



**SUMMARY OF THE FAO EXPERT CONSULTATION  
ON TRADE AND SUSTAINABLE FOREST  
MANAGEMENT: IMPACTS AND INTERACTIONS  
3-5 FEBRUARY 2003**

The Expert Consultation on Trade and Sustainable Forest Management: Impacts and Interactions convened at the headquarters of the United Nations Food and Agriculture Organization (FAO) in Rome, Italy from 3-5 February 2003. Bringing together 73 participants from 26 countries, representing government, international organizations, non-governmental organizations (NGOs) and the private sector, the Expert Consultation provided a forum to debate how current developments in trade policies and market development affect the sustainability of forest management, and how sustainable forest management (SFM) is changing trade patterns and market share. The Expert Consultation meeting constitutes one of the activities within the FAO's international project on the Impact Assessment of Forest Products Trade in the Promotion of Sustainable Forest Management. The project is financed by the Japanese government. FAO will publish the results of this process and will convene a second expert consultation meeting later this year which will include trade policy-makers and trade specialists involved in debates on a new International Tropical Timber Agreement (ITTA), the implementation of the World Trade Organization (WTO) Doha Declaration, regional trade agreements and national trade policy making.

**REPORT OF THE EXPERT CONSULTATION**

Participants at the expert consultation met in a Plenary session on Monday, 3 February, to hear presentations on trade and forest management, global trends in trade of forest products and services, public policies and initiatives; trade agreements and restrictions, governance and trade in forest products and services, cross-sectoral policy impacts and new markets for environmental services. On Tuesday, 4 February, participants debated the issues in four working groups: trade measures and policies; trade, finance and industrial structure; governance and trade; and extra-sectoral influences and the environment. A closing Plenary session was held on Wednesday, 5

February, to hear the results of the working groups' debates and comments on the draft Co-Chairs' Summary Report of the meeting. The following report summarizes the meeting's deliberations.

**OPENING PLENARY**

Wulf Killmann, Director, FAO Forest Products Division and Expert Consultation Co-Chair, welcomed delegates to the meeting. He said the principal objectives of the expert consultation were to contribute to a better understanding on how current trends in trade policy and market development will affect and interact with SFM and to identify areas for future collaboration between different stakeholders, including international organizations, NGOs and the private sector. Noting the diversity of positions on the issue, Killmann said that the meeting was not intended to find consensus but to reflect the range of views and to identify the potential for future collaboration. He also noted the challenges of balancing trade in forest products with social and environmental concerns and building capacity for participation in international debates, including the implementation of the World Trade Organization (WTO) Doha Declaration and debates within the WTO Committee for Trade and Environment.

Following his opening address, Co-Chair Killmann proposed, and delegates agreed, to elect Amha bin Buang, Assistant Director, International Tropical Timber Organization (ITTO), as the meeting's other co-chair. Delegates then adopted the agenda. Christian Mersmann, FAO Forest Products Division, added that the working group discussions would be based on key issues derived from the presentations, and that the results of the meeting would be included in a Co-Chairs' summary.

**PRESENTATIONS AND DISCUSSIONS**

**TRADE AND FOREST MANAGEMENT:** Duncan MacQueen, Forestry Programme Research Associate, International Institute for Environment and Development (IIED), opened the discussion with a presentation on Current Debates on Trade and Forest Management. He proposed that forests are not 'hermetically sealed' but occupy

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'social space', and that given their social and ecological diversity, one must ask: whose views on forest management matter the most? He then highlighted the main issues facing SFM and trade, arguing that: the impacts of forestry depend on the actors involved in specific debates; trade theory does not often reflect on-the-ground practice; and if the debates about forests are to be resolved it is important to be clear about which values are included and which are left out. MacQueen concluded by offering a set of questions for thinking about the relationship between trade and SFM: How can it be ensured that all views are considered? How can trade policy be used to overcome the inequities of forest products trade? How can a balance between local, national and international requirements of SFM be achieved? Finally, must every forest product and service be maintained in every forest area?

