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EMBARGOED FOR RELEASE UNTIL 12:01 GMT ON 7 JUNE 2011

Survey of World's Embattled Tropical Forests Reports 50% Increase in Areas under Sustainable Management since 2005

But New Data on 33 Countries Holding Bulk of World's Tropical Forests Suggest Forces Driving Preservation could Lose to those Favoring Destruction

BERN, SWITZERLAND (7 JUNE 2011)—A comprehensive assessment of tropical forest management reports a 50 percent increase in the area of tropical forest under sustainable management in just five years, but cautions that key drivers of that increase—growing demand for certified timber and funding for climate change initiatives—could have only a marginal impact in the long-term.

Drawing on detailed data on each of the 33 countries that together control almost all of the world's tropical rainforests and tropical timber production, the report released today by the Japan-based International Tropical Timber Organization (ITTO) also warns that more than 90 percent of the global tropical forest estate continues to be managed poorly or not at all. And, looking ahead, the report suggests that forces favoring forest destruction, such as higher food and fuel prices, could easily overwhelm those that favor forest conservation.

ITTO is an intergovernmental body charged with promoting the sustainable management, use and trade of tropical forest resources. The combined annual tropical timber exports (including logs and sawnwood and finished products like furniture) of the 33 producer countries of ITTO are valued at well over \$US 20 billion.

Specifically, the report, "Status of Tropical Forest Management 2011," finds that between 2005 and 2010, the area of natural tropical forest under sustainable management across Africa, Asia, the Pacific, Latin America and the Caribbean increased from 36 million hectares (89 million acres) to 53 million hectares (134 million acres), an area about the size of Thailand. Moreover, the area of timber-production forests subject to at least some type of management plan—a critical first step toward achieving sustainability—has increased by about one-third since 2005 and now totals 131 million hectares.

"We are of course happy to see the progress that has occurred in the last five years, but it still represents an incremental advance, and some countries are still lagging behind," said Emmanuel Ze Meka, ITTO's Executive Director. "We fully support the emergence of new markets for 'green' timber and the recent push to include forests in a climate change accord, but in many countries these developments alone may not be transformational."

"Demand for certified wood is likely to affect only a small part of the tropical forest estate," he added, "and countries are embracing forest programs related to climate change because they expect them to generate a significant amount of money, which may not materialize to the extent hoped for."

Countries that have made notable progress towards sustainable forest management in the last five years include Brazil, Gabon, Guyana, Malaysia and Peru. These countries were all able to supply useful information for the report; they have generally progressive forest-related policies, laws and regulations, relatively clear tenure regimes and strong institutions; and forest law enforcement is improving on the ground.

On the other hand, a number of countries—for example, Cambodia, Côte d'Ivoire, Democratic Republic of the Congo, Guatemala, Liberia and Suriname—have endured major conflicts in recent decades that have hindered the development of the institutions and local actions required to achieve

sustainable forest management. In countries such as Nigeria and Papua New Guinea, the forest administration lacks the resources to adequately supervise the forest management regime.

“Today's report shows that less than 10 percent of all forests are sustainably managed and that ITTO expects deforestation to continue,” said Andy White, Coordinator of the Rights and Resources Initiative. “The report also shows that reforming tenure and supporting community forestry are needed to prevent the continued loss of tropical forests and the industrial clearing and logging that leads to deforestation, poverty, and human rights abuses.”

The report is the only one of its kind to collect detailed country-by-country data on forest management in the world's major tropical timber producer countries, and then subject them to independent review by both the ITTO secretariat and outside experts. These data are further illuminated and verified by information from a wide range of sources—including the UN's Food and Agriculture Organization and the World Bank's Forest Carbon Partnership Facility—to provide the most comprehensive assessment of the status of tropical forest management ever conducted.

REDD and restrictions on illegal timber

Tropical forests have been under increasing threat for several decades. Millions of hectares of tropical forest are cleared every year to make way for agriculture, pastures and other non-forest uses, or are degraded by unsustainable or illegal logging and other poor land-use practices.

New efforts have been made in the last five years to halt or at least slow the pace of forest destruction. These include negotiations in global climate change forums to generate funds for reducing emissions from forest destruction and degradation (REDD), which account for 10-20 percent of greenhouse gas emissions globally. Additionally, new laws and regulations have been introduced in the United States, Europe, Japan and elsewhere to block or at least restrict imports of illegally-harvested timber.

ITTO reports that 26 of the 33 surveyed countries are participating in at least one REDD-related initiative, including the Forest Carbon Partnership Facility, UN-REDD, the Forest Investment Program, the Global Environment Facility, ITTO's own REDDES program, and several major bilateral programs.

“With the economics of land-use in the tropics skewed away from maintaining forests for any purpose—either conservation or production—we need to ensure that we use all available tools that provide revenue for maintaining standing forests to compete with alternative land-uses such as agriculture and biofuels,” said Duncan Poore, an author of the report and former Director of the Nature Conservancy in the UK and former Director-General of the IUCN (World Conservation Union). “REDD has considerable promise but it's essential that it evolves to recognize and support initiatives focusing on sustainable utilization of tropical forest resources, including sustainable timber production, as opposed to becoming primarily a fund to conserve forests.”

The report finds that the push for sustainably managed or legality-verified timber in European and North American markets has stimulated the interest of many tropical countries in adopting legality-verification or certification schemes. But it also notes that certification in particular is expensive and generates little financial reward, and not all markets demand certification. Given that tropical timber prices are chronically low, questions remain about whether certification can provide a return on investment sufficient to be a strong driver of sustainability in the majority of the world's tropical forests.

