



SUMMARY OF THE EUROPE AND NORTH ASIA FOREST LAW ENFORCEMENT AND GOVERNANCE MINISTERIAL CONFERENCE: 22-25 NOVEMBER 2005

Over 250 ministers, representatives of government, intergovernmental and non-governmental organizations and research agencies from 48 countries convened in St. Petersburg, Russian Federation from 22-25 November 2005 for the Europe and North Asia Forest Law Enforcement and Governance (ENA-FLEG) Ministerial Conference.

The Ministerial Conference was co-sponsored by the World Bank and the Government of the Russian Federation, and was intended to finalize the terms of a Ministerial Declaration and Indicative List of Actions aimed at improving law enforcement and governance and curtailing illegal logging in the European and North Asian forest sectors. The meeting was also an opportunity to share information and experiences on two important thematic issues relating to illegal logging: improving the investment climate and private sector incentives, and ensuring resource access to local populations and equity in resource utilization.

Ministers endorsed the St. Petersburg Ministerial Declaration and an Indicative List of Actions, which affirm the political commitment and set a framework for action to combat illegal logging.

A BRIEF HISTORY OF THE FOREST LAW ENFORCEMENT AND GOVERNANCE PROCESS

In May 1998, the Group of Eight (G8) launched an Action Programme on Forests. The programme gives a high priority to eliminating illegal logging and illegal timber trade, seeks to complement actions undertaken at the regional and global levels, and affirms the G8's commitment to identifying actions in both producer and consumer countries. The G8 Action Programme on Forests motivated a partnership on forest law enforcement for East Asia between the World Bank, the UK and the US, which led to the first regional Ministerial FLEG in the East Asia-Pacific in September 2001. An African FLEG Ministerial Conference was held in Yaoundé, Cameroon, in 2003.

The Russian Federation requested World Bank support to convene an ENA-FLEG meeting during calendar year 2005. In support of the ENA-FLEG process, an International Steering Committee (ISC) was established to provide guidance and an agenda for the ENA-FLEG Preparatory and Ministerial Conferences. The ISC met twice before the June 2005 Preparatory Conference. The ENA-FLEG Preparatory Conference provided critical input and drew attention to

political initiatives at the national level, including the G8 Summit in July 2005. The current President of the G8, the UK, has made illegal logging a key focus of its political agenda. The Russian Federation will hold the G8 Presidency in 2006.

EAST ASIA-PACIFIC FLEG: The East Asia-Pacific (EAP) FLEG Ministerial Conference took place in Bali, Indonesia, from 11-13 September 2001. The event was co-hosted by the World Bank and the Government of Indonesia and facilitated by the World Bank Institute, with financial support from the Governments of the UK and US. The meeting comprised a technical segment, during which participants met in nine thematic sessions to hear panel presentations and discuss forest law enforcement in relation to governance, forest policy, forest management and operational aspects. On the final day of the Conference, ministers and ministerial-level officials from Cambodia, China, Indonesia, Laos, the Philippines, Thailand and Vietnam, as well as from the Republic of Congo and Ghana, participated in the ministerial segment. The Ministerial Conference set out to exchange views, disseminate technical knowledge and foster strong political support and commitment at the national, regional and international levels. The Conference's primary aims were to: share and explore the best current thinking on forest law enforcement; conduct further deliberations on the previously identified priority issues of forest law enforcement, including illegal logging in the East Asia region, among senior officials from forest and related ministries, non-governmental organizations (NGOs) and industry representatives; and concur on a statement expressing political commitment for action at the national and regional levels. The meeting resulted in the adoption of a Ministerial Declaration, which commits participating countries to, *inter*

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alia, intensify national efforts and strengthen bilateral, regional and multilateral collaboration to address violations of forest law and forest crime, and create a regional FLEG task force to advance the Declaration's objectives. The task force held a follow-up meeting on the Declaration's implementation in Bali, Indonesia, in May 2002, and a second ministerial meeting will be held in 2006 to review progress on actions taken to implement the Declaration.

AFRICA FLEG: The Africa Forest Law Enforcement and Governance (AFLEG) Ministerial Conference took place in Yaoundé, Cameroon, from 13-16 October 2003. The meeting was co-hosted by the Government of Cameroon and the World Bank. The objectives of the conference were to: share and explore ideas on forest governance; consider priority issues, including illegal forest exploitation and associated trade in Africa; identify ways in which various stakeholders can address these issues, including partnerships between producers and consumers, donors, civil society and the private sector; and negotiate and endorse a Ministerial Declaration and Action Plan for AFLEG. In the Ministerial Declaration, ministers stated their awareness of their responsibility to both present and future generations, and acknowledged the rights of local communities and civil society to participate in addressing forest issues. The need for capacity building, partnerships, transparency, monitoring, and international cooperation was also stressed. The ministers stated that problems associated with "conflict timber" must be addressed, and problems of illegal exploitation of forest resources and associated trade are the shared responsibility of producer and consumer states. The Declaration underlined the need for institutional and policy reforms relating to FLEG, declaring the ministers' intention to, *inter alia*: explore ways to demonstrate the legality and sustainability of forest products; establish and strengthen laws for hunting and bushmeat trade, including support for independent monitors; integrate FLEG into national forest programmes; and review the implementation of actions associated with the Declaration by the end of 2006. It concluded with an indicative list of actions, focusing on national-level implementation, legislation and policy reform, capacity building, information, law enforcement and monitoring, wildlife resources, forest management practices, financing, and markets and trade.

