# Out on a limb

**I**LLEGAL logging and illegal trade are major concerns of both the ITTO Trade Advisory Group (TAG) and the ITTO Civil Society Advisory Group (CSAG). Rightly or wrongly, much of the tropical timber trade is now characterised as illegal. This problem has serious social and environmental impacts, undermines honest industry, discourages investment in responsible forest management, and diminishes forestry's contribution to social and economic development. This is not a new problem, but one that has long plagued the forest sector globally.

For this reason, both TAG and CSAG were very pleased that the International Tropical Timber Council (ITTC) formally recognised the problem in 2001 and has begun to take steps to address it. We are both appreciative of the invitation by the Council for us to conduct a workshop on illegal logging and illegal trade, which took place on 19–20 July 2004, with the purpose of making specific recommendations to the ITTC and its member states. We are appreciative of the contributions, encouragement and assistance of the Swiss government that made this possible.

To begin, both the TAG and CSAG would like to highlight the following points:

- we recognize that all countries—producer and consumer—have a role and responsibility in helping to eliminate illegal logging and illegal trade;

- we recognise that illegal production and trade is not only an issue of timber, nor an issue only for tropical countries. There are numerous problems in other sectors, and in countries in the temperate zone;

- whilst the workshop and its recommendations focus on illegal logging and illegal trade of timber, the workshop recognised that the issue of legality in the forest sector encompasses a much wider range of issues including workers' rights, wildlife management and trade, gender and child labour, corruption and money laundering as well as issues of conflict timber;

- we recognise that one of the drivers of illegal logging is related to the fact that, in most cases, only timber brings a financial return to forest management, which must also cover the cost of social and other environmental obligations. For this reason, both CSAG and TAG encourage the development of other sources of revenue for forest owners, such as payments for ecosystem services; and

- the workshop recognised that capacity-building remains a critical need, and will be necessary for the implementation of all the following recommendations. In particular, capacity-building needs to be extended to related sectors such as judiciary, transportation and customs, and ITTO should ensure that all of its training support involves relevant staff from member states.

Before presenting our specific recommendations, the chair of TAG and the co-chair of CSAG would like to express our group's appreciation for the personal support of Dr Jürgen Blaser and his team at Intercooperation, Kerstin Canby of Forest Trends who served as the secretary, and Professor Rodolphe Schlaepfer of the Swiss Federal Institute of Technology in Lausanne, who demonstrated remarkable humour and flexibility in facilitating the workshop.

## Specific recommendations

The following recommendations can be addressed by ITTO through its policy work, projects at national, regional and international levels, and activities within the ITTO work program—as well as by independent actions by the ITTO member states themselves. These efforts need to recognise and respect the sovereignty of ITTO members and should be conducted in a manner which fosters the sharing of lessons between governments and other stakeholders.

1   **Most importantly, we urge ITTO and its member states to take an even more aggressive stance in the fight to combat illegal logging and illegal trade.** In particular, we encourage consumer countries to cooperate more actively with customs and enforcement agencies in producer countries to identify and address illegal trade.

2   **Improve basic data and understanding of timber production**



**Trading civilities:** participants at the TAG/CSAG workshop discuss possible actions to reduce illegal logging and associated trade.
*Photo: K. Takahashi*

**and trade (national, regional and international), including the extent, nature and impact of illegal logging and illegal trade.** The extent and nature of illegal logging cannot be reliably estimated and addressed without better data on all aspects of timber production and trade. ITTO has already invested heavily in the development of statistics and databases, but this has not always led to significantly improved data, accessibility or public confidence in its quality.

- Provide additional support and expand ITTO's existing initiative on trade statistics' discrepancies, with the important change of encouraging collaboration in data collection with other institutions including other national agencies, NGOs and the private sector.

- Support studies on the extent and nature of illegal logging (including roles of and impacts on the informal sector and local communities) at national and regional levels with the input of civil society, the private sector and governments in order to assure balanced and fair representation of the facts.

3  **Encourage transparency, improved access to information and quality of published data.** Increased transparency and access to information are essential for progress in the effort to combat illegal logging and illegal trade. Governments and other stakeholders need to be able to generate and verify data in a transparent and accessible manner. This will include mechanisms for independent third-party monitoring, protocols for data verification and publication of data, and ensuring easy access to information.

