



SUMMARY OF THE EUROPE AND NORTH ASIA FOREST LAW ENFORCEMENT AND GOVERNANCE PREPARATORY CONFERENCE: 6-8 JUNE 2005

Over 130 participants met at the Europe and North Asia (ENA) Forest Law Enforcement and Governance (FLEG) Preparatory Conference in Moscow, Russia, from 6-8 June 2005. The Conference brought together participants from 32 countries representing governments, non-governmental organizations (NGOs), international organizations, industry and an intergovernmental body. The event was co-hosted by the World Bank and the Government of the Russian Federation, with financial support from eight international donors. The Conference, *inter alia*: discussed 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 ENA Ministerial meeting in late 2005.

The objectives of the ENA FLEG preparatory process were to facilitate information exchange, share expertise, and raise the profile of forests. Key themes included: experiences in the ENA region; legislation and regulatory frameworks for improved forest governance; information and transparency; verification and legality of forest products; enterprise and forest management; forest governance and livelihoods; and integration with existing processes. The core objective of the meeting was to hold initial negotiations in support of a regional Declaration and indicative list of actions, prior to the ENA Ministerial. Presentations were made during technical sessions, and included regional and national lessons learned on the underlying causes of illegal logging and drivers for change. The International Steering Committee (ISC) also held a short informal meeting to review progress during the Preparatory Conference and discuss plans for the ENA FLEG Ministerial Conference.

While there were no formal outputs from the Preparatory Conference, participants identified key issues that would be used as "building blocks" for a Declaration and an indicative list of actions, and serve as the basis for negotiations and consultations prior to the Ministerial stage of the ENA FLEG in late 2005. Participants also identified next steps in the stakeholder consultation and FLEG Ministerial process.

A BRIEF HISTORY OF FOREST LAW ENFORCEMENT AND GOVERNANCE REGIONAL PROCESSES

PROCESS BACKGROUND: 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 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 East Asia-Pacific in September 2001. An African Ministerial FLEG was held in Yaounde, Cameroon in 2003.

The Russian Federation requested World Bank support to convene an ENA FLEG during calendar year 2005. The ENA FLEG Preparatory Conference provides critical input and draws 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.

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In support of the ENA FLEG process, the ISC was established to provide guidance and an agenda for the ENA FLEG Preparatory Conference and Ministerial Conference. The ISC met twice before the June 2005 Preparatory Conference.

FLEG IN EAST ASIA-PACIFIC: The East Asia-Pacific (EAP) Forest Law Enforcement and Governance (FLEG) Ministerial Conference took place in Bali, Indonesia, from 11-13 September 2001. The Conference brought together nearly 150 participants from 20 countries, representing governments, international organizations, NGOs and the private sector. 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, Philippines, Thailand and Vietnam as well as from 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, NGOs and industry representatives; and concur on a statement expressing political commitment for action at the national and regional level.

The meeting resulted in the adoption of a Ministerial Declaration, which commits participating countries to, *inter 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.

FLEG IN AFRICA: The Africa Forest Law Enforcement and Governance (AFLEG) Ministerial Conference took place in Yaounde, Cameroon, from 13-16 October 2003. The meeting was co-hosted by the Government of Cameroon and the World Bank. More than 300 participants from 39 countries attended the Conference, representing governments, international organizations, NGOs and the private sector.

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 the 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 (NFPs); 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.

INTERNATIONAL STEERING COMMITTEE MEETINGS IN SUPPORT OF THE ENA FLEG: 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, on 20 May 2005.

RELATED MEETINGS: Recent meetings for the International Tropical Timber Agreement renegotiation, the Food and Agriculture Organization's Committee on Forestry, and the UN Forum on Forests addressed issues related to those on the agenda at the ENA FLEG Preparatory Conference.

UN Conference for the Negotiation of a Successor Agreement to ITTA, 1994, Second Part: The United Nations Conference for the Negotiation of a Successor Agreement to the International Tropical Timber Agreement, 1994 (ITTA, 1994), Second Part, convened at the Palais des Nations in Geneva, Switzerland, from 14-18 February 2005. Over 180 representatives of governments, an intergovernmental organization, and NGOs attended the Conference. During the week, delegates discussed numerous proposals to resolve issues arising from the First Part of the UN Conference, but were unable to reach agreement on a number of cross-cutting proposals. As a result, a third round of negotiations will take place from 27 June-1 July 2005 in Geneva, Switzerland.



Valery Roshupkin, Ministry of Natural Resources of the Russian Federation

Disagreements focused on how to include references to illegal logging in the text, and whether it was sufficient to address the concept of illegal logging using the terms of forest law enforcement and governance. Such references may be inserted in the preamble, the objectives section, and/or the definitions section of the new Agreement.

voluntary code or international understanding, as well as means of implementation. On Friday afternoon, delegates decided to forward the draft negotiating text to UNFF-6, to be held from 13-24 February 2006, at UN Headquarters in New York.

