportunities (extortion, etc.)
	May increase insecurity of neighbouring communities
Military presence in order to protect the installations during the productive cycle of the plantations	Loss of community protection at the end of the operations, which may lead to accusations by armed groups of supporting the Army
Implicit agreements with armed groups	Perception of a close relationship between the company and illegal armed groups
	Perception of the company contributing to the forced displacement of communities in order to acquire their land
Security measures to protect staff and company installations	Increase in the presence of arms and armed persons in the area
	Risk of abuse by security agents

Source: Direct interviews

How to identify the local effects of commercial reforestation?

Identifying the effects of reforestation on the local context is a participatory and iterative process that is integrated in the full plantation cycle. In accordance with advances in the development of the reforestation activity, the local effects are analysed and mitigation strategies are developed in partnership with stakeholders. In this way, these groups will not feel like mere 'victims' or 'obstacles' of company activities but as partners that can help contribute to the achievement of economic, environmental and social company goals. Identifying the local impacts of commercial reforestation is a cyclical process with the following stages:

1. Identifying impact → 2. Identifying affected groups → 3. Identifying mitigation strategies → (back to 1.)
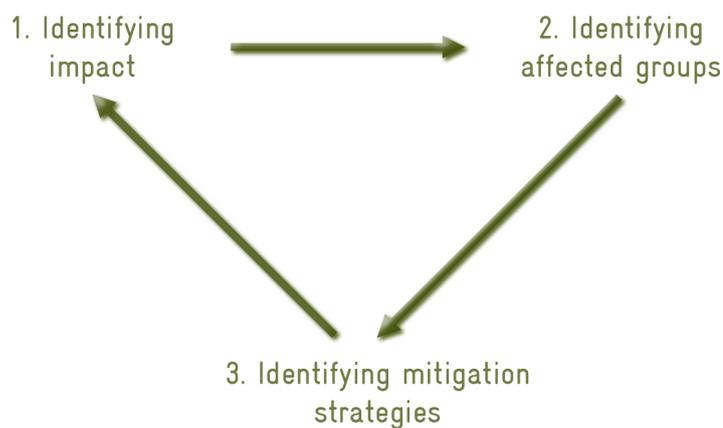
Fig. 2: Identifying impact

Transferring, to a certain extent, decision-making to the main local actors and especially to affected groups is crucial for the success of the process. This does not only mean evaluating the nature of the effects, but also exploring options for adjusting reforestation activities. This is a joint process that recognizes the legitimate interests of both company and local stakeholders. If the company involves local actors in a process of dialogue and joint problem-solving, there is a higher chance of achieving consensus and a shared sense of ownership.

The effects of commercial reforestation can be classified in two categories:

1. The **direct effects** are those changes that are directly caused by company activities, i.e. employment generated by the establishment and maintenance of the plantation, emergence of new local service providers for the reforestation company, loss of biodiversity or of traditional means of subsistence due to lack of access to land.

2. The **indirect effects** are the changes in the general political and socio-economic context related to the presence of the company, i.e. better provision of social services, labour migration, high level of corruption, arrival of armed actors, increase in insecurity for the local population.

The company is responsible for compensating populations for the direct negative effects of their activities. Furthermore, it is in the company's interest to mitigate the negative indirect impact of its presence, in order to bring about a stable and favourable environment for its operations.

Box. 2: Reasons for renouncing a project

Companies cannot always operate in a way that positively contributes to the decrease in conflict; in some circumstances they inevitably increase insecurity and violence at the local, regional and national level. The presence of the following factors in a region should alert the company to a situation in which it may be impossible to avoid contributing to an increase in conflict:

❧ Impossibility of interacting with main local actors and stakeholders

❧ Possibility of company employees being subject to extortion by illegal armed groups, unless the company is confident in its capacity to overcome these demands through alternative means such as developing strong relations with all local communities

❧ Evidence that the company cannot operate in the area in accordance with national and international law and the company's code of conduct (e.g. due to the unclear legal status of the land)

Adapted from IA P-CRIA, 2005: 78

4.4. Identifying mitigation strategies

After analysing the context of the reforestation operation and the potential risks and impact of its activity, strategies are sought for preventing and managing conflict risks and impact. For this, the company, together with local actors, looks for ways to manage its business that allow all actors, especially groups directly affected by the activities, to benefit from reforestation. Thus, the activity can become a motor for sustainable and equitable development in the region ('win-win situation'). The company may also contribute to strengthen local institutions and processes that allow for constructively managing the conflicts that are likely to arise due to the nature of the business activity.

The following table shows some examples of possible negative effects of commercial reforestation and suggests some obligatory, expected and desired mitigation measures (See Fig. 3 in Section 1).

Tab. 4: Possible negative effects of commercial reforestation and mitigation measures

Possible risks and conflictive effects of reforestation	Obligatory mitigation measures	Expected mitigation measures (examples)	Desired mitigation measures (examples)
Company security agents contribute to an intensification of violence in the region	Compliance with relevant national and international standards, such as: Universal Declaration of Human Rights International Humanitarian Law International Agreement on Economic, Social and Cultural Rights International Pact on Civil and Political Rights ILO Declaration on Fundamental Labour Rights and Principles ILO Conventions	Implementation of the Voluntary Principles on Security and Human Rights Human rights training for private security agents contracted by the company	Human rights training for public security services Support mechanisms for denouncing human rights abuses Dialogue with the responsible political representatives on security and human rights issues, protection for neighbouring communities of the plantations
Increase in opportunities for corruption through taxes paid by reforestation companies		Transparency of tax payments and investment agreements paid by the company to local authorities (i.e. announce it on the local radio)	Strengthening of public institutions responsible for monitoring local budgets (comptrollers, oversight) Support to participatory processes of defining local development plans
Unequal distribution of land, loss of means of subsistence of neighbouring groups		Provide alternative lands for subsistence crops Training programmes for neighboring groups to enable them to find employment in the reforestation sector	Build capacity in non-agricultural economic activities Credit programmes to carry out alternative activities
Reduction in the demand for local labour (e.g. due to the mechanisation of the plantations)		Compensation to laid off workers Train workers in alternative activities Offer employment in other company plantations	Promote alternative economic sectors in the region
Negative environmental effects		Apply sustainable forestry management practices in the planted forest Carry out works to maintain the local water supply , firewood, etc. Maintain the traditional pathways that go through the plantation for the local population	Adopt measures based on the FAO Voluntary Guidelines for Planted Forests (Draft) Obtain certification of environmental sustainability under a recognised scheme