Responding to MacQueen's introductory remarks, one participant asked about the pre-conditions for incorporating diverse views in forest policy development. Another expert suggested that any analysis of the forest products trade must take into account the impact of non-wood substitutes. One participant said that while all views on forest management are important, each matters very differently depending on the policy context in which it is expressed. He added that in the case of forest management, national sovereignty and the objectives of global environmental policy are not mutually exclusive in all cases. Noting that the WTO does not explicitly deal with forest products trade, one expert said that national issues have a greater effect on forest policy development than do international concerns.

**TRADE OF FOREST PRODUCTS AND SERVICES:** James MacGregor, Research Associate, IIED, presented a paper on Global Trends in Trade of Forest Products and Services. He noted that the object of his study, which divided work into 12 regions based on tropical and non-tropical forests, was to collect and analyze data on forest products trade in order to identify trends.

Regarding key trends, MacGregor highlighted, *inter alia*, increases in specialization, intra-regional trade, competition and SFM. He also forecasted that: consumption and production of all timber products will rise by an estimated 10% in 2010 and 15% by 2020; the percentage of plantation wood will rise by 50% in 2020 and 70% in 2040; trade/output ratios will continue to rise; and the capture of non-timber values associated with forests will increase.

In response, one delegate said that a consensually agreed definition of SFM is still required, while another underlined the importance of distinguishing between plantations and semi-natural forests, and between SFM and certified forests. He added that there are some sustainably managed forests that are not certified. Another delegate raised the issue of clandestine timber flows, while another noted the need to look at the impact of new technology and its potential effect on global consumption. There was also a call to address non-timber values, including carbon-related issues. MacGregor responded that these issues should be addressed more thoroughly in the various working groups.

**PUBLIC POLICIES AND CIVIL SOCIETY:** James Mayers, Director of Forests and Land Use Planning, IIED, presented a paper on Public Policies and Private Sector/NGO Engagement, outlining the general context within which forest policy decisions are made. Mayers specified several important areas of domestic forest policy that have an impact on trade and SFM, including national forest programs, logging bans, forest tenure, sectoral rules and subsidies. He also noted several extra-sectoral issues that affect trade and SFM, including: competition over land use from other sectors, such as mining and tourism; investment policy; labor law; consumer demand; and fiscal and monetary policy. Mayers also drew attention to several areas of international policy-making which affect trade and SFM, including regional trade blocs such as the North American Free Trade Agreement (NAFTA), the European Union (EU) and Asia-Pacific Economic Cooperation forum (APEC); bodies such as the United Nations Forum on Forests (UNFF), the International Labor Organization (ILO) and the Organization for Economic Cooperation and Development (OECD); hard law, such as the World Trade Organization (WTO) and the UN Convention on International Trade in Endangered Species (CITES); and newly emerging forest policy processes such as efforts to promote forest law enforcement and governance, the World Summit on Sustainable Development (WSSD) Type-2 partnerships and other bilateral negotiations.

In response, one participant noted the importance of distinguishing between binding and non-binding forms of international law, while another argued that WTO law does not supersede multilateral environmental agreement (MEA) law. One expert asked about the effect of government procurement on trade flows, while another expert said that criteria and indicators should be incorporated into national forest programs.

**TRADE RESTRICTIONS:** James Bourke, consultant, presented a paper on Trade Restrictions and their Impacts on the World's Forests. He noted that tariffs are country- and product-specific, but in general, tariffs on forest products other than wood-based panels and various paper products are less than 5% in developed countries and have a relatively limited impact on imports. He then said that developing countries' tariffs are often between 10-20%, although these rates in some countries, notably China, are rapidly declining. He also said that trade impediments have a small effect on trade but that their influence is growing. He added that export restrictions and environmental issues are growing as well, both of which could act as trade barriers. Bourke said that further negotiations such as the WTO Doha round, as well as others at the regional and bilateral level, are aimed at reducing trade barriers. He suggested that the working groups address whether or not trade restrictions should be used for non trade-related reasons and whether or not the use of restrictions could assist SFM.