On Asia-Pacific Day and during the High-Level Segment of UNFF-5, the importance of combating illegal logging, including through FLEG processes, was mentioned by delegates and in the preambular language on the proposed IAF. A separate roundtable was also held on "Forest Law Enforcement and Governance for Sustainability," during which delegates and stakeholders emphasized, *inter alia*: the need for new resources to combat illegal logging; national initiatives to address illegal logging; the importance of certification and transparency as tools to halt illegal logging; the barriers to FLEG implementation; the lack of incentives to protect forests; and the importance of well-defined land rights.

REPORT OF THE CONFERENCE

The ENA FLEG Preparatory Conference met from 6-8 June 2005. The following report provides an overview of the Preparatory Conference's events, which involved discussions on experiences in the ENA region, a stakeholder panel on defining major issues, regional break-out groups, defining issues in thematic break-out groups, and meetings on issues consolidation for the informal outputs of the Conference. The report is organized into summaries of each of the eight sessions from the meeting.

OPENING STATEMENTS

On Monday, 6 June, Valery Roshupkin, Federal Forestry Agency of Russia, emphasized the importance of the global issue of illegal logging, and recalled the G8 role in bringing prominence to the problem. He reiterated Russia's commitment to combatting illegal logging, and informed the meeting about national measures, particularly the discussion of a new Forest Code by the State Duma (Russian Parliament), and progress made in monitoring forests using remote sensing.

Kristalina Georgieva, World Bank Country Director for Russia, stressed that ENA is one of the most significant regions in terms of SFM. She focused on regional and national initiatives, the significance of the FLEG process, and the contribution made by the World Bank.

Nikita Bantsekin, Ministry of Natural Resources of Russia, commented on the

COFO-17: The Food and Agriculture Organization (FAO) Ministerial Meeting on Forests and the seventeenth session of the Committee on Forestry (COFO-17) were held in Rome, Italy, from 14-19 March 2005. The meetings attracted over 600 participants from governments, intergovernmental organizations and NGOs. COFO-17 was also the stage for twenty-one side events, which covered a range of topics, including forests and conflict, the role of civil society in implementing NPFs, international cooperation on forest fires, forests and climate change, forest law and compliance, and the integration of forestry into the New Economic Partnership for Africa's Development.

In the Ministerial Statement, ministers committed themselves to, *inter alia*: improving forest management and intersectoral cooperation; enhancing regional and international cooperation to achieve sustainable forest management (SFM); enhancing the contribution of SFM to implementing the Millennium Development Goals (MDGs); and improving domestic FLEG. During COFO-17, illegal logging and FLEG-related topics were discussed among delegates during sessions, including on "Regional Forestry Commissions in Action" and during an International Tropical Timber Organization (ITTO) side event on "Forest Law Compliance," where delegates discussed the FAO/ITTO draft document on best practices for improving law compliance in the forest sector.

UNFF-5: The fifth session of the United Nations Forum on Forests (UNFF-5) was held at UN Headquarters in New York, from 16-27 May 2005. The main task before UNFF-5 was to review the effectiveness of the international arrangement on forests (IAF) and redesign it, if necessary. UNFF-5 was unable to reach agreement on strengthening the IAF and could not produce either a ministerial statement or a negotiated outcome. By Thursday, 26 May, delegates had agreed *ad referendum* to four global goals on: significantly increasing the area of protected forests and sustainably managed forests worldwide; reversing the decline in official development assistance for SFM; reversing the loss of forest cover; and enhancing forest-based economic, social and environmental benefits. They also agreed in principle to negotiate, at some future date, the terms of reference for a



Kristalina Georgieva, Country Director of the World Bank Moscow Office



dynamics of ENA FLEG, called on the Preparatory Conference to elaborate practical and effective mechanisms to address illegal logging, and updated participants on preparations for the Ministerial Conference in St. Petersburg in late 2005.

Gerhard Dieterle, Agriculture and Rural Development Department of the World Bank, highlighted the role of the ISC in providing guidance to ENA FLEG and the Preparatory Conference. He said the meeting is designed to encourage an exchange of views, and will define the parameters of the upcoming Ministerial Conference.

Jürgen Blaser, Co-facilitator of the ENA FLEG and Forest-Environment Sector of Intercooperation in Switzerland, presented an overview of global forest governance and specific issues in the ENA process, setting the context of law enforcement and governance across FLEG regions. Noting the scale of suspicious or illegal timber trade and associated revenue loss, he outlined six major areas of concern for FLEG: unauthorized forest conversion and tenure issues; livelihood issues; illegal activities by operators; timber theft, smuggling and illegal trade in wood and non-wood forest products; money laundering and manipulation of financial accounts; and corruption.

