

# Europe and North Asia FLEG: a key task for civil society

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A FERN/TRN Briefing Note

## 1. Introduction

Growing worldwide concern over illegal logging and the associated trade in illegal timber has led, in the last few years, to the development of the FLEG/T (Forest Law Enforcement and Governance/and Trade) processes. This, in combination with recognition that forest crime in Europe and North Asia urgently needs to be addressed, has prompted the Russian government's commitment to hold the first Ministerial Conference on Europe and North Asia Forest Law Enforcement and Governance (ENA-FLEG) which will take place during 2005.

It is expected that the outcome of the meeting will be the engagement of European and North Asian governments in defining priority issues of forest governance and committing to a list of actions to address both illegal logging and its associated trade throughout the region.

This briefing note aims to provide the first step in engaging all actors, particularly environmental and social NGOs, in this crucial regional process, both by raising key issues and by making critical information accessible as early in the process as possible.

## 2. A brief history of FLEG

The FLEG process is the outcome of a number of consultations, conferences and national initiatives, which have taken place in recent years, and which have aimed at combating illegal logging globally. At the international level, the G8's 'Action Programme on Forests', launched in 1998, was the first major public commitment to address illegal logging. This initiative placed high on the agenda the need to eliminate illegal logging and its associated trade, while fostering the launch of other initiatives. In 2000, the World Bank's 'Forest Governance Programme' went one step further, emphasizing the need for active partnerships between governments, civil society, the private sector and donor organizations.

The G8 and World Bank programmes later led to the first Ministerial Conference on Forest Law Enforcement and Governance (FLEG), which took place in **East Asia** in September 2001. The conference brought together almost 150 participants from 20 countries,<sup>1</sup> including local, regional

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and international NGOs, and the resulting Ministerial Declaration included a set of 70 actions to strengthen forest law enforcement. Unfortunately, follow-up activities have been both slow and limited. They include the establishment, in May 2002, of an intergovernmental taskforce<sup>2</sup> and an advisory group comprised of NGO and timber industry representatives. The first and only meeting of the taskforce and the advisory group was held in Jakarta in January 2003 with limited attendance. Nonetheless, in parallel with the formal process, some marginal work, on a national, bilateral and multi-stake-

holder basis, has been undertaken. This work includes activities such as the Malaysian ban on imports of Indonesian logs in June 2002, the arrest of 25 people – including timber company officials – suspected of illegal logging in Vietnam's Central Highlands in December 2003 and the memoranda of understanding on illegally cut timber developed between Indonesia and its major consumers (UK, China, Japan and South Korea).<sup>3</sup>

Following on from the **Asia FLEG**, a number of **African** countries initiated their own FLEG process, resulting in another Ministerial Declaration and an

### **Box 1: Box 1: Civil society mobilizes to make ENA FLEG possible**

A broad consortium of civil society stakeholders is currently engaged in providing expertise and facilitation to ensure the participation of a wide variety of non-state actors in the ENA-FLEG process. The group is working under the umbrella of the **Taiga Rescue Network (TRN)**,\* a platform of over 200 non-governmental organisations, indigenous peoples' organisations and community groups concerned with forest issues in the boreal region.

Civil society participation in the so-called 'Russia FLEG' process is vital in order to provide knowledge to decision-makers, to raise awareness and to generate the political will needed to generate the political imperative for solutions to end crime and poor governance in the region's forest sector.

The TRN working group is focusing on capacity-building activities for Russian civil society organizations. It will involve facilitating up to 20 regional experts from a number of civil society groups to produce a formal analysis of illegal logging and forest governance. The analysis will clarify key influences, interactions and leverage points, and make clear recommendations for action. During this process, these groups will create channels to facilitate better information sharing and networking, which can be used for follow-up after the Ministerial meeting.

Meanwhile, the IUCN, funded by the UK's Department for International Development (DFID), has plans for a six-month pilot project to carry out capacity building and consultative activities in parts of Russia's far eastern and north western regions. The IUCN aims: i) to facilitate certain local organizations in the identification of the root causes of, and possible solutions to, weak forest governance and ii) to ensure that a meaningful role for civil society is established in the preparations for, and follow up to, the 2005 Ministerial Conference and iii) to assist interested parties in identifying options for rolling out a broader consultative and engagement process for civil society across Russia in time for the 2005 meeting.

