

Legality shapes as new certification flash-point

ITTO international workshop on phased approaches to certification

19–21 April 2005

Bern, Switzerland

Verifying the legality of timber looms as a major issue in the debate over timber certification, judging from the outcomes of this workshop.

Forest certification is a means of verifying whether a particular forest area is well managed and, through labelling, of assuring consumers that in purchasing labelled wood products they are supporting sustainable forest management (SFM). The idea was proposed more than ten years ago as a way of reducing tropical deforestation; ironically, however, only 5% of the total global area of currently certified forests is located in the tropics.

According to ITTO's Executive Director, Dr Manoel Sobral Filho, there are two principal reasons for this.

"First, virtually all these tropical countries are developing countries facing competing demands for scarce resources. Forests seldom make it to the priority list," he said. "Second, these countries are dealing with natural tropical forests, where economic, environmental and social requirements for sustainable management are much more complex and demanding than those for non-tropical forests."

Attended by representatives of certification schemes, timber producers and buyers, certification agencies and environmental organisations, the ITTO-funded workshop sought ways of accelerating the certification of tropical timber and timber products.

"There exists in developing tropical countries a considerable gap between the actual level of management and what is required by certification," said Dr Sobral. "It would therefore be grossly unrealistic for these countries to be subjected to the full requirements of certification in one go."

One alternative would be to achieve certification in phases. Under this 'phased approach', full certification would remain the goal but companies and other forest owners would be able to achieve market recognition and benefits as they improved their forest management practices and moved towards full certification.

Workshop participants generally agreed that the verification of legal origin could constitute a first phase of a phased approach. However, some also called for the verification of legal compliance, which would require a more in-depth audit of adherence to relevant laws than is typically carried out as part of the forest certification process. Other participants expressed concern that this would constitute a major 'shifting of the goal-posts' for timber suppliers that would actually hinder their efforts to achieve SFM and certification.

According to ITTO's Amha bin Buang, placing too much emphasis on any specific criterion such as legal compliance runs the risk of losing the holistic nature of SFM.

"It has taken years for tropical countries to become acquainted with SFM and they are now being told that priority should be given to the assurance of legality and some social aspects," he said. "This shift serves more as a distraction from the overriding goal of SFM."

Mr Amha noted that tropical timber producers want to know the minimum requirements they must meet to enter particular markets, but these vary from country to country and, in many cases, continue to change.

"What tropical timber producers need most of all is certainty," he said. "Many have made significant strides in improving their forest management, despite the obstacles, and to make new demands on them now could force some out of the market."

"Without a market for their products they have no chance to achieve SFM—and some might be tempted instead to clear their forests for more profitable agricultural production."

A full account of the outcomes of the workshop, along with background documents and presentations, is available at the ITTO website (www.itto.or.jp).

More dialogue on illegal logging

TFD's dialogue on practical actions to combat illegal logging

7–10 March 2005

Hong Kong, PR China

This workshop, which was co-sponsored by ITTO, was attended by over 120 leaders from business, civil society and government; governments represented were the People's Republic of China, Malaysia (Sarawak and Peninsular Malaysia), Japan, Indonesia, the Philippines, USA, UK, Sweden, Russia and the European Union.

Workshop participants agreed that the highest priority was to ensure no wood is sourced illegally from national parks and reserves or stolen from local communities and private landowners. Such wood contributes to severe ecological harm, promotes social conflict, human rights' abuses and violence, results in huge economic losses and slows the development of poor countries. Illegal wood also depresses the prices of wood and paper products, harming companies that respect the law as well as undermining confidence in the industry.

Participants emphasised the steps that business and civil society can take quickly to reduce illegal logging. Priority actions emerging from the workshop include:

- collaborate to strengthen important existing alliances to combat illegal logging;
- use experience gained from ongoing partnerships to develop agreed, auditable, practical national legality standards to accelerate progress towards similar standards in other countries with a high risk of illegal logging;
- create a simple, credible, independent and objective ratings system that can be applied to identify high-risk countries and tree species.

Such a system would help forest products' companies, retailers and customers, as well as investors, creditors and insurers, to reduce the risk of supporting illegally sourced, harvested or traded forest products through their wood- and paper-buying and financial services. This could in turn lead to development of a ratings system for companies; and

- encourage companies to use innovative technology for wood tracking and share best practices to improve their supply chain management, reduce costs, and assist them in ensuring that illegally sourced, harvested or traded wood does enter their supply chains.