Jag Maini, Co-facilitator of the ENA FLEG and Consultant from Canada, presented the goals and objectives for the ENA FLEG Ministerial process, noting the importance of finding common goals and objectives in a diversity of contexts, the need to seek strong political commitment and follow-up, and the significance of establishing meaningful partnerships with other stakeholders. Maini indicated that key aspects of a committed process include: the recognition that illegal logging is a worldwide problem; an emphasis on national roles and responsibilities; definition of issues, in particular, a working definition of illegal logging; the value of consultations and collaboration with diverse stakeholders; and communication of follow-up actions.



Dmitry Churyko, Ilim Pulp Enterprise

John Hudson, UK Department for International Development, explained the G8 Communiqué on Illegal Logging, drafted by the G8 Environment and Development Ministers. Noting that the statement was intended to provide a new political impetus, he said the joint statement committed the G8 to a range of different actions at the national level.

He noted that the UK government will report on the outcomes of the upcoming G8 summit, with due regard to the Russian Federation's G8 Presidency in 2006.

Tachir Fathoni, Ministry of Forestry of Indonesia, provided an overview of the EAP FLEG process and Indonesia's lessons learned on FLEG. He recalled a decision



Jürgen Blaser, ENA FLEG Co-facilitator

to hold a second ministerial meeting to review the progress on implementation of the 2001 Bali Declaration, an outcome of the EAP FLEG Ministerial. Fathoni indicated that actions from the EAP FLEG initiative include, *inter alia*: a comprehensive verification system that can differentiate between legal and illegal timber sources; bilateral agreements with the UK, Norway, Japan, China and South Korea; and listing forest crimes as an offence in Indonesian anti-money laundering legislation.

EXPERIENCES IN THE ENA REGION

PRACTICAL EXPERIENCES: On Monday afternoon, 6 June, Dmitry Chuyko, Ilim Pulp Enterprise of Russia, reported on experiences in Northwest Russia, a key forest producing region. Noting that FLEG should comprehensively address forest issues, he highlighted enabling access to markets, new technologies such as satellite monitoring, voluntary certification, labelling, licensing of private enterprises and law enforcement as key instruments to combat illegal logging.

Tapani Oksanen, Savcor Indufor of Finland, summarized experiences in low-income ENA countries. He said all ten countries surveyed suffer from chronic imbalance in the legal domestic timber supply and demand, disruption of energy supplies, and are affected by corruption and lack of transparency. He also presented suggestions on ways to strengthen FLEG in low-income countries, including: revising current forest policies; tackling high-level corruption; and closing the gap between the legal supply of and demand for timber.

Dolores Beloretchka, National Forestry Board at the Ministry of Agriculture and Forestry of Bulgaria, reported on national actions to combat illegal logging, and informed the meeting about a recent regional Balkan workshop in support of the ENA FLEG.

Emilja Bibolli, Directorate General of Forests and Pastures of Albania, drew delegates' attention to favorable trends in Albania's national situation with regard to illegal logging, and explained the functions of the relevant inter-ministerial commission.

Tomasz Wójcik, General Directorate of the State Forests of Poland, focused on the experience of his country as a new EU Member State. He described the Polish situation with forest ownership, illegal logging and theft of forest products, and explained legislation and procedures employed for combating criminal practices.



Nalin Kishor, World Bank

On Tuesday, 7 June, Zhang Lei, State Forestry Administration of China, presented on the national situation with illegal logging and the government's commitment to combating the practice, and called on countries to contribute to definitions and criteria to help restrict illegal logging and trade. She also noted that additional trade barriers would run counter to WTO rules.

Sophiko Akhobadze, Deputy Minister of Environmental Protection and Natural Resources of Georgia, focused on the crucial role of forests in her country, including as a major fuel source. She referred to widespread illegal logging, compounded by the lack of proper legislation as well as corruption and uncertain statistics, and emphasized the need to expand regional cooperation.

SAMPLING OF ISSUES: On Monday afternoon, 6 June, Janis Birgelis, Ministry of Agriculture of the Republic of Latvia, referred to new national legislation and regulatory frameworks, and argued for maintaining the established forest practices, defining the functions of the state, and establishing balance between private and public rights.

Anatoly Petrov, All-Russia Institute for Continuous Education in Forestry, focused on problems encountered in the country's continuing transition to a market economy. He emphasized the need to create a balance of powers and functions between the federal and the subject (local) levels in the Russian Federation, establish a dialogue with business, with the latter assuming most functions, except control. He argued for educating the private sector and assuring transparent financial flows, and cautioned against haste in privatization.

Nalin Kishor, Agriculture and Rural Development Department of the World Bank, introduced forest governance, institutions and livelihoods, stressing the centrality of forests to poverty reduction. Noting major changes in European state forest management over the past decade, he outlined specific challenges faced by the ENA region, *inter alia*: the overall transition phenomenon; restitution of forest lands; decentralization; corruption; and biodiversity conservation.

