SNBC Guide 3

Addressing collusive corruption in community-managed forests

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About this series

This is the third in a series of four guides that provide practical guidance on the potential applications of behavioral science towards enhancing anti-corruption and conservation efforts.

This resource explores the topic of collusive corruption and how it can be addressed using a social norms and behavior change approach. It is based on a scenario where corruption affects a community-based resource management scheme in the forestry sector. The insights are relevant for multistakeholder natural resource management programs because these can be vulnerable to the influence of specific interests and behavioral biases.

The series includes three other guides:

1. Behavioral science introduction for addressing corruption's impact on the environment
2. Tackling Red Tape to Reduce Bribery: Anti-corruption as a problem-solving tool in fisheries
4. Supporting front-line wildlife defenders through social norms approaches

This TNRC Guide shares practical knowledge for program designers and implementers to reduce corruption's impact on conservation.

What is the problem?

Community-based natural resource management (CBNRM) integrates natural resource conservation and development by directly engaging communities living in proximity to natural resources to oversee their management. The CBNRM model assumes that communities will implement and enforce established rules regulating when, how, and in what quantity a resource can be used. A critical factor, therefore, is whether these rules are recognized as legitimate (USAID n.d.). In this regard, community forest management is often proposed as an approach that helps align conservation practices with cultural traditions and improve social equity.

While this management approach is recommended for a number of reasons, a meta-analysis of the effectiveness of community forestry modalities shows mixed results at best (Hajjar et al. 2021). Many explanations may be at play, and corruption can be an important one. Like any other actors, communities or certain community leaders can collude to exploit resources beyond the regulated parameters or misdirect revenue that is intended to reward sustainable stewardship and reduce incentives for further exploitation. In some cases, community members have openly acknowledged that they see no benefits from conservation (Rademeyer 2023). Corruption can thus be an existential threat to the CBNRM model.

This guide discusses how collusive corruption can take hold in community forest management, the impact it can have, and how behavioral insights can be used in formulating responses.

Collusive corruption refers to instances where public officials and individuals agree among themselves to collaborate on schemes to violate formal rules and defraud public funds or resources. It can occur in different forms, with different drivers. Sometimes abuse of forests stems from communities liaising with or even being extorted by organized crime groups, especially since timber trafficking has been linked to other illicit activities such as gold mining and drug trafficking led by transnational organized cartels (J. D. Cardenas, Jones, and Ramirez 2022). In other cases, rules to regulate timber harvesting are abused through collusion within communities themselves. Several cases of such abuse have been documented, for example in designated "local forest" areas, where community leaders and others agreed to exceed quantities of timber allowed for agriculture and local infrastructure purposes (Wildlife Justice Commission 2023, J. D. Cardenas, Jones, and Ramirez 2022).

Collusive corruption occurs across the NRM space. For example, rangers and poachers might collude so poachers get tipped about the timing or location of patrols in exchange for bribes. Collusive corruption may also occur if staff from transport companies, customs officials and wildlife traffickers coordinate to ensure wildlife trafficking can proceed undetected across borders.

Mapping participants in a collusive corruption scenario: Rigging timber auctions

Identifying options for behavior change interventions based on social norms starts with identifying the actors who could be targeted and unpacking their actions and motivations. Here's a hypothetical example that draws from research conducted in Nepal. In Nepal, community management approaches have been favored in the forestry sector. Forestry has also been affected by corruption, particularly related to overharvesting of community forest timber, despite efforts to regulate community forest practices, including certain monitoring safeguards. Research has identified collusive corruption practices involving rigging auctions of community forest timber. In the research, the pattern of collusive corruption involves community representatives colluding with contractors and sawmill owners (Basnyat et al. 2023)

(Goutam 2017). Based on this evidence, the following participants and motivations can be mapped (see Figure 1).[1]

» **Sawmill owners** generate windfall profits by rigging auctions of community forest timber.

» **Contractors**, similar to brokers, operationalize the rigged auction mechanisms by:

— distributing bribes to local law enforcement and forestry officials to neutralize monitoring or any other kind of law enforcement action;

— learning the formal rules and regulations, which are burdensome and complicated, and producing necessary documents to provide a façade of legality to the rigged auctions (contractors thereby make their services desirable to other stakeholders who are frustrated by the red tape);

— coordinating with other stakeholders to share profits and build networks of mutual support cemented by social norms of solidarity and reciprocity;

» **Local political leaders** get a portion of the profits and participate in these networks of mutual support;

» **Forestry officials and other law enforcement** actors turn a blind eye or even actively participate in the collusive scheme by producing transport licenses and other documents that lend a semblance of legality to the rigged auction deals and receiving bribes in return;

» **Community forest management groups** (CFMGs) receive kickbacks from agreeing to the rigged auctions. As documented by Goutam 2017, the kickbacks are not always perceived as corruption because they are framed in terms of reciprocity: CFMG leaders help the contractors make a profit and the contractors repay the favor.