The mitigation strategies will have a better impact if they adhere to the following criteria:

- The measures respond to the real needs of the locality and are identified jointly with the relevant stakeholders.
- The measures form part of a long-term development strategy. They promote local development capacities.
- As part of an 'exit strategy', the measures build the population's capacity for post-commercial use of the plantation.
- The measures are identified and implemented in anticipation, before the risks and negative effects of the commercial activity come to the fore. In this way the population is prepared and in a better position to cope with any potential negative affects of the forestry plantations.

The company can maximise its contribution to the reduction of conflict by collaborating with other partners, creating 'peace alliances'.

Box 3: Partners for the mitigation of conflict risks and peace-building

Government: companies can dialogue with local governments to promote the equitable use of fiscal revenues, to promote and facilitate an enabling business environment and to put pressure on reducing corruption and bring those responsible for human rights abuses to account. Companies can also work in building local government capacities in service provision for communities, through the design of social investment projects that complement and strengthen the government instead of weakening it.

Other companies: collective action by companies that operate in the same area is critical to exerting a positive influence. Going alone is not only risky but is less likely to be successful. Harnessing the collective influence, experience and financial resources of companies can significantly contribute to equitable political and socio-economic development.

International community: various international actors are useful allies for companies in that they bring different skills and competencies to address shared issues of concern. Companies can pool their skills and activities with international actors to address human rights and corruption, promote service provision and capacity building projects, and encourage good practice in public accountability and revenue management.

Local NGOs: Credible and capable NGOs can enable companies to develop relevant and targeted projects that may have the added benefit of supporting the capacity of local civil society.

Local business: Strengthening the capacity and productivity of local entrepreneurs through skills transfer and partnership can also reinforce initiatives to promote peace. Reforestation companies have a shared interest with local business in lobbying for stable and enabling environments with their local counterparts.

Source: adapted from IA P-CRIA, 2005: 81-82.

Tab. 5: P-CRIA summary table (fictitious example)

Company Action	Possible impact	Impacted stakeholders	Risk level	Mitigation strategy
Land acquisition and conversion of agricultural land to forestry plantations	Loss of access to land / Loss of means of subsistence	Communities that lived on the land used for forestry plantations	Red	CB: Compensation policies / SI: Development projects to provide alternative livelihoods (training, microfinance) / PD: Engage with local government to secure basic public services
Recruitment of personnel from outside of the region	Immigration	Local residents / Immigrants	Green	CB: Transparency when recruiting staff and contracting local services / SI: Train local work force
Company domination of the local economy	Distortion of the economy's traditional structure / Damage to local industries and economic activities / Unemployment / Inflation	Local residents	Yellow	CB: Ensure that contractors follow the economic and ethical principles of the company / SI: Support the diversification of the local economy
Monoculture	Use of water for the plantation / Loss of biodiversity	Neighbouring communities / Ecosystem	Yellow	CB: Rigorous environmental standards / SI: Replant abandoned lands in the area (to make up for the loss of biodiversity in plantations)
Payment of taxes	Perception among the communities of an inequitable distribution of fiscal revenues / Corrupt practices in the local administration	Citizens of the communities and departments in which the forestry plantation is based / Local government	Red	CB: Internal implementation with contractors and suppliers of the company's social responsibility standards (esp. anti-corruption); transparency in tax payments / SI: Strengthen local government institutions; support civil society in the monitoring of public expenditure / PD: Dialogue with local government to ensure the equitable distribution and efficient use of fiscal revenues, responding to community needs
Company security management	Higher levels of human rights abuses / Restrictions to freedom of speech / Increase availability of arms	Those living around/near the project	Yellow	CB: Appropriate training of security personnel, adherence to Voluntary Principles and International Humanitarian Law / SI: Support of community initiatives to reduce the presence of weapons / PD: Lobby local government to train and manage state security forces and protect communities

CB: Core Business; SI: Social Investment; PD: Political Dialogue. Risk level colour key: **Red:** Company activity has a high risk of creating or exacerbating conflicts. **Yellow:** Company activity has a medium risk of creating or exacerbating conflicts. **Green:** Company activity has a low risk of creating or exacerbating conflicts, but should be monitored for possible changes in the local context.

Source: Adapted from IA P-CRIA, 2005: 84–87

In conclusion:

**Box 4: Checklist for planning
commercial reforestation operations in conflict zones**

- Does your project maintain a regular consultation process? Does it consult all the stakeholders in the conflict region?
- Does it always use, when possible, the institutional channels for this endeavour?
- Does your project take into account and integrate all stakeholder interests and not just the interests of the powerful?
- Is there an initial plan to establish a follow-up process that aims to avoid the use of resources to support one of the conflicting parties?
- Do you take advantage of all the possible opportunities to ensure your neutrality towards all stakeholders in the conflict and your commitment to peace and coexistence?
- With regards to social investment, do you plan with a long-term and sustainable development perspective?
- Do you coordinate your social work with the appropriate institutions in the region?
- Do you have an efficient security policy for your employees and others involved in your programme?
- Does your project offer spaces for dialogue between different stakeholders in the region and the identification of common interests, including an interest in peace?
- Does your project promote a responsible management style?
- Do you promote and use of constructive conflict management processes, both within the company and in the wider environment of the project?
- Does your project promote the hope and vision of a better future through, for example, active participation in reconstruction and reconciliation processes?
- If the need arose, would you help people who have been victims of trauma due to violence, injuries or psychological problems that have arisen from such circumstances as the loss of loved ones, acts of cruelty or intimidation?