One participant requested that subsidies be discussed as part of the debate on trade restrictions. Bourke agreed that subsidies can have an impact on trade. Another participant noted that the WTO was not directly addressing forestry issues. One participant stressed the impor-

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tance of discussing the impact of land use, particularly the conversion of forest land for agricultural purposes, while another noted that any discussion of trade restrictions should include debate on anti-dumping rules, production, processing methods, and the definition of environmental goods and services. One expert highlighted the EU policy to reduce tariffs in order to encourage SFM, although others argued that no country or trade bloc has really adopted such policies.

### INDUSTRIAL STRUCTURE, TRADE AND FOREST

**MANAGEMENT:** Maryanne Grieg-Gran, Director, Environmental Economics Programme, IIED, presented a paper on Links Between Trade, Finance and Industrial Structure, which addressed how the structure of the forest products industry affects SFM. Regarding industrial structure, Grieg-Gran highlighted three key trends: an increase in consolidation, an increase in vertical integration, and increasing foreign direct investment (FDI). On the relationship between trade and industrial structure, she noted that while trade liberalization has driven both consolidation and foreign direct investment there is also evidence suggesting that trade restrictions, such as export bans, have driven these trends. On industrial structure and SFM, she argued that as company size and market share increase, so does a company's power within the supply chain. She also argued that vertical integration facilitates end-user pressure for SFM and that SFM is forcing some backwards integration. Grieg-Gran also discussed the possibility that private financial institutions and government financial agencies could pressure companies to incorporate SFM practices.

Regarding consolidation, one expert said that consolidation has been limited to the pulp and paper sector, while another argued that consolidation in output markets has been very different than consolidation in input markets. One expert argued against the perception of a trend towards increasing vertical integration, citing an increase in forest management divestment. Another speaker noted the trend of large companies divesting from high-risk areas. One participant noted that foreign direct investment has an important role to play in SFM in developing countries. Another participant highlighted that large concession holders contribute to greater social investment than smaller concession holders, while another said that producers' need for large homogeneous supply has led to a growth in forestry plantations. He added that increasing numbers of processors are outsourcing timber harvesting. One trade expert said that consideration should have been given to the investment implications of changes in company size.

**GOVERNANCE AND TRADE:** Michael Richards, consultant, discussed The Impacts of Trade Liberalization on Forest Governance. Based on several case studies, the report highlighted several main impacts of trade policies, including non-trade drivers such as financial and economic stability, decentralization and law and order. It also addressed the relationship between trade liberalization, corruption and transnational corporations. Richards noted that the study showed weak enforcement capacity had increased returns from corruption and illegal logging, and that stronger enforcement led to higher returns from SFM

and a more efficient use of wood. In conclusion, he said the best way to improve forest governance is through economic and political development, and that the quality of trade depends on the quality of governance. He then raised four key questions for discussion: Is trade policy a magnifier, or does it directly undermine or stimulate good forest governance? What are the key institutional and environmental policies to complement trade liberalization in weak governance situations? What is needed to complement certification so that it encourages positive governance? How will consumer country measures affect producer country governance?

One expert spoke of the need to strengthen institutions prior to trade liberalization, particularly in Africa. Regarding certification, he noted that African countries need to develop their own regime standards. A World Bank representative highlighted the impact of the illegal forestry trade, noting that although illegal smuggling represents a small percentage of the total sector, it represents a high percentage in terms of financial flows. He also questioned whether trade policy could influence good forest governance and asked what could be done to make forest governance more transparent.

**CROSS-SECTORAL POLICY:** Yves Dubé, FAO Forestry Department, presented on Cross-Sectoral Policy Impacts Between Forestry and Other Sectors. Citing calls from IFF/IPF proposals for action that forest management should integrate social, environmental and economic considerations, Dubé argued in favor of an integrated spatial approach. He emphasized that involvement of all stakeholders is needed in SFM decision-making and that stakeholder involvement also requires capacity building. He argued for better measuring and monitoring and said that more incentives are required in order to increase the supply of public goods such as environmental services.

