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ASIA-PACIFIC FORESTRY COMMISSION

TWENTY-THIRD SESSION

Thimphu, Bhutan, 9-11 June 2010

PROGRESS IN IMPROVING FOREST LAW ENFORCEMENT AND GOVERNANCE IN THE REGION

SECRETARIAT NOTE

INTRODUCTION

1. Increasing global concern over illegal logging and its associated trade has, in recent years, led to the development of various Forest Law Enforcement and Governance (FLEG) processes. FLEG processes are working at the international level and with national stakeholders to combat illegal forest activities and associated trade. The processes aim to strengthen political will, capacities and forest governance through collaborative approaches. In this way, national FLEG frameworks provide the foundations for combating forest crime and realizing the full potential of sustainable forest management in socio-economic development. Beyond timber concerns, FLEG processes increasingly also address issues of illegality related to non-wood forest products, plants and animals – all of which have experienced a rapid increase in trade in recent years. With escalating demand for wood products and environmental services in the region, the importance of FLEG processes will undoubtedly continue to grow.

BACKGROUND

2. The twenty-second session of APFC (convened in April 2008, in Hanoi, Viet Nam) recognized that while many countries in the region have made progress on FLEG recently, there was a need to review the numerous initiatives underway and share lessons learned. Specifically, the Commission requested FAO “to implement a stock-taking review of national forest law compliance and governance activities and initiatives” (FO:APFC/2008/REP, para. 63).

3. In response to this request, FAO collaborated with the ASEAN Secretariat, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), World Bank, and the Environment and Development Institute of the National University of Malaysia (LESTARI) in conducting the stock-taking review. The process included a workshop on *Forest Law Enforcement and*

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Governance: Progress in Asia and the Pacific, convened 30 November – 1 December 2009, in Kuala Lumpur, Malaysia. Sixteen forest-rich nations of the region prepared country papers which – together with the findings of the workshop – were compiled and published in early 2010.

4. The past 10-15 years have seen a marked increase in the number of initiatives aimed at strengthening FLEG, with notable achievements in many countries. For Asia and the Pacific, this momentum was marked formally by the Bali Declaration of 2001, when FLEG was the focus of an East Asia Ministerial Conference – affirming commitments to intensify national efforts and strengthen bilateral, regional and multilateral cooperation to address the issues of forest crime. Moving beyond political statements and multilateral agreements, countries have implemented a range of initiatives. These include: improving national legislative and enforcement frameworks; boosting institutional staffing and budgetary capacities; and stepping up forest crime prevention, detection and suppression strategies. Concurrently, several countries have strengthened economic governance and stakeholder participation and improved monitoring and transparency in reporting the results of FLEG implementation. However, many challenges remain, not least of which is obtaining reliable data on the extent of forest crime.

5. In addition to national efforts, there have been numerous international initiatives that have emerged over the last decade. These include:

- European Union Forest Law Enforcement, Governance and Trade (FLEGT) facility (supported by the European Forest Institute in Asia) – which works through Voluntary Partnership Agreements, public procurement policies, and promoting EU market legislation (especially new EU Due Diligence regulations)
- World Bank Program on Forests (PROFOR) – a multi-donor partnership that includes FLEG-focused activities in the Mekong region
- ASEAN Regional Knowledge Network (ARKN-FLEG) – supporting research and policy advice to better inform ASEAN policy-makers;
- International Tropical Timber Organization's (ITTO) thematic programme on Tropical Forest Law Enforcement, Governance and Trade (TFLET) – focusing on improving capacities for sustainable forest management
- Responsible Asia Forestry and Trade (RAFT) programme (funded by USAID), – with The Nature Conservancy, World Conservation Union, The Center for People and Forests, Tropical Forest Foundation, The Forest Trust, TRAFFIC and World Wide Fund for Nature as implementing partners – which promotes sustainable forest management and responsible timber trade across Asia

6. FAO's FLEG-related support to member countries focuses on providing information and tools for improved policy development and decision making. These include, for example, the development and application of protocols for implementing sound forestry practices (e.g., codes of practice for forest harvesting, reduced impact logging (RIL) guidelines, etc.) monitoring and evaluation methodologies, and related training support. FAO recently launched the ACP-FLEGT Support Programme¹, which works with stakeholder groups in the Pacific island countries and Timor-Leste in reviewing and modifying national forest policies, legislation and regulatory systems, piloting new systems, and facilitating national and regional information sharing opportunities.

7. Recent important changes to international trade regulations governing imports of illegal timber have also been introduced. Notably, the European Union's Due Diligence regulations,

¹ African, Caribbean and Pacific countries (ACP-FLEGT Support Programme) is a collaborative effort among the Food and Agriculture Organization of the United Nations, the European Commission and the African, Caribbean and Pacific Group of States (ACP) to address forest law enforcement, governance and trade issues in ACP member countries

amendments to the United States' Lacey Act, and other emerging polices currently being developed in importing countries, are expected to have significant impacts on timber markets in Asia and the Pacific in the coming years.

LOOKING FORWARD

8. Despite recent progress, current rates of illegal logging, land encroachment, illegal wildlife trade, wild-land arson, tax evasion, corruption, money laundering and other forest crime indicate there is still much work to be done in the Asia-Pacific region. While reliable data on the extent of forest crime are scarce, some estimates suggest that illegal logging alone results in losses of forest resources from public lands of at least US\$10 billion annually, and losses in government revenues of as much as US\$5 billion a year.²

9. In the meantime, progress towards sustainable forest management continues to be hampered by illegal activities in many countries and investments in forestry continue to accrue high risk premiums due to unclear property rights, weak law enforcement, government and industry corruption, and high transaction costs. More positively, recent years have seen progress in some measurable indicators, such as demand for certified timber and payments for environmental services. The future also offers several promising opportunities (e.g., REDD+ could work to provide additional incentives for certified timber); however, this will require strong FLEG systems that can accurately monitor, report and control legal and illegal logging operations, wild-land arson and land encroachment.

10. Successful responses to illegal activities can only come through holistic approaches that address the entire timber supply chain. Resolving the issues remains a shared responsibility of governments, forest producers, wood processors, consumers of forest products, and other stakeholders. Among the key recommendations made by participants at the regional workshop (held in November/December 2009), include requirements to:

- review – and modify as required – conflicting and outdated laws;
- enhance regional collaboration to combat illegal trans-boundary trade;
- strengthen institutional capacity through training, increased funding and clarification of roles and responsibilities;
- promote government and industry transparency and anti-corruption measures;
- increase frequency and accuracy of monitoring and reporting systems on law enforcement and measures of good governance; and
- develop policies and strategies consistent with new demands of investors and emerging markets for forest products and environmental services.

DISCUSSION

11. Member countries are encouraged to share perspectives and provide guidance on priority areas of work for APFC and FAO. Key aspects of discussions might include:

- adequacy of progress on FLEG since the previous APFC session;
- modes of dialogue with the private sector, neighboring countries or trading partners and international organizations, to contribute towards transition to successful FLEG regimes;

² World Bank. 2008. *Forest sourcebook*. Washington, DC.

- potential new approaches for FLEG (including meeting new challenges in illegal logging and associated trade or emerging opportunities such as REDD+); and
- practical steps for governments, producers, processors, consumers and civil society to promote legal and sustainable forest management and trade.