- Do you undertake initiatives to support victims of the conflict (widows, children, disabled) through concrete actions?
- Are you seriously committed in the long term to work in this type of region in such a way that your efforts are justified, as are the hopes raised by your work?
- Have you taken into account environmental sustainability issues when planning and establishing the plantation?
- Is there a monitoring and evaluation programme of results of the company's sustainable environmental initiatives?
- Are there fire prevention and forestry health programmes?
- Are there management, prevention and control measures for the use of fertilisers and pesticides?
- Do you implement corrective measures to minimise the negative environmental impacts that could arise?
- Do you seriously consider legitimate community concerns regarding environmental degradation that could have been caused by the plantation?
- Do you plan to obtain certification under a recognised scheme on the sustainability of the reforestation project?
- Has the company adopted a voluntary code of conduct based on accepted international criteria for the sustainability of its commercial reforestation projects?

Source: adapted from Fisher et al., 2000
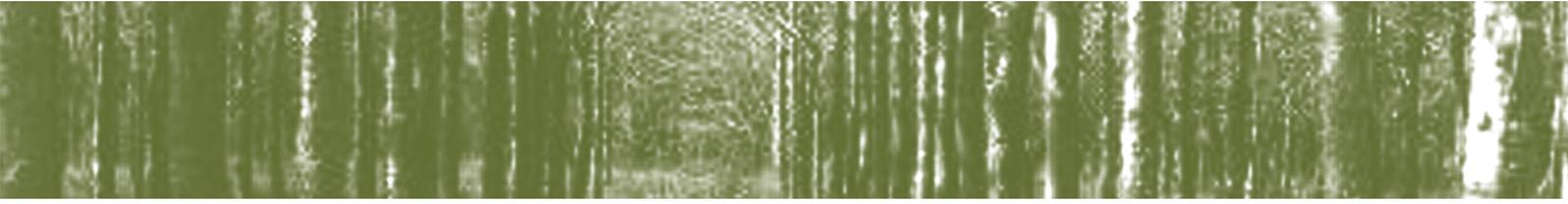
Section 5. Flashpoint Issues

Flashpoint Issue 1: Access to land

Flashpoint Issue 2: Social Investment

Flashpoint Issue 3: Environmental
sustainability of commercial forestry
plantations

Flashpoint Issue 4: Outsourcing

Flashpoint Issue 1: Access to land

The issue

Clarity on land tenancy is fundamentally important for the sustainable and effective development of planted forest programmes. The sustainable management of planted forests is not possible without clear tenancy; neither is obtaining all the benefits derived from producing timber or providing environmental and socioeconomic services, including poverty reduction.

Planted forests can be developed under different property systems. Particularly, there is a growth in contracts or associations between large corporations or companies and small landowners. Their duration, trust, strength and exclusivity have become the main legal elements for secure tenancy agreements.

The land chosen to develop planted forests is sometimes subject to the rights of the local population (including the indigenous population) for uses such as pasture or collection of non-wood forest products and fodder. Even land that seems deteriorated can be important for the survival of the poorest, precisely because it does not have any economic value to other more powerful members of the community. The rights of the local population need to be taken into account for planted forests to contribute to socio-economic sustainability.[13]

The business case

Land availability, land tenancy and property are important factors in determining trust for investment in the forestry plantation.[14]

In some cases, national businesses prefer not to continue their land purchase programmes and instead combine them with other modes of access to land such as profit and risk-sharing agreements with local landowners. In this way, companies avoid immobilising financial resources in the long-term and use them for other reforestation-related activities. The kind of association denominated "joint accounts", with one or another variation, responds to this, and additionally generates advantages of risk-sharing and expansion of a social base for its activities.

Under the already mentioned 'shared risk' scheme, the 'joint accounts' model is now widely used. Under this scheme, the landowner contributes the land and is responsible for fiscal obligations, while the company manages the technical and economic aspects of the forestry plantation. In addition, the company commits itself to buying a fixed amount of the timber production. This scheme is based on the assumption that the landowner is given transparent and precise information on the projected production, scope, investment and returns from the arrangement. Some businesses establish this kind of arrangement with small, medium and large landowners but others prefer not to deal with small landowners since forestry plantations require rather extensive areas.

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[13] FAO, 2007: Responsible Management of Planted Forests. Voluntary Guidelines. Rome, Italy.

[14] Carle, Jim; Del Lungo, Alberto and Vourinen, Petteri. 2002. Status and Trends in Global Forest Plantation Development. Forest Products Journal. July/August Vol.52. No 7.

In all cases, reforestation companies rely on the security of both good governance and legal land tenancy, whether the land has been bought, rented or accessed under other arrangements such as the 'joint accounts' model.[15]

Key conflict issues

In the international context, secure property rights are generally regarded as a necessary precondition for investment in forestry plantations. The actual debate[16] focuses on the extent in which property rights are established at others' expense, even if the government supports one or the other party.[17]

There are also doubts on the legitimacy of land tenancy in cases in which land identified for redistribution amongst landless peasants is used for forestry plantations.[18]

In the Colombian context, it is clear that land access may in certain circumstances become a high risk and impact issue for the development of forestry plantations, considering that an estimated 4 million hectares of land have been taken from individuals displaced by the conflict by illegal armed groups.[19] Of these lands, many are suitable for commercial reforestation programmes, which means companies need to take into account the options and alternatives that arise.

Other conflicts on land use can arise when forestry plantations are established on land that is considered degraded or cleared, but in reality is being used for grazing or for non timber yielding activities and services by landless peasants.[20]

Although the 'joint accounts' scheme, in which reforestation companies establish an agreement with the landowner that allows him/her to take part in the plantation returns, is considered a 'good practice' example within the reforestation sector and will increase in the future, some experiences have not been successful. Various elements of this scheme can give rise to conflicts:

- Land use agreements between the company and the landowner, in which the company does not provide clear and precise information on the scope and terms of the deal.
- Disputes over the price the company pays the landowner for its share of the timber production.
- The unwillingness of 'second generation' landowners to continue the partnership with the company or to continue under the initially agreed terms.
- The lack of independent assessments or mechanisms to resolve differences between the parties.
- The perception of the land losing its productive capacity after the final use of the plantation.

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[15] Adapted from FAO, 2007. Op. cit.