ENA-FLEG INTERNATIONAL STEERING COMMITTEE MEETINGS: The ISC held its first preparatory meeting in Moscow, Russia, from 21-22 February 2005. Eleven governments, an intergovernmental body and representatives from the World Bank attended. Representatives of NGOs and industry made formal presentations and participated in discussions during the meetings, and member governments held subsequent deliberations on the scope, objectives and design of the ENA-FLEG process. A second ISC meeting, which focused on the Preparatory Conference agenda, was held during the fifth session of the United Nations Forum on Forests (UNFF-5) meeting at UN Headquarters in New York, in May 2005.

ENA-FLEG PREPARATORY CONFERENCE: The Europe and North Asia (ENA) Forest Law Enforcement and Governance Preparatory Conference convened in Moscow, Russia, from 6-8 June 2005. Co-hosted by the World Bank and the Government of the Russian Federation, with financial support from eight international donors, the conference discussed, *inter alia*: regional and national experiences and

emerging ENA-FLEG issues; attracted views from a range of stakeholders on ENA-FLEG; and began drafting a Ministerial Declaration and an indicative list of actions for the Ministerial Conference in late 2005. There were no formal outputs from the Preparatory Conference, but participants did identify key issues that would be used as "building blocks" for a Ministerial Declaration and an Indicative List of Actions to serve as the basis for negotiations and consultations prior to the Ministerial stage of the ENA-FLEG.

REPORT OF THE CONFERENCE

OPENING SESSION

Valery Roshchupkin, Head, Federal Forestry Agency, Russian Federation, and Gerhard Dieterle, World Bank, co-chaired the International Steering Committee and the Conference.

OPENING STATEMENTS: On Tuesday, 22 November, Co-Chair Roshchupkin opened the conference in the morning by welcoming the participants and noting the broad representation from governments, the UN system, and civil society. He stressed the Russian Federation's interest in the ENA-FLEG process, and described current national activities in the forest sector, including innovative use of aerospace and electro-magnetic monitoring of forests.

Kristalina Georgieva, Country Director for Russia, World Bank, referred to the current stage of negotiations as progress from identification of problems to implementing recommendations. She noted the ongoing dialogue between governments, the private sector and NGOs, and emphasized the World Bank's interest in resolving the issue of illegal logging.

John Hudson, Senior Forestry Adviser, Department for International Development, UK, delivered a keynote address on the importance of the FLEG process and its links to the Millennium Development Goals (MDGs) and the G8 Action Programme on Forests. He highlighted the need for coherent policies to address illegal logging, and outlined some common trends, including: access to resources; lack of clarity in rights and regulations; lack of transparency, representation and accountability; capture of state resources by elites; and regressive taxes. Hudson then underscored the role of the ENA-FLEG process in addressing illegal logging through: building partnerships; developing appropriate fiscal and regulatory regimes; influencing demand through voluntary and mandatory measures; and learning. He noted the significance of Russia's G8 presidency in 2006, and the opportunity to link the FLEG agenda with broader sustainable development commitments, including the MDGs.

Tapani Oksanen, Task Team Leader, World Bank, gave a presentation on the state of knowledge on illegal logging, related governance issues and potential responses in the ENA region, highlighting the lack of reliable data on the extent of



Kristalina Georgieva, Country Director for Russia, World Bank, and Valery Roshchupkin, Head, Federal Forestry Agency, Russian Federation

illegal logging and trade. He outlined the economic, social and environmental impacts of commercial and poverty-driven illegal logging. He summarized key forest governance issues, including: regulatory frameworks and quality; forest policy and legislation; availability and reliability of data; and law enforcement.

Oksanen also identified potential responses, including: defining illegal logging at the country level; improving access to information and stakeholder participation; training forest managers with a long-term interest in sustainability; linking forest issues with broader governance reforms; balancing demand and supply; and undertaking practical measures such as independent certification.

ORGANIZATIONAL MATTERS: Jürgen Blaser, Switzerland, ENA-FLEG Co-Facilitator, gave an overview of the ENA-FLEG process, highlighting: the work of the ISC; the drafting of elements for the Ministerial Declaration (MD) and Indicative List of Actions (ILA); the Ministerial Conference; and the implementation phase.

Jag Maini, Canada, ENA-FLEG Co-Facilitator, then summarized the draft

MD and ILA, noting that both stress national sovereignty and implementation, and are the result of extensive input from governments, civil society and industry.

Co-Chair Dieterle presented the conference agenda, explaining the parallel processes of intergovernmental negotiations and the Civil Society and Industry Dialogue (CSID). Co-Facilitator Blaser described the mechanics of negotiating the two draft documents, and underlined the need to achieve consensus within a few days, possibly with the help of small break-out groups. He said that the CSID participants would be updated on the progress of negotiations twice daily, thus “building bridges” between the two processes. He also said that a follow-up to the conference is expected in the framework of the G8 and the United Nations Forum on Forests (UNFF).

Delegates adopted the conference agenda.

Valentin Stepankov, Russian Federation, and Shigeo Katsu, World Bank, co-chaired the ministerial segment. Gary Dunning, The Forests Dialogue, and Dmitry Chuyko, Ilim Pulp, co-chaired the CSID.

INVITED STATEMENTS: CSID Co-Chair Dunning described the activities of The Forests Dialogue, and stressed that civil society should be regarded as a partner in the FLEG process, and that governments are expected to take a lead role in addressing illegal logging.

