

PRCCEDINGS OF THE APFNET WORKSHOP ON ENHANCING FOREST GOVERNANCE FOR ASIA AND THE PACIFIC IN THE CONTEXT OF TIMBER LEGALITY VERIFICATION



**2-13 JULY 2015
KUNMING CITY
YUNNAN PROVINCE, CHINA**

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CHAPTER 1

BACKGROUND

Every year, a significant proportion of the world's timber is harvested, transported, processed and traded in violation of the forestry laws of the countries from where the forestry activities took place. Illegal logging and its associated timber trade have far reaching multi-dimension consequences, including loss of biodiversity and habitats, political instability, increasing income disparities and market distortions. It is particularly troubling that developing economies, where millions of poor and vulnerable communities depend on forests for livelihoods and security, are at risk from being harmed economically and ecologically by deforestation and degraded forest resources.

With the view of regulating the international trade in timber and forest products, in addition to improving forest resource management, tremendous endeavors have been made at the international community level, as well as regional and domestic levels, through political processes and technology advances, among which, verification of legally sourced timber and forest products has now drawn much attention and gaining more popularity.

Government promotion of legality verification systems (such as Timber Legality Assurance System {TLAS} under the EU FLEGT VPA process, and legislations such as the Lacey Act Amendment and the EU Timber Regulation), and the application of third party certification and verification tools (such as Rainforest Alliance's VLO and VLC systems) aimed at halting illegal logging, to some extent, are advancing forest governance reforms. This is especially the case in relation to improvements in legal and policy frameworks for forestry, and institutional adjustments in related sectors, particularly those sectors whose activities directly or indirectly cause or contribute to unsustainable forest management practices including and illegal logging and the associate trade.

The Asia Pacific, the most dynamic and diverse region, is home to half of the world's poor, and accounts for 53% of the global forested area, and 80% of the global trade in forest products. Thus there is huge potential for forestry to add value to the region's development.

Understand the role of timber legality verification and similar instruments in supporting reforms and improvements in forest governance and forest resources management in the region requires the sharing of updated information and discussion on possible ways of achieving synergy.

It is in this context that a training workshop on Enhancing Forest Governance for Asia and the Pacific in the Context of Timber Legality Verification was held. It was the 7th APFNet regular training under the theme of Sustainable Forest Resource Management.

The event was also a capacity building project, proposed by China and approved by the Experts Group on Illegal Logging and Associated Trade (EGILAT) under the APEC Framework, 2014.

INTRODUCTION

The APFNet Workshop on Enhancing Forest Governance for the Asia-Pacific Region in the Context of Timber Legality Verification, was held from 2nd to 13th July in Kunming City, Yunnan Province, in China.

The Workshop was attended by 16 participants from 11 economies within the Asia-Pacific Region, including a delegate from Chile. The list of Participants is at **Appendix 1**.



Opening of the Workshop

OBJECTIVES OF THE WORKSHOP

The Objectives of the Workshop were to:

- provide an overview of the *status quo* and challenges for forest resources management, forest governance, forest law enforcement and timber trade in the Asia-Pacific Region;
- provide a platform to discuss the timber legality issue, including the definition of legality, the linkage between legality and sustainability, systems and tools for legality verification and their advantages and disadvantages;
- provide an opportunity to share experiences on forest resources management and forest law enforcement, and discuss possible ways to assess and improve relevant policies, as well as legal and institutional frameworks that will help to strengthen forest governance; and
- discuss how to strengthen regional co-operation for better forest resources management, and promote the trade of legally-sourced timber and timber products in the Region.

The Workshop Program is at **Appendix 2**.



Sixteen participants from 11 economies including Chile attended the Workshop

WORKSHOP METHODOLOGY

It involved a combination of thematic lectures (keynote presentations); participants' presentations, Working Group discussions and field visits. The Working Group discussions provided the participants with the opportunity:

- to discuss further the various key issues identified by presenters in the thematic lectures;
- share their knowledge and experiences on these key issues among themselves; and
- formulate views and ideas which formed the basis for the conclusions and recommendations for the Workshop.

Participants formed themselves into three (3) Working Groups, based on the following two agreed criteria:

- balance among the participating economies; and
- gender balance.

The composition of the Working Groups is at **Appendix 3.**

Each Group nominated a spokesperson who presented the results of their discussion on their behalf. Six Working Group discussions were held. A summary of the Working Group discussions is at **Appendix 4.**

The report of the field trip is at **Appendix 5.**

The Workshop Evaluation report is at **Appendix 6.**

Nine keynote and thematic lectures were presented by various resource persons covering the following:

- a review of the status, issues and challenges of forest resource management in Asia and Pacific;

- the status, opportunities and challenges for timber and timber products market in the Asia-Pacific Region;
- core set principles that define legality and sustainability, including the relationship between them;
- systems and tools for verifying timber legality, including a review of the legislative processes (Laws, Acts, Bills and Regulations) within the Asia-Pacific Region;
- challenges of legal and political systems, focussing on historical developments of global sustainability and legality initiatives, as well as a review of the US Lacey Act, the EU's FLEGT Action Plan, the EU's Timber Regulation, Australia's Illegal Logging Prohibition Act, and an update of progress on processes for the supply and purchase of legal timber in Chile, Korea, PNG, Indonesia and Japan;
- an overview of initiatives and activities aimed at enhancing legal and policy systems and capacity building for better forest governance within the Region;
- improvements in forest governance in the Region to ensure security in forest tenure, effective land use planning and improved forest management involving mechanisms for effective stakeholder participation, accountability, transparency and monitoring;
- origins of chains of custody systems tools for managing, controlling and tracking them; and
- forestry development in the Yunnan Province, with particular emphasis on forest resources management for the Province's wood industries.

There were eleven participants' presentations from each of the participating economies. Presenters described the status of forest management and governance systems in their respective countries, as well as the structure and activities in their forest industries, and the progress towards legality and sustainability.



Participants reviewing the previous day's presentations

KEY CONCLUSIONS OF THE WORKSHOP

Based on participants' presentations and Working Group discussions, the participants agreed to the conclusions presented below.

Market status in the Asia-Pacific Region

- While the traditional markets of Europe, North America, Japan and Oceania are important for tropical timber producers in the Region, increasingly, due to the rapidly improving economies of some of the countries in the Region, as well as increasing south-south trade and inter- and intra- regional trade, the Asia-Pacific is emerging as the major consumer of tropical timber products globally.
- More than 80% of the international trade in tropical timber and timber products already occurs in the Region.
- China, India, Vietnam, Taiwan Province of China and the Republic of South Korea are among the major consumers in the Region.
- Malaysia, Indonesia, PNG are among the major suppliers of tropical timber and timber products in the Region.
- The major consumers in the Region have an important part to play in bringing about changes in forest governance that will help in addressing the issue of illegal forestry and the associated trade.
- The challenge for the Region is how to use market incentives provided by the trade in tropical timber and timber products, to encourage and support reforms in forest governance in a way that secures tropical forest resources in the Region for socio-economic development, while respecting the sovereignty of countries.
- Consuming countries in the Region (who are also some of the most advanced economies in the Region) cannot afford to have "failed states" (defined as the inability of the forest-rich countries in the Region to use their forest resources to support socio-economic development, due to loss through illegal and unsustainable forestry activities) as neighbours, as this could potentially threaten regional security.

