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#19 — Conservation and Private Sector Partnerships A New Tool for Natural Resources Management

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Key Concepts

- Private sector enterprises are often both de jure and de facto regulators of resource use over the majority of the forest estate in Central Africa. Consequently, attempts to "green" company practices have the potential to generate significant conservation payoffs.

- Minimizing the indirect environmental impacts of private sector practices is likely to be the most immediate avenue for conservation success, particularly when this only requires incremental changes in company practices.
- Experience gained by conservation NGO partnerships with the private sector has shown that the potential for alienating traditional constituencies, jeopardizing fund raising capacity, and eroding political capital exists, but the likely payoffs are considered worth the risk.
- Pilot private sector/conservation partnerships are necessary to build trust between traditional adversaries but should lead toward formal, third-party "green" certification of both private sector and conservation project practices and performance.

Traditional Antagonists/New Partners

The greatest immediate threat to conservation of the Congo Basin forests comes from commercial private sector enterprises. Logging, mining, and oil exploitation are industries that directly cause deforestation, forest fragmentation, pollution and forest degradation, and indirectly increase commercial bushmeat hunting, harvesting of other forest products, and human settlement in once isolated areas of the forest. In a region where government regulations and enforcement capabilities are weak, tenure to resources are frequently short-term or insecure, and many operators are foreign-based, there has been little incentive for companies to change the nature of their operations. As a result the practices of most private sector operators are focused on short-term profits, without regard for the sustainability of resource use, or the ecological, and socio-cultural effects of corporate behavior.

Given present practices, and the fact that private sector enterprises dominate the forested landscape outside of protected areas, it is not surprising that they have been seen as the major antagonists to forest conservation efforts. In turn, conservationists have been viewed by commercial actors as obstructionist, interested in locking up resources in parks and reserves, unable to recognize national and local economic imperatives, and quick to create scandal about any type of extractive use of tropical forests. Consequently, mistrust has combined with very different objectives to result in forest sector actors who have traditionally dealt with each other only as adversaries.

Several recent developments have, however, begun to bring these adversaries to the same table. Growing global awareness of environmental issues and concerns about sustainable development, have increased consumer demand for goods produced in ways that do not harm the environment. Consumer purchasing power, and highly-profile advocacy by civil society groups have pushed some commercial enterprises to reconsider their corporate behavior and look for ways to change their commodity production practices.

Similarly, conservation actors have come to realize that full protection (i.e., no consumptive resource use) will be a solution granted to a relatively small percentage of the forest estate. With 90% of the forest typically zoned for economic purposes, minimizing the adverse environmental impacts of land uses within these areas offers significant payoffs for biodiversity conservation. Furthermore, ensuring that land-use policies and practices in border areas do not adversely impact resources within the adjacent parks and reserves, would help ensure their biological integrity and persistence, and thus enhance their biodiversity conservation status.

Importance of Effective Action Now

In Cameroon logging companies now have de jure control over 80% of the forest outside of protected areas, an increase of 50% since 1970. Logging covers 50% of the forest estate in Gabon, and over 80% in northern Republic of Congo. The Chad-Cameroon oil pipeline will cut a swath through hundreds of kilometers of Cameroon's forest, opening up access to once isolated regions. With crude oil prices at a 10-year high governments may attempt to pressure multi-national oil companies to expand offshore and terrestrial oil exploration and drilling. And recent efforts to halt trade in conflict diamonds may increase mining in nations presently at peace.

Though the direct impacts of commercial logging and mining can be significant, more often it is the indirect consequences of company practices such as the facilitation of commercial bushmeat hunting and immigration into frontier forest that pose the most immediate threat to forest resource conservation. Given that bushmeat hunting can quickly create a situation where people are the only large animals left in the forest, it is vital to commence work with the private sector now to minimize the adverse effects of their corporate behavior.

