



# Ensuring good (natural resource) governance

The key to scaling up sustainable biofuels in landscapes

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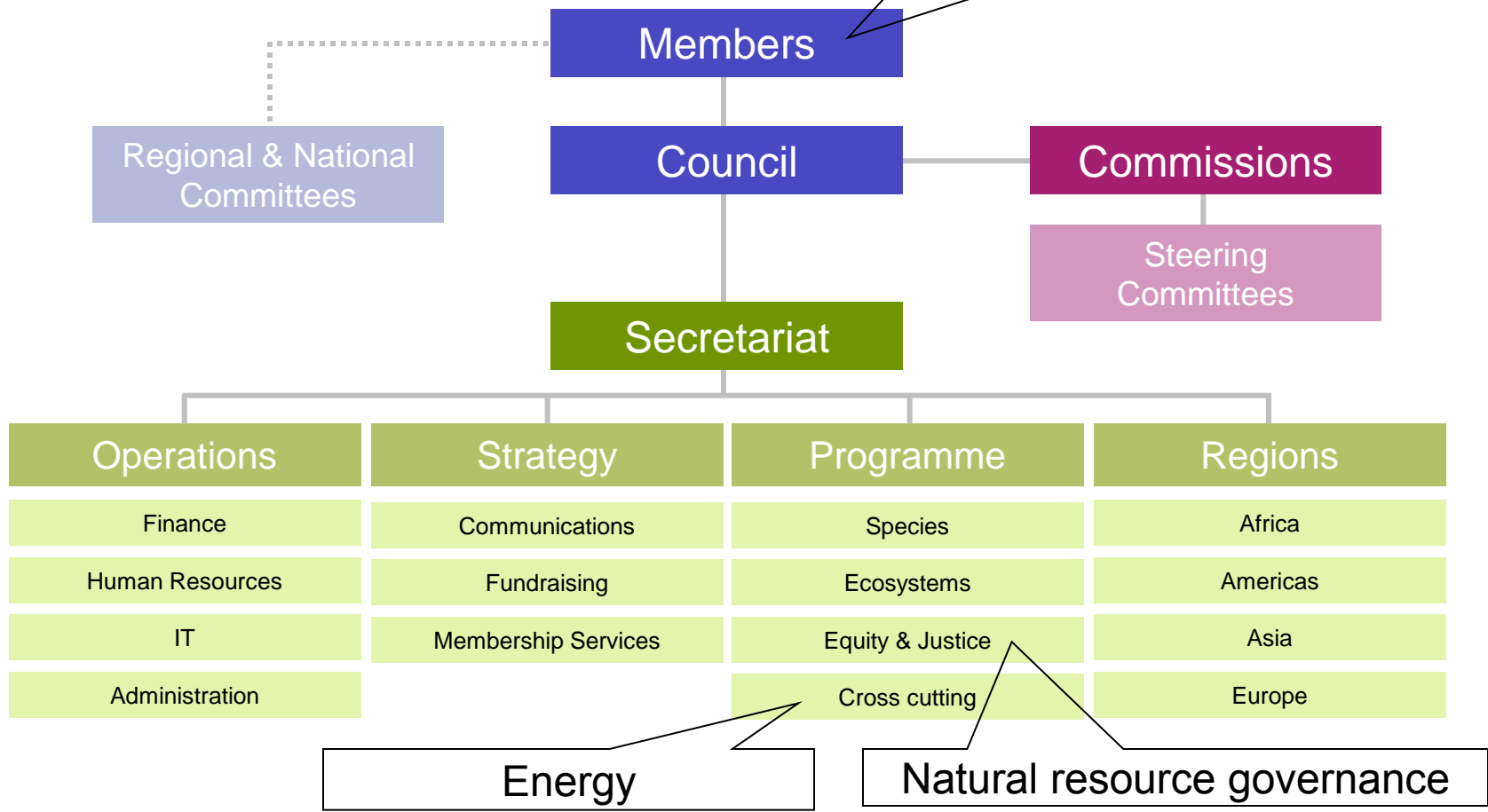


# Overview

1. What is natural resource governance?
2. Why good NR governance is important for good biofuel business
3. What a business can do to help ensure good NR governance
  - On the ground
  - Force for positive change in governance policies