- Encourage country-level projects to promote transparency and access to information, in particular regarding concession allocation, mapping, management plans, and revenues from taxes and fines and how they are distributed.

- Support studies to identify best practices in independent third-party monitoring as a tool to combat illegal logging and promote consumer market confidence.

- Ensure that all ITTO projects to develop national-level databases and management information systems include protocols for transparent data collection and verification through multi-stakeholder processes, and guarantee improved transparency and access to information.

- Ensure that all ITTO data on tropical forests, forest products and trade are made publicly available in an easily accessible manner (eg through the web).

- Encourage ITTO to undertake an evaluation of how its data are collected, managed and made public.

4  **Support country efforts to review and/or revise laws and regulations to ensure they are efficient, enforceable and equitable; address underlying governance problems; and improve implementation.** This would involve the revision or harmonisation of laws and regulations through consultative processes, and recognition that any revisions should respect the rights and interests of indigenous and other local communities and the private sector (for example, by avoiding over-regulation).

- Support comparative studies and regional and international workshops to assess relevant laws and regulations (including fiscal, forest tenure, and harvesting rights' policies) with the aim to identify lessons and guidance for potential revisions to legal frameworks. These should link to similar initiatives under way by other international organisations.

- support country-level projects to help governments clarify property rights (eg cadastral systems, mapping, legal recognition, physical

demarcation) and processes to mitigate conflicts if/when they arise (eg between concessions, indigenous land and protected areas).

5  **Encourage national, regional and international trade regimes to promote legal trade.** Actors within the financial sector, transport sector, international customs and trade arrangements involved in the financing and trade of forest products need to be involved in the development of constructive solutions to promote legal trade. There is an urgent need to reach outside the forest community to study and align national, regional and international trade mechanisms to ensure that all practices promote the legal trade of forest products.

- Conduct studies and associated workshops between industry, government, civil society and international bodies on the roles of trade regulatory bodies (eg the World Trade Organization) that relate to illegal logging and illegal trade, and the responses that consumer governments may develop to combat illegal trade.

- Conduct studies and associated workshops between industry, government, civil society and international bodies involved in the transportation of timber products (eg financial institutions, customs, shipping, transport), with a view to identifying weaknesses that have allowed illegal trade.

- Conduct studies and associated workshops between industry, government, civil society, the financial sector and international bodies on the linkages between corruption, money-laundering and other associated issues related to the finance sector and illegal logging and illegal trade, to identify actions for governments, financial institutions and other actors.

6  **Promote systems to assess and verify the legality of forest products.** There is a need to encourage the assessment and development of technology and systems—including efforts by industry to improve self-regulation—to enable consumer market confidence and to enhance legitimate trade, and step-by-step approaches towards verifying legality.

- Support audits of existing governmental systems to analyse whether current systems are adequate, how they are being implemented and how chain-of-custody systems can be improved.

- Support the development and adoption of log-tracking systems as a means of verifying legality, recognising that effective log tracking is a necessary step towards certification.

- Support reviews of industry voluntary codes of conduct and agreements between companies and communities in order to foster the development of credible self-regulation and protocols for monitoring.

7  **Promote increased involvement of local communities in forest management and trade.** Recognising that indigenous and other communities are major stakeholders in tropical forests, there is a critical need to include them in decision-making processes, as well as to provide them with technical assistance to implement legal forest management and improve their ability to protect their rights. These steps will promote transparency, reduce the potential for corruption and ensure greater equity.

- Ensure that all ITTO projects and studies related to illegal logging involve meaningful consultation with communities, other members of civil society and the private sector.

# Courses

## NGO leadership, development and social change

**17 January–4 February 2005**
**Cavite, the Philippines**
**Cost: US$2500 + US$700**

This course enables the leaders and managers of non-governmental organisations (NGOs) to develop and refine core competencies strategic to the management of development organisations in an era of rapid globalisation. The course is designed to increase the learner's ability to: describe and critique NGO social-change strategies; review concepts and theories of leadership and allow them to reflect on their own leadership style and behaviour; and identify characteristics of effective leaders and to apply them to existing NGO leaders. The highlight of the course is the simultaneous application of individual and team learning with learners in Bangladesh, Peru and the USA.

