



ENA-FLEG HIGHLIGHTS: TUESDAY 22 NOVEMBER 2005

On Tuesday, delegates to the Europe and North Asia Forest Law Enforcement and Governance (ENA-FLEG) Ministerial Conference convened in morning Plenary to hear opening statements and status reports on the ENA-FLEG process and on the Ministerial Declaration (MD) and the Indicative Action Plan (IAP). In the afternoon, delegates met to negotiate the MD and IAP. In a parallel session, the civil society and industry dialogue (CSID) convened to discuss the MD and IAP and develop key messages for the joint session with government negotiators.

OPENING SESSION

Co-Chair Valery Roshchupkin, Head, Forestry Agency, Russia, opened the conference 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; 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, presented 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 illegal logging and trade. He outlined the economic, social and environmental impacts of commercial and poverty-driven illegal logging.

He summarized the key forest governance issues, including: regulatory frameworks and quality; forest policy and legislation; availability and reliability of data; and law enforcement.

Oksanen then 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.

Jürgen Blaser (Switzerland), ENA-FLEG Co-Facilitator, gave an overview of the ENA-FLEG process, highlighting the work of the Steering Committee, the drafting of elements for the MD and IAP, the Ministerial Conference, and the implementation phase.

Jag Maini (Canada), ENA-FLEG Co-Facilitator, then summarized the MD and IAP, noting that both stress national sovereignty and implementation, and are the result of extensive input from governments, civil society and industry.

Gerhard Dieterle (Germany), Co-Chair of the Ministerial Conference, presented the conference agenda, explaining the parallel processes of intergovernmental negotiations and the CSID. ENA-FLEG 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 civil society and industry component would be updated on the progress of negotiations twice daily, thus "building bridges" between the two parallel processes. He also said that a follow-up to the conference is expected in the framework of the G8 and the UNFF.

Gary Dunning, The Forests Dialogue, 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 IAP should promote direct action against illegal activities and avoid licensing and procurement policies as the main 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.

INTERGOVERNMENTAL NEGOTIATIONS SESSION

Jag Maini, Jürgen Blaser, Viktor Teplyakov (Russia) and Elena Kulikova (Russia) co-facilitated the afternoon intergovernmental negotiation session.

Responding to Co-Facilitator Maini's call for general comments, delegates welcomed the draft MD and IAP as a starting point for further negotiation. Several representatives commended its structure and content. Suggestions were made, in particular, on: reducing the length of the document; explaining its geographical 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, possibly through officials' and ministerial-level meetings.

Delegates further highlighted the need to: harmonize reporting and monitoring requirements; focus on region-specific problems; give a more prominent implementation role to the private sector and other stakeholders; and recognize that accelerated forest degradation in the region is also due to climate change and unsustainable practices in other sectors such as agriculture, mining and construction.

During the first reading of the draft MD, which was done paragraph by paragraph in English with reference to the Russian version, one delegation proposed appending a list of countries covered by the ENA region. It also suggested amending the paragraph on updating forest rules and legislation to exclude mention of "internationally recognized" norms for trade in forest products.

Delegates debated language referring to indigenous peoples, local and forest-dependent communities, citing limitations of national legislation and international obligations. Two countries voiced their reservation on the use of terms "indigenous peoples," "customary rights" and "forest-dependent communities." Another country proposed reference to the rights of forest-related communities.

On strategy for addressing underlying causes of illegal logging, delegates discussed replacing "protection" by "unauthorized exploitation" in relation to protected 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 agreed to add a reference to NGOs in the paragraph on stakeholder engagement.

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 application of internationally recognized principles to combat organized crime was also highlighted. Promotion of tracking systems was suggested, but this was met with an objection.

On strengthening regional cooperation, delegates agreed to stress the need to use, as much as possible, existing structures, and to add a reference to forest governance.

They also debated language in the paragraph on partnerships with the private sector. Suggestions included: replacing "partnerships" with "cooperation," broadening the list of partners to include forest owners and logging companies, and clarifying the notion of illegal transport.

CIVIL SOCIETY AND INDUSTRY DIALOGUE

Gary Dunning, The Forests Dialogue, chaired the CSID. He said the focus of the CSID was to develop a joint industry-civil society consensus statement on the MD and IAP. Bernard de Galembert, International Council of Forest and Paper Associations, said that efforts to combat illegal logging should not burden legal producers, and noted that the CSID could identify measures acceptable to both industry and civil society. One participant emphasized the need to focus on identifying elements of the MD and IAP acceptable to both industry and civil society, identifying respect for national sovereignty, gradual implementation, improved data collection and information exchange, and product labelling.

A representative of 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 IAP. Another participant noted the importance of business in combating illegal logging.

Chair Dunning then suggested the CSID use The Forests Dialogue's recommendations to the MD and IAP as a basis for discussion. One participant offered language on the importance of modern forest education. Another stressed the importance of precisely defining "illegality" to ensure a common understanding of the problem, and said trade issues should be addressed in both the MD and the IAP. Another participant said a series of key indicators should be internationalized, and supported establishing a Russian *ad hoc* group to discuss a NAP for Russia.

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 to hear reports of the two contact groups.

An industry representative reported that his group proposed, *inter alia*: defining the concept of governance; consistency between existing forest regulations and other laws and policies; promotion of free trade; sustainable use of forest resources; and promotion of 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; education and research in forestry aimed at solving problems related to FLEG; and national education plans which address issues relevant to the FLEG process.

JOINT SESSION

A small delegation of government negotiators reported back to the CSID, noting that most problems were related to the IAP. Some concerns raised in the intergovernmental negotiations session included a lack of clarity about the follow-up process, addressing problems jointly between consumers and producers, the contribution of the private sector, and national and international targets and timeframes.