The relationship between sustainability and legality

- Sustainability is a long term on-going continuous improvement process aimed at ensuring forests are managed to achieve their full suite of environmental, social and economic values and services, while protecting biodiversity, maintaining productivity and overall forest ecosystem health and resilience.
- Legality verification, on the other hand, involves developing and implementing tools and systems, with the involvement of stakeholders, for the transparent control and monitoring of timber and timber products production and trade, to proof that timber and timber products are legal, according to a country's forest management policies (which also include meeting environmental, social and economic objectives), regulations and laws.
- Implementing systems and tools to verify legality should be the priority for both producers and consumers of tropical timber products in the Region. This is because, legality verification will provide the impetus for reforms in forest governance in a transparent and accountable manner, which will in turn drive progress towards sustainable forest management.

Forest Governance

- While the Region has achieved considerable progress in forest governance reforms over the years, there is still a lot that needs to be done, particularly in the areas of land tenure reforms (user rights); reducing illegal activities caused by both increasing population pressures and poverty, and the lack of capacity to support small producers and forest-dependent communities in the management and use of their forest resources.
- Illegal forestry activities (which is largely fuelled by poverty and criminal activities) is a major concern as it threatens the security of forest resources and therefore trade in timber and timber products in the Region.
- There is need for political will and commitment by governments in the Region to tackle the issue of illegal forestry and its associated trade. In particular, there is need for a major paradigm shift in thinking. Governments in the Region need to accept that the *status quo* or business as usual will not address the issue of illegal harvesting and the associated trade.
- Indonesia's success in forest governance reforms, including its national timber verification system, provides an important example and a template for other countries in the Region who may wish to pursue similar reforms.

Capacity Building

- The capacity building needs to support sustainability and legality verification in the Region relate to building capacity:
 - within governments and among stakeholders (industry, communities, civil society organisations) for constructive dialogue and engagement;
 - in the development and implementation of TLAS, particularly systems to manage and control the supply chain;
 - within countries for independent third party auditing and monitoring; and
 - in assisting countries to promote themselves internationally as sources of legally verifiable timber and timber products.

Timber verification systems and tools

- There are basically two systems:
 - mandatory systems implemented at the national (country) level; and
 - voluntary systems implemented at the company/enterprise level.
- Mandatory systems are considered more effective as governments have the authority for enforcement.
- Both systems can be expensive and time-consuming.
- The selection of legality verification systems, whether mandatory by governments implemented at the national level, or voluntary through independent third party certification systems (e.g. FSC, PEFC etc.), should be based on the circumstances of each country.
- In particular, selection of a legality verification system should take into consideration the capacity of the country to develop, implement and control the system with the involvement of stakeholders and independent third party oversight.

- However, verification systems implemented by governments must meet acceptable international norms and principles such as those for the EU's FLEGT/VPA process.

EU FLEGT/VPA Principles

For a legality verification system to be credible, it must meet agreed principles, such as the following those for the EU FLEGT/VPA Process.

Legal right to harvest

- Land tenure and management rights must be respected.
- Concession licenses must be given in a transparent and accountable way devoid of corrupt practices.
- Management and harvesting planning must follow each country's forest policies and laws.
- Harvesting permits must be approved in a transparent and accountable way, based on each country's forest policies and laws.

Taxes and fees

- Payment of applicable royalties and harvesting fees.
- Payment of applicable value added taxes and other sales taxes

Timber harvesting

- Timber harvesting must comply with applicable policies, laws and regulations, including codes of practice.
- Protected sites and species must be excluded and protected from harvesting.
- Environmental requirements must be met.
- Occupational Health and Safety requirements, as well as applicable employment laws must be followed.

Third parties' rights

- Customary rights must be respected.
- Free prior and informed consent must be sought in an accountable and transparent manner.
- Indigenous people's rights must be respected.

Trade and transport

- Classification of species, quantities and qualities must be documented accurately, transparently and in an accountable manner.
- Trade and transport policies, regulations and related requirements must be met.
- Offshore trading and transfer pricing must be monitored and controlled in a transparent and accountable manner.
- Custom regulations must be met.
- Applicable export taxes and duties must be paid.
- Export of CITES-listed species must follow international protocols agreed under CITES.

Definition of Legality

- While it may be difficult to agree on one definition for legality to apply within the Region, it is possible, under the leadership of ASEAN, to agree on the general principles (similar to the EU FLEGT/VPA legality definition principles described above) that will guide the definition of legality, based on the forest laws and policies of each country.
- The bilateral arrangements such as Memoranda of Understanding (MoUs) between some of the consuming and producing countries in the Region covering the purchase of legal timber (e.g. the MoU between Thailand and Myanmar for the purchase of teak), could provide another opportunity for ensuring legality in timber and timber products trade in the Region.
- However, it may be necessary to agree on the common principles that should underpin such MoUs under the leadership of ASEAN, in a manner that respects the sovereignty of each participating country.

Suggested steps for implementing legality verification systems

1. There is need for political commitment at the highest level in the relevant country to undertake the process of implementing the systems for timber verification. Political commitment involves:
 - a. nominating a focal point to negotiate with stakeholders on behalf of the government, and to discuss with stakeholders the processes for developing and implementing the system; and
 - b. creating a stakeholder platform (i.e. stakeholders' working group involving representatives of government, industry and civil society).
2. Discussions and negotiations on the following:
 - a. definition of legality covering sources of timber and timber products (state forests, private forests, agricultural leases, areas of natural forests approved for conversion for new land uses such as agriculture, mining activities, infrastructure etc.), and how legal right of access will be granted to these sources of timber and timber products;
 - b. agreement on a system to monitor and verify implementation of the legality definition;
 - c. system to control and manage timber and timber products that will enter the country's supply chain including timber and timber products from domestic sources and imported timber;
 - d. a system for dealing with confiscated timber if this is relevant;
 - e. an independent third party auditing and monitoring system that will oversee the proper functioning of the legality system. The independent third party auditing and monitoring must follow international norms such as International Standards Organisation (ISO) standards for auditing and forest conformance assessments;
 - f. a mechanism for approving legal timber for export, including if relevant, the issuing of a legality certificate or license;
 - g. a mechanism for providing information, including reporting to the public on the performance of the system;

- h. a dispute resolution mechanism for all stakeholders involved; and
- i. a mechanism for on-going monitoring of the system for continuous improvement.

KEY RECOMMENDATIONS

Regional Level

- The major consuming countries in the Region must provide clear market signals regarding their intentions not to purchase illegally sourced timber, irrespective of where it comes from.
- Consuming countries in the Region should work with their private sector (buyers and users of tropical timber and timber products), to develop and implement systems that only allow legally sourced timbers to be imported.
- Both consuming and producing countries in the Region should consider changing their public procurement policies to only require legal timber in the use of publicly-funded building and construction activities i.e. the “leadership effect.”.
- Countries in the Region should agree on the general principles that will guide the definition of legality that would apply in the Region.
- The growing international trade in tropical timber and timber products in the Region should be used to provide incentives through market access and fair and equitable pricing, to encourage forest governance reforms.

Country level

- A lot of work has already been done at the policy/conceptual level through ASEAN. What is required is to translate these regional level policies and initiatives into actions at the country level. Countries are encouraged to draw on the work done by ASEAN at the regional level for reforms at the country level.
- Governments must accept that the business as usual approach has not work, and will not work. The only way to bring about transparency and accountability in forest governance is the genuine involvement of stakeholders including civil society organisations.
- Governments should take advantage of the opportunities offered by genuine commitment to achieve forest governance reforms including:
 - improved international image;
 - secure forest estate for socio-economic development;
 - market access; and
 - capacity building and financial support from the international community (e.g. international ENGOs and bilateral aid donors).
- Governments must ensure that there is equitable benefit-sharing among stakeholders.
- Governments must provide information about legal timber in their countries to buyers.