# IUCN – at a glance

Belgium  
 - 4 nat. NGOs  
 - 4 int. NGOs  
 - 1 state  
 - 3 gvt agencies



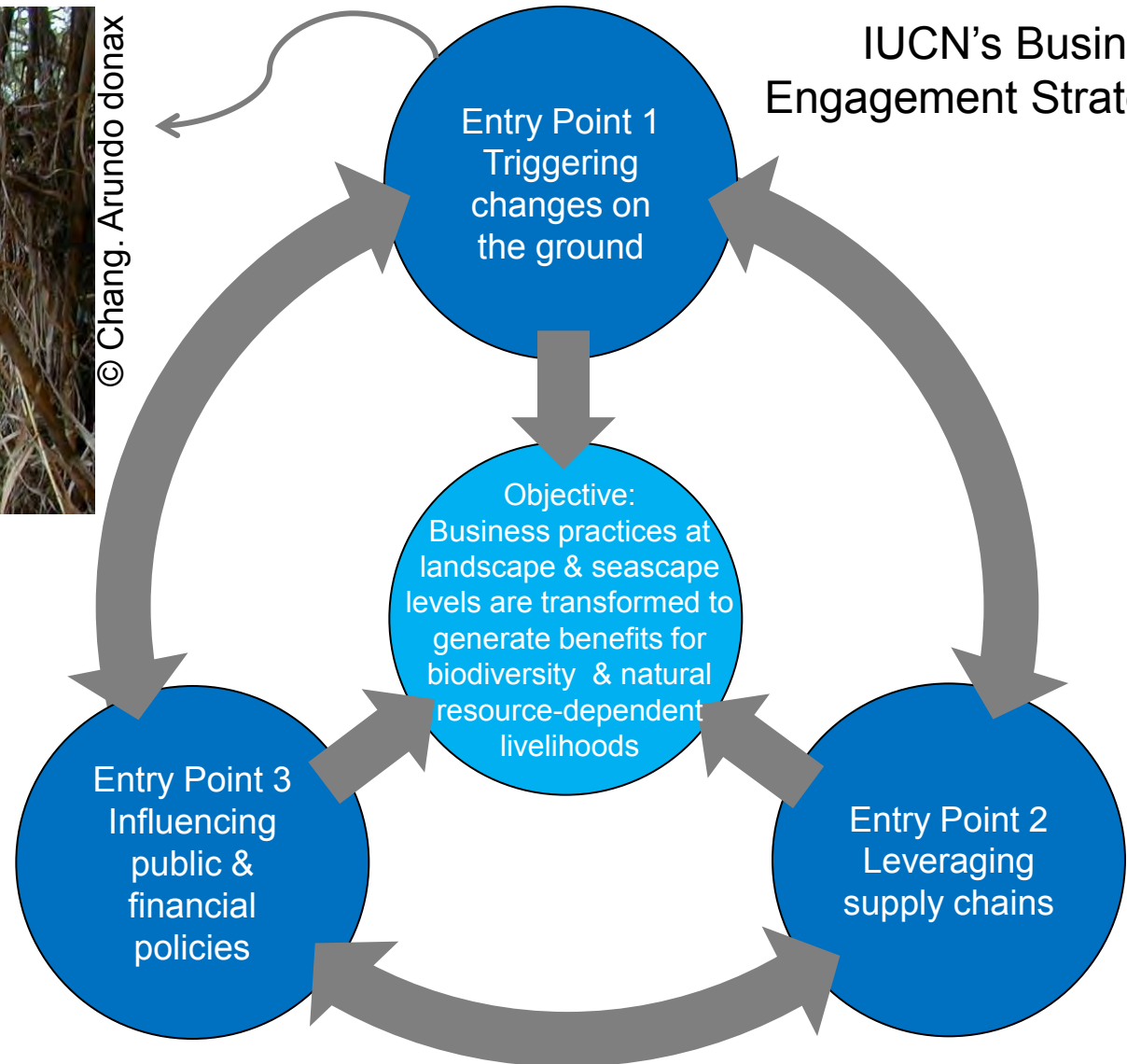


# IUCN works with the bioenergy sector to realize opportunities for sustainably managed landscapes



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## IUCN's Business Engagement Strategy



Guidelines on Biofuels and Invasive Species



## Where we work

**Globally:** The Social Policy Unit, based at IUCN Headquarters in Switzerland, carries out work on cross-cutting issues related to governance such as protected area management and rights-based approaches to conservation. It also provides technical and coordination support to all components of the project.

**Benin:** Improving livelihood security of poor communities neighbouring W National Park and sustainable and decentralized governance of natural resources.

