



THE FORESTS DIALOGUE

TFD STEERING COMMITTEE 2006

Mubariq Ahmad
Worldwide Fund for Nature
Indonesia

Muhamed Bakarr
World Agroforestry Centre
Kenya

Steve Bass
International Institute for
Environment and Development
United Kingdom

Gerhard Dieterle
The World Bank
United States

William Ginn
The Nature Conservancy
United States

James Griffiths
World Business Council for
Sustainable Development
Switzerland

Sharon Haines
International Paper
United States

Matti Karjula
Stora Enso
Finland

Lars Laestadius
World Resources Institute
United States

Thor Lobben
Norske Skog
Norway

Stewart Maginnis
World Conservation Union
(IUCN)
Switzerland

Cassie Phillips, TFD Co-Leader
Weyerhaeuser Company
United States

Per Rosenberg
Global Forest & Trade Network
(WWF)
Sweden

Carlos Roxo
Aracruz Celulose
Brazil

Stephan Schenker
Private Forest Owners Association
Austria

Nigel Sizer
United Nations Environment
Programme
Kenya

Roberto Smeraldi
Friends of the Earth
Brazil

Manoel Sobral
International Tropical Timber
Organization
Japan

William Street, Jr.
International Federation of
Building and Woodworkers
Switzerland

Justin Ward, TFD Co-Leader
Conservation International
United States

Amelia Wright
Family Forest Owner
United States

Gary Dunning
Executive Director
The Forests Dialogue

ENA FLEG Joint Civil Society and Forest Industry Preparatory Event

2-3 November 2005 - St. Petersburg, Russia

Co-Chairs' Summary*

Stewart Maginnis and James Griffiths

The Forests Dialogue (TFD) is a multi-stakeholder process between civil society and business leaders focusing on sustainable forest management. TFD convened an ENA FLEG preparatory dialogue held in St. Petersburg on November 2-3, 2005, and agreed that the following be considered by ENA FLEG delegates as key elements in the St. Petersburg Ministerial Declaration. Furthermore, participants identified some key actions that should be specifically reflected in the Indicative Action Plan.

While the majority of the discussions focused on recommendations for governmental action, industry and civil society will continue to partner on joint actions to combat illegal logging and associated trade. Participants feel strongly that determined implementation of the Indicative Action Plan will be critical. A key element for this follow-up will be the formulation and implementation of time-bound National Action Plans and their integration into national forest policy frameworks by participating governments in an open, participatory and transparent process.

In analyzing the current "Elements of the St. Petersburg Declaration," participants were encouraged, but were concerned about the apparent gap between some of the "Elements" and "Proposed Indicative Action Plan" components -- in particular on social justice and equity. In addition the group encourages ENA FLEG delegates to ensure close alignment between the economic, social and environmental elements in the final Ministerial Declaration and the clauses in the Indicative Action Plan.

The group strongly endorses the maintenance of timelines within the indicative action plan and encourages governments to further develop appropriate targets and mechanisms for monitoring & reporting of implementation. The cost implications of this are recognized and governments are encouraged to respond appropriately. Funding for education and training and capacity building for government, civil society, and local industry should not be overlooked.

* *This document is the dialogue summary produced by the meeting co-chairs. While it is entirely based on participant comments during the dialogue, the text of this summary has not been agreed upon by all participants prior to distribution. A more detailed meeting summary will soon be available.*

Recommendations*:

1. **Legal, equitable and sustainable forest management should be the ultimate goal of the ENA FLEG process -- governments must demonstrate the political will to take action to this end.** Ensuring legality is a critical step but not an end to itself. Currently, legality does not guarantee socially equitable nor sustainable forest management - for example some forest laws criminalize poor peoples' livelihood activities and some penalize responsible forest enterprises.
 - o *In the MD:* Governments commit to develop national action plans in an open, transparent, and participatory manner
 - o *In the IAP:* Action to eliminate illegal logging must be accompanied by legislative and policy reform that supports the equitable, transparent and sustainable management of the forest estate. An obvious first step is to amend those laws that encourage illegal activities and destructive forest-related practices.

2. **Forest governance is a societal responsibility, however governments have the key role in creating an enabling environment.**
 - o *In the MD:* include measures to ensure access to justice, the rule of law and respect for human rights. These issues are not currently addressed.
 - o *In the MD:* maintain the requirement to harmonize updated forest regulations with other laws and policies (Operative Section: 2) to prevent and mitigate negative environmental and social impacts.
 - o *In the IAP:* ensure meaningful public participation in the formation and implementation of forest policies and practices to combat illegal logging and corruption (1.ii: bullet 2)
 - o *In the IAP:* In order to be consistent with the MD: Operative Section 5, the promotion of property and resource rights (IAP 1.ii: bullet 3) needs to be broadened. Governments need to enact, implement and enforce just and equitable laws that recognize public, private, community and customary property and use rights.
 - o *In the IAP:* Governments should publicly disclose information related to forest resources owned or regulated by the state because it is fundamental in creating an enabling framework conditions for legal and sustainable forest management. Specifically 1.iv: bullet 1 should be broadened, for example to include: open and transparent processes for allocating and pricing harvesting rights, logging permits, forest management plans, criminal violations and corrective actions, and revenue flows.
 - o *In the IAP:* Emphasize the importance of governmental responsibility to put in place adequate infrastructure to provide readily accessible, relevant, up-to-date forest-related information (1.iii: bullet 3)
 - o *In the IAP:* the enabling condition for a SFM toolbox (1.iv: bullet 3) should expand to include independent monitoring and third party auditing as these enhance governments' regulatory ability, and inform consumers.