Importantly, there was strong agreement that law enforcement should be substantially strengthened in both exporting and importing countries. Exporting countries should take urgent steps to enforce laws that protect forests of high value for conservation and to protect local communities from conflict created by illegal logging. Importing countries can do much more to use existing laws to prosecute those involved in the import and distribution of forest products that are illegal in origin. The prosecution of large offenders, leaders of criminal syndicates and financiers of forest crime should be the highest priority in this much-needed global crackdown on forest crime.

This text is adapted from the personal summary of the co-chairs (Nigel Sizer, Cassie Phillips and Mubariq Ahmad). For more information contact: the Forests Dialogue, Yale University, 360 Prospect Street, New Haven, Connecticut, 06511, USA; Tel 1-203-432 5966; www.theforestdialogue.org; info@theforestdialogue.org

FLR discussed

Petrópolis Workshop on Implementation of Forest Landscape Restoration

4–8 April 2005
Petrópolis, Brazil

This workshop, which was co-sponsored by ITTO, brought together 109 experts from 42 countries and eleven international organisations to take stock of experiences to date in implementing forest landscape restoration.

The workshop had the following objectives:

- increase understanding of good practices and opportunities to optimise delivery of the benefits of FLR activities;
- stimulate the political support, policy and partnership arrangements and investment needed to implement effective forest landscape activities; and
- catalyse and demonstrate the implementation of FLR globally.

The workshop considered a range of case-studies emerging from national, sub-regional and regional workshops and the lessons learned from them. It explored key thematic areas, such as the contribution of FLR to livelihoods for the rural poor and innovative mechanisms for investment in FLR.

An interactive, facilitated field trip to three sites—Tijuca National Park, Sao Joao River Basin and the Mata Atlantica Biosphere Reserve—contributed to an increasing understanding of the FLR concept. Discussion following the field trips raised several considerations:

- **objectives:** projects were suited to resolving a specific problem, such as the protection of water resources or a species, to control erosion or

secure an investment. In most cases the environmental or ecological objectives might be achieved, but not the socioeconomic objectives. It was therefore necessary to move up to programs instead of projects and to have an integrated strategy;

- **starting point:** FLR initiatives may have different starting points depending on who is promoting them. It was necessary to devise a participatory approach to analyse problems, to define responsibilities and strategies and to put these into effect. It was also necessary to take an adaptive approach which allowed the adjustment of objectives and strategies in the course of the work;
- **stakeholders:** in general, local communities and peoples had an insufficient level of involvement in the forest restoration initiatives visited during the workshop, but identifying and including all stakeholders is an essential element of FLR; and
- **future actions:** the absence of a long-term strategy posed problems for the sustainability of the project or the security of the investment. The absence, or inadequacy, of a participatory approach meant that local communities and people were not involved. Among the most important activities were those leading to the creation of revenue.

The participants recommended action on a number of fronts, including calling for better recognition of the needs of stakeholders, the development of macroeconomic policies that impact on FLR, the need to strengthen the capacity of disadvantaged communities or stakeholders, and the importance of strengthening decentralised processes.

The discussion also raised the issue of encouraging the full valuation of forest resources and ecosystem service payment systems that benefit the poor and the creation of economically viable management alternatives for small-scale producers.

Adapted from the report on FLR prepared for the 5th Session of the UN Forum on Forests by the governments of Brazil and the United Kingdom

Big-hearted

Heart of Borneo—three countries, one conservation vision

5–6 April 2005
Bandar Seri Begawan, Brunei Darussalam

This workshop, organised jointly by the Government of Brunei Darussalam and the Worldwide Fund for Nature (WWF), was attended by about 100 people. It was a meeting mostly of government officers from Sarawak, Sabah, Indonesia (including from local government in Kalimantan) and Brunei, along with international organisations, including ITTO, and a coalition of international and national non-

governmental organisations (including WWF International, Conservation International, WWF Malaysia, WWF Indonesia, the Wildlife Conservation Society and The Nature Conservancy). It was an exploratory exercise to assess the interest of the three countries in pursuing a joint approach to conservation along the upland 'spine' of Borneo. A preliminary map drawn by the NGO coalition shows an area running roughly southwest to northeast in the northern half of Borneo including both the Lanjak-Entimau/Betung Kerihun Transboundary Conservation Area (TBCA) and the Pulong Tau/Kayan Mentarang TBCA (both of which are the subject of projects funded by ITTO) and covering a total area of more than 20 million hectares.