One expert asked how this action agenda could be incorporated into national forest programs, while a certification expert asked how the action agenda could include social dimensions. One speaker said that while incentive payments for environmental services are very important, they can also generate perverse effects.

**TRADE POLICY AND FOREST LAND USE:** William Hyde, forest economist, presented on Trade Policy and Patterns of Forest Land Use, noting distinctions between the short and long term and between managed and natural forests. He hypothesized that: trade leads to general improvements in economic welfare and the environment and that some forests recover with trade; the imposition of environmental standards in developed countries only shifts the environmental costs to developing countries that cannot afford to enforce these higher standards and thus does not improve the global forest environment; agricultural policy, particularly farm subsidies, is dominant and the net effect is to decrease forest coverage; and other government policies generally favor capital over labor, leading to an expansion in low wage subsistence agriculture which competes for forest cover. He added that agriculture policy impacts may be more important to examine than forest policy impacts.

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One participant noted that despite high farm subsidies in the US and Europe forest coverage has increased. One participant said the hypotheses may have limitations and that Hyde should consider formulating additional ones based not solely on forest coverage. Another stressed the need to look at energy policy impacts on SFM.

**ENVIRONMENTAL SERVICES:** Christian Mersmann, FAO Forest Products Division, presented a paper entitled Impacts on Trade in Forest Products and Services. Mersmann said that while markets for environmental services could have an impact on trade, these effects are not yet known. He also suggested that payments for environmental services will have a much more positive effect on forests than do subsidies. Mersmann highlighted the differences between incremental cost coverage and the redistribution of costs, impacts on type of forestry and the bundling of environmental services. After specifying various types of environmental services under consideration, such as biological diversity, carbon sequestration, watershed maintenance, and landscape preservation, he said that creating a market for these services would require a political and legal framework. He then asked who might be interested in paying for these services, which groups might take an interest in developing these markets, and which environmental services would lend themselves to trade.

One expert said that he supported the idea of paying for environmental services. Another expert asked whether or not Mersmann had considered the idea of combining commodity and environmental service production under a joint-production model, and if environmental payments would trigger distributional effects. One expert rejected the idea of paying for environmental services on the grounds that this would impose additional burdens on industry.

### **WORKING GROUPS**

On Tuesday, 4 February, participants spent the day in small working groups to consider Trade Measures and Policies, Trade, Finance and Industrial Structure, Governance and Trade and Extra-Sectoral Influences.

**TRADE MEASURES AND POLICIES:** Christian Mersmann, FAO, moderated the working group discussion on trade measures and policies. Participants began their discussion by focusing on several aspects of forest policy, including international agreements, SFM reinvestment, national and poverty reduction strategies, land use management, sustainable livelihood strategies, and policies that increase forest value through pricing of environmental services and through public procurement. There was also a discussion on instruments and mechanisms, such as certification. Participants held diverging views on the issues and could not agree on whether or not certification was a financial incentive for SFM. Others noted the need to address mechanisms to structure trade policy to support SFM.

Participants highlighted links between trade and SFM, drawing distinctions between trade rules and policies. There was considerable debate on the direct and indirect impact of trade on SFM, and on dependencies and interactions between SFM and GDP growth, free trade, demand, markets, and supply. One participant stressed a need to refer to WTO proceedings, adding that sustainable development is an objective of the WTO.