* MD stands for Ministerial Declaration section of the "Elements of the St. Petersburg Declaration" document
IAP stands for Indicative Action Plan section of the "Elements of the St. Petersburg Declaration" document

- 3. A good governance framework is fundamental to legal, equitable and sustainable forest management.** This leverages private and public sector contributions to SFM, encourages the sustainable consumption of forest products, promotes a positive business and investment climate and enhances confidence in forest stewardship.
- o *In the IAP:* streamline regulatory requirements that remove obstacles for communities, small producers and business and reduce the potential for corruption (1. ii: bullet 2)
 - o *In the IAP:* make provision to review the internal consistency of national regulatory and legal frameworks with respect to the elimination of illegal logging and corruption and more broadly to support SFM (1.ii: *Legislation System*-new point)
 - o *In the IAP:* make provision to share regional and international expertise to review and assess legislative and institutional frameworks for the elimination of illegal logging, to reduce the potential for corruption and support SFM (2.ii: bullet 1; 3.iv: *Implementation Mechanisms*-new point).
 - o *In the IAP:* ensure any new legislation does not impose additional costs on responsible forest managers (1.ii: bullet 2)
- 4. Corruption must be openly recognized and directly addressed as an urgent priority.** More regulation without addressing corruption leads to further corruption and fraud - leading to greater social injustices. It undermines confidence in the rule of law, penalizes legitimate business, further impoverishes disadvantaged communities and ultimately works against sustainable forest management.
- o *In the IAP:* Governments, private sector and civil society should review existing and proposed forest legislation and regulations, as well as items of FLEG NAPs (1.ii: bullet 2), for the risk of corruption potential.
 - o *In the IAP:* Utilize and promote those monitoring approaches and methods that are used by civil society and industry (eg., Transparency International's Corruption Perception Index) (1.iii: bullet 5)
 - o *In the IAP:* As a measure to reduce corruption, separate forest planning, management and harvesting from the control function (1.iii-new point).
 - o *In the IAP:* The potential for longer term leases as a measure to reduce corruption should be considered (1.iv-new point)
- 5. Partnerships between responsible forest industry and civil society have led to innovation and taken the lead in establishing best practice. This, however, is not a substitute for comprehensive government action.**
- o *In the IAP:* Include provision for governments to assess the best practice learned from these initiatives and seek to adopt and apply them throughout the forest sector (1.iv-new point).

6. **Consumers and producers -- companies, governments, financial institutions and individuals - share responsibility to support the market for legal and sustainable forest products in ways which avoid penalizing legal operations.** This can be accomplished by clarifying legality requirements, responsible purchasing policies by companies, forest and chain-of-custody certification, wood tracking systems and public procurement policies compatible with international law and obligations. This should take into account that domestic consumption and trade patterns will often be more significant than international trade.
- o *In the MD:* Include an operative clause to encourage governments to take priority action in areas or sectors within countries where a high percentage of forest related activities are known to be illegal
 - o *In the IAP:* Provide positive incentives for forest businesses with a proven track record practicing responsible forest management particularly in those areas where illegal logging is endemic (1.iv-new point).
 - o *In the IAP:* Particularly for the purposes of trade, countries in the region should identify and apply clear, unambiguous minimum standards of legality consistent with relevant legal frameworks through an open and participatory process (1.ii: bullet 1).
 - o *In the IAP:* maintain the provision to help eliminate the market for illegally logged wood through the implementation of responsible purchasing policies by the public and private sector (3.iv: bullet 5).
7. **Governments must commit to develop a time bound follow-up program for implementing the declaration and indicative action plan.**
- o *In the IAP:* To maintain the provision for presenting progress on national action plans and lessons learned to the ENA FLEG meetings planned for 2007 (1.i: bullet 5)
8. **Bilateral and multilateral cooperation involving consuming, donor and producer countries will play a critical role in supporting the development and time-bound implementation of NAPs.** The NAPs will need to be set within a context of overall national forest programs, judicial reforms, anti-corruption strategies, rural development and other relevant programs.
- o *In the IAP:* Make provision for targeted funding for development of NAPs especially in countries with limited financial resources and significant challenges in combating illegal logging and corruption (3.iv: *Cooperating countries* - bullet 2)