LESSONS LEARNED

Based on the experience of countries in the Region who have successfully implemented legality systems (Indonesia) and those working to implement them (Malaysia, Thailand, Laos, Myanmar and Cambodia), the major lessons are:

- Successful implementation of legality systems and tools to support sustainability requires political will at the highest level.
- Political will and commitment involves governments accepting that:
 - it cannot be business as usual: there is need for major change in thinking about how forests are managed i.e. a paradigm shift;
 - they have to be open and accountable to all stakeholders;
 - they have to work with all stakeholders co-operatively, transparently and constructively; and
 - they need to share information and resources with all stakeholders in a transparent and accountable manner.
- Stakeholders must:
 - learn to trust governments; and
 - accept that they all have a common interest, and work constructively towards achieving this common interest.

ACTIONS PARTICIPANTS COMMITTED TO IMPLEMENT

Each participant was asked to think of two things that he or she had learned from the Workshop that she or he will implement to improve legality verification and sustainability in his or her home country. The results are summarised below.

Bangladesh

Bangladesh is an importer of tropical timber and timber products. Faruque Hossain committed to encourage Bangladesh to:

- implement a Timber Legality and Assurance System (TLAS); and
- begin verifying immediately, the legal origins of timber and timber products imported into the country.

Philippines

Philippines has implemented laws and policies to ban the harvesting of timber and timber products from its native forests. Jesus Jr. Deleon Posadas and Joel Esperat Flores committed to:

- undertake capacity building in TLAS development and forest governance among stakeholders;
- tap into donor sources of support to assist Philippines develop and implement a TLAS; and
- harmonise Philippines' forest legality policies.

Malaysia

Malaysia is well advanced in its VPA negotiations with the EU. Daim Bin Balingi committed to:

- inform the Sabah Forestry Department that the Asia-Pacific Region is serious about timber legality; and
- work to enhance capacity building of stakeholders on Sabah's TLAS.

Myanmar

Myanmar has started work on VPA negotiations with the EU. Dr Tin Tin Myint committed to:

- encourage the Government to consider implementing independent third party assessment to strengthen Myanmar's Timber Legality Assurance System (MTLAS); and
- support capacity building among stakeholders in legality assurance systems and tools.

Cambodia

Cambodia is working towards negotiations with the EU on a VPA.

Nareth Chea committed to:

- enhance capacity building among the stakeholders; and
- give a presentation on the outcomes of the Workshop to senior management, and encourage them to adopt and implement the Workshop's recommendations.

Sokla Yek committed to:

- encourage the strengthening of forest law enforcement in Cambodia.

Indonesia

Indonesia has concluded and signed a VPA with the EU. Noni Eko Rahayu committed to:

- follow up on the MOU between China and Indonesia on the trade in legal tropical timber and timber products from Indonesia; and
- encourage her superiors to follow up with the Chinese Government to identify a contact point to facilitate discussion between China and Indonesia on the MOU.

Chile

Chile is implementing policies and governance systems to address illegal forestry activities in its native forests. Sergio Ruben Morales Saez committed to:

- establish a working group with representation from stakeholders to further advance discussions and actions on illegal forestry activities; and
- develop a work programme for legality and sustainability issues.

Lao PDR

Lao PDR is working towards VPA negotiations with the EU.

Duangsavanh Saophimpha committed to:

- strengthen co-operation and work with other countries in the Region to improve forest management; and
- undertake capacity building among stakeholders.

Nilapha Vorachith committed to:

- report on the status of legality in other countries in the Region to her superiors; and
- review the definition of legality in Lao PDR, using Indonesia's definition as the benchmark.

Sri Lanka

Sri Lanka is an importer of tropical timber and timber products. The country is committed to implement policies, systems and tools that will enable only legal timber to be imported into the country.

Ahangama Withanage Wasantha Lal Abeygunasekara and W M Palamakumbure Shyaman Chandima Palamakumbra committed to:

- commence inter- and intra-government agency discussions on the status of forest management and legality within Sri Lanka; and
- recommend the re-introduction of *Pinus kesiya* (Simao Pine) to Sri Lanka for plantations development, based on Pu'er City's success.

Thailand

Thailand has started work on its VPA negotiations with the EU.

Nisabhat Tonwoot committed to:

- work on the definition of legality to apply within Thailand with stakeholders; and
- develop a verification system for legality definition including a TLAS for Thailand; and
- work with companies to develop their own Chain of Custody (CoC) systems.

Prayuth Seawyim committed to:

- promote reforestation along highways similar to China; and
- modernize/reform Thailand's forest laws.



Participants singing at the closing of the Workshop



Participants with their certificates

CHAPTER TWO

KEY NOTE PRESENTATIONS, THEMATIC LECTURES AND PARTICIPANTS’ COUNTRY PRESENTATIONS.

**KEYNOTE LECTURE 1: REVIEW OF FOREST RESOURCE MANAGEMENT IN
ASIA AND PACIFIC:- STATUS, ISSUES AND
CHALLENGES - DR CTS NAIR**

AN OVERVIEW OF FOREST RESOURCE MANAGEMENT IN THE ASIA-PACIFIC REGION

STATUS ISSUES AND CHALLENGES

Dr. C.T.S. Nair



Dr CTS Nair giving a Keynote Presentation

INTRODUCTION

- ❑ What is the story we want to discuss today and during the entire workshop?
 - ❖ A story where everyone is trying to create a better world for themselves and for the future generations, or
 - ❖ A story of doom and gloom where things are going from bad to worse.
- ❑ Although deforestation and degradation continue to persist there is increased awareness about what is happening and there are multitude of efforts at every levels to address the problem.
- ❑ Effectiveness of these efforts vary. Some have been successful while others are not so.
- ❑ Changes in the forest situation is largely an outcome of changes in society-nature relationship which is highly context specific,

INTRODUCTION

- ❑ The topic of this first lecture is:
 - “An overview of forest resource management in the Asia-Pacific region” covering:
 - The present status,
 - Issues, and
 - Challenges.
- ❑ The enormous diversity in the region makes it extremely difficult to provide “an Asia-Pacific perspective”. Similarities and dissimilarities are widespread within and between countries.
- ❑ What we are dealing with is a highly diverse and dynamic mosaic of systems and sub-systems that are undergoing continuous changes.
- ❑ Each of the systems or sub-systems produces a set of goods and services, and a change means a change in the flow of goods and services.

A CHANGING MOSAIC

- ❑ The mosaic consists of a multitude of production systems varying in:

- ❖ Ecological conditions.
- ❖ Socio-economic context.
- ❖ Inter-system linkages.
- ❖ Governance systems.
- ❖ Technology and practices applied.



- ❑ These systems interact with each other and change over time in response to changes in policies, legislation and institutions.

- ❑ Rather than analyzing issues from a “country and forest-centric perspective”, we need a “society and system centric” approach considering how different systems come into existence and evolve over time.

- ❑ But first of all let us look at the current “country and forest-centric” narrative we are familiar with.

THE CURRENT NARRATIVE

STATE OF FORESTS

- ❑ Imbalance in the distribution of forests globally, regionally and within countries.
- ❑ Forest area reduction.

MAIN DRIVERS

- ❑ Demographic and economic changes.
- ❑ Globalization.
- ❑ Environmental challenges.