**TRADE, FINANCE AND INDUSTRIAL STRUCTURE:** Duncan MacQueen, Forestry Programme Research Associate, IIED, moderated the discussion on trade, finance and industrial structure. Recognizing that problems in forest trade are context-specific, he emphasized that the discussion was not meant to find a single solution on the issue but to identify key areas of conflict in order to assist in moving the debate forward. To do so, the working group was asked to address the following questions: How might the advantages and disadvantages of consolidation in the forest industry be managed to promote trade based on sustainable forest management? Does the level of forest ownership in a country's forest sector matter in relation to forest management? What role might financial institutions play in promoting SFM without marginalizing certain geographical regions and forest types? Concluding their discussion, participants discussed the issue of trade restrictions. Some believed that trade restrictions can be counter-productive to forest products trade and that there is a need to ensure some type of legal framework for all timber producers, regardless of origin or resource ownership. Others saw trade restrictions as a means of stimulating local industry. Consideration of certification schemes also elicited opposing views, with some participants viewing these as possibly trade-restricting and others seeing them as an opportunity to promote trade. Other participants added that trade agreements and trade restrictions alone can be highly ineffective and that they should include performance indicators on SFM. One participant, however, cited CITES as one international agreement that has been effective since it focuses on regulating trade, not prohibiting it.

Participants agreed that the key problem regarding trade, finance and industrial structure in the context of forests had not been clearly identified, and questioned whether the issues that had been identified really constituted a significant problem. Another participant stressed that any discussion would have to distinguish between types of forests, including plantations and natural managed forest. Another expert said low market prices were a problem.

On the issue of consolidation within the forestry sector, many questioned whether it had an effect on SFM, while others queried the extent to which consolidation was actually taking place. There was a general sense that consolidation was not a major concern nor a major trend.

As a result, participants focused their attention on identifying trends within different sub-sectors, including pulp and paper, solid woods and timberland investment, as well as within the different boreal, temperate and tropical regions.

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Regarding current trends in the temperate and tropical pulp and paper sectors, participants noted, *inter alia*, that consolidation was taking place, particularly in the processing and distribution sectors, and that there were signs of forward integration, product specialization and divestment.

For solid woods in tropical regions, participants identified, *inter alia*, the following trends: legal restrictions on the size of land holdings; reliance on natural forests; lack of consolidation; over-capacity in relation to forest resources; low investment in Africa due to high uncertainty and risk; and pressure for certification. For solid woods in temperate regions, participants identified, *inter alia*, the following trends: less divestment and more direct ownership in the US; multiple-use management systems in Europe; an increase in timber-mining in Russia; and industry fragmentation.

On timberland investments in temperate forests, upward trends in plantation acquisition, multiple small ownership and fragmentation were identified. One participant noted that creditors are encouraging timber investment and another added that development banks are doing likewise. Another participant said that the Kyoto Protocol would change the forestry sector, particularly in relation to forest sinks and renewable energy.

On timberland investments in tropical forests, participants noted that in Africa land ownership rights are not clearly defined and that political risk is too high for most investors.

The working group then examined links between SFM and profitability. Many participants underlined negative consumer perceptions about the forest industry and said that wood product substitutes such as plastics are adversely affecting profitability and prices. Several participants emphasized that in order to practice SFM a company needs to remain profitable, while another stressed that SFM is cost prohibitive, especially when forest product prices are low. He added that the market is simply too weak to support SFM.

Concluding their discussion, some participants identified several ways forward on the issues, including, *inter alia*, a need for: long-term insurance to ensure industry confidence; improved technology and training for better efficiency; improved cooperation with relevant stakeholders, particularly NGOs; assistance from government or other public institutions to help with environmental costs associated with SFM; and the need for industry to improve its public image and to re-position itself to promote sustainability.

**GOVERNANCE AND TRADE:** James Mayers, IIED, moderated the working group on governance and trade. Following an introductory exercise during which participants considered the broad relationship between governance, trade and SFM, the participants focused their attention on identifying specific problems associated with trade and SFM. To do so, Mayers asked each participant to prioritize up to five areas of concern. These were then grouped according to whether they were supply-side or demand-side concerns. This was supplemented by a

discussion of two specific supply-side examples, the Amazon Basin and the Congo Basin, and one specific demand-side example, the European Union. Supply-side issues that were raised included: effects of agricultural and oil trade on forests; the inequitable distribution of benefits accruing to the local communities that own them; the dumping effects of cheap imports on domestic markets and governance; perverse subsidies; illegal logging; and unregulated FDI.