[16] Refers to the current debate in the context of international revision on the implementation of FSC Principles and Criteria with regards to plantations.

[17] FSC.1996. Perspectives on plantations. Challenges in the management of plantations. Preparatory study for the revision of FSC policies on plantations.

[18] FSC.1999. Op. cit.

[19] Figures from INCODER. El Tiempo. June 16, 2006.

[20] Carle, Jim; Del Lungo, Alberto and Vourinen, Petteri. 2002. Status and Trends in Global Forest Plantation Development. Forest Products Journal. July/August Vol.52. No 7 (translation).

Options and alternatives

As with the problem of rights to land access and use, the development of secure land tenancy arrangements for planted forests requires consultation, conflict resolution and shared decision-making. Identifying and recognising customary rights may be necessary. It will also be necessary to consult with other land users.[21]

In the development of planted forests, it is important to recognise and respect property and possession rights over traditionally occupied lands. The rights of indigenous populations and local communities need to be safeguarded, including the rights of these people to participate in the use, management and conservation of these resources.[22]

Clear evidence should be provided, with official documentation, of the long-term right to the use of prospective plantation land, such as official land titles, lease contracts or other modalities.[23]

From the feasibility stage on, forestry plantation projects should be abandoned if it turns out that they imply the purchase or lease of land that may have been expropriated from its legitimate owners or previous occupiers by violence. In such cases, the company should identify alternative options, using land that has not been affected by such events. If this is impossible, the initiation of operations should be postponed until the land right situation has been completely clarified, according to proper legal procedures.

For 'joint accounts' schemes, the company should make sure to provide clear and precise information to the landowner on the characteristics of the business and the agreements and to carry it out in a transparent manner. The relevant considerations for sustainable forest management also need to be applied to "joint accounts" plantations. Company practice, particularly with regards to agreements with small and medium sized peasants, should be framed as local development rather than simply business agreements. Involving independent third parties to mediate possible disputes or help balance the terms of the agreement is a possible alternative, especially when the perception exists that agreements are being established between a powerful party (the company) and a weak party (small or medium sized landowner) that lacks the necessary information, capacity and skills to negotiate.[24]

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[21] FAO, 2006. Op. cit.

[22] Ibid.

[23] Adapted from GTCFV-2003. Norms for voluntary forestry plantation certification in Colombia under the FSC scheme. Cali, Colombia.

[24] From FAO, CIFOR 2002. Towards equitable partnerships between corporate and smallholder partners. Relating partnerships to social, economic and environmental indicators. Bogor, Indonesia.

Flashpoint Issue 2. Social Investment

The issue

Social Investment can be described as all company activities that do not generate direct profits for the company but are undertaken for ethical and social purposes. Reforestation companies in Colombia have a variety of experience in these types of activities. The principle ones carry out significant social investment activities and are looking to increase their contribution to the development of their regions. In general, the following types of activities can be pointed out:

On the one hand, there are social projects that are directly linked to the company's economic activities. These projects include support to the foundation and management of local workers' cooperatives that operate as contractors for the company. Another type of activity is company participation in 'productive alliances' with small timber producers and the government, in which they offer technical assistance and guarantee the purchase of high quality timber products. In this way, companies provide a secure source of income to small-scale producers and simultaneously establish firm relationships with local communities. Constructing and maintaining road infrastructure can be seen as the company's responsibility, due to the damage caused by the vehicles used to transport timber in the rainy season, but also as a social investment. In the future, generating employment for demobilised combatants could form a part of these activities.

On the other hand, there are projects in which the company offers its business experience to support local income-generating initiatives. One reforestation company, for example, participates in a micro-finance scheme for small rural producers. It manages the financial part of the scheme and additionally offers technical assistance in the production and commercialisation of products.

The majority of social investment projects carry out additional activities such as education (construction and maintenance of schools, grants, literacy programmes, education funds), strengthening agricultural organisations in income generating (with various products such as fruits, berries, sugar, herbal medicines, etc.), providing basic health services (financial support to hospitals and health centers), and investments in infrastructure (rehabilitating a water network, technical, managerial and economic assistance to water and/or gas networks). Additionally, some companies promote capacity building programmes (support to self-organisation and leadership in poor areas, youth and local leadership workshops) or support the establishment of local development plans to guide the expenditure of their tax contributions.

The business case

Reforestation companies have a double interest in promoting social investment activities. On the one hand, they improve the community's living conditions, stabilize local employment opportunities and help avoid the community's economic dependency on the plantation.

On the other hand, companies see social investment as a mechanism for generating a stable and secure environment for their investments. In this sense, social investment facilitates relations with neighbouring communities. A positive attitude towards the company among the local communities may also help de-legitimise violent acts against the company by illegal armed groups. Communities may have a positive

influence over these actors if they benefit from the presence of the company.

Key conflict issues

Social investment is a useful tool that can generate benefits for the communities and the company. However, if it is managed poorly it can fail to achieve its objectives or can create negative effects, contributing to social conflict, such as:

- Increase in community dependency on external assistance: Short term assistance activities may have immediate positive effects (i.e. investment in infrastructure) but increase the communities dependency in the long term, especially if the company's assistance replaces the community's own initiative or the State's basic functions. It may thus fail to produce sustainable development processes, which in turn may destabilise the region after the company leaves.

- Generate competition between communities for access to the resources provided by social investment: The availability of substantial resources provided by social investment can generate false expectations in communities. Without clear and transparent criteria on the use of resources, competition for access can emerge.

- Reinforcing negative behaviour: When social investment is used to pacify violent actions against the company, it rewards and reinforces negative behaviour. A vicious cycle of attacks against the company and "rewards" in the form of social investment may emerge, that ultimately increases conflict in the region.

- Replacing the State or lack of cooperation with it: In rural areas with little State presence, some companies take on the provision of basic services for communities (education, health, infrastructure). Although this decision is understandable, it runs the risk of replacing the State or creating parallel structures or initiatives, which in the long term weaken public institutions. Furthermore, the "privatisation" of public services should not liberate the public institutions from their responsibility to communal welfare or sanction the misappropriation of public funds.