The TRN initiative for consultation, which draws on its own experience as a network and its detailed understanding of the region, represents an opportunity to complement the IUCN projects while consulting more widely in the region.

\* The group can be contacted at: [ena-flegt@taigarescue.org](mailto:ena-flegt@taigarescue.org)

Indicative List of Actions in October 2003. However, despite the fact that one set of recommendations related explicitly to making information available, there exists little information regarding what action has been taken at either national or international level to bring about real change on the ground. The websites of both Cameroon's Ministry of Environment and Forests and the World Bank contain no indication of any actions taken to implement the Indicative List of Actions. Civil society has been nevertheless assured by the International Union for the Conservation of Nature (IUCN)<sup>4</sup> that follow-up work is being undertaken in the Congo Basin, Ghana and Liberia. The aim of the follow-up work is to encourage stakeholders in those countries to develop and implement plans to achieve the commitments made at the African FLEG, through lesson-sharing and raising political awareness. Practical steps currently being taken to this end, include a broad regional communications campaign together with efforts to establish stakeholder networks both in-country and regionally.

A characteristic of the Africa regional process is the importance placed on working alongside other relevant regional and sub-regional processes already underway.

These include the Congo Basin Forest Partnership (CBFP), the Council of Ministers in charge of Forests in Central Africa (COMIFAC) and the New Partnership for Africa's Development (NEPAD).

**Russia's** involvement in FLEG has been more recent, with its undertaking to host the new Europe and North Asia Ministerial on Forest Law Enforcement and Governance (ENA-FLEG) in 2005. Countries that have so far confirmed their interest in, and support of, the initiative are the United Kingdom, Finland, Japan and the US. Other key importers in the region, notably China, have also been invited to engage in the process, with China's participation highly anticipated.

The active engagement of governments from very different regions is sending a clear message on the seriousness of the issue. By acknowledging the problems they face with illegal logging, governments create a possibility to address corruption and illegal trade in timber and wood in an open and transparent way. It is hoped that issues such as verification and monitoring, trade and markets good forestry practice and the development of effective policies will all be on the table for open debate with all actors. Without this FLEG will fail.

### 3. Illegal logging: a global problem

Illegal logging takes place when wood is harvested, transported, purchased or sold in violation of national law. Some estimates suggest that the illegal timber trade may account for more than a tenth of the total global timber trade.<sup>5</sup> Given the associated evasion of taxes and forest charges, governments of timber-producing countries lose around USD15 billion per year,<sup>6</sup> with Russia accounting for the largest portion of this lost revenue.<sup>7</sup> But the implications of illegal logging and trade are more far reaching than the damage to the economies of producer countries alone. For illegal logging also contributes to loss of biodiversity and to

civil unrest (through bribery, organised crime and human rights abuses) and drastically reduces the price of timber, causing dumping on international markets. It must be noted, however, that illegal is not synonymous with destructive. Sadly, much legal logging too is highly destructive. Addressing only illegally sourced timber is therefore not sufficient on its own to tackle most of these problems.

While Russia holds about 22% of the world's forests,<sup>8</sup> these forests are threatened by increased corruption and trade in illegal timber. For although Russian forestry laws and regulations are very strict, corruption and

### Box 2: Russian Forest Code and ENA-FLEG

The Russian government is now preparing a Forest Code intended to address issues of corruption, ineffectiveness in state forest governance and long-term tenure rights – the goal of which is to increase the attractiveness of Russian forests for investors. Prime Minister Mikhail Fradkov is promoting the new Forest Code in tandem with the hosting of the ‘Russia FLEG’ process as clear indications that the Russian government intends to reduce illegal logging and its associated corruption.\*

Although the status of the current drafts and the ultimate fate of the Forest Code are still unclear, there is a chance that the new legislation will be adopted by the Russian Parliament in late 2004 or early 2005. There is a serious concern, however, that the Forest Code, if adopted in its present form, could actually promote the ‘legalization’ of illicit timber and the spread of illegal logging practices within the country. There are several basic reasons for that. First, the Forest Code will simplify the present system of reporting for timber companies regarding their harvesting activities, making it difficult to verify the legality of logged timber. Second, in order to reduce government expenditure, most responsibilities for forest management and control will be passed to the timber companies themselves, even though most timber operators do not currently have the knowledge, skilled human resources or technical capacity to carry this out. Third, the Code will effectively dismantle the current system of district-level state inspection of forest use. This will see a drastic reduction in the number of inspectors, while their legal power and their options for law enforcement remain uncertain.

