

ITTO Tropical Forest UPDATE

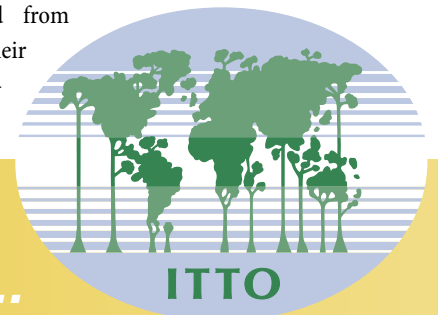
A newsletter from the International Tropical Timber Organization to promote the conservation and sustainable development of tropical forests

Into the sunset?

MOST COUNTRIES with significant forest resources have, at one time or another, heard their timber sector referred to as a 'sunset' industry. This is usually the case when other economic development options present themselves that can appear more dynamic and profitable than turning trees into boards. The rapid developments underway in the climate change negotiations and the coalescence of several new partnerships to provide funds to countries for averting deforestation (see *TFU* 17/2) have led some observers (and some tropical countries) to see carbon credits and related funds as a new dawn for the conservation and sustainable development of tropical forests. While there is unprecedented

momentum (for which the World Bank and other partners, who recently announced a \$300 million fund for averted deforestation, are to be congratulated), it is germane to consider the development of other 'new dawns' for tropical forestry that have been announced over the past couple of decades.

One of the first of these was the prospect for natural medicines derived from tropical forests to fund their conservation and sustainable management. Several



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Cover image Sunset over Kaeng Krachan National Park (Thailand).
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articles in respected journals in the 1980s referred to the huge potential value of such medicinal plants and compounds. Unfortunately, pharmaceutical companies were able to synthesize compounds from tropical forest medicines almost as fast as they were discovered and negotiations dealing with bio-piracy and equitable remuneration for such tropical forest resources remain mired today in fora such as the CBD. Another potential source of funding for tropical forests that was trumpeted in the 1980s and 90s was ecotourism. That rosy vision was clouded by a lack of infrastructure in most tropical countries that kept all but the most risk-tolerant investors away. Non-wood forest products are certainly important at a domestic and subsistence level in almost all tropical countries, but they have rarely fulfilled their alleged potential to fund tropical forest conservation.

Granted, all of these sectors (and others) are now playing a role in helping tropical countries pay to manage and protect their forests and have increased in importance in many countries over the years. However, all of them pale in comparison to the contributions of the tropical timber industry, which now generates export earnings exceeding \$20 billion per year (including primary and secondary products) and billions more in domestic markets. They also pale in comparison to the perceived needs for implementing sustainable management of tropical forests (eg, inventorying and protecting the permanent forest estate, sustainably managing production and protection forests, etc.) which amount to billions of dollars a year based on work carried out by ITTO in the 1990s.

Despite remaining the largest source of regular revenue from tropical forests, the timber industry alone has been unable to finance the transition to sustainability, nor should it be expected to. The welcome development of significant new revenue streams for tropical forests within the climate change negotiations recognizes the need to place value on the other services they provide. The solution is for all potential revenue streams for protecting tropical forests to be pooled and effectively managed by tropical countries. It is essential

that the timber sector be seen as part of the solution to halting deforestation and forest degradation in the tropics, as well as a key player in alleviating poverty, and not as a sunset industry that is part of the problem. ITTO is working with responsible industry players throughout the tropics to implement SFM, log tracking and other schemes that help to ensure that tropical timber products are not negatively impacting the environment and that governments receive the royalties and other fees that help to fund forest management (eg see *Monitoring mahogany*, page 5; *Forest certification in Indonesia*, page 10). ITTO will also be working hard to ensure that sustainable forest management and the tropical timber industry are key considerations in the rapidly evolving negotiations and partnerships on forestry and climate change.

Many of ITTO's activities of relevance to forestry and climate change referred to above have evolved and come to prominence under the leadership of Dr Manoel Sobral Filho, who completes his term as ITTO's Executive Director in early November. Dr Sobral was instrumental in pushing forward ITTO's work on forest monitoring and law enforcement, bio-energy, and the financing of tropical forest management (to name only a few) over his near decade at the helm of the Organization. ITTO's work and leadership in all of these areas in the tropics will be a key contribution as the new Executive Director (Emmanuel ZeMeka) guides the Organization's responses and inputs to climate change and other emerging issues. As Dr Sobral says in this issue's *Out on a limb*, he is leaving the Organization in good shape and in good hands. He is also leaving with the gratitude of the entire ITTO Secretariat for his excellent leadership and wisdom, from which we all benefited. Having been privileged to have him as both a good friend and as my boss over the past decade (and as a colleague for most of the decade prior to that), I am confident that Sobral is in no way heading into the sunset as he leaves ITTO, but into new ventures and challenges in Brazil and beyond. We all wish him well.

Steve Johnson