Pilot Partnerships

Conservation programs and private sector companies are initiating partnerships in the Congo Basin forest, and developing models for interaction in both the forestry and oil sectors that are designed to "green" corporate practices. Reduced impact logging (RIL) is being assessed and promoted in several projects in Cameroon and Gabon. The World Bank is working with the CEOs of several logging companies to promote the adoption of timber exploitation techniques that will minimize the direct and collateral environmental damage associated with tree felling and log extraction. In the northern Congo Republic, the Wildlife Conservation Society and the Congolaise Industrielle de Bois are working cooperatively to eliminate hunting of protected animal species, designate no-cut zones for sensitive wildlife areas, establish local hunting regulations for non-endangered game, minimize the extent of road development, and close down roads following logging. In Gabon, as a result of negotiations among the national government, Wildlife Conservation Society and ECOFAC, and the LeRoy timber company, an unlogged block of old-growth forest was legally transferred from the LeRoy concession to the proposed Lopé National Park. A project sponsored by the European Union has convinced the Pallisco logging company in Cameroon to raise chickens to feed its concession workers rather than letting the hunt for meat. Lastly, in the Gamba Protected Area Complex of coastal Gabon, the World Wildlife Fund is assessing the direct pollution and indirect hunting effects of oil extraction, and is working with Royal Dutch Shell, to seek full remediation and compensation for such impacts.

Private sector enterprises may be considered as the regulator of resource use over the majority of the forest estate in Central Africa.

Private sector/conservation relationships are developing primarily in biologically rich regions where (1) lands zoned for conservation and resource exploitation are adjacent to one another; (2) changes in operating practices of the private sector can provide significant conservation benefits but do not require major changes in production systems; (3) significant incentives exist for the company to improve practices (i.e., higher market prices and/or higher consumer demand for environmentally friendly products; potential consumer boycotts against company products); and (4) companies are accountable to environmentally aware share-holders or owners (frequently northern-based companies).

Conservation Benefits

Private sector/conservation partnerships have arisen for good reasons. It has become clear that the traditional means of wildlife conservation protected areas are necessary but rarely sufficient to conserve ecologically functional wildlands and to ensure the long-term persistence of large mammals. Conservation-compatible land use in regions outside the borders of parks and reserves is therefore a necessity.

In the Congo Basin forest, benefits of working closely with logging companies and oil production companies can be great, because their activities pose the most significant threats to biodiversity conservation over most of the forest estate that lies outside of protected areas. However, the most significant impacts of those industries in the Congo Basin are tied to the indirect effects of company practices, rather than those that directly generate company profits. For example, though many mammal and bird species are little affected by the canopy disturbance associated with tree felling and log transportation, commercial hunting by logging employees or their hired guns can strip logged forest of most of its wildlife. There is, thus, a real opportunity to assist the private sector in controlling the important knock-on effects of company practices, particularly as they are not, typically, integral to the companies' purposes.

Finally, partnerships with private enterprise provide an alternative means of paying a portion of the costs of conservation. If private sector operations can maintain sufficient profit margins, provide economic benefits to aspiring populations, and still conserve significant biological diversity, then they can very efficiently complement the conservation investments of government agencies and conservation organizations.

What Do Conservation Groups Bring to the Table?

Conservation organizations can provide both tangible and intangible services to the private sector as encouragement for the latter to change their business practices.

In tangible terms, conservation NGOs may be able to provide even highly capitalized companies, with technical skills that might both reduce the operating costs of the company and the environmental impacts of logging or mining practices. For example, WCS was able to help CIB to develop a more efficient road system into a new logging block using satellite-based vegetation maps and GIS tools. By designing a road network that avoided swamplands and steep grades, the new roads saved the company money on road construction and reduced the environmental impact of road building.

Conservation organizations can also provide a broad range of short-term technical experts to the private sector that they would be unlikely to hire full-time. By doing so conservation organizations offer the private sector a low-cost way to identify practices that could avoid or mitigate adverse environmental impacts.

Lastly, conservation organizations that already work closely with government forestry and parks institutions can help ensure that the private sector has access to trained, reliable and nationally legitimate environmental law enforcement agents.