RESPONSES

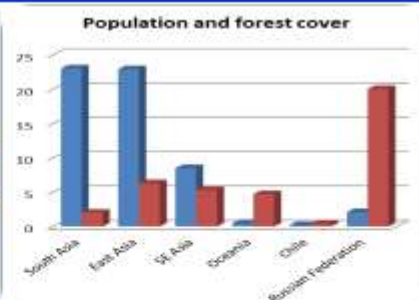
- ❑ Reforming the governance systems at all levels.
- ❑ Technological improvements.

We could consider the above at the global, national and local levels from the perspective of the different production systems

THE STATE OF FORESTS

IMBALANCE IN FOREST DISTRIBUTION AND DEFORESTATION

- ❖ The Asia-Pacific is the least forested region in the world, especially in relation to population distribution. South Asia is the least forested, with just 2% of the World's forests for 23% of the population.
- ❖ Demand pressure on forests in the low population density / forest rich countries.
- ❖ Deforestation: Overall positive trends for Asia-Pacific, largely based on the afforestation efforts in a few countries.
- ❖ Loss of primary forests continues in most countries.
- ❖ Degradation remains a major problem, especially in the more densely populated countries.



	1990	2000	2010
South Asia	78.12	78.1	80.31
East Asia	209.2	226.82	254.63
Southeast Asia	247.25	223.04	214.06
Oceania	198.74	198.38	191.38
Chile	15.26	15.83	16.23
Russia	809	809	809

DEMOGRAPHIC AND ECONOMIC CHANGES

DEMOGRAPHIC CHANGES

- ❖ Population growth - with the exception of a few countries (where population is stabilizing or even declining) in most countries population is growing, increasing the pressure on natural resources.
- ❖ A very rapid pace of urbanization – impacting forests in multiple ways.
- ❖ Impact of ageing population.
- ❖ Migration and its impacts on forests - Positive and negative Impacts of remittances (Global remittances by migrant workers in 2014 was USD 583 billion and for many countries remittances form a major source of income).

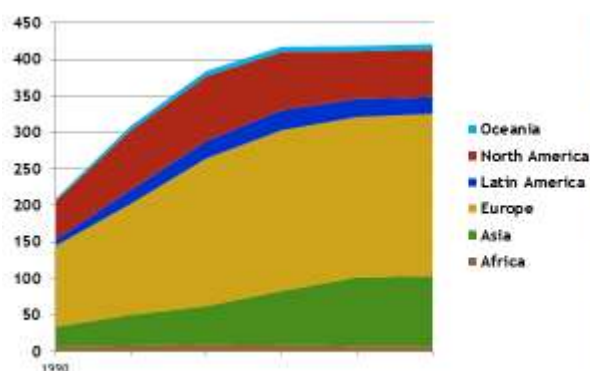
DEMOGRAPHIC AND ECONOMIC CHANGES

ECONOMIC CHANGES

- ☐ Growth in income and its direct and indirect impact on forests, especially due to growth in demand for food, fibre and fuel.
- ☐ Changes in the global distribution of income (By 2050 the ranking of countries in terms of GDP will be very different with China at the top).
- ☐ Structural changes in the economies - Share of agriculture in GDP and employment will continue to decline.

GLOBALIZATION AND TRADE

- ☐ Very significant expansion of global trade of forest products.
- ☐ Imports and exports have increased very rapidly in comparison with gross value added in the forest sector.
- ☐ Direction of trade has changed significantly with Asia becoming a hub of wood processing.
- ☐ Many countries in Asia – especially China, Indonesia, Vietnam - have pushed an export driven development of forest industry.



Value of exports of forest products (in USD billions)		
Year	GVA	Exports
1990	547.6	202.8
1995	580.1	309.2
2000	590.7	384.3
2005	577.8	417.7
2010	592.5	418.2
2011	605.9	421.2

GLOBALIZATION TRENDS

- ☐ All the indications are that the pace of globalization will accelerate.
- ☐ Fragmentation of processing and increasing length of supply chains.
- ☐ Ability to obtain raw material from distant sources and sell products in distant markets.
- ☐ Trade and economic cooperation agreements bringing about drastic changes in the flow of goods and services. New initiatives like Trans Pacific Partnership (TPP) could have a tremendous impact on trade and investments in general and forestry in particular.
- ☐ Trans-border investments in land, especially plantation crops (rubber, oil palm and forestry crops (some of which have become “international land grabs”))
- ☐ Moving towards a border-less world ?



THE ENVIRONMENTAL DIMENSION

- ☐ Increasing awareness about the role of forests in the provision of ecological services:
 - ❖ Carbon sequestration
 - ❖ Biodiversity protection
 - ❖ Improvement of watershed services
 - ❖ Amenity values.
- ☐ With climate change becoming a critical environmental issue, forests and forestry are at the centre stage of political discussion at every level.
- ☐ Environmental concerns influencing trade issues.

RESPONSES TO LARGER CHANGES

Society's responses to the larger changes can be grouped into two broad areas:

Improvements in the governance systems	Technological changes
❖ Reform of national forest policies, legislation and institutions.	❖ Productivity enhancing technologies.
❖ Democratization, decentralization and local community involvement.	❖ Enhancing efficiency - Reducing inputs per unit of production.
❖ Private sector participation.	❖ Green technologies, especially to reduce adverse environmental impacts.
❖ Global governance initiatives.	

REFORM OF POLICIES, LEGISLATION AND INSTITUTIONS

- ❑ Most countries have revised their national forest policies and there have been significant shifts, especially as regards the following:
 - ❖ Shift in the objectives of forest policy - from wood production to environmental protection.
 - ❖ Emphasis on stakeholder participation – especially involvement of local communities.
 - ❖ Private sector participation.
 - ❖ An increasing share of wood is coming from private sector plantations.
- ❑ Changes in forest laws – But often legislative changes have not kept pace with the policy changes.
- ❑ Institutional reform – Often many forestry departments have been very slow in bringing about institutional reforms.
- ❑ Often changes in policies and legislation in other sectors are having far-reaching impacts on forests and forestry.

DEMOCRATIZATION AND DECENTRALISATION

Most countries have or are implementing tenure reforms to permit improved local community participation.

- ☐ **Rapid growth in the extent of area under community management (success stories like Forest User Groups in Nepal, CBFM in the Philippines, Joint Forest Management in India, etc.).**
- ☐ **Growth in small farmer woodlots (farm forestry in Sri Lanka, Sloping Land Conversion Programme in China and so on).**
- ☐ **Investments in tree growing by corporate investors (Indonesia, Malaysia, Myanmar, etc.)**
- ☐ **In many situations trees outside forests have become the major source of wood supply.**

GLOBAL GOVERNANCE INITIATIVES

The post 1970 period (and more particularly post 1990) has witnessed a wide array of global initiatives focusing on forest governance, especially to address the social and environmental dimensions.

- ☐ **Conventions, agreements, etc. focusing on environmental aspects like climate change, biodiversity conservation, protection of endangered species, etc. and several follow up initiatives.**
- ☐ **Conventions focusing on social aspects – for example protection of the rights of indigenous communities.**

Trade related initiatives – certification, FLEGT, VPAs, etc. - to ensure that markets comply with environmental and social requirements, although certainly there was a concern about competitiveness.

RESPONSES TO ADDRESS ENVIRONMENTAL ISSUES

Responses to address environmental issues can be grouped as:

- Policy driven.
- Market driven.

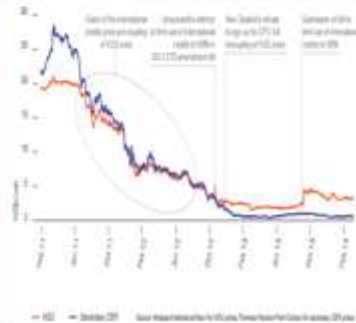
Most often responses a combination of both are used.