- Social investment as a security strategy: Although generating good relations with neighbouring communities is a legitimate company objective, certain limits exist with regards to the use of these relations for company protection. Social investment should not be seen as an attempt to manipulate communities, for example, in return for certain services to the companies. In some cases, communities have not felt confident in the company's real intentions and finally have refused to participate in social investment projects. On the other hand, it is important to consider that rural communities are the most vulnerable to the actions of illegal armed groups, as the high number of displaced in the country testify to. From here arises the question of how much protection can communities offer relatively large companies or rather, should the company reflect on its responsibility to protect the communities.

Options and alternatives

- Transparency of the company's objectives and activities: From the start of a reforestation project, a company must inform the communities of its plans, objectives, activities and the consequences that commercial reforestation will have on its environment. This transparency will allow communities, in partnership with the company, to prepare for the effects of reforestation and also mitigate possible fears or false expectations towards the reforestation company. Various ways to communicate with the communities may be used, including regular radio broadcasts, distribution of publications on reforestation and maintaining an 'open office' in the city centre or town nearest to the reforestation area.

🌿 Include the communities when identifying activities: Social investment should be based on the detailed study of community needs and opportunities, thus identifying issues of key importance to them. Communities should be supported in jointly identifying their principal problems and the strategies to resolve them. An important aspect of planning social investment activities is to ensure that it does not only benefit a few but that it creates benefits for the whole community. This avoids the risk of rewarding negative behaviour.

🌿 Generate long-term development processes: Social investment needs to have clear objectives and a long-term vision. One company, for example, defined social equality as the key objective of its social investment projects. This objective is guiding a range of activities on issues of education, employment creation and community leadership. Another company supports preparation of local social development plans, which form part of the Municipal Development Plans, in order to aim its contributions towards objectives that have been defined jointly with the community. Furthermore, it demands 50% co-financing by the community for all its social activities, thereby achieving greater guidance towards the real needs of the communities and the sustainability of the projects. Prioritising long-term development processes also implies that the companies avoid the dispersion of their activities and rather focuses their resources on a few key projects.

🌿 Tripartite projects: In order to respond to community needs without creating structures that were parallel to the State, some companies develop a tripartite project model. These projects are based on cooperation between the company, community and public institutions with a local presence. Each partner contributes to the project according to its complimentary capacities, in other words, what it is able to do best. Some companies demand that the public institution and community make their contributions first, before receiving financial support from the company to make sure that promises are fulfilled. These projects generate benefits in terms of community empowerment, increased transparency of public institutions and the generation of a positive image of the company.

🌿 Systematically include social responsibility in all company operations: According to the pyramid of company risk and conflict management strategies (see Fig. 3, Section 1), about obligatory, hoped for and desirable company activites, it is clear that first the company must orient its own operation in a socially responsible manner. This includes labor conditions, remuneration and access to social security, etc. Whenever possible, the company's operations should incorporate an integral vision of its relations with the communities, such as offering the guaranteed purchase of timber from small producers. In order to enhance its impact, the company should focus on social activities that are consistent with its own operations and not stray into unfamiliar terrain. In this way it offers the added value of its business experience and technical expertise to communities.

🌿 Protection for neighbouring communities: Reforestation companies should develop a reciprocal relationship with neighbouring communities regarding security. The company should not only try to gain acceptance by the communities, but also offer them protection if required. Where this implies the presence of the Armed Forces in the region, the advantages and disadvantages of this arrangement need to be agreed upon with affected communities. The risks that may arise for the communities after the withdrawal of public forces particularly need to be addressed.

Flashpoint Issue 3. Environmental sustainability of commercial forestry plantations

The issue

Planted forests provide timber, fibre, fire wood and non-timber products for both industrial and non-industrial use. Also, if managed properly, they can adequately provide environmental (protection of soils and water, rehabilitation of degraded land, restoration of the landscape and capture and storage of carbon dioxide) and social services and support and maintain human welfare (income generation, employment and recreation).[25]

However, not all development of forestry plantation projects has positive economic, environmental, social and cultural impacts. Without adequate planning and appropriate management, the plantations may be developed in inadequate places, with inappropriate procedures and wrong species, by inappropriate foresters and for the wrong reasons.

In some cases, inappropriate species and sites together with inadequate forestry management have resulted in deficient growth, low volume performance, phytosanitary problems and inferior economic gains than expected. In other cases, changes in the soils and water have caused problems for local communities.

The potential negative impacts of forestry plantations should not lead one to ignore that planted forests are completely renewable and can be economically, socially, culturally and environmentally sustainable with appropriate planning, management and use. [26]

The possible environmental impacts of commercial or industrial forestry plantations need to be taken into account when defining, planning and undertaking reforestation projects. This maximises the positive effects and reduces or mitigates negative ones on environmental sustainability. Additionally, it helps avoid tensions and conflicts between the company and local communities or other stakeholders which may arise.

The importance of the environmental sustainability of planted forests is nationally and internationally recognised, and even if some of the most relevant policy and management instruments, such as criteria, indicators and codes of conduct, are voluntary are currently being revised or adopted. It is Nevertheless clear that they are considered key in the successful development of commercial reforestation. A number of countries have adapted or are in the process of adapting sustainability criteria and indicators for industrial forestry plantations, and more and more reforestation companies are linking themselves to voluntary environmental certification schemes.

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[25] Adapted from FAO, 2006. Op. cit.

[26] Carle, Jim; Del Lungo, Alberto and Vuorinen, Petteri. 2002. Status and trends in Global Forest Plantation Development. Forest Products Journal. July/August, Vol 52. No. 7.

The business case

In a long term investment, such as commercial reforestation, it is crucial not only to reach the expected economic returns but also achieve and demonstrate the environmental benefits associated with the establishment and development of the plantations.