“In some countries, we are certainly seeing a move toward the production of certified, higher-value products that would capitalize on an emerging ‘green economy’ and potentially help secure strong markets for sustainable tropical timber,” said Jürgen Blaser, Head of the Advisory Service and Deputy Director of the Swiss Foundation for Development and International Cooperation and one of the report's authors. “But even in rich countries, consumers seem unwilling to pay significantly higher prices for certified or legality-verified timber. Also, timber prices are generally low at a time when prices for food and biofuels are rising fast. Agriculture has always been the major driver of tropical deforestation and this seems unlikely to change in many countries, at least in the short- to medium-term.”

Sowing the seeds of progress

Most of ITTO's work is focused on the 761 million hectares of natural forest it considers to be “permanent forest estate” (PFE). PFE is forest that ITTO member countries have committed to retain, either for the sustainable harvesting of timber and other products (“production PFE”), or as protected areas (“protection PFE”).

The ITTO report examines the extent to which the PFE is subject to management plans, and further, whether those plans are being implemented in a way that management can be considered

sustainable. In the production PFE, ITTO classifies forest management as sustainable if it determines that timber harvesting and other revenue-generating activities (such as the collection of fruits, nuts and medicinal plants) do not harm forest values. If an area has been designated as protection PFE, ITTO considers it to be under sustainable forest management if it has secure boundaries and a management plan and is not under significant threat from destructive agents.

As part of its sustainability assessment, ITTO also keeps track of the growing area of forest that has been officially certified through an independent review and monitoring process, such as the certification scheme operated by the Forest Stewardship Council. Overall, there was a significant increase in the area of certified tropical forest—from 10.5 million hectares in 2005 to 17 million hectares in 2010.

The ITTO report documents particularly impressive progress in certification in Africa, which includes the forest-rich Congo Basin. The area of certified forests in Africa went from 1.48 million hectares in 2005 to 4.63 million in 2010, with most of the increase occurring in Congo (from nil to 1.91 million hectares), Cameroon (from nil to 705,000 hectares) and Gabon (from 1.48 million hectares to 1.87 million hectares). The area of production PFE judged to be under sustainable management in Central and West Africa increased from 4.3 to 6.56 million hectares.

Latin America and the Caribbean, the region with the world's largest area of tropical forests, also posted significant progress. According to the report, the area of certified forest increased from 4.15 million hectares to 6.02 million hectares and, overall, the area of production PFE under sustainable management expanded from 6.47 million to 9.51 million hectares. However, there were declines in the area of certified forest in Bolivia (by about 500,000 hectares) and Mexico (by about 150,000 hectares), at least partly because of the high cost of certification, especially for community-run operations, compared with its market benefits.

The Asia-Pacific region also posted a gain in the area of certified forest, from 4.91 million hectares to 6.34 million hectares. The overall area of forest considered to be under sustainable management remained static at about 14.5 million hectares, however. A decline in the area under sustainable management in Papua New Guinea offset a significant gain in Malaysia.

Land rights: the Achilles' heel of sustainability

"Slowing or halting the loss or degradation of tropical forest will require disentangling the knot of tenure claims to many forested areas that is thwarting efforts to implement sustainable forestry," said ITTO's Ze Meka. "Sustainable forest management is unlikely to succeed unless the forest has secure tenure that has been determined transparently on the basis of negotiation between claimants."

According to the report, Latin America has seen the most progress in dealing with the vexed question of forest tenure by addressing legal claims made by local communities and other stakeholders. Brazil has allocated 106 million hectares in the Amazon Basin to indigenous communities and more than 50 percent of Ecuador's forest is under indigenous or community ownership. There are also significant areas under local control in Mexico, Colombia, and Guatemala.

Africa has emerged as the most problematic region. According to the report, there is a "disconnect between legal and customary systems" in West and Central Africa that is impeding efforts to improve forest management. For example, in Ghana, forests are "owned" by tribal chiefs yet held "in trust" by the state. Nevertheless, reforms are emerging in countries like Cameroon and Liberia where "there are signs the governments have recognized the problem and are moving to address it." In Asia, the report points to conflicts over land ownership in Cambodia and the Malaysian state of Sarawak that are yet to be resolved. Nevertheless, some countries are making significant efforts to address forest tenure issues in this region as well.

However, local control by itself is not sufficient to improve sustainability. According to the report authors, in the long-run, greater local control may well improve forest management, but also find that it has brought short-term complications. The report notes that many local communities don't have the resources to implement sustainable management programs, particularly certification programs that can involve "relatively high cost and uncertain benefits."

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The **International Tropical Timber Organization** (ITTO) is an intergovernmental organization promoting the conservation and sustainable management, use and trade of tropical forest resources. Its 60 members represent about 85% of the world's tropical forests and over 90% of the global tropical timber trade. ITTO develops internationally agreed policy documents to promote sustainable forest management and forest conservation and

assists tropical member countries to adapt such policies to local circumstances and to implement them in the field through projects. In addition, ITTO collects, analyses and disseminates data on the production and trade of tropical timber and funds projects and other actions aimed at developing industries at both community and industrial scales. All projects are funded by voluntary contributions, mostly from consumer member countries. Since it became operational in 1987, ITTO has funded over a thousand projects, pre-projects and activities valued at over US\$350 million. The major donors are the governments of Japan, Switzerland, the United States, Norway and the European Union. <http://www.itto.int/>

The Status of Tropical Forest Management 2011 report was made possible by the generous support of the governments of Switzerland and Japan, as well as from ITTO's Bali Partnership Fund.