Ragnar Friberg, Stora Enso, presented industry’s perspective on illegal logging, noting that law enforcement is a government function, and that efforts to combat illegal forest activity should not burden legal operators, and emphasized collaboration in developing cost-effective tools. He also said that the MD should uphold sovereignty and private property rights and not

result in ambiguous or conflicting regulations, and that the ILA should promote direct action against illegal activities and avoid licensing and procurement policies as the principal measures.

Alexey Yaroshenko, Greenpeace, said that illegal logging is a social phenomenon linked to poor governance, and said that the new Russian Forest Code will result in both increased job loss and illegal logging. He also said that the pervasive attitude among Russian civil servants is that forest laws are “negotiable.” Yaroshenko concluded, noting that five principles should guide efforts to combat illegal forest activity: precaution in developing reforms; maximum openness; resources for monitoring; priority for local communities; and unified standards across the ENA region.

Stefan Schenker, Conference of European Private Forest Owners, called for full participation of private forest owners in FLEG negotiations, and underscored that clearly defined property rights are key for combating illegal logging.

THEMATIC AND LEARNING SESSIONS

Two thematic and learning sessions were convened. Each consisted of panel presentations followed by interventions and questions.

KEY GOVERNANCE ISSUES IN IMPROVING THE INVESTMENT CLIMATE AND PRIVATE SECTOR INCENTIVES: This thematic and learning session was held on Wednesday, 23 November.

Piotr Borkowski, Ministerial Conference on the Protection of Forests in Europe (MCPFE), reported on activities of the MCPFE, including a recent workshop on illegal harvesting in Madrid, Spain. He highlighted opportunities for synergy between the ENA-FLEG and the MCPFE processes.

CSID Co-Chair Chuyko introduced his company’s suggestions related to the theme, including recognition of ownership rights, stable legal and fiscal regimes and customs policy, stimulation of business, investment in infrastructure, and prioritizing enterprises that employ international standards.

Anatoly Petrov, All-Russia Training Institute for Forestry Specialists, emphasized the need to invest in the forest sector, thus creating jobs. He suggested that the state must control financial flows in order to achieve equitable distribution of forest income so as to channel a portion into infrastructure.

Ragnar Friberg, Stora Enso, called for giving due consideration to market risks, the working environment and the problem of corruption, and stressed the importance of ensuring long-term wood supply.

Sofie Beckham, IKEA Group, described IKEA’s long-term goal of sourcing wood from well-managed forests, and emphasized the need to ensure legality and transparency, stressing the importance of forest certification.

Mikko Venermo, European Bank for Reconstruction and Development, said that illegal logging is the single biggest issue negatively affecting the investment climate in Central and Eastern European countries. He described various existing risks that result from lack of



Jürgen Blaser, Switzerland, ENA-FLEG Co-Facilitator



Sofie Beckham, IKEA Group

transparency and corruption, including market and reputation risk, and stressed that governments play a decisive role in marginalizing risk.

Stanley Root, PricewaterhouseCoopers, suggested tools for improving the transparency of the forest sector, such as corporate sustainability reporting, best practices in environmental management, forest certification, and full chain of custody certification.

Jade Saunders, Royal Institute of International Affairs, described work done on, in particular, environmental risk assessment policies, incentives, financial regulators in large capital markets, and increased operational reporting.

Takashi Fujiwara, Japan Federation of Wood Industry Associations, referred to the negative impact of illegal forest activities on the environment, and highlighted Japan's policy on ensuring transparency in exporting countries.

ENSURING RESOURCE ACCESS TO LOCAL POPULATIONS AND EQUITY IN RESOURCE UTILIZATION: This thematic and learning session was held on Thursday, 24 November.

Mikhail Giriyayev, Federal Forestry Agency, Russian Federation, discussed illegal logging in Russia, noting that it consists of tree felling without a permit, and is often carried out by local actors. He also said that addressing the problem requires updating current legislation, and ensuring that consumers develop adequate procurement policies.

Gulusa Vildanova, Ministry of Agriculture and Water Resources, Uzbekistan, said that, while logging on forested land is a problem, indigenous populations should not be barred from using forests for livelihood purposes. She offered solutions to the problem, including secure access for local forest users, alternative energy supplies to local communities, and educating local populations on how to lessen their environmental impact.

Rodion Sulyandziga, Russian Association of Indigenous Peoples of the North, Siberia and the Far East, said industrial-scale use of Siberian forests affects, mostly negatively, indigenous peoples' way of life. He also noted that: Russian forest legislation benefits large-scale forest operators; local populations lack access to the political system; and logging that threatens indigenous peoples' way of life must be deemed illegal. He proposed that local interests be accounted for in forest management, called for environmentally sustainable logging that guarantees stable local incomes, and said that illegal logging can be curtailed by limiting road construction.

Friberg said his firm relies on small wood lot owners for supply, and assists them in forest management, permitting, scarification and restoration.

Duncan Pollard, World Wide Fund for Nature (WWF) International, said the high cost of energy has increased fuelwood harvesting, the costs of legal compliance for small producers may exceed the benefits, and rural poverty is one of the main causes of illegal logging.