The course serves as the gateway or entry course to the Postgraduate Diploma in NGO Leadership and Management in Bangladesh or via on-line course offerings by the Global Partnership Program (www.global-partnership.net). Upon successful completion of the diploma course, a qualified candidate may pursue the Master of International and Intercultural Management degree at the School of International Training.

*Contact: Education and Training Program, International Institute of Rural Reconstruction, Y.C. James Yen Center, Silang 4118, Cavite, Philippines Tel/Fax 63–46–414 2417; 63–2–886 4385; Education&Training@iirr.org; www.iirr.org*

## Participatory monitoring and evaluation

**February 28–March 18, 2005**
**Cavite, the Philippines**
**Cost: US$2500**

This course, which is designed for development-project executives, research study leaders and extension officers who are managing and/or implementing community-based development activities, examines participatory monitoring and evaluation (PM&E) at the community, program and organisational levels. Selected cases are presented and discussed. PM&E concepts and theories and methods, tools and techniques that have been tested and used in the field are shared.

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## Rural development management

**2–20 May 2005**
**Cavite, the Philippines**
**Cost: US$2500**

This course, which is designed for senior and mid-level development managers, covers development issues, managing sustainable and people-centered development programs, and managing development organisations. It addresses aspects of program and project planning, implementation and evaluation. Participants are introduced to real-life experiences in rural development. The course is built around observations of community-level development efforts in the Philippines.

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## Gender mainstreaming: from programmatic to organisational transformation

**14–25 November 2005**
**Cavite, the Philippines**
**Cost: US$2,250**

This course will provide mid- and senior-level development professionals with the tools to influence decision-makers within their organisation towards systematic gender mainstreaming. The course builds upon a review of previous and current experiences in gender mainstreaming within the participants' organisations, programs and/or projects. Using a 'gender audit' tool, participants deepen their understanding of previous gender mainstreaming efforts within their own organisation. The audit will give focus to the following dimensions: political will, technical capacity, accountability and organisational culture. Opportunities will be given to go through real-life exercises in preparation for the planned change process to mainstream gender within their own organisations.

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*Courses are in English unless otherwise stated. By featuring these courses ITTO doesn't necessarily endorse them. Potential applicants are advised to obtain further information about the courses of interest and the institutions offering them.*

- Conduct studies that identify best practice for the role of civil-society participation in forest law enforcement (eg assistance with monitoring committees).

- Support national and regional studies and workshops to understand the scope of indigenous and other community forestry, policy and other regulatory barriers, and their relationship to illegal logging and illegal trade.

- Increase project support for community forest enterprises, including technical assistance to help communities understand and comply with national laws, and to develop equitable alliances with the large industry players.

## Recommendations for action in the short term

- Conduct an international conference (with associated background studies) on the transportation of timber products, involving representatives of financial institutions, customs, shipping and transport sectors, with a view to identifying weaknesses which have allowed for illegal trade.

- Conduct an international conference on indigenous and other community forestry, forest tenure, policy and other regulatory barriers to management and trade, and their relationships to illegal logging and illegal trade.

- Strengthen and expand the ITTO project window to finance private-sector/civil-society partnerships to advance sustainable and legal forest management and trade.

We appreciate the opportunity to jointly prepare these recommendations, and look forward to other opportunities to provide advice to the Council.

## Workshop participants

*TAG: **Barney Chan** (workshop co-chair), Sarawak Timber Association (Malaysia); **Ivan Tomaselli**, ABIMCI (Brazil); **Paul Rasmussen**, DLH (Denmark); **Jean-Jacques Landrot**, Interafrican Forest Industry Association (France); **Brent McClendon**, International Wood Products Association (USA); **Dani Pitoyo**, BRIK/APKINDO (Indonesia); **Dick McCarthy**, PNG Forest Industries Association (PNG)*

CSAG: **Andy White** (workshop co-chair), Forest Trends (USA); **Cleto Ndikumagenge**, IUCN/CEFDHAC (Cameroon); **Chen Hin Keong**, Traffic International (Malaysia); **Yati A. Bun**, Foundation for People and Community Development (PNG); **David Young**, Global Witness (UK); **Alberto Chinchilla**, ACICAFOC (Costa Rica); **Hildebrando Rufner**, COICAP (Peru); **Yam Malla**, Regional Community Forestry Training Centre for Asia and the Pacific (Thailand).