Conservation organizations also, by default, bring with them their "green identity." Unfortunately, there is the risk that private sector companies will use the "green" brand of their conservation partner to convey to the public and to consumers of company products a sense that their production systems are environmentally friendly, when they may in fact not be. Fear of "green washing" is one reason why conservation organizations are still wary of partnerships with the private sector. However, company partnerships with "green" brands may empower latent constituencies for reform, deal set-backs to those with a vested interest in business as usual practices, and raise the profile of "green" practices and certification within the company.

Risks and Challenges

Private sector/conservation partnerships are not undertaken without risk. First, many of the best-practice techniques are not yet fully proven, and must continue to be considered experimental. Their conservation impacts are yet unknown, and should continue to be assessed as these collaborations mature.

In addition, present markets and fiscal incentives may render conservation-compatible resource exploitation a low priority for the private sector. If the costs of improved practices are high, and consumers are not willing to pay the increased cost, then either 'green' production will require subsidies or will fail. In these cases, industry is turning to conservation interests to cover these costs, yet little support is forthcoming.

An additional risk in private sector/conservation partnerships is that companies may merely participate in dialogue to appeal to environmentally-conscious buyers and share-holders, but not actually reform their practices nor dedicate sufficient resources to make reforms work. Two options exist to overcome private sector free-riding: (1) conservation partners must critically assess the commitment of potential private sector partners, remain independent within all partnerships formed, and retain the option to critique any partner with which they work; and (2) conservation partners should encourage their private sector partners to adopt globally accepted third party certification of their practices and performance.

Regardless of the intent or integrity of such partnerships, conservation groups risk criticism by allying with commercial interests. It is facile though often advantageous for fund-raising for others to claim greater conservation dedication and purity by not involving themselves in the difficult issues of commercial use within the realm of profit-making companies. Conservation actors entering into these partnerships must therefore be able to clearly quantify and explain the conservation benefits that will be derived, and the partnership must be transparent in its operations and allow public scrutiny of its agreements and performance.

Minimizing the indirect environmental impacts of private sector practices is likely to be the most immediate avenue for conservation success.

What Can Be Done to Enhance Private Sector/Conservation Partnerships?

Governments, private industry owners and managers, conservation-minded groups and individuals, and the public should recognize that these new partnerships hold tremendous potential, and should be encouraged. Governments can do this by requiring conservation-compatible resource exploitation management plans, giving favored status to companies which form such partnerships or are "green" certified, and reorienting policy to reward efficient companies and penalize those that waste resources and degrade the environment.

Donor agencies should support innovative partnerships between the private sector and conservation actors. These partnerships will require initial financial support to test various approaches and to assure cost coverage for those cases where market forces do not yet compensate for transaction and implementation costs.

Consumers should be discriminating as they purchase forest products, buying only from those industries that have "green" certification or are working in close collaboration with sound, experienced, conservation organizations. Organized buyers groups for 'green' products have formed more often in Europe, leaving a strong need for such groups to form in countries like the United States.

Conservation groups should enter into more of these partnerships as the conditions necessary for success arise, yet always remaining independently able to assess conservation success or failure as the partnership evolves.

Experience gained by conservation NGO partnerships with private sector has shown risks for alienating traditional constituencies but the likely payoffs are worth it.

For More Information

Technical Reports

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CARPE...What Is It?

Central African Regional Program for the Environment (CARPE)

Launched in 1995, the *Central African Regional Program for the Environment (CARPE)* engages African NGOs, research and educational organizations, private-sector consultants, and government agencies in evaluating threats to forest integrity in the Congo Basin and in identifying opportunities to sustainably manage the region's vast forests for the benefit of Africans and the world. CARPE's members are helping to provide African decision makers with the information they will need to make well-informed choices about forest use in the future. BSP has assumed the role of "air traffic controller" for CARPE's African partners. Participating countries include Burundi, Cameroon, Central African Republic, Democratic Republic of Congo, Equatorial Guinea, Gabon, Republic of Congo, Rwanda, and São Tomé e Principe.

Web site:
http://carpe.umd.edu

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