Eva Müller, Food and Agriculture Organization (FAO), said that, while 84 percent of world forests are publicly owned, there is a global trend



Duncan Pollard, World Wide Fund for Nature (WWF) International

towards increased community and local ownership. She also noted that for many poor people and communities, resource access is not limited by lack of tenure, but by inadequate legislation concerning forest use. Müller also noted that FAO is studying the legal obstacles to sustainable forest management by communities and small holders, plans to identify legal provisions necessary for communities and small holders to enjoy better access to legal forest management, and will support ENA countries in the implementation of the ILA, including the development of mechanisms to provide resource access to the rural poor and local communities.

Following the panel presentations, an NGO participant said that performance indicators are needed in order to monitor forest use and improve public confidence in the FLEG process.

INTERGOVERNMENTAL NEGOTIATIONS SESSION

All negotiations were conducted in plenary, except for a small drafting group, which was established to refine the language of the MD preamble. Delegates negotiated from Wednesday afternoon until Friday morning with the final round going well into the night on Thursday.

Negotiators did several readings of the draft MD paragraph by paragraph in English, cross-referencing with the Russian version.

Delegates welcomed the draft MD and ILA as a starting point for negotiation, and generally commended its substance and structure. Specific comments focused on: reducing the length of the document; explaining its geographic scope; defining illegality, at least in a national context; defining producer/consumer countries; addressing implementation timeframes on a national basis; stressing respect for national sovereignty; making use of existing instruments and institutions; and arranging for follow-up, through senior officials' and ministerial-level meetings.

Delegates also debated: harmonization of reporting and monitoring requirements; focusing on region-specific problems; role of the private sector and other stakeholders in implementation; and the links between forest degradation in the region and climate change and unsustainable practices in agriculture, mining and construction.

References were suggested: to forests' contribution to the achievement of internationally agreed development goals, in line with the 2005 UN World Summit; to sustainable forest management (SFM), governance and transparency; and to corruption, large-scale illegal logging, and associated trade.

Participants agreed to append a list of countries covered by the ENA region. The Co-Chairs suggested a list of 20 ENA countries, and 34 other participating countries composed of EC members, other European countries and countries from other continents.

Language was debated referring to indigenous peoples, local and forest-dependent communities, citing limitations of national legislation and international obligations.



Eva Müller, Food and Agriculture Organization (FAO)

On strategies for addressing the underlying causes of illegal logging, delegates discussed the need to protect forest areas, biodiversity and wildlife habitats, with some participants stressing the difference between large-scale commercial illegal logging and subsistence-driven unauthorized exploitation of forest resources.

Delegates added several new references to stakeholder engagement, in particular to civil society, including the private sector. They debated language on partnerships with the private sector, with some suggesting broadening the list of partners to include forest owners and logging companies.

In paragraphs addressing corruption and illegality, several countries offered textual additions to strengthen the notion of combating crime in the forest sector, in particular illegal logging. The need to apply internationally recognized principles to combat organized crime was also highlighted. Promotion of tracking systems was initially met with objections.

Delegates debated whether the regional section of the MD should be included in the international section, and whether the section relates to ENA countries only, or refers to others as well.

There were several proposals to add relevant organizations to the list of regional and international partners.

Text was added on increasing transparency of trade activities, and on promoting “legal” trade in timber products and timber. One delegate suggested replacing the recommendation to disseminate information “on the legality of products” with information “on the voluntary certification of forests”, but others, although they supported keeping a reference to certification, objected to the notion of “voluntary”.

There was some discussion on whether ministers should “affirm” or “endorse” the MD, with some delegates expressing preference for an ILA, rather than the original Indicative Action Plan.

There were diverging opinions on follow-up. Proposals were made to hold a senior officials’ meeting in two or three years, to assess progress made on implementing the ILA and identify further actions. Different timeframes were suggested for a second ministerial conference, from two to five years after the current one. Other delegates thought it premature to decide on the political level of future conferences, and suggested referring to “appropriate level”. One delegation wished to specify that the review meeting be held “together with civil society.”

CIVIL SOCIETY AND INDUSTRY DIALOGUE

The CSID convened in parallel with the negotiation sessions, from Tuesday until Thursday, and was established so that civil society and industry could formulate input for consideration by the negotiators. The CSID met regularly throughout the conference with a small group of negotiators and the negotiations’ co-chairs in joint sessions to convey its input.

On Tuesday, CSID Co-Chair Dunning said the focus of the CSID was to develop a joint industry-civil society consensus statement on the MD and ILA. Bernard de Galembert, International Council of Forest



Gary Dunning, The Forests Dialogue

and Paper Associations, said efforts to combat illegal logging should not burden legal producers. One participant emphasized the need to focus on identifying elements of the MD and ILA acceptable to both industry and civil society, identifying respect for national sovereignty, gradual implementation, improved data collection and information exchange, and product labelling. Ragnar Friberg, Stora Enso, said clear recommendations are needed for national action plans (NAPs). Jonathan Buckrell, Global Witness, emphasized the need to focus discussion on the MD, and said that implementation timelines should appear in the MD, not in the ILA. Another participant noted the importance of business in combating illegal logging.



Ragnar Friberg, Stora Enso

Following these opening comments on Tuesday, CSID Co-Chair Dunning suggested the CSID use his organization’s recommendations to the MD and ILA as a basis for discussion.

The CSID then divided into a civil society contact group and an industry contact group to discuss points of agreement or recommendations on the elements of the MD. Following these discussions, the CSID reconvened later on Tuesday to hear reports of the two groups.