Demand-side problems identified by participants included the following: inconsistencies between trade policy and development policy; corruption at several points along the import chain; unsustainable consumption; weak consumer pressure for SFM products, particularly in China and Japan; market access restrictions caused by tariff escalation on processed goods; the absence of consumer markets for lesser known tree species; inaccurate analyses resulting from inadequate trade statistics and WTO rules of origin; and the absence of market signals for SFM production.

Following the identification of problems, the group gave itself the task of proposing solutions to them. Mayers suggested that each participant propose up to five solutions that would address each problem area. In general, participants recommended that: transparency in trade and forest governance decision-making should be increased; trade data collection should be improved; trade agreements which regulate land use should be subject to impact assessments; and the WTO should be open to observers from civil society organizations.

The participants also identified several specific supply- and demand-side solutions. On the supply side, participants proposed that: effective national forest plans (NFPs) could help mitigate the negative effects that agricultural and oil production have on forests; impact assessments of agricultural liberalization should be conducted; land and user rights should be clarified and enforced to enable local level enterprise; and subsidies to plantations should be curtailed. On the demand side, the group proposed that: government trade policy and development policy should be integrated; consumer awareness of the need for SFM should be raised; paper consumption should be reduced; tariff escalation on developing country exports should be reduced or eliminated; the collection of trade and forest statistics should be improved; and government procurement policy could be used to advance SFM.

**EXTRA-SECTORAL INFLUENCES:** Sven Walter, FAO, facilitated a working group on extra-sectoral influences and the environment. The group was tasked with answering two questions: First, what are the most relevant extra-sectoral influences on trade in forest products and services, and how do they affect trade? Second, which environmental forest services have potential for international trade and how could trade in these forest services affect SFM? In considering all types of trade for all types of forest products, including those derived from plantation timber, some participants noted that the majority of extra-sectoral influences affect the forest sector as a whole, rather than simply forest products trade. Other participants stressed the importance of consumer information regarding product quality, noting that information about

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production processes is important. The issue of stakeholders' willingness to report information regarding product quality was also addressed. One participant questioned the extent to which producers should invest in consumer awareness. Some questioned who should pay for the extra cost of managing forests in a sustainable way and how externalities could be included in product costs.

Responding to the first question, the group identified five inter-sectoral issues that influence SFM: agriculture, finance and investment, technology, forest product demand and infrastructure. The working group attributed both direct and indirect influences to each of these inter-sectoral issues. Regarding indirect influences of agriculture on the trade in forests, several participants said that agricultural subsidies contribute to land conversion in developing countries and that agricultural law, regulation, credit and investment indirectly affect the trade in forest products. The group also spoke about the perverse effects of dumping subsidized imports in developing country markets. On technology, the group acknowledged that both biotechnology and industrial technology can be positive influences on forest products trade. Regarding the demand for forest products, participants spoke about substitutes and the negative impact that substitutes might have on certification and SFM.

The group then elaborated the direct influences of each inter-sectoral area. With respect to infrastructure, the group said that infrastructural investment could affect production location and lead to new market chains. On technology, participants said that biotechnology can improve both timber harvest yields and competitiveness. Some participants said that tropical country producers had relatively poor access to finance capital for SFM-related activities.

Regarding the second question, the working group identified tourism, watershed protection, carbon sequestration and storage and biological diversity as four services provided by forests which are relevant to international trade. The group agreed that these services can enhance timber production and that incorporating these into forest production would require a large-scale, integrated production and land use planning system.

### **CLOSING PLENARY**

On Wednesday, 5 February, participants met in Plenary to present the working groups' discussions and outcomes.

Sheam Satkuru-Granzella, Malaysian Timber Council, presented the findings of the working group on trade measures and policies. She noted that there were diverging views on many of the issues discussed, but that the majority of the group had a fair understanding of what is required of SFM. The group concluded that a wide range of issues needs further consideration and that the potential of trade and related agreements to advance SFM continues to be important. One participant asked whether there had been discussion on certification within the framework of non-tariff barriers. Satkuru-Granzella responded that for

certain producers certification is seen as a trade barrier. Another participant added that African country suppliers in particular viewed certification as a non-tariff barrier.