**Bolivia and Peru:** Promoting policy and institutional changes to secure indigenous peoples' rights and their governance of land and natural resources in highland communities.

**Lebanon and Syria:** Enabling conditions for the preservation of existing traditional systems of resource tenure that contribute to conservation and sustainable use of natural resources.

**Drylands of Africa (Kenya, Mali/Burkina Faso & Tunisia):** Strengthening natural resource governance by reducing marginalization of ethnic groups in the drylands of Africa and improving policies and practices to ensure sustainable use of these resources and ecosystem conservation.

**Mozambique and South Africa:** Putting in place the necessary arrangements and expertise for Mozambique's fisheries to be sustainably managed and for trade in products derived from these fisheries to be effectively regulated.

**Nepal:** Improving governance and equitable benefit sharing at the watershed level through multistakeholder dialogue, watershed level conservation planning and policy advocacy at the national level.

**Bangladesh:** Increasing the participation of local organizations and women in community-based management of natural resources and strengthening capacities to promote equal and legitimized participation of local authorities and communities in natural resource management.

**Sri Lanka:** Developing an integrated framework for sustainable natural resource management that improves well-being, equity and participation rooted in customary rights and people's ability to exercise them.

# What is (natural resource) governance?

*Governance is the norms, institutions and processes that determine how power and responsibilities are exercised, how decisions are taken and how citizens participate in the management of natural resources (IUCN, 2011)*

- WHAT

- Rights
- Land tenure
- Resource use

- HOW

- Principles
- Policies
- Legislation

- WHO

- Statutory (NR are often property of the state)
- Customary (recognising “informal” arrangements, especially of marginalised communities, inc. Women, indigenous people, pastoralists, etc.)

	Principles of Governance								
	IUCN	UNDP <sup>iv</sup>	UNESCAP <sup>v</sup>	Commission of the European Communities <sup>vi</sup>	African Development Bank <sup>vii</sup>	Asian Development Bank <sup>viii</sup>	USAID <sup>ix</sup>	World Bank <sup>x</sup>	UK Department for International Development (DFID) <sup>xi</sup>
Accountability	■	■	■	■	■	■	■	■	■
Transparency ("Openness" - EU Commission)	■	■	■	■	■	■	■	■	■
Participation	■	■	■	■	■	■	■	■	■
Rule of Law	■	■	■	■	■	■	■	■	■
Government effectiveness (World Bank); Policy effectiveness (EU Commission); Effectiveness and efficiency of institutions and processes (UNDP and UNESCAP)		■	■	■				■	
Responsive <sup>xii</sup>		■	■						■
Coherence	■			■					
Consensus oriented		■	■						
Capacity of the State							■		■
Combating corruption (AfDB); Control of corruption (World Bank)					■			■	
Access to information and justice	■								
Subsidiarity	■								
Respect for human rights	■								
Equity (UNDP)		■	■						
Equitable and inclusive (UNESCAP)									
Strategic vision		■							
Commitment to the public good							■		
Stock of social capital							■		
Political stability and absence of violence								■	
Regulatory quality								■	
Promoting an enabling legal and judicial framework					■				

## A Comparison of How Different Institutions Understand the Principles of Good Governance

Most agreed upon principles:

- accountability,
- transparency
- participation




# Proposed IUCN Good Gov. Principles

Principle	Elements of the Principle
1. Inclusion	<p><b>Participation and voice</b> of all stakeholders.</p> <p><b>Respect and Trust</b> between all stakeholders.</p>
2. Legitimacy	<p><b>Integrity and commitment</b> of all stakeholders.</p> <p><b>Authority and Representativity</b>- The governing body and its members have legitimate, democratically mandated authority.</p> <p><b>Legitimacy</b>-The governing body and/or its members have a long-standing cultural attachment to the area. The governing body follows its mandate.</p>
3. Direction	<p><b>Strategic vision:</b> Broad and long-term perspectives on good governance.</p> <p><b>Coherence and Contextualization:</b> Integration into local contexts and compatibility with plans and policies of other levels and sectors.</p>
4. Performance	<p><b>Responsiveness:</b> Needs of all stakeholders are taken into account.</p> <p><b>Effectiveness and efficiency:</b> Needs are met while making best use of resources available.</p> <p><b>Capacities:</b> all stakeholders have capacities to engage in governance.</p> <p><b>Financial sustainability</b> of processes and results.</p> <p><b>Subsidiarity:</b> Power and decisions rest at the lowest level.</p> <p><b>Resilience</b> – The governing body can be flexible, learn and adapt.</p>
5. Accountability	<p><b>Accountability</b> of all decision makers to the public.</p> <p><b>Transparency:</b> Processes, institutions and information are clear and directly accessible.</p>
6. Fairness	<p><b>Equity:</b> Costs and benefits are equitably shared.</p> <p><b>Rule of law:</b> Legal frameworks are fair and enforced impartially.</p> <p><b>Human rights and cultural practices</b> are respected.</p> <p><b>Do no harm:</b> Local livelihoods are not adversely affected.</p> <p><b>Effective and appropriate conflict resolution.</b> There is recourse to impartial judgment in the case of conflict.</p> <p><b>Access to justice:</b> Legal assistance is available to all stakeholders.</p>