Policy interventions

- ❖ Major shifts in forest management – Logging bans in response to increasing environmental concerns.
- ❖ Increase in the extent of protected areas.
- ❖ A multitude of rules and regulations for environmental protection.

Markets for enhancing environmental services

- ❖ Creation of markets (for example carbon markets and PES).
- ❖ Ecotourism based on protected areas.



SOCIETY AND PRODUCTION SYSTEMS

We are dealing with a highly diverse society with very different segments in society and very different production systems.

- ❖ Pre-agrarian communities, often highly dependent on hunting and gathering.
- ❖ Agrarian societies relying on agriculture, livestock and allied activities.
- ❖ Industrial societies relying on manufacturing, mining and associated activities.
- ❖ Post-industrial society relying on the provision of services.



DIVERSE PRODUCTION SYSTEMS

	Ownership	Products/ services	Markets	System
Natural forests	Public sector	• Timber • Small wood	Global	Formal and organized
	Private sector	• Wood fuel • Non-wood products	National	Informal and unorganized
Plantations	Local communities	• Wildlife management • Environmental services	Local markets	
Farm forestry			Subsistence use	

A multitude of different combinations exist resulting in a highly diverse mosaic whose role in producing different products and services change continuously.

A MOSAIC OF SYSTEMS

- ❑ In the real world what we get is a mosaic of systems and sub-systems, each interacting with the other, altering their characteristics. Most often different resource use systems overlap.
- Each of the system will undergo changes in response to the impact of different drivers.
- These drivers may be internal or external.
- They could also be top-down or bottom up.
- In many cases we have very little idea of the sum total of impacts.
- Efforts to formalize resource use could have unintended impacts, including accentuating conflicts.

THE FUTURE OF SELECTED SYSTEMS

Systems	Future
1. Government managed wood production from natural forests	↓
2. Plantations under government management	↘
3. Protected areas under government management	↑
4. Forest concessions in natural forests managed by private sector	↘
5. Large scale plantations managed by private sector	↑
6. Small holder farm plantations	↑
7. Small holder agroforestry systems including home gardens	→
8. Community managed forests	→
9. Government – community managed forests	?
10. Industry- farmer partnerships	?
11. Plantation investment companies	?

GOVERNANCE SCENARIOS

How the future will unfold depends on the governance situation and we could visualise very different scenarios.

- ☐ A democratic governance system providing a level playing field aimed to develop a just and equitable society.
- ☐ A top down system, which is often susceptible to domination by those who are socially and economically powerful.
- ☐ A totally market driven system that could sustain and accentuate existing inequities.
- ☐ A criminalised informal system that appropriate resources.

THE ISSUES: AN OVERVIEW

- ☐ Enormous diversity in society-forest interaction. A wide array of production systems.
- ☐ These systems will change in response to a multitude of drivers. The mosaic that we may have in a few years will be very different from what it is now.
- ☐ The pressure on relatively forest rich countries to provide wood and wood products to cater to the growing demand from the forest poor countries will continue.
- ☐ Several activities will remain in the informal domain and it will be extremely challenging to “formalise” them.

THE ISSUES: AN OVERVIEW

- ☐ Accelerating pace of globalization will continue to make national boundaries more porous and often less relevant.
- ☐ How the future will unfold depends on the governance systems in place.
- ☐ Existing governance systems are unable to keep pace with the changes. Policies, legislation and institutions are not evolving at a pace adequate to deal with the new challenges of globalization and localization.
- ☐ Many policy interventions could have unintended consequences. They could even intensify resource use conflicts and undermine sustainability.

POINTS FOR DISCUSSION

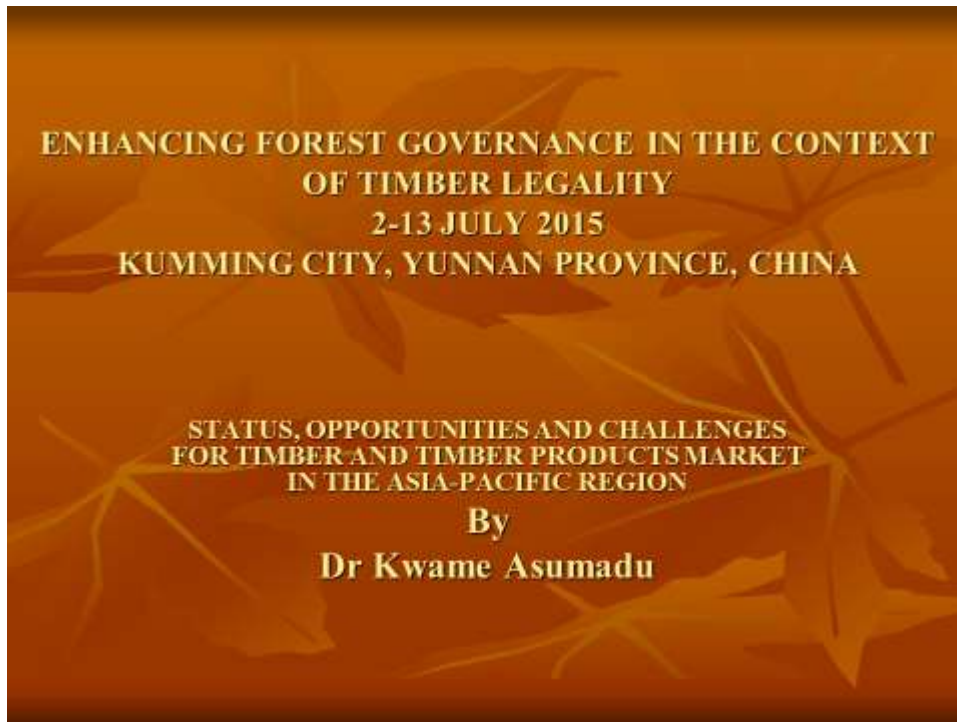
- ☐ Will there be a significant increase in the demand for wood, and where will such demand come from?
- ☐ Who will supply most of the wood required in the global/ regional/ national markets?
- ☐ How will the different production systems respond to the changing demand for products and services?
- ☐ What will happen to the trade flows in the context of shifting competitiveness of wood processing?
- ☐ What are the implications of the emergence of a green economy? How will it affect the global demand and supply of wood?
- ☐ How do we build a better system of governance that could address the diverse challenges facing the different resource management systems?

SUMMING UP

“Geography and history have led to a situation of unbalanced distribution of human population and resources. And no way we will be able to stop the flow of one to the other. How we manage the flows will determine whether we are going to create an orderly and peaceful society or a chaotic and conflict ridden one”

THANK YOU

STATUS, OPPORTUNITIES AND CHALLENGES FOR TIMBER AND TIMBER PRODUCTS MARKET IN THE ASIA-PACIFIC REGION – DR KWAME ASUMADU



Dr Kwame Asumadu, giving his keynote presentation.

STRUCTURE OF PRESENTATION

- **MARKET SEGMENTS**
- **OVERVIEW OF THE ASIA-PACIFIC MARKET**
- **CHALLENGES**
- **OPPORTUNITIES**
- **CONCLUSIONS**

KEY ISSUES FOR CONSIDERATION

- Will the Asia-Pacific Region continue to be the dominant player in the international tropical timber trade?
- Will the EU's demand for tropical timbers recover?
- Will the traditional markets continue to be important for the international trade in tropical timber?
- Will China, Vietnam, Malaysia and Indonesia continue to consider the traditional markets as important for their wood products?
- What will be the impact of increased South-South, intra-and inter-regional trade be on the international tropical timber trade?
- How will all of these factors impact on the economies of tropical timber producers who depend on their forest resources to support their economic growth?