Lars Laestadius, World Resources Institute, analyzed information and transparency issues in forest governance and practice. He highlighted the need for: promoting transparency and openness of information; cooperation among stakeholders to cut costs and heighten the credibility of information; monitoring through the use of modern technologies; and dual focus on product and process in forest management.

John Bazill, European Commission, presented the EU initiatives to combat illegal logging, in particular its Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT), which encompasses development cooperation, public procurement, voluntary partnerships, investment and purchasing policies, and legislative options.

STAKEHOLDER PANEL: DEFINING MAJOR ISSUES

On Monday afternoon, 6 June, Co-facilitator Maini opened the stakeholder panel on defining major issues of concern to particular groups of stakeholders. Mikhail Tarasov, Metsäliitto Group, on behalf of Industry, presented Metsäliitto's experience in ensuring legality of wood in Russia, including tracing and verification of wood origin. He stressed the critical importance of good legislation and law enforcement; the major role of the state as the only forest owner; and the need to better target illegal operators.

Speaking as part of the NGO community, Mikhail Karpachevsky, Taiga Rescue Network, said civil society groups request proactive involvement in the ENA FLEG Ministerial Conference process, from preparations to follow-up implementation. He said specific mechanisms for public involvement should be established to take into account public opinion and concern when making decisions on forest issues, and called for establishing an efficient national forest guard service with an appropriate geographical structure and staff.

On behalf of the NGO community, Kenichi Nakazawa, Friends of the Earth Japan, discussed timber trade and its environmental impacts from the perspective of NGOs, drawing attention to Japan's Fair Wood campaign to help remove illegally or unsustainably produced wood products from markets. Noting that Japan is a major destination for unsustainably harvested timber, Nakazawa said timber trade liberalization is accelerating exploitation of natural high-value forests in exporting countries.



Kenichi Nakazawa, Friends of the Earth Japan



On behalf of consumer and trade organizations, Karin Wessman, Global Forest and Trade Network and WWF, stressed the role of governments as major forest resource owners, and consumers and stakeholders in the social agenda, and suggested that they could drive demand through public procurement policies.

Speaking for verification and certification organizations, Andrey Zakharenkov,

Khabarovsk Forestry Research Institute of Russia, reported on an independent verification and certification partnership in the Khabarovsk Krai region, which performs verification of origin and legal compliance for validating legal timber.



Karin Wessman, WWF

REGIONAL BREAK-OUT GROUPS

On Tuesday morning, 7 June, four regional break-out groups reported each group's outcomes to the plenary session. The four groups were clustered around the following areas: North-East Asia; Central Asia, Caucasus, and South-East Europe; the Enlarged EU cluster; and North-East Europe. Prior to reporting to the plenary session, each group met in individual break-out sessions to define the major FLEG issues for each cluster, and identify any possible actions to address them. The following summarizes the reports by the moderators or rapporteurs on each group's outcomes.

NORTH-EAST ASIA CLUSTER: Rapporteur Nalin Kishor, World Bank, reported on outcomes of the North-East Asia cluster, which focused on the situation in the Russian Far East. He said the group, moderated by Evgeny Kuzmichev, identified socioeconomic processes that fuel illegal logging such as high rates of unemployment and migration from the region, as well as high demand for timber from neighboring China and Japan. Kishor said the group devised suggestions on how ENA FLEG outcomes may help remedy the situation in the region, including by: promoting transparency of customs information; imposing trade sanctions for illegal timber imports and exports; using voluntary certification; monitoring domestic illegal timber trade; raising consumer awareness; encouraging community participation; and respecting the rights of indigenous and local communities.

CENTRAL ASIA, CAUCASUS, AND SOUTH-EAST EUROPE CLUSTER: Moderator Dolores Belorechka, National Forestry Board at the Bulgarian Ministry of Agriculture and Forestry, provided the report for the group. She highlighted four major recommendations, which were compiled by Rapporteur Tapani Oksanen, emerging from the group discussion: strengthen the rule of law; improve existing forest institutions; create economic alternatives for poor people; and establish an international forest and timber trade monitoring methodology and system, accessible to all national and international stakeholders.

She noted that these outcomes were based on problems identified by the group, such as weak law enforcement, unemployment and lack of resources in the rural areas, and forest crime and corruption.

ENLARGED EU CLUSTER: Janis Birgelis, Ministry of Agriculture of Latvia moderated this group and Daniela Göhler served as rapporteur. Birgelis said that the group highlighted: the importance of clear and simple legislation; common understanding of definitions and scope of illegality; information sharing and exchange of experiences among all stakeholders; capacity building of forest owners, civil society and government; and traceability of the origin of imported timber.