Figure 1. Mapping actors in a collusive corruption scenario

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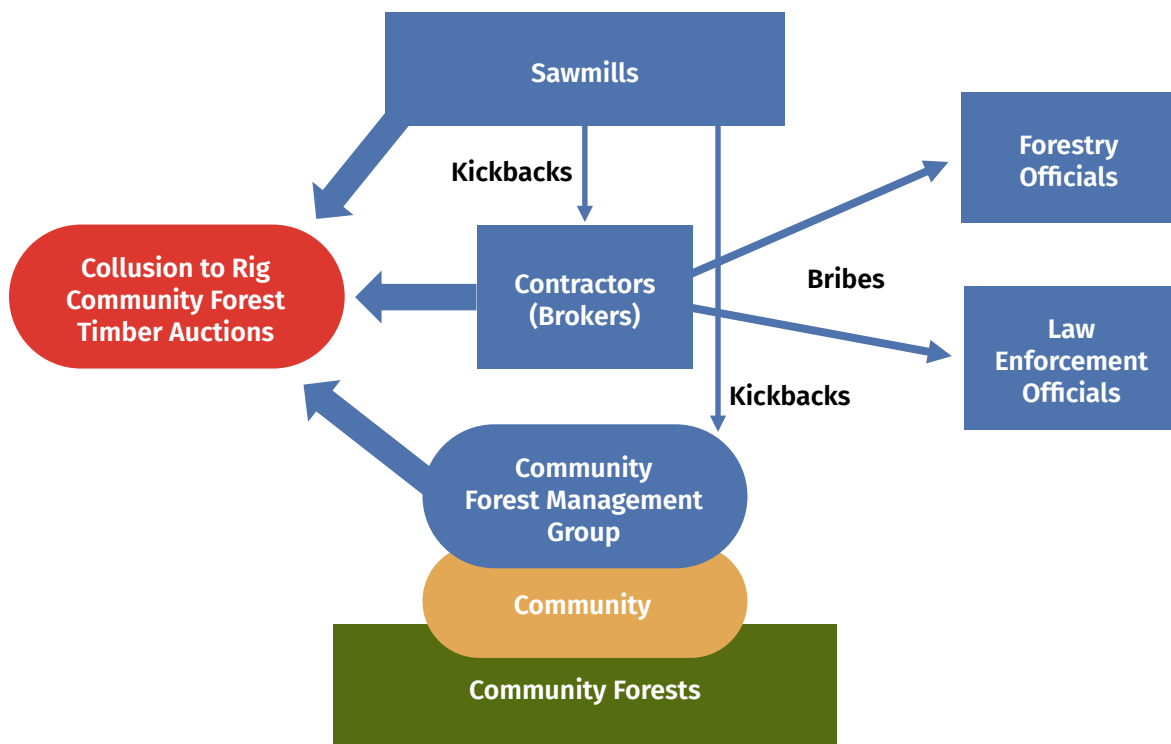
[1] This scenario should not be used as the basis to discuss specific instances of corruption or policy actions implemented in Nepal. Rather, it is intended to provide an example of how collusive corruption can affect community-managed forests and, on the basis of that, suggest how SNBC approaches might be helpful in developing corruption prevention interventions.

What can be done through the application of behavioral insights?

Collusive corruption presents a complex challenge for targeted interventions because, in principle, all participants benefit and none of them have incentives to change their behavior (Smith et al. 2003). (In the scenario above, the losers are outside of the collusive deal: the community at large, whose members miss out on the benefits from well-managed forest resources.) The situation is even more challenging because the benefits that make collusion so attractive to insiders create a range of negative impacts that can have extensive and unpredictable knock-on effects. Colluding CFMG leaders who personally benefit from these schemes are defrauding the community's trust that they will manage the natural resources on their behalf. Corrupt sawmill owners extract undue profits and damage the business environment, as their behaviors can drive honest sawmills out of business and can escalate to even more harmful outcomes if they become the only options for processing timber. Law enforcement and forestry officials who accept bribes and collude to falsify official documents contribute to perceptions about the normality of impunity and corruption, which erode trust in state institutions.

As is common in this type of situation, the colluding parties are organized and their schemes well-articulated, while the victims are disorganized and unaware of (or unable to change) the losses inflicted on them. A holistic approach is needed to a) raise awareness among community members and b) shift the incentives of the colluding parties. Behavioral insights suggest several pathways.