Without further amendments to address these critical issues, the efficacy of forest inspection in Russia is likely to remain poor.

\* Interfax. 26-10-2004. Russia intends to reduce export of logs – PM <http://www.interfax.com/com?item=Rus&pg=0&id=5765097&req=>

bribery have made illegal logging a common practice throughout the country. Today 40% of the country’s forests remain inaccessible and therefore intact due to lack of infrastructure, yet the timber industry is slowly spreading from the now heavily over-logged accessible areas to closed pristine forest – a reality which poses a serious long-term threat to the sustainability of Russia’s forest ecosystems and to the livelihoods of its forest-dependent communities.

In short, even acknowledging that some types of environmental and social damage are not readily quantifiable, it is estimated that the Russian government’s lost revenue due to illegal logging accounts for \$1 billion a year,<sup>9</sup> while the annual financial loss to Russian society reaches hundreds of millions of US dollars.<sup>10</sup>

Within this context, Russia announced its intention to

host the ‘Russia FLEG’ during the 2003 UN Forum on Forests. The Russian Ministries of Natural Resources and Foreign Affairs quickly followed up by hosting a preliminary meeting with potential donors in Moscow in May 2004. A preparatory meeting for the Ministerial, inviting potential participants and donors, is foreseen for early 2005 – possibly late January.

The Russian government’s commitment to host the Ministerial Conference appears to spell out its interest in addressing the region’s pervasive problem of illegal logging. Furthermore, the fact that trade in forest products occurs mostly on an intra-regional basis lends particular importance to this process. For example, the World Bank estimates that 80% of Europe’s timber trade is between European countries, while 85% of exports from Asian countries are to countries

in the same region.<sup>11</sup> Within the Europe and North Asia region, almost half of the 200 million cubic metres (roundwood equivalents) of wood products imported annually into EU countries come from Russia (14.5%) and Eastern Europe (35%). Given that that 27% to 50% (in its far eastern regions) of timber imports from Russia and 15-50% of those from Eastern Europe are illegal,<sup>12</sup> the involvement of the majority of the region's countries and its major traders is critical if this Ministerial is to have any meaningful outcome.

As part of the region covered by the Russian initiative, the **European Union** (EU) will play a major role

during the ENA-FLEG process. EU countries have acknowledged their responsibility as major buyers and importers of illegal forest products, and in May 2003, the EU presented its response to the global problem of illegal logging: FLEGT – the EU Action Plan on Forest Law Enforcement, Governance and Trade. The EU's ongoing experience in debating the measures set out in the Action Plan has already given its governments and institutions a good overview of the importance of working jointly with different stakeholders. It is therefore expected that these will lead the region's other governments towards integrating stakeholder involvement in forest policy.

#### 4. Involving civil society: key to FLEG's success

The impacts of illegal and unsustainable logging are both complex and context specific. The livelihoods of forest-dependent people are affected differently depending on a range of factors, including governmental laws and practices in each region. Understanding such factors and the needs of forest-dependent communities is a precondition to ending illegal and unsustainable logging.

The effectiveness and accountability of the ENA-FLEG process – which must deal with the whole complexity of forest crime – will therefore depend on the meaningful collaboration of a broad range of stakeholders, including civil society. The 'Proposals for Action' arising from the work of the Intergovernmental Panel on Forests (IPF) and Intergovernmental Forum on Forests (IFF)<sup>13</sup> identified the need to “identify and involve” a broad participation of civil society actors, including “indigenous peoples, forest dwellers, forest owners and local communities” in “meaningful decision-making regarding the planning, implementing, monitoring and evaluating” of national forest policies and programmes. The fact that this need was not successfully addressed during the East Asian and African

FLEG processes undermines the full delivery of the Ministerial commitments in future.