An industry representative reported that his group proposed, *inter alia*: defining the concept of governance; ensuring consistency between existing forest regulations and other laws and policies; promoting free trade; using forest resources sustainably; and promoting a positive business and investment climate for social and economic development. A civil society representative reported that her group proposed: provision by governments of information to be used for independent monitoring; government commitment to time-bound NAPs; a time-bound follow-up process for ENA-FLEG at the international level; shared responsibility by all countries in combating illegal logging; and education and research in forestry aimed at solving problems related to FLEG.

Several CSID participants thought it would be valuable for each contact group to set two clear priorities for the negotiators to consider. Others thought each group should formulate language on several elements of the MD. Following this discussion, the contact groups continued working on elements of the MD and ILA and prioritizing their respective input to the intergovernmental negotiations.

On Wednesday afternoon, the CSID reconvened to report their respective priorities. The industry group said its priorities include time-bound NAPs, enforcement of existing legal frameworks and adoption of reforms where necessary, and promoting trade in legally, equitably and sustainably produced forest products. The civil society group prioritized time-bound NAPs, a time-bound follow-up process, and the enforcement of legal frameworks that promote equitable and sustainable forest management and include public participation.

CSID participants then formulated these priorities into appropriate language for possible inclusion into the MD.

At a Joint session on Thursday morning, Co-Facilitator Blaser reported on progress made in the previous evening’s negotiation, noting that the MD’s preamble was nearly complete

and that CSID participants might wish to modify its language for consideration by negotiators. Co-Facilitator Blaser also said that the term “equitable” had been removed from the MD due to its various connotations. Jonathan Buckrell, Global Witness, asked whether CSID participants would be given an opportunity to explain what was meant by the term. Co-Facilitator Blaser suggested this be taken up with delegates informally.

On Thursday, CSID participants again broke into a civil society contact group and an industry contact group to prepare their respective statements to the ministers, and formulate modifications to the MD preamble.

CSID participants reconvened in the afternoon to discuss and harmonize their respective modifications to the MD preamble. Points of contention included whether to make reference to “loss of carbon stocks” in a paragraph on criminal actions, and whether to include “just laws” in a paragraph referring to law enforcement and good governance. Concerning the urgent need for national strategies, participants debated whether “other participating countries” should formulate such strategies and make them mutually supportive.

At the joint session on Thursday night, Co-Facilitator Blaser reported on the status of the intergovernmental negotiations. Buckrell registered his concern that ENA countries must make commitments, while others do not. Stuart Wilson, Forest Monitor, noted there are many domestic demand-side policies that importing countries could adopt to address the issue of illegal logging, but that the MD does not make such policies an explicit responsibility for these countries. Karin Wessman, WWF, noted that the line dividing ENA countries from others is the EU boundary. Co-Facilitator Blaser said such observations are too negative, and noted many positive elements in the MD, such as NAPs. Buckrell said if other participating countries do



not make strong commitments, then Global Witness would withdraw support from the process. Wilson asked what mechanisms there are to incentivize countries to make progress on NAPs before the next follow-up meeting. Co-Facilitator Blaser suggested that NGOs have a role to play in driving governments to produce NAPs and seek financing through multilateral finance institutions like the World Bank.

MINISTERIAL BRIEFING

Valentin Stepankov, Deputy Minister of Natural Resources, Russian Federation, and Shigeo Katsu, Vice-President, World Bank, co-chaired the ministerial segment of the conference.

On Thursday morning, in his opening remarks, Co-Chair Stepankov stressed the need to eradicate all threats to nature, and noted the importance of FLEG in this regard. He also said that combating illegal logging requires partnerships between developed and developing countries and other agencies and organizations, noting that consideration of future measures must be based on FLEG requirements.

Ilya Klebanov, Plenipotentiary Representative of the President, Russian Federation, in the Northwestern Federal Region, acknowledged that the problem of illegal logging in the area is due to its high-quality timber and proximity to

international borders. Noting that illegal logging undermines the image of Russian forestry, he said efforts to combat it should not burden legal producers and could include upgrading existing legislation, utilizing technology, increasing demand for legal forest products, and improving compensation for legal producers.

Gareth Thomas, Parliamentary Under Secretary of State, United Kingdom, noted various aspects of the EU Forest Law Enforcement, Governance and Trade Plan of Action, including voluntary licensing requirements for legal forest product imports, implementation of such requirements through bilateral partnerships, and capacity building. He also said that indiscriminate trade bans will not solve the problem of illegal logging, but multilateralism and NGO participation, in part, will.

Hannu Valtanen, Finnish Forest Industries Federation, delivered the industry statement to the ministers, noting that the private sector is already implementing practical measures on combating illegal logging, such as codes of conduct and wood tracking systems. He highlighted three key ENA-FLEG aspects from the industry perspective: consistent and time-bound NAPs; legal frameworks that promote good governance and sustainable forest management; and promoting trade in legally, equitably and sustainably produced forest products. He stressed that laws and regulations in the forest sector should be consistent with World Trade Organization rules, and that law enforcement is a government function.



Hannu Valtanen, Finnish Forest Industries Federation

Speaking on behalf of NGOs, Mikhail Karpachevsky, Taiga Rescue Network, noted that stakeholder involvement is a key to the success of the ENA-FLEG process, and that all countries present at the conference share responsibility for resolving the issue of illegal logging. He reported four NGO priorities for ENA-FLEG: time-bound NAPs for all participating countries; a clear follow-up process; addressing corruption and promoting transparency; and the ruling out of destructive legislation and practices. He concluded that governments play a leading role in implementing the MD, and stressed civil society’s involvement in the follow-up process.