Address "present bias" in the community: When communities see no value in conservation, present bias is one element likely to be at play. Present bias is increasingly recognized as a challenge in sustainable resource management because people tend to significantly discount or disregard the future costs of present choices (Persichina 2022),

and conservation typically involves making present sacrifices to ensure future benefits. To change the perceived value of conservation, it can be useful to estimate long-term economic losses due to overlogging (or gains from protecting forests). Monetizing future losses or gains helps to formulate arguments that link conservation to future benefits that are more concrete and impactful for the intended audiences.

> » **Example:** "If this level of overlogging continues, we will lose XX in revenues in the next 5 years. This amounts to x percent of the budget for health services."

Increase the salience of the problem: Even if individuals may be aware of the costs of forest mismanagement, they may not perceive the risks as (personally) relevant, immediate, or alarming. Thus, the salience bias can also be harnessed in communication approaches, for example by making the negative impacts of illegal logging more noteworthy to potentially trigger an emotional response that will lead to action to hold duty bearers accountable.

> » **Example:** "The loss of our forests is not only bad for the environment, it costs our community in other ways. Illicit logging means someone else is profiting from our resources. Because of corruption enabling illicit logging, the new school we planned can't be built."

> » **Example:** Nepal's decades-long track record of implementing the standards of the Forest Stewardship Council (FSC) and more recently the National Forest Stewardship Standard for Nepal is a source of national pride in international settings. Corruption that damages this track record would deal a significant blow to this reputation.

Challenge conventional wisdoms: Some forms of bribery may not be recognized as corruption. Bring informal payments into broad daylight and indicate these are corruption whilst revealing the losses incurred and the victims.

» **Example:** Produce posters and flyers that explain in simple terms that any informal payments made or received in connection to timber auctions are illegal and considered corruption. Place posters in forest management groups' offices and meeting venues, auction venues, and local sawmills.

» **Example:** Highlight the potential of minimum auction values as a way to combat rigging by challenging tacit expectations that communities must accept lower-than-fair prices for natural resources traded in international markets.

Cultivate new roles, priming and rewarding those who behave with integrity: To set new standards and change behaviors, it is important to identify and work with potential agents of change. For example:

» Engage with people already participating in community forest management groups and their social networks. Create transparency by communicating publicly about their roles and responsibilities and/or developing reporting mechanisms and data sharing about decisions made and results of auctions. Develop concrete indicators and reward those who excel in achieving the results most advantageous to the community.

» Work with youth who might be motivated to participate in conservation efforts. Encourage them to act as champions and give them salience, for example through visibility in media and use of social media to enhance uptake and generate positive incentives. (For example, young champions may be motivated by likes in their social media accounts, though it is important to test this hypothesis.)

» Address the incentives of forestry and law enforcement officials. Provide incentives to reward integrity measured against clear indicators. Consider both financial and positive recognition rewards.

» Engage the brokers. These stakeholders are almost always considered purely as enablers of corruption. However, even they can play a positive role. If brokers have developed the know-how to navigate the red tape surrounding formal auctions of community forest timber, their expertise could potentially be harnessed through programs to certify them as official service providers to sawmills, thus formalizing informal payments.

» Emphasize the role of sawmill owners. Private sector actors are key to this situation, but it is very difficult to incentivize behavior change on the basis of purely normative arguments. A clear business case for behavior change is needed. For instance, timber sourced in an environmentally sound way has a clear appeal and value in some markets. This can be concretized through certification with international standards organizations such as the sustainable forestry initiative.

Adopting a holistic approach, working to change the beliefs and behaviors of all groups involved, can be the basis to further develop collective ownership of praise-worthy community forest management practices and cultivate a sense of pride at the community level. (See Figure 2)