The hope of the NGO coalition was to start a process similar to that undertaken in Africa—started by the Yaounde Declaration and followed up by the recent 2nd Summit of Heads of State on Forests of the Congo Region (see *TFU 15/1*)—with the idea of giving momentum and credibility to a comprehensive transboundary approach through a high-level cooperation declaration.

More information is available from WWF Malaysia, www.wwfmalaysia.org.nali@wwf.org.my

Reported by Alastair Sarre

Vision and division

Global Forest and Paper Summit 2005: The Future of the Global Forest and Paper Industry

1–3 June 2005

Vancouver, Canada

www.globalforestpapersummit.com

This conference comprised three events: two conferences on the future of the global forest and paper industry, and one forum on best practices in communications. The first, *Delivering the Bottom Line: the 18th annual Global Forest and Paper Industry Conference*, was organised by PricewaterhouseCoopers and attended by over 600 people from industry, government and NGOs. The day focused on economic factors affecting the forest industry worldwide, mainly from the perspective of North America. A number of financial analysts presented their outlook for the world economy and how this would affect the forest and paper industry on a global scale. A mix of good and bad news was presented, with an emphasis on how the forest industry should capitalise on China's huge appetite for wood products, which several analysts predicted would continue growing for many years.

The second conference was entitled *Vision 2015: The Global Forest and Paper Industry's Coming Decade* and took place on days 2 and 3 of the Summit. One of the afternoon sessions brought together five speakers with different perspectives to discuss the sustainability of the forest and paper sector, including Gary Dunning (The Forests Dialogue), Tzaporah Berman (ForestEthics), David Refkin (Time Inc), Leif Broden (Sodra Group), and Gary Oker (Doig River First Nation). Berman and Oker gave impassioned speeches which included heavy criticism of the forest industry in Canada. However, no time was allowed for discussion or comments from the audience; this seemed simply to fuel increased resentment towards tribes and environmental groups, often seen as development 'roadblocks' by the world's large corporations. This lack of dialogue contradicted the purported spirit of the conference and did not enhance any mutual understanding between groups. During the meeting environmentalists staged protests

against continued logging of boreal forest in British Columbia and logging in 'undeveloped' forests that was endangering mountain caribou.

The third conference focused on communications in the industry, and was organised by the Wood Promotion Network. A number of case-studies were presented by communications experts, who highlighted the need to identify target groups and set goals in communications activities. Karen Brandt (BC Market Outreach Network) gave a presentation on her organisation's efforts, stressing the importance of using simple language to convey complex topics and the need for communications tools that get the facts out quickly and effectively. Participants also received a folder which included a compilation of 'best practices' examples from around the world. ITTO's brochure, *A Meeting of Minds*, is included as part of this compilation.

Reported by Hana Rubin, ITTO Secretariat

Negotiators to reconvene next January

3rd Part of the United Nations Conference on the Negotiation of a Successor Agreement to the International Tropical Timber Agreement, 1994

27 June–1 July 2005

Geneva, Switzerland

Delegates made significant headway last week in the negotiation of a successor agreement to the International Tropical Timber Agreement, 1994, but will still need to reconvene next January. Progress was made during sessions of two working groups in such areas as definitions, objectives and voluntary funding. Delegates agreed on more than 20 articles, including articles on the annual report and review and duration, extension, and termination of the Agreement, all of which were sent to the legal drafting committee to be finalised. The two working group chairs used informal consultations to attempt to bridge the gap on key outstanding issues of finance, voting calculations, objectives and scope. This approach enabled many less important issues to be removed from the negotiating table.

However, delegates were not yet ready to compromise on issues that were most important for them. There are still clear divisions over the US, European Community and Producer Group proposals on finance: agreement on assessed funding for policy work and on how to generate more project funding has been difficult to achieve. For instance, producers and consumers alike expressed a desire for more predictable project and program funding, but that requires agreement on linked issues such as the scope of the Agreement and the structure of the Organization and its institutions.

Additionally, elements related to the distribution and calculation of votes were debated during discussions on definitions of 'producer' and 'consumer' members and 'tropical forest resources', with no agreement. Some of the discussions indicated divergent opinions, possibly even confusion, over how to combine forest resources and trade in the new Agreement. The Conference will reconvene on 16 January 2006, in Geneva, Switzerland.

Based on the summary written by the Earth Negotiations Bulletin (www.iisd.ca/forestry/itto/itta3/).