This requires that the forestry plantations are managed in accordance with their final use and observing relevant sustainable forestry management principles and practices.[27]

If they are correctly planned, planted forests can help stabilise and improve the environment. However, in order to assure the conservation of local species, animals, vegetables and ecosystems, as well as the landscape's ecological stability, it is necessary to carry out complementary measures as established in integrated development and land use plans.[28]

The challenge for companies that promote commercial reforestation as a means to produce timber for fibre or pulp wood in the long term is to ensure that the management practices are acceptable for a large range of stakeholders that have a legitimate interest in this field. In some cases, this may mean to modify current forest management practices.[29] The traditional basic scheme for planted forest management has undergone significant changes in the last decade. Until recently, forest management consisted of achieving certain yields, which depended on a refined understanding of the growth process of trees and how they respond to different types of intervention such as fertilizing, cleaning, pruning and clearing. The principal objective of plantation management was the production of timber, which was largely considered a technical process geared towards achieving an optimal outcome. In this model, the plantation manager, with support from a technical team, was the principal decision maker.

More recent approaches to forestry management regard it as a dynamic process that invariably needs to consider the social impacts of existent or future plantations together with their environmental effects. Instead of acting independently, the manager or person responsible for a reforestation project is urged to initiate decision making processes that involve multiple actors. Plantation management is no longer oriented towards achieving maximum yields, but towards realizing a balance between different expectations.[30]

[27] Carle, Jim; Del Lungo, Alberto and Vuorinen, Petteri. 2002. Status and trends in Global Forest Plantation Development. Forest Products Journal. July/August. Vol 52. No. 7.

[28] OIMT, 1993. Directrices de la OIMT para el establecimiento y a ordenación sostenible de bosques tropicales plantados. Yokohama.

[29] Adapted from FAO. 2000. The global outlook for future wood supply from forest plantations. Global Forest Products Outlook Study. Working Paper Series. No: GFPOS/WP/03. Rome.

[30] Adapted from Guizol, Philippe and Cossalter, Christian. 2000. Assessing Stakeholder Agreements: A new research focus for CIFORS' Plantation programme in South East Asia. Government of the Philippines/ITTO/FAO. 2000. Proceding of the International Conference on Timber Plantation Development. 7-9 November, Manila, Philippines. Rome, FAO.

Key conflict issues

The environmental impacts caused by the industrial forestry plantations can create conflict-related risks and impacts in different ways. The main conflicts arise over issues of biological diversity, water use, biotechnology, the use of chemical products and fertilisers, the management and control of fires, and predator species[31] amongst others.

As the positive environmental impacts that are expected from forestry plantations can originate from a previous planning process that carefully considers all the activities in each stage – from seed selection and obtaining the reproductive material to final use and recovery of the land – at the same time, negative impacts can derive as a result of a lack of planning and not taking into account sustainable forestry management in all stages. Sustainable criteria and indicators and codes of conduct are essential tools for the environmental management of commercial forestry plantations. Their permanent use and application are the best alternative to reduce the risks of recurrent negative ecological effects from which conflicts with communities and other social actors originate, and which can in turn become unmanageable or can lead to irreparable losses in the brand image of companies.

Options and alternatives

There are many options and alternatives for enhancing the environmental sustainability of forestry plantations that companies can refer to.[32] The technical details can be found in the respective certification schemes or in the guidelines, norms or criteria and sustainability indicators.

Maintenance and conservation of biological diversity

Forestry plantations should not replace primary, climax, remaining or secondary forests in an advanced stage of succession that are carrying out clear environmental functions. On the contrary, these should be preserved.[33]

Planted forests should not cause the loss of primary forests or of an ecologically significant secondary forest or other important ecosystems. Areas with such ecosystems located in the plantation areas should be preserved and protected, conserving its genetic diversity.

Corridors of natural forest should be protected in order to link the areas of these forests. Native riverside vegetation reserves should be preserved along the water shed with a width to be determined by the dimensions of the river beds.

Birds and other wildlife populations can be preserved in planted forests with the maintenance of riverside reserves and remaining natural forests and corridors.

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[31] From FAO, 2006. Op. cit.

[32] Unless otherwise stated, parts and adaptations are presented from the "Selected considerations for the efficient application of the Principles" section of the FAO Voluntary Guidelines on Planted Forest Management, FAO, 2007.

[33] CONIF-Ministry of the Environment-OIMT. 1998. Guidelines for Sustainable Forestry Plantations in Colombia. Bogotá.

Biotechnology and genetically modified organisms

The use of biotechnology can bring about many benefits for planted forests, especially from a point of view of productivity and health, but its limitations and potential risks need to be considered.

In order to evaluate the risks associated with genetically modified organisms in planted forests, it is essential to use secure, tested and agreed protocols.

Planted forests and water

Planted forests can play an important role in the regulation of water ways, reducing the risks of flooding and landslides. Riverside reserves in planted forests can contribute to the regulation of water ways and contribute to water quality. Healthy planted forests can help maintain low levels of sedimentation if they are incorporated with other initiatives that manage water basins.

Therefore, any disturbance of the soil should be avoided and an adequate area of intact vegetation should be maintained along water ways and riverside areas in order to maximise the absorption of superficial torrents, nutrients and sediments from altered areas in zones adjacent to productive forests.[34]

The establishment of planted forests in arid and semi-arid areas require careful selection and evaluation of species in order to determine the possible effects on other land uses in the territory due to the decline in water availability, both of superficial and ground-water.

The effect of planted forests on water availability cannot be generalised and needs to be considered case by case, in accordance with ecological conditions, the species and the objectives of the forestry management.

Planted forests and soils

Measures that maintain and improve the structure, fertility and biological activity of the soil should be carried out. The techniques and amount of harvest, the construction and maintenance of roads and paths and the selection of species should not bring about long term soil degradation.[35]

Herbicides, pesticides, fungicides and other chemical products

Controlling weeds, insects, diseases and other plagues is a fundamental part of maintaining the healthy and productive state of the planted forests. An adequate selection of species, source or hybrid reproductive materials with genetically resistant characteristics against biotic agents, the appropriate application of mechanical and/or manual cultural treatments and forestry interventions and permanent attention to protection related activities can substantially reduce the risk of insects, diseases and other outbreaks of plague.

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[34] OIMT, 1993. OIMT Norms for the sustainable establishment and ordination of planted tropical forests. Yokohama.