KEY CONSUMER MARKET SEGMENTS

MATURE CONSUMER MARKETS

- Characterized by high consumer awareness of environmental, legality and OH&S issues and generally relative high prices for suitable products.
 - EU and Scandinavian countries
 - North America (Canada and the USA)
 - Japan
 - Australia and New Zealand (Oceania)
- Key products include mixture of finished, semi-processed and unprocessed.

KEY MARKET SEGMENTS CONTINUED

EMERGING CONSUMER MARKETS IN ASIA-PACIFIC

- CHINA
- TAIWAN PROVINCE OF CHINA
- REPUBLIC OF SOUTH KOREA
- VIETNAM
- INDIA
- THAILAND
- PHILIPPINES
- Characterised by low consumer awareness of environmental, legality and OH&S issues and generally variable prices for products.

MARKET STATUS IN THE ASIA PACIFIC REGION

- **China's share of the international tropical timber trade increased from 15% in 2004 to 28% in 2013;**
- **India's share increased from 4% to 7% for the same period; and**
- **The EU's share fell from 24% to 12% the same period.**

Source: EU's Independent Market Monitor

MAJOR PRODUCERS IN THE REGION

- **Malaysia;**
- **Indonesia; and**
- **PNG.**
- **Also diversion of timber previously exported to North America and Europe from Africa to the Region.**
- **The major African exporters (Congo Basin countries). Ghana also exports substantial quantities of plantation teak to India.**

CHALLENGES

- Inconsistency in procurement policies in the mature/traditional markets.
- Meeting due diligence requirements in mature/traditional markets.
- Cost of implementing SFM and Legality systems.
- Lack of awareness by SMES of market requirements in the major traditional/mature markets.

CHALLENGES CONT'D

- Competition from products made from temperate fibres (MDF, Particleboard, OSB, LVL, CLT, thermally modified wood, wood plastic composites).
- Cost of Third Party Certification Systems.
- Civil Society Activism.
- Government Procurement Policies in mature/traditional markets.
- Lack of co-ordinated promotion of progress by tropical timber producers and buyers.
- Product performance and public safety.

OPPORTUNITIES

- Environmental credentials of wood.
- Aesthetic properties of tropical timbers.
- Introduction of Lesser Used Species.
- Progress made in implementing SFM and Legality systems.
- FLEGT and VPA initiatives.
- Australia's MOU with neighbouring tropical timber producers.

OPPORTUNITIES CONTINUED

- Asia-Pacific's On-going Economic Growth.
- Integration of SMES into the supply chain.
- Increasing South/South Trade.
- Green Building Initiatives (Australia's Green Building Council).

CONCLUSIONS

- Concerns about illegal trade in tropical timber increasing and not diminishing.
- The Asia-Pacific Region is a major player.
- Substantial progress has already been made and continues to be made in sustainability and legality.
- There are opportunities for both producers and suppliers to work together to meet each other's needs and requirements.

TALKING POINTS

STRUCTURE

- MARKET SEGMENTS
- OVERVIEW OF THE ASIA-PACIFIC MARKET
- CHALLENGES
- OPPORTUNITIES
- CONCLUSIONS

OVERVIEW OF THE ASIA-PACIFIC MARKET

- In the last decade or more, the Asia-Pacific Region has been emerging as an important market for tropical timber products.
- Japan has been in recession for more than 20 years and its share of the international tropical timber trade has fallen substantially, a trend which will only continue with Japan's policy to continually reduce its reliance on imported timber in favour of its domestic resources.
- This trend accelerated during the global financial crisis which started in 2008.
- Consequently China and India have emerged as the major importers in the Region.
- According to the EU's Independent Market Monitor Report soon to be published;
 - China's share of the international tropical timber trade increased from 15% in 2004 to 28% in 2013;
 - India's share increased from 4% to 7% for the same period; and
 - The EU's share fell from 24% to 12%.

- In addition to India and China, the Asia-Pacific Region also has other major significant importers (The Republic of South Korea, Vietnam, Taiwan, Province of China, Thailand and Philippines).
- It also has some of the major producers (Malaysia, Indonesia, Myanmar and PNG).
- The Asia-Pacific Region has also seen substantial diversion of timber previously exported to North America and Europe from Africa to the Region, again since the global financial crisis and the introduction of the European Timber Regulations in March 2013.
- The major African exporters are from the Congo Basin countries. Ghana also exports substantial quantities of plantation teak to India.
- In terms of legality, the Asia-Pacific Region is very important, in whether the global initiative to minimise and eventually eliminate the trade tropical timber succeeds or fails.
- Nearly 80% of the international trade in tropical timber takes place in the Region.

CHALLENGES

Inconsistency in procurement policies in the mature/traditional markets

- Some markets require demonstration of legality
- Others require both, E.g. the UK
 - Producers are never sure and confused about the moving goal posts.

Meeting due diligence requirements in mature/traditional markets

- Although the EU, the US and Australia all indicate that PEFC and PEFC certification systems can be acceptable as proof legality and sustainability to meet some of their due diligence requirements, in recent times, there have been situations when the use of both systems have been questioned in these markets:
 - For example, Danzer in the Congo Basin and Rainforest Alliance in Australia.
 - Thus the use of these certification systems do not always provide 100% guarantee.

Cost of implementing sustainability and Legality systems

- The so called “green premium” expected for certified timber never happened.
- Certification only provides access in markets where sustainability and legality are requirements.
- Initial set up cost of certification and on-going annual surveillance audits for producers is high, and not always recoverable.
- For buyers, the high cost of implementing “due diligence systems” to mitigate risk:
 - costs are high particularly for small producers and small buyers.

Lack of awareness by SMES of market requirements in the major traditional/mature markets

- SMES are often a few steps removed from the customer and thus are not always aware of these requirements for legality and sustainability.
- Pre-occupied with survival, they often do not have the resources and time to keep themselves informed of the ever-changing market requirements.
- They are the major challenge to any sustainability and legality systems (chain saw operators, mobile saw operators, small furniture manufacturers etc.).
- They do have a vital role to play in that in some countries, they are a vital source of product for the local market and also some of the larger producers.

- As a recent CIFOR report on the Indonesian SVLK system showed, the small producers are the major challenge to the system, and recommended a streamlined, cost-effective mechanism for helping these small producers to participate in the system.
- Without this, they will continue to be a challenge to the overall integrity of the SVLK and VPA system.

Competition from products made from temperate fibres (MDF, Particleboard, OSB, LVL, CLT, thermally modified wood, wood plastic composites)

- Improvements in technology are increasingly allowing these products to be produced cheaply, quickly and to very high quality standard.
- New surfacing and dyeing techniques are allowing temperate timber to mimic the look of natural timber.
- Strength and durability properties can equal or even exceed natural tropical products.
- Longer spans than are available from natural products are available.
- These products lend themselves to “economies of scale” production and therefore the unit cost is lower.
- They do not face legality and sustainability issues similar to tropical timber because they are derived from plantations.
- They lend themselves to on time delivery requirements of these markets.
- Oliver and Donkor in a recent report for the ITTO estimated that Europe alone has a production capacity of some 300,000 m3 for these products.