Following these opening statements, Co-Facilitators Maini and Blaser briefed participating ministers on the ENA-FLEG process and on the progress made in the intergovernmental negotiations. Co-Facilitator Maini highlighted the global importance and diversity of the region’s forests, noting that combating illegal logging is not only an issue of law and order, but also one of economic and human well-being. He underscored Russia’s upcoming G8 presidency as an opportunity to carry forward the political momentum from the FLEG process.

Co-Facilitator Maini then outlined the structure and content of the draft MD and the ILA, noting civil society input throughout the process. He stressed that the objective of the MD is to empower forest ministers across the ENA region to secure and mobilize political support at the highest level, both

domestically and internationally, to address illegal logging. He concluded by highlighting the role of the ILA and NAPs in realizing the MD objectives.

CLOSING SESSION

Ministerial Conference Co-Chair Valentin Stepankov opened the final session on Friday morning, noting that intense negotiations had been conducted overnight. He then invited delegates to endorse the MD and ILA, but first gave the floor to the co-facilitators to brief participants.

Co-Facilitator Maini summarized the MD, noting that it endorses the associated ILA. He also said that it further underscores cooperation with international organizations, and mandates the ISC to continue its work to assist countries with the MD implementation. Co-Facilitator Blaser summarized the ILA, noting that this four-page document sets a general framework for action by governments and civil society to help implement the MD. He said the ILA follows the structure of the MD in dividing actions into national and international.

He noted that national actions are grouped in six subsections, namely: policy framework; legislation system; institutions and capacity building; sustainable forest management; rural development, livelihoods and poverty alleviation; and trade and customs. He further outlined areas for international action identified in the ILA, including policy collaboration, trade and customs, research and collaborative implementation.

Co-Facilitator Blaser stressed that monitoring progress is a major instrument envisaged in the ILA, and consequently, follow-up meetings will be scheduled: a senior officials meeting in two to three years, and a high-level one in five year's time. He noted the World Bank's coordinating role in the FLEG follow-up, and ISC's role in supporting countries in fulfilling their MD commitments.

Ministerial Conference Co-Chair Shigeo Katsu then congratulated delegates on completing negotiations on the MD and ILA, noting that while civil society representatives may find the documents insufficiently concrete, this is the nature of government-level declarations.

The MD was accepted by acclamation.

CLOSING STATEMENTS: Speaking on behalf of civil society, Ke Du, Global Environment Institute, China, noted that civil society stands ready to implement the MD and ILA. She outlined key areas where civil society is keen to see action. At the national level, she said that all participating countries need to elaborate, in a participatory manner, time-bound NAPs with clearly defined targets and indicators of success. She also noted the need for all participating governments to review and update laws to ensure their consistency and engage stakeholders in this process. She further highlighted the need to map out inter-agency and inter-stakeholder relations in each country. She stressed that education, training and capacity building are necessary for the long-term success of FLEG. Concerning international actions, she called for the ISC and the World Bank to establish a well-resourced multistakeholder

follow-up arrangement to facilitate NAP implementation, and set up an international information-sharing mechanism within one year. She stressed the need to increase the transparency of timber trade for all countries and to make these data publicly accessible. She urged the Russian Federation to keep illegal logging, related trade and associated corruption as a priority on the G8 agenda, and concluded by noting that legal does not always mean sustainable, and sustainable does not always mean legal.

Ragnar Friberg, Stora Enso, highlighted the importance of exchange and feedback between governments and civil society, including the private sector, which has much to contribute to combating illegal logging, and intends to actively engage in the follow-up to the Conference.

Pekka Patosaari, Coordinator and Head of the UNFF Secretariat, focused on implementation as a prerequisite for change, and said privatization is expected to boost the use of forest products for social development. He also described the role of UNFF in SFM.

Dinah Bear, General Council on Environmental Quality, Office of the President, US, confirmed her government's support of the ENA-FLEG process and its implementation, which should lead to concrete and measurable results. She said the US is examining ways to better utilize domestic law to prevent entry of illegally harvested timber into the US.

Jonas Bjelfvenstam, State Secretary, Ministry of Industry, Employment and Communications, Sweden, described EU activities in combating illegal logging, and highlighted cooperation with civil society.

Viktor Chervony, Chairman, State Forestry Committee, Ukraine, said the FLEG process will help advance national law development, and that the MD is a good basis for cooperation.

Osman Kahveci, Director-General of Forestry, Turkey, stressed the importance of follow-up. He invited participants to attend a workshop on ENA-FLEG implementation, which his government plans to hold in early 2006 in Antalya.

Zhongtian Zhang, State Forestry Administration, China, said illegal logging and associated trade is a threat to the global management of forests. He emphasized the link between forestry and poverty reduction, and termed the MD as a platform for cooperation.

Ikuo Kuroki, Deputy Director General, Japan Forestry Agency, noted that SFM is a priority for Japan and that illegal logging is a problem that Japan intends to address. He then announced the recent adoption of a government procurement policy aimed at increasing imports of legally harvested wood products from sustainably managed sources.

Shigeo Katsu, Vice-President, World Bank, said the conference was a success, noting that the high political momentum generated in St. Petersburg needs to be sustained and that the MD and ILA require implementation. He said that the World Bank would respond to requests for NAP financing and for implementing all aspects of the MD and ILA at the country level.