## Why is good NR governance important?

A solid blue rectangular box.

*“Without good governance, society cannot secure access and benefit from nature’s goods and services, and biodiversity conservation cannot be achieved”*

IUCN Natural Resource Governance, Learning from Practice (2011)

Poor governance manifests itself in:

- Inefficient natural resource management, including low yields
- Unregulated land and forest conversion
- Failure to make productive use of idle, yet arable, degraded land
- Disaffected and unsupportive local communities
- “Land grabs” and conflict



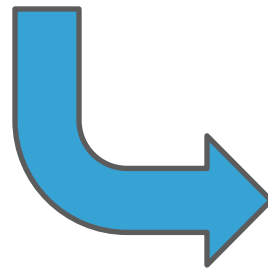
*“With better governance, the world would have enough productive forest and land available for agriculture to meet current demand for food, fuel, and fiber without further conversion of forests”*

WWF Forests Dialogue on the 4Fs: Food, Fuel, Fibre, Forests (2011)

# Good governance is important for business to sustainably secure access to and benefit from nature

For business, good governance means:

- A conducive environment for good natural resource management
- Ensure efficient and sustainable supply of raw materials
- Improved community relations
- Improved corporate image and branding
- Licence to operate
- More secure investments
- Better risk management



**MORE (SUSTAINABLE)  
BIOFUELS**

## The reality – weak governance abounds

- Many countries lack appropriate legal recognition for diverse forms of land use, especially customary
  - Misunderstandings around natural resource governance
  - Limited civil society capacity to engage
- Fair and equitable participation in and benefits from natural resource decision-making can be limited.
- I.e. Despite business best efforts to do biofuels well, it can still be difficult to achieve where governance is weak and interaction with actual affected stakeholders can be difficult.

## What can business do?

When producing/sourcing feedstock, especially in areas with weak governance arrangements:

1. **CLARIFY LAND TENURE SYSTEM** – statutory and customary
  - RSB Principles 9 (Water Rights) and 12 (Land Rights, including a full mapping of the existing land rights and land use rights (formal and informal)))
2. **Carry out an Impact assessment (RSB Principle 2a) and obtain Free, Prior, Informed Consent (RSB Principle 2b)**
  - see also FAO Guidelines on Responsible Governance of Tenure
3. **Establish governance structures that support empowerment of communities**
  - RSB Principle 5a – e.g. other shareholding options, local ownership, joint ventures and partnerships with the local communities