Cost of Third Party Certification Systems

- Third Party Certification systems (FSC, PEFC, Rainforest Alliance, Woodmark, SGS, etc.) can be expensive and resource intensive.
- Even with ICT systems, the effort of compiling and keeping information and data for annual surveillance audits can be prohibitive.
- In addition, the standards are changing all the time in response to changing market expectations.
- The FSC and PEFC have recently changed their CoC Standards and introduced risk management and due diligence requirements in response to the EU’s European Timber Regulations of March 2013.

Civil Society Activism

- The ever increasing power and influence of civil society organisations, including environmental ENGOs, will continue to put pressure on governments and buyers in the traditional/mature markets, and therefore suppliers, to demonstrate legality, sustainability and corporate social responsibility objectives
 - This will flow on to countries like China, Vietnam, Indonesia and Malaysia exporting to these markets.

Government Procurement Policies in mature/traditional markets

- Although recent ITTO study by Michael Martin and Baharuddin Haji Ghazali concluded that the impact of government procurement policies is not as important in some of these markets as was previously thought, nevertheless, the “leadership” role provided by governments will continue to be an important factor.

Lack of co-ordinated promotion of progress by tropical timber producers

- Since the advent of the ITTO, and spurred on by ENGO activism, producers of tropical timber have made significant progress in both sustainability and legality.
- The ITTO's Thematic Program of FLEGT has supported the implementation of legality tracking systems in many ITTO member countries, both at the national and enterprise levels.
- However, there is a lack of co-ordinated approach by producers and buyers to jointly promote the progress that has been achieved to date.
 - At the last ITTO meeting, the Trade Advisory Group successfully developed a consultancy project, which will contribute towards this objective.
 - The ITTO's Independent Market Monitor baseline report, soon to be published, and funded by the EU will also help in addressing this challenge.

Product performance and public safety

- In my view, this emerging area has the potential to challenge both buyers and producers, in addition to sustainability and legality.
 - In Australia, almost all timber products used in public buildings and private sector development projects intended for commercial use by government agencies, must meet the relevant Australian safety, fire or performance standard.
 - Trade unions will not allow their members to use these "uncertified" products at building and construction sites.
 - The cost of these certifications can be very high
 - I was involved with a Brazilian company that certified its plywood to Australian structural standard AS2269. The cost was approximately \$AUD100, 000. The equivalent in the EU is the CE marking.
 - Chinese film face plywood cannot be used for concrete forming in Australia unless certified to AS 2269. Most of the Chinese film face plywood imported into Australia is used for furniture instead.
- Another area is VOCs (Volatile organic compounds emissions, in particular formaldehyde)
- The minimum requirement is E1 and some domestic producers are offering E0.

OPPORTUNITIES

Environmental credential of wood

- Wood is a renewable, environmentally friendly product, with a low carbon foot print and a high embodied energy (wood is a good insulating material, with low cost of heating and cooling) compared with substitutes such as plastic, aluminium, steel and concrete.
- Wood will therefore continue to have a place in the market, even if as a niche rather than as a commodity product.
- The natural attributes of tropical timber compared with engineered timber products make them preferable in many niche applications.

Aesthetic properties of wood

- Although engineered timber products will improve over time with technology, they will never be able to replace the look and feel of natural timber, which is one of its endearing properties.

Introduction of Lesser Used Species

- Again with project funding from the ITTO, many tropical timber producers are diversifying the species they are able to offer to offer the market.

- There is opportunity for suppliers and customers to work together to promote LUSs to gain better market acceptance.

Progress made in implementing sustainability and Legality systems

- With the help of the ITTO over the past 30 or so years, tropical timber producers have become more aware of market requirements, and implemented sustainability regimes to address these including:
 - Selective harvesting techniques;
 - Reduce Impact Harvesting techniques;
 - Pre-harvest planning and post-harvest management activities;
 - Codes of Harvesting;
 - Timber tracking systems (bar coding, digital scanners and DNA).
- As already mentioned, considerable progress has been made but unfortunately these achievements have not been promoted to the market in a co-ordinated way.
- Only the failures and bad news stories attract the attention of the media and therefore the market.

FLEGT and VPA initiatives

- There are several countries in the Asia-Pacific Region involved with the EU's FLEGT/VPA initiatives (Malaysia, Indonesia, Vietnam, Myanmar, Laos, Cambodia, PNG, Solomon Islands, Philippines, Thailand).
- Some are more advanced than others, e.g. Indonesia has signed the VPA and is at the systems development stage whereas others like PNG, China, Solomon Islands have expressed interest and attended preliminary information briefings.
- As pointed out by Oliver and Donkor in their ITTO study, the FLEGT/VPA initiative is the only measure that integrates both demand side and supply side requirements.
- More than that the FLEGT/VPA initiative also provides the opportunities for tropical timber producers to include structural adjustment and forest industry development reform issues that may constrain the full implementation of the VPA, for consideration by the parties, and possible funding by the EU.
- In addition, VPAs cover all timber products (exports to EU and non-EU markets and also the domestic market).
- FLEGT licensed timber is also accepted by the US and Australia as counting towards their due diligence and risk management requirements.
- The EU's FLEGT/VPA initiative therefore has the potential to provide the uniformity in legality requirements for almost all markets.
- The FLEGT/VPA initiative also provides the step-wise approach, many tropical timber producers require in making progress towards sustainability.

Australia's MOU with neighbouring tropical timber producer

- As part of Australia's Illegal Timber prohibition Bill, Australia is considering signing country-specific MOU to accredit the certification and legality systems in countries such as Solomon Islands, PNG, Indonesia and Malaysia.
- Similar to the EU's FLEGT/VPA initiative, the scope of these MOUs can be broadened to cover tropical timber raw materials involved in the Asia-Pacific's south-south trade, and which eventually may end up being re-exported as manufactured goods to Australia.

- E.g. Malaysian timber exported to China and used to manufacture furniture and re-exported to Australia could be covered in the Australian/Malaysian MOU.
- Thus a documentation from the Malaysian supplier to the Chinese buyer could also be used to meet the legality requirement under Australia's illegal harvesting Act.

Asia-Pacific's On-going Economic Growth

- Over the past 30 years, the Asia-Pacific Region has seen phenomenal economic growth, with China now the second largest economy in the world.
- Other major economic players in the Region are: Singapore, South Korea, Malaysia, Thailand, Indonesia, and the emerging ones are Vietnam and Philippines.
- The IMF predicts the Asia-Pacific to grow around 5.6% and 5.5% in 2015 and 2016, compared with around 3% in the industrialised world.
- The Asia-Pacific also has one of the youngest population profiles, with an emerging middle class, and significant disposal income.
- With increasing wealth comes increased demand for goods and services including wood products.
- With the influence of civil society organisations including environmental ENGOs not as yet strong in the Region as in Europe, the North America and Australia, a focus on consumption of tropical timber products within the region may not make legality a major issue:
 - however, this may change as the influence of civil societies and environmental ENGOs grow.

Integration of SMES into the supply chain

- Given the importance for SMEs to the supply chain in both producer and buying countries, there is opportunity to integrate them more effectively in the supply chains to reduce their transaction costs.
- In the producing countries, the large companies can be the conduit of market information for their suppliers and help them to implement cost-effective verification systems that allow legal timber to be sold to them.
- In the consumer countries, the large companies can offer competitive pricing so that small producers buy from them rather than sourcing raw materials directly:
 - small producers are more flexible and can easily adapt to changing market situations which can be helpful and useful to large producers.