NORTH-EAST EUROPE CLUSTER: The outcome of discussions was reported by Moderator Anders Portin, Ministry of Agriculture and Forestry of Finland and the group's rapporteur was Laura Ivers, World Bank. Portin said the group decided to highlight four key areas: a common definition and understanding of illegal logging, which would embrace severity of violations and their classification; environmental and sustainable development aspects; trade, including the problem of incentives; data and information, in particular, the need for comprehensive, comparable and accurate data, and building a unified database. Finally, he noted the group's call for greater civil society involvement, which would cover the interests of local communities, the role of civil society, and public participation in decision making and verification.

THEMATIC BREAK-OUT GROUPS

On Tuesday afternoon, 7 June, reports were given by moderators and rapporteurs of the thematic break-out groups. The four break-out groups on information and transparency, institutions, legislation and law enforcement, enterprise and forest management, and forest governance and livelihoods, met individually prior to a joint plenary session. Each group identified major FLEG issues related to each theme and possible actions to address them. The following summarizes each group's report given during the plenary session.

INFORMATION AND TRANSPARENCY: Moderator Andrey Kushlin, World Bank, and Rapporteur Lars Laestadius, World Resources Institute, explained seven areas that drew the group's interest: reviewing definitions of confidentiality rules regarding commercial and state information; sharing information and establishing compatible information standards; dividing responsibilities between government and private sectors; timing and cost of developing information systems; tracing the origin of wood and its movements, and making custom information compatible; arranging a



Dolores Belorechka, National Forestry Board at the Bulgarian Ministry of Agriculture and Forestry

common voluntary forum for sharing data, cross-validation, verification and public reporting; and financing. In the brief discussion that followed several points were made, in particular on the reasons for reluctance to provide information, and the different types of violations.

INSTITUTIONS, LEGISLATION, AND LAW

ENFORCEMENT: Moderator Victor Teplyakov, IUCN, presented the group's recommendations, which include, *inter alia*: amending legislation with a view to simplifying and harmonizing it nationally and regionally;

ensuring access to justice and information; promoting international and cross-sectoral cooperation and partnerships; developing a system of economic incentives and sanctions to ensure SFM; and nurturing good governance frameworks. He said the group's rapporteur was Malgorzata Buszko-Briggs. The group identified opportunities to improve law enforcement, such as addressing the root causes of illegal logging, partnering with anti-money-laundering institutions, and creating legislative incentives.



Eva Müller, Food and Agriculture Organization

ENTERPRISE AND FOREST MANAGEMENT: Moderator Bob Kirmse, World Bank, noted that the group focused mostly on forest industry and that quite a few industry representatives were absent because of a concurrent conference being held in Japan, and thanked Elena Kulikova, WWF Russia, for serving as the group's rapporteur. He said the group suggested adopting a realistic definition of illegal logging, ensuring reliable and transparent information and statistics, applying certification and log-tracking, creating incentives for small and medium-sized companies, respecting private property rights, and enhancing education efforts. Regarding the private sector's participation in the ENA FLEG process, Kirmse noted the group's discussion on the existing approaches to ensuring participation in the process, including through government-private sector consultations and NGO facilitation.

FOREST GOVERNANCE AND LIVELIHOODS:

Rapporteur Serguei Milenin, World Bank, noted the group discussed issues related to forest management and sustainable livelihoods, and was moderated by John Hudson, UK Department for International Development. Milenin explained the group's three major conclusions: policies and administrative arrangements should change in many countries, so that access to forest resources for the poor is not lost; there is a need to further define the roles and responsibilities of those actors working in the field of forest management, which may involve limiting the role of the state; and local communities and indigenous peoples should not be criminalized for forest resource use, which can be prevented for instance by ensuring forest access and user rights.

INTEGRATION WITH EXISTING PROCESSES

On Tuesday afternoon, 7 June, ENA FLEG Co-facilitator Maini gave an overview of FLEG as an intergovernmental process, focusing on its expected outcome, structure and follow-up activities. Noting experiences in FLEG processes in Africa and East Asia-Pacific, he said the key objective of a Ministerial Declaration is to seek political commitment to address illegal logging and associated FLEG issues. He said the ENA FLEG Preparatory Conference will deliver the key elements of the draft Ministerial Declaration and an indicative list of actions that will be fine-tuned through consultations and initial negotiations prior to the Ministerial Conference, where they will be approved by ministers. He highlighted the need to connect the forest agenda to overall human well-being and other political commitments such as the MDGs. Maini also noted follow-up activities, including: the indicative list of actions; goals and targets; national implementation; and cross-border law enforcement.

In the discussion that followed, participants focused on, *inter alia*: stakeholder participation; the ISC role; the status of the Preparatory Conference outcome; and the scope and timeline of negotiations.