Ministerial Conference Co-Chair
Valentin Stepankov



Shigeo Katsu, Vice-President, World
Bank

He also noted the importance of collaboration with other international stakeholders such as the Asian Development Bank.

Lyubov Sovershayeva, First Deputy Plenipotentiary Representative of the President of the Russian Federation in the Northwestern Federal Region, said that illegal logging is a serious issue for Russia and that it damages Russia's reputation as a forest producer.

Co-Chair Stepankov gavelled the meeting to a close at 12:02 pm.



Lyubov Sovershayeva, First Deputy Plenipotentiary Representative of the President of the Russian Federation in the Northwestern Federal Region

MINISTERIAL DECLARATION: The MD states that representatives of Governments from Europe and North Asia and from other participating countries:

- underline that all countries have the sovereign right to manage and utilize their forest resources;
 - recognize that FLEG has local, national, transboundary, regional and global implications;
 - are convinced of a shared responsibility to eliminate illegal harvesting of forest resources and associated trade;
 - emphasize that FLEG is a cross-sectoral and complex as well as sensitive issue;
 - recognize that forests of the ENA-FLEG region, comprising over a third of global forest cover, are of global importance;
 - are aware that forests of the ENA-FLEG region are critical to the livelihoods of hundreds of millions of people, provide economic, social, cultural and environmental benefits, and meet energy needs of local populations;
 - emphasize the fundamental role of governments in providing effective governance, including laws and capacity to enforce them, to eliminate illegal logging, associated trade and corruption in the forest sector, and;
 - are concerned that forests-related crime is a significant problem in many countries in the region, and that criminal actions have a significant negative impact on the forest sector, leading to the weakening of the rule of law, loss of revenue, degradation of forest ecosystems, and on their contribution to internationally agreed development goals.
- The MD affirms that the participating countries will, nationally:

- mobilize high-level political commitment and establish FLEG as an area of concern;
- review and update forest legislation and regulations, ensuring harmonization with obligations under international agreements;
- strengthen inter-agency cooperation, particularly among law enforcement and judicial authorities;
- formulate, within a reasonable timeframe, concrete actions under clearly defined targets, including monitoring of progress in implementation, e.g., by taking into account recommendations of the MD and the ILA;
- recognize the rights of forest-dependent communities, engage stakeholders, including indigenous people, local communities and private owners in formulation of forest-related laws and their implementation through an open process;

- develop anti-corruption tools, and apply internationally recognized principles to combat organized crime; and
- disseminate transparent information, disclose data on timber flows, and inform stakeholders on illegal logging, associated trade and corruption.

Internationally, the Conference participants will:

- promote and develop cooperation, including transboundary cooperation, build institutional and human capacity and promote partnerships among the private sector and civil society;
 - enhance awareness of information about the legality of products through means such as voluntary chains of custody and certification systems;
 - cooperate with civil society to inform consumers of the problems caused by illegal logging, associated trade and corruption; and
 - work with other regions and multilateral instruments and processes on FLEG-related issues.
- Finally, the participants affirm, that they:
- endorse the ILA associated with the Declaration;
 - urge relevant international and regional organizations, institutions and processes to support the implementation of the ILA;
 - invite the ISC to extend its role in facilitating the ENA-FLEG process;
 - request the World Bank to facilitate the implementation of the MD and ILA;
 - agree to meet at the appropriate level, together with civil society, within two or three years to exchange experiences and identify areas for further action; and
 - agree to convene the next Ministerial conference within five years.

The Declaration ends with a list of 43 countries and the European Commission, which have accepted it by acclamation.

INDICATIVE LIST OF ACTIONS: The ILA sets a general framework for possible actions to be undertaken by governments as well as civil society to implement the MD, and mobilize support from donors and multilateral organizations.

Following the MD's structure, the ILA is divided into national and international sections. The national section comprises six subsections on main areas for action, namely: policy framework; legislation system; institutions and capacity building; SFM; rural development, livelihoods and poverty alleviation; and trade and customs.

A key element of the subsection on policy is the development of NAPs either as stand-alone documents, or integrated into other documents at the national level such as forest programmes.

On legislative aspects, the ILA proposes to:

- develop a common understanding of FLEG-related concepts, definitions and terms;
- review and update forest law and related legislation to combat illegal logging and corruption; and
- promote well-defined property and resource rights, in particular private rights.

On institutions and capacity building, the ILA seeks, *inter alia*, to:

- ensure the appropriate application of customs codes;
- support the collection and dissemination of transparent information, including a database on trade in wood and forest products; and

- strengthen mechanisms and capacity for monitoring and implementation of anti-corruption tools.

The section on SFM prioritizes controlling illegal logging and wildlife poaching, and calls for enabling conditions for the use of SFM tools, including environmental management, certification, and traceability systems, and codes of conduct.

On rural development, livelihoods and poverty alleviation, the ILA stresses the need for alternate economic opportunities for forest-dependent communities and increased income generation from sustainably managed forests by local communities.

Concerning trade and customs, the ILA seeks to identify the most vulnerable transboundary areas in relation to illegal timber trade and reduce their vulnerability.

At the international level, the ILA focuses on forest-related policies, trade and customs, research, and collaborative implementation actions. It proposes, *inter alia*, to:

- integrate MD elements into other international forest policy initiatives;
- facilitate gathering and sharing of export/import data on wood and forest products as well as illegal trade; and
- cooperate on and monitor MD implementation.