Jukka Tissari, Market Development Officer, International Trade Centre, presented on the outcomes of the working group on trade, finance and industrial structure. He noted that there were many diverging views even though the group mainly comprised representatives from industry and trade associations. Nevertheless, they had been able to find ways forward on the issues, including the need for the forest industry to build a better public image and to promote the renewability of wood in comparison with competing non-renewable substitutes. During the ensuing discussion, one participant cautioned that a promotion campaign could backfire and further questioned the linking of certification with the industry's image. Another participant noted the varying degrees of illegal logging and, adding that implementing certification is difficult, said that tropical countries need assistance in this area.

Saskia Ozinga, FERN, summarized the working group's discussion on governance and trade. She reiterated that the group focused its efforts on identifying and discussing problems associated with trade and SFM and on proposing solutions that can shape trade policy in support of improved forest governance. She also emphasized that working group participants were of the view that international trade magnifies the effects of policy and market failure in the areas of forest and land use policy. Responding to Ozinga's presentation, one expert said that agriculture in Brazil generates a considerable amount of wealth and should not be problematized. Another expert cautioned that while decentralization of land control could improve land management, the example of Indonesia provides evidence to the contrary. Ozinga responded that in Indonesia land rights are still not properly recognized.

Hin Keong Chen, Traffic International, reviewed the findings from the working group on extra-sectoral influences and the environment. Although the group was unable to answer the question of who should pay for SFM, it concluded that further research is needed in order to verify how the direct influences identified in the working group affect trade in forest products and services. One participant noted that investment opportunities in tropical forests are limited in comparison with those in northern forests. He added that the desire for environmental services opens up a good opportunity to build new markets and stressed the importance of public investment for infrastructure, such as roads, ports and public services, in order to promote SFM. Another participant suggested developing an institutional map of those actors involved in the area of environmental services and other related issues.

Co-Chair bin Buang then opened the floor for general discussion. One participant acknowledged the problems associated with illegal logging in the tropical wood sector, but also highlighted that the problem exists and is perhaps worse in northern forests. Another noted that payment for environmental services such as carbon sequestration

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and biodiversity is key to achieving SFM. One developing country participant said that regional certification schemes are important tools for ensuring SFM.

### CO-CHAIRS' SUMMARY

Co-Chair Killmann introduced a draft copy of the Expert Consultation's Summary Report and opened the floor for comments. Several participants emphasized that the Summary should reflect the wide range of issues discussed at the meeting but that in no way should it indicate any consensus. One participant strongly questioned the appropriateness of the premise of the consultation that trade has an effect on SFM. Another participant applauded the work done on the thematic issues, but said the process was far from reaching a holistic approach to the topic. Another said that at some stage there will be a need to focus on priorities and to reduce the scope of the debate.

Co-Chair Killman responded, saying that the core message of the meeting was to highlight the relationship between trade and SFM. He reiterated his position that the intention of the meeting was not to reach consensus but instead to exchange views and positions in an informal forum. He reminded participants that this meeting was part of a larger project on the impact of trade in forest products for the promotion of SFM. Killmann concluded by saying that a meeting of the project's advisory group will decide how best to incorporate the expert consultation's inputs into its future activities.

Co-Chair Killmann closed the expert consultation meeting at 1 pm.

### THINGS TO LOOK FOR

**FORESTRY EXPO CHINA 2003:** The 2nd China International Exhibition & Symposium on Technology & Equipment for Nursery, Silviculture and Horticulture will take place in Beijing, China from 10-12 March 2003. For more information contact: Guo Jianjun, Forestry Expo China 2003 Secretariat; tel: +86-10-8857-0259; fax: +86-10-8857-0260; e-mail: [ecotech@bw168.com](mailto:ecotech@bw168.com); Internet: <http://fore-schina.com/>