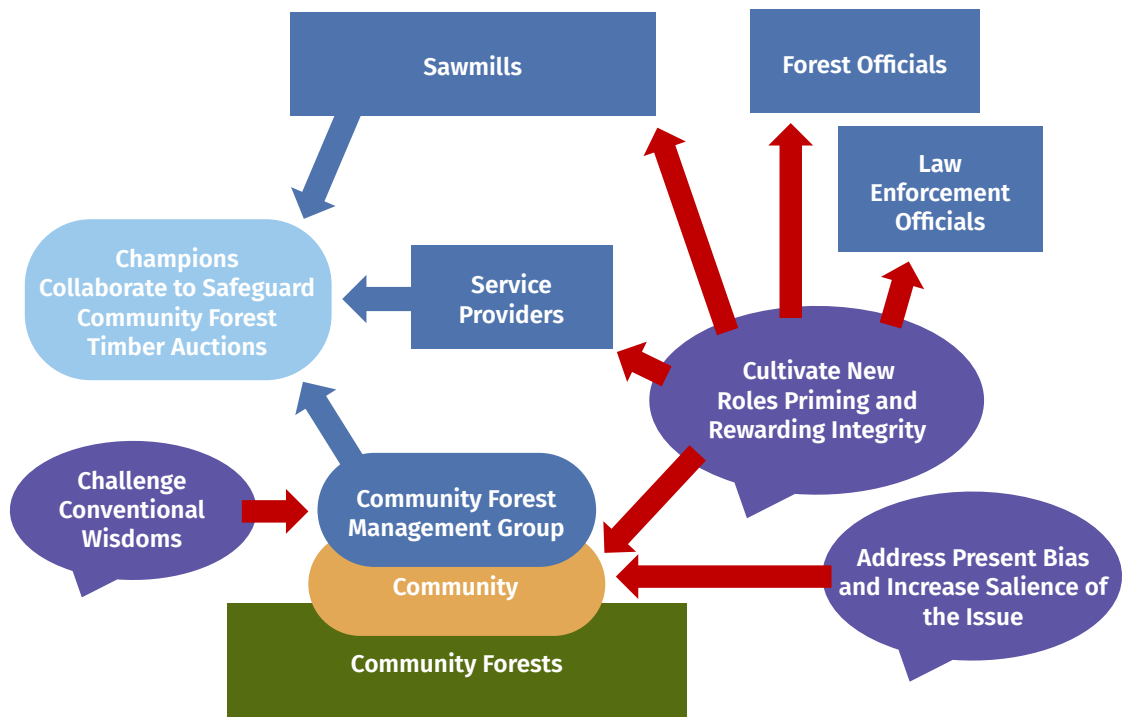**Figure 2. Applying a social norms/behavior change lens to collusive corruption**

Table 1 shows how the elements in the case study can be translated into the five core principles for designing SNBC interventions described in Guide 1.

Table 1. Principles for SNBC to combat corruption in community forestry

Behavior Change Principle	Illustration of this in Nepal
Enabling Environment	The importance of increasing community ownership and management/custodianship of natural resources (timber and NTFPs) on traditional lands is widely recognized,[2] and there are several international bodies actively supporting community voices, along with case studies showcasing the ethical, financial and sustainability gains that arise from doing so (e.g., CBD, CIFOR, CITES, FAO, ICCWC, IIED, ITTO, RECOFT) Nepal has over a decade of experience implementing FSC certified timber initiatives at the national level.
Insight and Targeting	A comprehensive context and situation analysis has revealed key insights into the main actors responsible for inappropriately exploiting forest resources belonging to local communities through rigging auctions. Opinion-based social research processes now need to be conducted to confirm audience prioritization, targeting and segmentation.
Frameworks and Theory	The WWF SAVE NATURE PLEASE framework provides clear and concise entry points for intervention design and quality assurance. Also, Social Network Analysis can be considered alongside Gladwell's "Tipping Point" personality types (Mavens; Connectors and Salespeople) to identify which roles various actors and stakeholders can play in promoting behavior change in their contexts.
Messages and Messengers	Individuals already operating with integrity can be selected to showcase their experience, and to provide an incentive and role model for others doing so.
Repetition, Adaptation, Reward	Companies adhering to good practice can be showcased, and potentially gain via the brand integrity and additional consumer base that could be attracted through marketing of timber verification schemes for legality / sustainability.

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[2] E.g., Target 19 in the Kunming-Montreal Global Biodiversity Framework: https://www.cbd.int/gbf/targets/

Table 2 illustrates how the collusive corruption scenario can be addressed through interventions aimed at prevention and persuasion at the individual and institutional levels.

Table 2. Mixed Methods for SNBC to combat corruption in community forestry

	Prevention	Persuasion
Individuals	Engage with those already participating in community forest management groups and their social networks. Create transparency by communicating publicly about their roles and responsibilities, developing reporting mechanisms and data sharing about decisions made and results of auctions, and increasing the minimum value in auctions.	Cultivate new roles, priming and rewarding those behaving with integrity. Increase understanding about community rights and opportunities and provide access to peer experience exchange platforms and processes where feasible (e.g., TRAFFIC NICFI initiatives in the Congo Basin; potentially RECOFT in Southeast Asia).
Institutions	Address the incentives of forestry and law enforcement officials, and engage timber companies in e.g., Good Practice Guidelines, training schemes and Codes of Integrity / Conduct. Expose poor performers or those engaging in "greenwashing."	Address present bias in the community; Challenge conventional wisdoms and understanding about what corrupt practice is and increase the salience of the issue by reframing conservation gains as gains that also benefit the community. Simplify bureaucratic procedures where possible.

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