The ILA contains an Annex, which lists selected international and regional organizations, institutions and processes of relevance for FLEG implementation.

UPCOMING MEETINGS

CONFERENCE ON FRONTIERS IN FOREST

INFORMATION: This conference is scheduled to take place from 5-7 December 2005, in Oxford, UK. Participants will examine issues in four thematic areas: global needs for forest-related information; information access for development; new publishing paradigms; and the impacts of changing technologies. For more information, contact: Roger Mills, Conference Secretary; tel: +44-1865-275080; fax: +44-1865-275095; e-mail: roger.mills@ouls.ox.ac.uk; Internet: <http://www.bodley.ox.ac.uk/users/millsr/isbes/forestry.htm>

UN CONFERENCE FOR THE NEGOTIATION OF A SUCCESSOR AGREEMENT TO ITTA, 1994, FOURTH PART:

The Fourth Part of the UN Conference on the Renegotiation of the International Tropical Timber Agreement, 1994 will convene from 16-27 January 2006, in Geneva, Switzerland. Delegates will meet to discuss outstanding issues of scope and finance for the new Agreement. For more information, contact: UNCTAD Secretariat, Intergovernmental Affairs and Outreach Service; tel: +41-22-917-5809; fax: +41-22-917-0056; e-mail: correspondence@unctad.org; Internet: <http://www.unctad.org/Templates/Meeting.asp?intItemID=3323&lang=1>

SIXTH UN FORUM ON FORESTS (UNFF-6): UNFF-6 will be held from 13-24 February 2006, at UN headquarters in New York. This meeting will seek to reach conclusion on issues that were unresolved at UNFF-5. For more information, contact: Elisabeth Barsk-Rundquist, UNFF Secretariat; tel: +1-212-963-3262; fax: +1-917-367-3186; e-mail: barsk-rundquist@un.org; Internet: <http://www.un.org/esa/forests>

15TH SESSION OF THE AFRICAN FORESTRY AND WILDLIFE COMMISSION (AFWC):

The 15th Session of the AFWC will convene in Maputo, Mozambique, from 29 March-1 April 2006. Participants will attend a special

session on the implementation of sustainable forest management in Africa. For more information, contact: Pape Djiby Koné; e-mail: pape.kone@fao.org; Internet: <http://www.fao.org/forestry/site/31088/en>

21ST SESSION OF THE ASIA-PACIFIC FORESTRY COMMISSION: The 21st session of the Asia-Pacific Forestry Commission will convene in Dehradun, India, from 17-21 April 2006. Participants will attend a special session entitled "Towards sustainable forest management in the Asia-Pacific."

For more information contact: Patrick Durst; e-mail: patrick.durst@fao.org; Internet: <http://www.fao.org/forestry/site/31093/en>

INTERNATIONAL TROPICAL FOREST

INVESTMENT FORUM: This Forum will be held from 25-27 April 2006, in a location to be determined. The Forum will be interactive, with the ITTO, Forest Trends, the Katoomba Group, Grupo Ecologico Sierra Gorda, and four branches of the Mexican Environment Ministry bringing together a wide range of stakeholders that can facilitate, access and operate mechanisms for increased investment in natural forest-based enterprises, including community enterprises. For more information, contact: Paul Vantomme, ITTO Assistant Director for Forest Industry; tel:+81-45-223-1110; fax: +81-45-223-1111; e-mail: vantomme@itto.or.jp; Internet: <http://www.itto.or.jp>

33RD SESSION OF THE EUROPEAN FORESTRY COMMISSION (EFC): The 33rd session of the EFC will convene in Bratislava, Slovakia, from 23-26 May 2006. For more information contact: Kit Prins; e-mail:

christofer.prins@unece.org; Internet: <http://www.fao.org/forestry/site/31096/en>

ITTC-40: The 40th session of the ITTC and associated sessions of the Committees will convene from 29 May-2 June 2006, in Mérida, Mexico. For more information, contact: Manoel Sobral Filho, ITTO Executive Director; tel:+81-45-223-1110; fax: +81-45-223-1111; e-mail: itto@itto.or.jp; Internet: <http://www.itto.or.jp>

17TH SESSION OF THE NEAR EAST FORESTRY

COMMISSION (NEFC): The 17th Session of the NEFC will take place in Larnaca, Cyprus, from 5-9 June 2006. Participants will attend a special session on implementing sustainable forest management in the Near East. For more information, contact: Hassan Osman Abdel Nour; e-mail: hassan.abdelnour@fao.org; internet: <http://www.fao.org/forestry/site/31113/en>

24TH SESSION OF THE LATIN AMERICAN AND CARIBBEAN FORESTRY COMMISSION (LACFC): The 24th Session of the LACFC will be held in Santo Domingo, Dominican Republic, from 26-30 June 2006. Participants will attend a special session on implementing SFM in Latin America and the Caribbean. For more information, contact: Carlos Marx R. Carneiro; e-mail: carlos.carneiro@fao.org; Internet: <http://www.fao.org/forestry/site/31107/en>

23RD SESSION OF THE NORTH AMERICAN FOREST COMMISSION (NAFC):

The 23rd session of the NAFC will be held in British Columbia, Canada, in October 2006. For more information, contact: Douglas Kneeland; e-mail: douglas.kneeland@fao.org; Internet: <http://www.fao.org/forestry/site/31118/en>