**COFO-16:** The sixteenth session of the FAO Committee on Forestry (COFO) will be held from 10-14 March 2003, at FAO headquarters in Rome, Italy. The meeting will bring together heads of forest services, senior government officials, international organizations and NGOs to identify emerging policy and technical issues, to seek solutions and to advise FAO and others on appropriate action. For more information contact: Michael Martin, FAO; tel: +39-6-570-53302, e-mail: [michael.martin@fao.org](mailto:michael.martin@fao.org); Internet: <http://www.fao.org/forestry/foris/webview/forestry2/index.jsp?siteId=1400&langId=1&site-treeId=3282>

**ECPF-2:** The Second International Expert Consultation on the Role of Planted Forests (ECPF-2) will be held from 24-30 March 2003, in Wellington, New Zealand. For more information, contact: Moira Jones,

ECPF Secretariat; tel: +64-4-470-2734; fax: +64-4-473-0118; e-mail: [plantedforestrymeeting@maf.govt.nz](mailto:plantedforestrymeeting@maf.govt.nz); Internet: <http://www.maf.govt.nz/mafnet/unff-planted-forestry-meeting>

**MCPFE-4:** The Fourth Ministerial Conference on the Protection of Forests in Europe (MCPFE) will take place from 28-30 April 2003, in Vienna, Austria. European ministers responsible for forests will take further decisions to promote progress towards the protection and sustainable management of forests in Europe. The Conference will be held under the joint chairmanship of Austria and Poland and is open to participants and observers of the MCPFE. For more information contact: Peter Mayer, Liaison Unit Vienna; tel: +43-1-710-7702; fax: +43-1-710-7702-13; e-mail: [liaison.unit@lu-vienna.at](mailto:liaison.unit@lu-vienna.at); Internet: <http://www.mcpfe.org>

**ITTC-34:** The thirty-fourth session of the International Tropical Timber Council (ITTC-34) will be held from 12-17 May 2003, in Panama City, Panama. The First Preparatory Committee for the negotiations of the Successor Agreement to ITTA, 1994 will be held immediately following the session. For more information, contact: Alastair Sarre, ITTO Secretariat; tel: +81-45-223-1110; fax: +81-45-223-1111; e-mail: [editor@itto.or.jp](mailto:editor@itto.or.jp); Internet: <http://www.itto.or.jp>

**INTERNATIONAL CONFERENCE ON RURAL LIVELIHOODS, FORESTS AND BIODIVERSITY:** This conference will convene from 19-23 May 2003, in Bonn, Germany. It will consider the role of forests in supporting rural livelihoods in developing countries and in maintaining biodiversity. Organizers include the Center for International Forestry Research (CIFOR) and the German Foundation for International Development (DSE), in collaboration with Germany's Ministry of Economic Cooperation and Development (BMZ) and Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ). For more information contact: William Sunderlin, CIFOR; tel: +251-622-622; fax: +251-622-100; e-mail: [w.sunderlin@cgiar.org](mailto:w.sunderlin@cgiar.org); Internet: <http://www.cifor.cgiar.org/shared/template/livelihoodconference.asp>

**UNFF-3:** The third session of the United Nations Forum on Forests (UNFF-3) will be held from 26 May-6 June 2003, in Geneva, Switzerland. Delegates will discuss, *inter alia*, means of, and progress in, implementation, specifically related to economic aspects of forests, forest health and productivity, and maintaining forest cover to meet present and future needs; and common items. For more information, contact: Mia Soderlund, UNFF Secretariat; tel: +1-212-963-3262; fax: +1-212-963-4260; e-mail: [unff@un.org](mailto:unff@un.org); Internet: <http://www.un.org/esa/sustdev/forests.htm>

**12TH WORLD FORESTRY CONGRESS:** The Congress will be held from 21-28 September 2003, in Québec City, Canada. Organized under the auspices of the FAO, the congress is held every six years. For more information contact: World Forestry Congress 2003 Secretariat; tel: +1-418-694-2424; fax: +1-418-694-9922; e-mail: [sec-gen@wfc2003.org](mailto:sec-gen@wfc2003.org); Internet: <http://www.wfc2003.org>