Eva Müller, FAO, outlined FAO's activities of relevance to FLEG, noting a series of expert meetings at regional and global levels, FAO's support to member countries, and the March 2005 Ministerial Meeting on Forests and COFO-17. She highlighted the FAO/ITTO Best Practices for Improving Forest Law Compliance as a strategic approach to combat illegal logging, and offered FAO's support to FLEG, including organizing a workshop on best practices implementation in the ENA region.

Malgorzata Buszko-Briggs, the Ministerial Conference on the Protection of Forests in Europe (MCPFE) Liaison Unit, reported on MCPFE goals, structure and role as a high-level political initiative and forum dedicated to the implementation of SFM, and on its growing link to the FLEGT process.

Victor Teplyakov, IUCN, focused on the multi-stakeholder preparatory process and lessons learned from the EAP FLEG, AFLEG and the ENA FLEG in Russia, in particular, the need to involve civil society and all relevant government departments.

Alexei Naumov, IKEA, explained work done by his company on tracing wood sources, cooperating with WWF on illegal logging, and providing informational guidance and educational materials to the public and private sectors.



Victor Teplyakov, IUCN

ISSUES CONSOLIDATION

On Wednesday morning, June 8, two draft texts prepared overnight by the Conference Co-facilitators Blaser and Maini were distributed to participants: "The Structure of the St. Petersburg Declaration" and "Elements for the ENA FLEG Indicative List of Actions." The Conference then broke into two



discussion groups, one for government delegates and another for industry, civil society and other stakeholders.

GOVERNMENT DELEGATES GROUP: In the government delegates' discussion group, Maini presented the papers and asked for comments, noting that the texts tabled were "skeleton" in form, with bullet points that will be redrafted into a flowing text at a later stage. Delegates commented on the papers and made structural and textual proposals and additions.

Governments made suggestions on the draft Declaration paper to: focus the text on law and governance issues and reserving concrete actions for the indicative

list; describe the FLEG process, while cautioning against using it as a trade barrier; refer to other forest-related processes and conventions; articulate the driving forces behind illegal logging; suggest a broad definition of illegal logging; refer to ensuring fair competition and transparency in the forest sector; mention knowledge sharing and capacity building; and add reference to the Aarhus Convention.

Governments' proposals on the "Indicative List of Actions" paper included: having a short preamble; detailing the data required; creating transparent databases on forest users; financial support for databases; adding forest inventories; referring to mechanisms for protecting competition; strengthening the rule of law; elaborating trade incentives to ensure legality; spelling out certification procedures; promoting an enabling climate to attract private investment; and referencing forest rights of indigenous peoples.

Maini thanked the participants for input, and said the Secretariat will continue working on the drafts for presentation to government officials in preparation for the St. Petersburg Ministerial Conference.

INDUSTRY, CIVIL SOCIETY AND OTHER

STAKEHOLDERS: Co-facilitator Blaser introduced and participants examined the draft structure of the St. Petersburg Ministerial Declaration and elements for the ENA FLEG indicative list of actions, with a view to contributing stakeholders' views to the negotiating governments. They highlighted the need to: better define the scope of the Ministerial Declaration; distinguish the ENA region from other FLEG regions; make a clear distinction between subsistence and large-scale illegal logging; underscore lack of transparency as a key contributor to forest crime; articulate social, economic and environmental benefits of SFM; broaden participation at the Ministerial

Conference to include other relevant officials such as trade and customs ministers; encourage trade and financial incentives for SFM; and harmonize national legislation around the principle of sustainable use. Some Russian NGOs expressed concern about sufficient opportunities to comment on the draft Ministerial Declaration and indicative list of actions and the overall involvement of civil society in the ENA FLEG process, and suggested appointing an ENA FLEG ombudsman as a possible *modus operandi* for conflict resolution.

JOINT SESSION: On Wednesday morning, 8 June, participants convened in a plenary session to hear reports from the government delegates and industry, civil society and other stakeholder groups.

Structure of the St. Petersburg Declaration: Kuzmichev, Co-facilitator of the government delegates' group, reported on the group's discussion of the draft "Structure of the St. Petersburg Declaration." He noted the excessive length of the papers, and that governments agreed not to engage in a drafting exercise. He indicated that, in principle, governments accepted the content of the Declaration and referred to their suggestions, including that the preambular text should mention other FLEG processes and list a few objectives.

Blaser, Co-facilitator for the industry, civil society and other stakeholders group, said the group stressed, *inter alia*, the importance of including objectives in the preamble that highlight the significance of forests and other FLEG processes, the number of issues included in various sections was not balanced, and the scope of the document and terminology needs to be clarified. On behalf of NGOs and Industry, WWF reminded that the group also suggested including references to using incentives to promote legal operations in the forestry sector.