[35] GTCFV, 2003. Normas para la Certificación Forestal Voluntaria de Plantaciones en Colombia Bajo el esquema del FSC. Cali, Colombia.

However, in cases in which the control of the weeds through mechanical, manual or biological means; or when the mechanical or forestry control of insects and plagues are not possible, and there are large epidemics, or special circumstances, or in cases where it is fundamental for the successful establishment and management of the planted forests, the use of herbicides, pesticides, fungicides and other chemical products may be necessary. In such cases, appropriate procedures need to be considered for the selection and application of such products, including safety regulations for workers and disclosure of its use among neighbouring communities in order for them to take the necessary precautions and protective measures.

Fertilisers

An important environmental topic with regards to the use of fertilisers in tree nurseries and plantations is its excessive use and the consequent leaching of nutrients into water ways and streams, contributing to their accumulation in lakes and subsequent damage to fauna. The decision to use fertilisers in the field or in the nursery needs to be based on the analysis of soil and foliage. Fertilisers should only be applied to compensate for a deficiency.

Management and control of fires

In planted forests, controlled fires are often used to reduce the level of burnable material and avoid the catastrophic, uncontrollable fire. Although fire is often used for clearing the land before the plantation of trees, the damage to the soil is well known and therefore alternative methods should be sought for preparing the land when possible. The management of fires in planted forests needs to be based on the pillars of prediction, prevention and preparation, supported by public awareness, vigilance, rapid response and management of the fire with wide community participation.

Predator species

Introducing new species needs to be based on strict scientific tests and efficient regulatory controls. Planted forests need to be managed in a way that reduces the possibilities of tree and bush species becoming predators, especially when they are well adapted and easily regenerate.

Flashpoint Issue 4. Outsourcing

The issue

Outsourcing is a common practice in the reforestation sector as it allows for the reduction in the number of permanent employees in the company and therefore its fixed costs. It also allows for sharing the risks (especially security) with other actors.

Outsourcing occurs at various levels: from subcontracting the management of a whole plantation to subcontracting some specific services, usually cyclical work (sowing, harvesting, transport) for which additional workers are needed; permanent work is also subcontracted (maintenance of the plantation, nursery). A variety of outsourcing is buying timber from small and medium producers that produce and sell their timber independently. Under the framework of 'productive alliances'[36], promoted by the Ministry of Agriculture, companies guarantee to purchase timber from producers selected by social criteria.

Outsourcing is carried out with a variety of entities. Family companies, anonymous societies, cooperatives and local informal associations can all act as subcontractors. In some recent cases, which are regarded good practice, cooperatives of former plantation workers have been subcontracted for specific servcices. The contracting and subcontracting chain can sometimes be very long.

The business case

The company's image in the locality often depends on the behaviour of its contractors. Therefore, reforestation companies have an interest in taking responsibility for the contractors' relationships with the community. Particularly sensitive are the contractors' staff recruitment practices, work conditions and wages, since they are particularly visible amongst the communities and define their vision of the company.

The company's joint responsibility for its contractors' practices is also becoming increasingly recognised by international corporate responsibility standards (i.e. Global Compact), voluntary certification (i.e. Forest Stewardship Council) and international legal practice.

Key conflict issues

With regards to the conflict context in which reforestation companies operate, various critical themes emerged from the practice of outsourcing:

- Increased vulnerability of contractors to extortion attempts: All interviewed reforestation companies maintain the principle of not paying illegal "taxes" to armed actors in order not to fuel conflict. Due to this policy, some suffered damages to their personnel and property, although it did not affect their overall operations. Contractors, on the other hand, are less resistant to extortion attempts by armed groups. They are smaller companies, with less economic and political

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[36] An alliance is defined as the union of at least two economic agents; one conformed of producer organizations –small-sized peasant farms- and a second participant with the profile of a business. The latter may be a supplier, purchaser or transformer of products. The principle characteristics should be a shared risk and benefits of a productive project in agro activities. (Ministry of Agriculture and Rural Development)

power and often rooted in communities, which makes them more accessible to armed groups. Whilst reforestation companies demand in their contracts that the contractors do not succumb to extortion attempts, they admit that they cannot be absolutely sure they do not. Some companies have financial control mechanisms to detect whether their contractors have made illegal payments. However, it remains unresolved how reforestation companies can protect their contractors against violent actors of whom they may become victims for refusing to pay extortion.

- Ethical behaviour of contractors: Contractor behaviour is difficult to control by the company. Bad experiences with subcontractors exist, in which only a portion of their workers' agreed wages was paid, while they were forced to sign that they had received the full amount. Some contractors do not fulfil their responsibilities of providing social security and work safety. Due to the risks of protests and reputation, some companies therefore contemplate abandoning the sub-contraction of specialised companies.

While all the interviewed companies agree on the principle of joint responsibility, there is the risk of using outsourcing as a mechanism to avoid complying with national and international standards (i.e. forestry certification).

- "Shared risk" between the company and the contractors: Outsourcing is a mechanism for sharing risks between two economic actors. In the case of commercial reforestation, it is mainly the economic and security risks that the company shares. By subcontracting the management of a whole plantation or purchasing the timber from local producers, the company can reduce its presence in a conflict zone to a minimum, whilst the timber producers or the plantation's administrator confront security problems on their own.

The same applies to outsourcing the maintenance and use of a plantation affected by conflict. The contractors assume all the risks to their personnel and equipment (including the need to insure them). Their workers may face antipersonnel mines or attacks by armed groups in the plantations. The company does not have any obligation for compensating or financing the medical treatment. With machinery, the company only backs the loan from the bank for buying the equipment. However, given the numerous attacks by armed groups on forestry machinery, the loss of equipment can become too high a risk to be taken on by cooperatives. With the burning of machinery that provides the service, not only does the subcontracting body lose its capital but also has to continue paying the loan to the bank.

Outsourcing also shares the economic risk of commercial reforestation. This risk includes changes in international markets, work availability and risks associated with the productivity of the plantation. Where the company buys timber from small and medium producers (who are the source for more than 50% of timber processed by these companies) the company generally has a monopoly and can dictate the conditions for the commercialisation of the timber. It also transmits fluctuations in the international market to the small producers. In addition, outsourcing contributes to the informalization of worksince conditions offered by contractors in wages and access to social security are inferior to those of permanent company employees. Workers have to manage with short-term contracts, allowing a flexible response to fluctuations in the demand for work.