The crucial need to bring all stakeholders into the FLEG processes lies in the specific roles played by each group. The watchdog, advisor and expert roles of civil society benefit both industry and governments by, for example, allowing confidence in the markets, as well as trust in verification systems and assurance of their independent status. In addition to this, the involvement of civil society should ensure that sustainability, the ultimate goal behind these efforts to tackle illegal logging, remains central to all of the discussions and outcomes of the process.

While both Indonesian and international NGOs were involved in the **East Asian** FLEG process, their assessment is that they were called late in the preparations which limited the quality of their contribution to the resulting Declaration. Moreover, there was no civil society representation from other countries from the region, such as Vietnam or Thailand, which undermined the capacity to feed local expertise into the process.

The experience of the **African** NGOs was similar.

Groups were not notified well in advance of the process, while some of the relevant meetings' sessions were not open to all participants. The fact that both the pre-Ministerial and the Ministerial level meetings were by invitation only, further limited the possibilities for meaningful consultation.

The absence of an open, in-depth discussion about the problems facing the forest sector was disappointing to some African NGOs, since focusing on the drafting of a Declaration, while omitting such discussions, invites the danger of ending up with just another Declaration with no meaningful action plan to back it up. Civil society can only sign up to the outcome if it has been involved in the process and it sees a potential that it will make a difference on the ground.

Despite these problems, both the East Asia and Africa FLEG Ministerial Declarations did include commitments to strengthen the capacity of civil society to participate in forest law enforcement and governance. While it is expected that a similar commitment will be made at the ENA-FLEG Ministerial, participant countries must clearly spell out their political will by setting up the means and structures to allow for meaningful

participation of all actors during: the preparation for the Ministerial meeting, the Ministerial meeting itself and the follow-up of this regional process.

#### **Governments must now actively engage in:**

- **establishing transparent mechanisms to allow access to information on the national state of play of the Ministerial Conference;**
- **providing an effective framework and resources to ensure the ownership of the ENA-FLEG by all actors – including local, regional and international civil society – and to allow for meaningful discussion about the different realities faced by diverse stakeholders;**
- **ensuring that all stakeholders have the opportunity to influence and directly contribute to the drafting of the Declaration and to other outputs of the 2005 Ministerial meeting;**
- **setting up meaningful structures to allow for equal involvement of all actors in the follow up process of the Ministerial meeting.**

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## Notes

<sup>1</sup> Malaysia, a major conduit for timber export, is a notable absentee from the Declaration. The formal involvement of this country is considered a vital element for the success of the process.

<sup>2</sup> Including countries from East Asia, the European Union, the United States, Australia and Canada.

<sup>3</sup> EIA (2004) Asia FLEG News: 7<sup>th</sup> COP of the Convention on Biological Diversity Edition No 1, February. Available at: <http://asiaflegnews.info/>

<sup>4</sup> RIIA (2004) *Illegal Logging Update and Stakeholder Consultation*, Royal Institute of International Affairs. Chatham House, London

<sup>5</sup> OECD (2001) *OECD Environmental Outlook*

<sup>6</sup> World Bank (2002) *World Bank Revised Forest Strategy*

<sup>7</sup> Duncan Brack (2002) Combating international environmental crime. *Global*

*Environmental Change* No 12.

<sup>8</sup> WWF (2003) *The Russian – Danish trade in wood products and illegal logging in Russia* [www.panda.org](http://www.panda.org)

<sup>9</sup> WWF (2003) *Illegal logging in Northwestern Russia and Export of Russian Forest Products to Sweden* [www.panda.org](http://www.panda.org)

<sup>10</sup> BROCC, FSF, Forests Monitor (2001) *The Wild East: Trees in Transit*. [www.forestsmonitor.org](http://www.forestsmonitor.org)

<sup>11</sup> World Bank (1999) *Future Developments in Forest Products Markets*

<sup>12</sup> WWF (2004) *EU imports of wood-based products from Eastern Europe 2002* [www.panda.org](http://www.panda.org)

<sup>13</sup> The Proposals for Action were agreed by United Nations countries – including Russia – between 1995 and 2000

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