Elements for the ENA FLEG Indicative List of Actions: Kuzmichev explained government delegates' reactions, noting that concern was expressed on the structure of the indicative list of actions. He noted that governments debated whether to rank the list of issues, and that certain elements captured in the paper should be included in a preamble to the text.

Maini, Co-facilitator of the government delegates' group, said governments also highlighted the importance of compressing the list of actions to make it more politically attractive. He cautioned participants against political minefields, such as current references in the document that governments should recognize



Jag Maini, ENA FLEG Co-facilitator



Left to right: Valery Roshupkin, Head of Federal Forestry Agency, Russian Ministry of Natural Resources, Nikita Bantsekin, Russian Ministry of Natural Resources, and Evgeny Kuzmichev, Forest Project, Russia

local forests as community forests. Maini indicated that delegates recommended references to updating legislation, consolidating trade-related issues, and that more information on indigenous peoples and forest dwellers should be reflected in the document. Maini and Hudson noted the importance of having a concise list of strategic actions, as a way to increase commitment from Ministers to the Conference outputs.



Ke Du, Global Environmental Institute of China

Teplyakov, Co-facilitator for the industry, civil society and other stakeholders group, reported on his group's discussion, noting the often divergent views of civil society and governments. He indicated that the group proposed supplemental action points, including on the definition of illegal logging and utilization of logs, data, information and transparency, and legislation and institutions.

CLOSING SESSION

On Wednesday afternoon, 8 June, Blaser invited Ke Du, Global Environmental Institute of China, to deliver a statement on behalf of the participating stakeholders. Du voiced stakeholders' support for the ENA FLEG process, expressed the conviction that input from civil society will benefit dialogue with governments, and called for clarifying arrangements for stakeholder participation in the Ministerial Conference.

Blaser and Dieterle gave a brief overview of the St. Petersburg Ministerial Conference. They explained that the Conference, tentatively scheduled for 22-25 November 2005, in St. Petersburg, Russia, will comprise two and a half days of technical discussions and negotiations, include a ministerial segment, as well as parallel events organized by various stakeholders.

They noted that in the run up to the Ministerial Conference, the Co-facilitators for the Preparatory Conference will continue work on the "building blocks" of the Ministerial Conference outcome, and the ISC will review any work in progress. Blaser and Dieterle said new text is expected to be put on the website by 5 August, and thus be in the public domain. After this time, they noted government negotiators will take over, completing their internal review process by 9 September, and will coordinate with the facilitators on further drafting of text for the Ministerial Conference. A videoconference of the ISC will be convened, and the ISC may meet on 15 November during the MCPFE illegal logging workshop.

Dieterle then explained the NGO self-selection process suggested by the ISC, to be conducted through IUCN. He noted that a similar process might be proposed for the private sector, with emphasis on regional representation.

Maini replied to several questions on further NGO input to the negotiating process, stressing that at some point governments have to take over, but civil society may continue influencing the process by working with national delegations.

In response to other questions, the Co-facilitators said that only three brief national reports from the ENA region were presented to the Secretariat and that the Ministerial Conference needs additional funding. Valery Roshupkin, Russian Ministry of Natural Resources, explained to a Russian NGO that civil society involvement in further national deliberations will be decided by the government.

Dieterle congratulated participants on a successful outcome of the Preparatory Conference, noting progress made in developing a common view on addressing FLEG issues in the region. He expressed hope that the Ministerial Conference will adopt a draft Declaration and the indicative list of actions and that these key documents will be implemented nationally. He thanked organizers, staff and participants for their helpful contributions over the three-day meeting.

Roshupkin thanked all participants for the important work done, highlighting valuable input from civil society and the private sector, which will serve as the basis in preparing the Ministerial Conference outputs. He also said that FLEG issues will be taken forward during Russia's upcoming G8 Presidency. He invited all participants to St. Petersburg and closed the ENA FLEG Preparatory Conference at 16:45.



Gerhard Dieterle, Agriculture and Rural Development Department of the World Bank

UPCOMING MEETINGS

ITTC-38: The 38th Session of the International Tropical Timber Council (ITTC) and Associated Sessions of the Committees will convene in Brazzaville, Congo, in June 2005. Participants will take part in site visits and Council sessions on 19 June; 20 and 21 June will comprise all-day Council sessions; and a special event on the Congo Basin Partnership will be held on 22 June. For more information contact: Manoel Sobral Filho, Executive Director, ITTO; tel: +81-45-223-1110; fax: +81-45-



223-1111; e-mail: itto@itto.or.jp; Internet:

<http://www.itto.or.jp/live/PageDisplayHandler?pageId=189>

THIRD PART OF THE UN CONFERENCE ON THE NEGOTIATION OF A SUCCESSOR AGREEMENT TO THE INTERNATIONAL TROPICAL TIMBER AGREEMENT, 1994:

The Third Part of the UN Conference on the Negotiation of a Successor Agreement to the International Tropical Timber Agreement, 1994, is scheduled to convene in Geneva, Switzerland, from 27 June to 1 July 2005. 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>

G8 SUMMIT: The G8 Summit, which will convene from 6-8 July 2005 in Perthshire, UK, will have two key themes: Africa and climate change. G8 Ministers will also review the G8 Environment and Development Ministerial Declaration on tackling illegal logging, an output of the G8 Environment and Development Ministers meeting in Derby, UK, from 17-18 March 2005. Internet: <http://www.g8.gov.uk>

STAKEHOLDER CONSULTATION ON ILLEGAL LOGGING: The next Chatham House illegal logging update and consultation meeting will be held on 27-28 July 2005 in London, UK. For more information, contact: Sustainable Development Programme, RIIA, Chatham House; tel: +44 (0) 20 7957 5711; fax: +44 (0) 20 7957 5710; e-mail: illegal-logging@riia.org; Internet: <http://www.illegal-logging.info>

XXII IUFRO WORLD CONGRESS: This Congress of the International Union of Forest Research Organizations (IUFRO) will convene from 8-13 August 2005 in Brisbane, Australia, and will focus on "Forests in the Balance: Linking Tradition and Technology." As suggested by the Congress' theme, its organizers hope to: create an interest amongst all stakeholders with an interest in forests and process technology; reflect the importance of tradition and technology, including the increasing importance of indigenous knowledge; and recognize the role of indigenous peoples not only as residents, but also increasingly as future land managers. For more information contact: Congress Manager, PO Box 164, Fortitude Valley QLD 4006, Australia; tel: +61-0-7-3854-1611; fax: +61-0-3854-1507; e-mail: iufro2005@ozacomm.com.au; Internet: <http://www.iufro2005.com>

UN MILLENNIUM REVIEW SUMMIT: The Millennium +5 Summit will convene at UN Headquarters in New York, from 14-16 September 2005. It is expected to undertake a comprehensive review of the progress made towards the commitments articulated in the UN Millennium Declaration, including the internationally agreed development goals and the global partnership required for their achievement. In addition, the event will review progress made in the integrated and coordinated implementation of the outcomes and commitments of the major UN conferences and summits in the economic, social and related fields. For more information, contact: Office of the President of the General Assembly; tel: +1-212-963-2486; fax: +1-212-963-3301; Internet: http://www.un.org/ga/59/hl60_plenarymeeting.html

INTERACTIVE FOREST & NATURE POLICY IN PRACTICE - MANAGING MULTI-STAKEHOLDER LEARNING IN SECTOR-WIDE APPROACHES AND NATIONAL FOREST PROGRAMMES: This course, which will meet from 12 September 2005 to 1 October 2005 in Wageningen, the Netherlands, aims to provide participants with insights, knowledge and skills for designing and managing interactive policy development and implementation processes in forest and nature management. For more information contact: International Agricultural Centre (IAC); tel: +31-317-495-495; fax: +31-317-495-395; e-mail: training.iac@wur.nl; Internet: <http://www.iac.wur.nl/>

ITTC-39: The 39th Session of the ITTC and Associated Sessions of the Committees will convene in Yokohama, Japan from 7-12 November 2005. For more information contact: Manoel Sobral Filho, Executive Director, ITTO; tel: +81-45-223-1110; fax: +81-45-223-1111; e-mail: itto@itto.or.jp; Internet: <http://www.itto.or.jp/>

WORKSHOP ON COMBATING ILLEGAL HARVESTING OF FOREST PRODUCTS AND RELATED TRADE IN EUROPE: Tentatively 14 November – 15 November 2005. Final date and venue to be announced. This workshop will be based on a scientific report with an analysis of available information on illegal harvesting and related trade in Europe, and will contribute to the elaboration of a common pan-European understanding of terminology used in relation to the topic. For more information, contact: MCPFE Liaison Unit; tel: +48-22-331-7031; +48-22- 331-7032; e-mail: liaison.unit@lu-warsaw.pl; Internet: <http://www.mcpfe.org/>

EUROPE AND NORTH ASIA FOREST LAW ENFORCEMENT AND GOVERNANCE MINISTERIAL MEETING: This meeting is expected to convene in St. Petersburg, Russian Federation, tentatively 22-25 November 2005. The meeting will contribute to a full-fledged FLEG process for Europe and North Asia. For more information contact: Nalin Kishor; tel: +1-202-473-8672; fax: +1-202-522-1142; e-mail: nkishor@worldbank.org; Internet: <http://lnweb18.worldbank.org/ESSD/ardext.nsf/14ByDocName/ForestGovernanceProgramEuropeandNorthAsiaForestLawEnforcementandGovernance>



Participants at the Europe and North Asia Forest Law Enforcement and Governance Conference