Both cases show the same logic: an actor, who is relatively powerful and better able to assume the risks associated with its business shares this risk with other smaller

actors who are less well prepared to taken them on. This situation can generate conflicts if contractors and communities consider that the benefits and risks of commercial reforestation are distributed unequally between them and the company.

Options and alternatives

🌿 Limit the extortion possibilities for contractors: While some companies contractually oblige contractors not to pay extortion money to illegal armed groups, there is little experience in protecting them from such threats. As a general security strategy, reforestation companies seek collaboration with the State's security services in the region, and in the case of a formal complaint, they may act in favour of the contractor.

🌿 Ensure good business practice by the contractors: Some companies have developed mechanisms to verify contractors' conduct. Some do not allow the sub-contraction of outsourced services, demanding that subcontractors use their own employees. They may also control subcontractors' work conditions , establishing a specialised body for this purpose within the company. Infringements on national legislation by contractors (i.e. prohibition of child labour) will lead to the immediate termination of the contract. They may also ask contractors to pay at least the minimum wage. One company verified whether its contractors pay taxes and contributions to their workers' social security. One company explained that in order to gain the communities' trust with regard to sub-contracting, three conditions had to be met: payment of a fair wage, work safety (helmet, etc.) and transparency in information management (e.g. criteria to determine wage levels, lists of payments).

In order to increase the economic and social benefits of reforestation for local communities, some companies began to support the creation of 'social work cooperatives' by former workers. While contracts with them are not exclusive, the cooperatives are seen as a principal supplier of forestry services for the company. The company offers them technical training and support for administration. It also assists in the drawing up of contracts with other companies, for which the cooperative can also work. According to the companies' experience, contracting cooperatives leads to an important increase in the workers' productivity; they work on their own behalf and are paid by their performance. This means, however, that only young and healthy men can participate in the cooperatives; others abandon it. The cooperative has a collective savings system, from which they buy the machinery (e.g. tractor) needed to offer their services. As an advantage, the cooperatives create a better distribution of profitsfrom forestry work (there is no owner, they are collectively managed by its members), better income for their workers and better social cohesion due to the workers' membership in an association. However, the relation between the company and the cooperative is characterised by the principle of "shared risk".

🌿 Distribution of risk according to the actors' capacity/ Generate economic benefits for the community: Various mechanisms exist for an improved distribution of economic risk between the reforestation company and small timber producers. Under the 'Productive Alliance Programme' framework, that is backed by the government, the reforestation company signs contracts with small producers (5-15 ha.) for guaranteed purchase of timber. Sometimes conflicts emerge between the company and the timber producing communities over the price of the timber. In one case, an agreement was reached in which the company guaranteed to buy the products at a subsidised price if the international price is too low. The company thus stabilizes the cooperative.
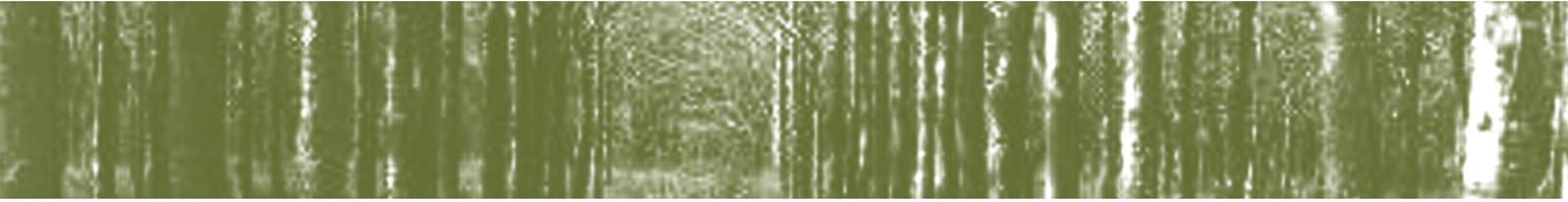
Annexes

Annex 1: Conflict Sensitive Business
Practice: relevant norms and instruments
for the reforestation sector

Annex 2: Bibliography

Annex 1: Conflict Sensitive Business Practice: relevant norms and instruments for the reforestation sector*

1. FORESTRY SECTOR

1.1. CERTIFICATION SCHEMES
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Norms of the Voluntary Forest Plantations and Natural Forests in Colombia under the scheme of the FSC.
www.fsccolombia.org
Rainforest Alliance Certification Scheme
www.rainforest-alliance.org/certification
Forest Law Enforcement, Governance and Trade (FLEGT), Unión Europea
http://ec.europa.eu/comm/development/body/theme/forest/initiative/docs/Doc1-FLEGT_en.pdf#zoom=100
Sustainable Forest Products Global Alliance (USAID)
Forest Integrity Network
Multistakeholder Forestry Programme
Intergovernmental Forest Law Enforcement (FLEG)

1.2. FOREST STEWARDSHIP COUNCIL - PLANTATIONS REVIEW
(Process of revision of Plantation Norms)
www.fsc.org.plantations

1.3. CODE OF PLANTED FORESTS – FAO
www.fao.org/forestry/site/34028/en

2. SECURITY AND HUMAN RIGHTS

International Humanitarian Law
Geneva Conventions and Additional Protocols I and II
www.genevaconventions.org
Global Compact
10 principals
www.unglobalcompact.org
Voluntary Principals for Security and Human Rights
www.voluntaryprinciples.org

3. SOCIAL INVESTMENT

Business for Social Responsibility, Page on communal investment
www.bsr.org/AdvisoryServices/CI.cfm
Collaborative for Development Action, Corporate Engagement Project
www.cdainc.com/cep/

4. NATIONAL NORMS

General Law on Forestry (Law 1021 of 2006) (Ley General Forestal)

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* For more information, see, International Alert, 2006. Conflict-Sensitive Business Practice: Guidance for Extractive Industries, p.7-9.

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