## Negotiating resource use – experience with multi-stakeholder platforms

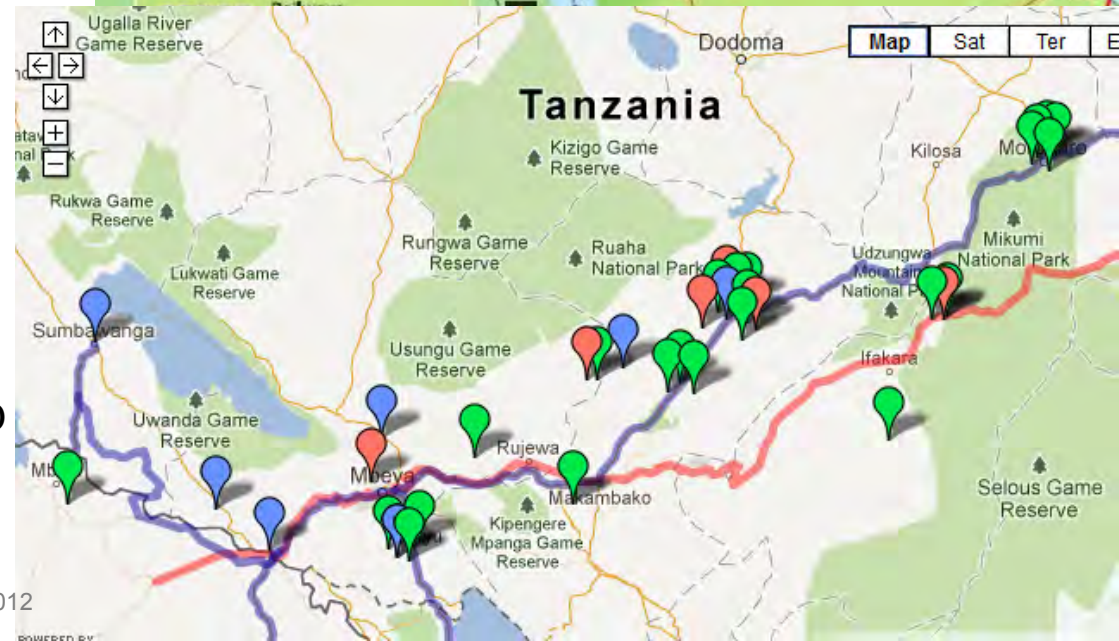
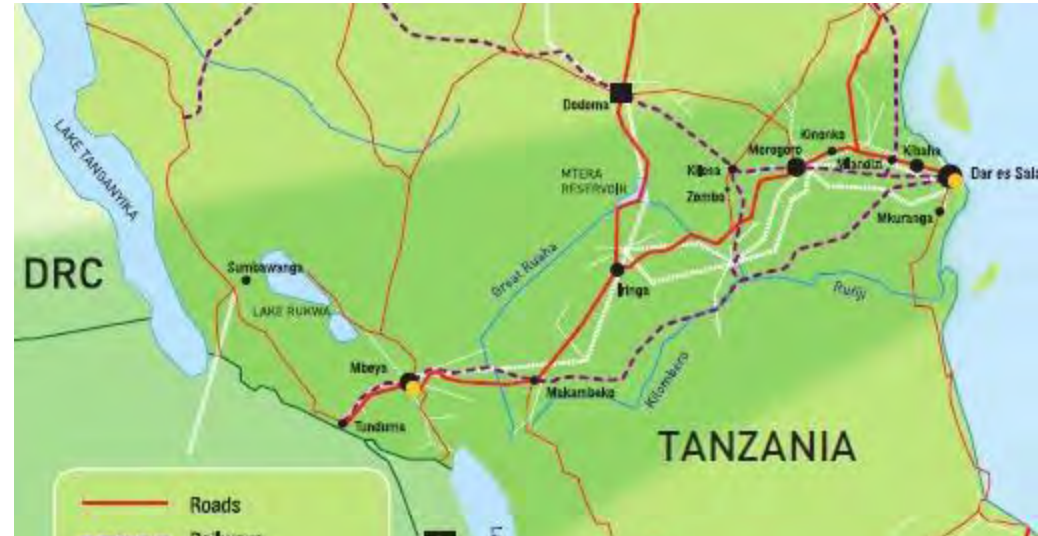
- Environmental flows are a tool to make integrated, informed decision through negotiation with stakeholders in a watershed
- Strengthening Voices for Better Choices in forest landscapes
  - Resource intensive but more than just one business, more than just one sector, spread costs and risk
  - Processes reflect a trend away from farm level to an integrated landscape level engagement



# The bigger picture – business in landscapes

An integrated landscape level approach is a more effective to address issues including:

- natural resource governance
  - watershed management
  - biodiversity conservation
  - sustainable climate-resilient agriculture and forestry production.
- E.g. Landscapes for People, Food and Natural Initiative
- E.g. Grow Africa Partnership Platform (WEF, NEPAD) including SAGCOT



# Business can drive positive change for better natural resource governance



- Learn from eco-tourism, forestry and REDD+ experiences
  - Business reluctant to invest if a beneficiary cannot reliably be identified and engaged.
- Business can use (collective) investment potential as an incentive to drive governments to make a positive change for land and resource use regimes.

## Potential next steps

1. Contribute to business rationale for corporate engagement in landscape rationale
2. Provide feedback on proposed IUCN Natural Resource Governance Framework to frame in a way to guide positive business decisions
3. Contribute to the “operationalisation” of FPIC across agriculture, mining, and hydropower sectors
4. Understand how to link field standards/certification systems-based and policy to this landscape approach
5. Consider what other business barriers need to be overcome for good natural resource governance to unlock the potential of sustainable biofuels.

*Merci!*