Increasing South/South Trade

- South/South trade in tropical timber products is increasing in both tropical Africa and the Asia-Pacific region.
- Proximity is one of the major factors encouraging this trend, but within each region, economic growth is also accelerating leading to increased demand for wood products.
- Within the ECOWAS Region of West Africa, substantial trade in timber products occurs between Ghana, Nigeria and the Sahel Region to the north.
- There is a similar trend emerging between the Congo Basin countries and the countries of the East African Economic Community Region and also the Southern African Development Community (SADC) Region.
- A recent ITTO project approved to help tropical Africa examine ways to further improve south-south and intra- and inter-regional trade will give this process further momentum.

- Within the Asia-Pacific Region, a similar trend is occurring with Myanmar selling large quantities of teak to India and China:
 - Malaysia is selling large quantities of swan timber to Thailand.
- In the medium to long term, increasing South-South trade and inter- and intra- regional trade in tropical timber products may be sufficient to support and sustain the international trade in tropical timber, without the need to export to the mature/traditional markets.

Green Building Initiatives

- Green building initiatives such as LEEDS (Leadership in Leadership in Energy and Environmental Design (US, Canada) and Australia's Green Building Council initiative, favour natural timber because of the resins in engineered wood.
- Engineered wood cannot be recycled.

**ENHANCING FOREST GOVERNANCE IN THE CONTEXT
OF TIMBER LEGALITY VERIFICATION**

LEGALITY VERSUS SUSTAINABILITY

**By
Dr Kwame Asumadu**

**2-13 JULY 2015
KUMMING CITY
YUNNAN PROVINCE
CHINA**

DEFINITION OF LEGALITY

Legal Timber is defined in relation to the laws of the country in which the harvesting takes place, and involves:

- granting of, and compliance with, rights to harvest timber within legally-gazetted boundaries;
- compliance with requirements regarding forest management, including compliance with relevant environmental, labour and community welfare legislation;
- compliance with requirements concerning taxes, import and export duties, royalties and fees directly related to timber harvesting and timber trade;
- respect for tenure or use rights to land and resources that may be affected by timber harvest rights, where such rights exist; and
- compliance with requirements for trade and export procedures.

CORE ELEMENTS

Legality initiatives such as VPA generally aim at:

- Policy and legal reform in relation to forestry.
- Governance and Transparency.
- Capacity Building.
- Improved control, tracking and verification and compliance.
- Better rent capture and revenue collection.
- Secure and improved market share.

CORE ELEMENTS CONT'D

- Mechanism to verify compliance with the definition.
- Management and control of the Chain of Custody system.
- Legality Documentation or Licencing system.
- Independent Monitoring/Third Party Conformance/Performance Audits.
- Broad involvement in the process by key stakeholders including civil society.

SUSTAINABLE FOREST MANAGEMENT

DEFINITION

- Broader than Legality
- Entails the management of forests to maintain their full range of services and values:
 - environmental,
 - Social; and
 - Economic.
- SFM is an evolving concept
 - Changes with the Community's values on forestry.
- What constitutes SFM also differs for different forest ecosystems.
- A country's progress towards SFM is influenced by:
 - level of economic development ; and
 - ecology – ecosystem recovery following disturbance, generally faster in temperate ecosystems than in tropical ecosystems, because of differences in climatic and edaphic conditions.
- SFM a “Journey not a Destination”-based on “continuous improvement approach.”

CORE ELEMENTS OF SFM

- SFM NOW DEFINED IN RELATION TO STANDARDS FOR CERTIFICATION SYSTEMS
 - FSC; and
 - PEFC.

Core Elements

Legality Definition in addition to the following:

- Consistency with widely accepted set of international principles and criteria for SFM at the management unit level.
- Performance based.
- Must meet social, economic and environmental objectives.

CORE ELEMENTS OF SFM CONT'D

- Minimise harm to ecosystems (importance of pre-harvesting planning to minimize environmental impacts.
- Maintenance of the productive capacity of the forest.
- Maintenance of ecosystem health and vitality.
- Maintenance of biodiversity.
- Respect for legal, customary and traditional tenure and use rights related to forests.
- Dispute resolution mechanisms relating to tenure and use rights, forest management practices and work conditions.
- Safeguarding labour rights and OH&S of workers.

PARTICIPANTS' PRESENTATIONS

PRESENTATION 1: BANGLADESH – MR FARUQUE HOSSAIN

Enhancing Forest Governance for Bangladesh in the Context of Timber Legality Verification in Forest and Forestry of Bangladesh

MD. FARUQUE HOSSAIN

Conservator of Forest
Bangladesh Forest Department
Bangladesh



Abstract

Forest governance, as a recent development discourse, entails clarifying the relationships, rights, responsibilities and incentives among various actors on the direction and nature of forest uses in a sustainable way, views it as decisions and actions that remove the barriers and install the policy and institutional systems, which spread local forestry success. Since early 80s, Social Forestry has achieved special focus in Bangladesh's forestry sector. It has brought a significant shift in forest management through bringing both the conservation of forest reserves and poverty alleviation in development strategies. National policy papers viz. National Forest Policy 1994, Forestry Sector Master Plan 1993, The Forest (Amendment) Act 2000 and Social Forestry Rules 2004 unanimously put emphasis on people-oriented forestry programmes'. Many scholars and development practitioners also recognized the crucial role of local people in natural resources management.

Introduction

Bangladesh is situated in North Eastern part of South Asia between 20° 34' and 26° 38' North Latitude and Between 88° 01' and 92° 41' East Longitude. It lies in the active delta of three major rivers viz.: the Padma, Meghna and Jamuna and their numerous distributaries. The country covers an area of 1,47,570 sq.km, and bounded by India from the West, North and most of East. Myanmar lies on the Southeastern edge and Bay of Bengal on the South. Forests in Bangladesh cover 17.62% of the total land area. The Forest Department (FD) being

a century old Government Organization in the Country, started functioning from 1862. The Forestry Department controls 10.84% of forest land in the country. (Information index, Tree fair, 2014).

Wood is the main fuel for cooking and other domestic requirements. It is not surprising that population pressure has had an adverse effect on the indigenous forests. By 1980, only about 16 percent of the land was forested, and forests had all but disappeared from the densely populated and intensively cultivated deltaic plain. Aid organizations in the mid-1980s began looking into the possibility of stimulating small-scale forestry to restore a resource for which there was no affordable substitute.

The largest areas of forest are in the Chittagong Hills and the Sundarbans. The Evergreen and Semi-deciduous forests of the Chittagong Hills cover more than 4,600 square kilometers (1,800 square miles) and are the main source of teak for furniture, heavy construction and boat building materials, as well as other forest products. Domesticated elephants are still used to haul logs. The Sundarbans, a tidal mangrove forest covering nearly 6,000 square kilometers (2,300 square miles) along the Bay of Bengal, is the source of timber used for a variety of purposes, including pulp for the domestic paper industry, poles for electric power distribution, and leaves for thatching for rural dwellings (http://en.wikipedia.org/wiki/Forestry_in_Bangladesh).

Constitutional Recognition for Protection and Improvement of Environment and Biodiversity.

Article 18A regarding Protection and Improvement of Environment and biodiversity has been included in the constitution of People's Republic of Bangladesh in 2011. Article 18A stated that: "*The State shall endeavor to protect and improve the environment and to preserve and safeguard the natural resources, biodiversity, wetlands, forests and wildlife for the present and future citizens.*" (Information index, Tree fair, 2014)."

Forest Types of Bangladesh

There are mainly four types of forests in Bangladesh, e.g.,

- 1. Mangrove forests**
- 2. Tropical and Semi-evergreen Forests**
- 3. Tropical moist Deciduous Forests and**
- 4. Village forests**

Mangrove Forests:

i. Natural Mangrove Forests

The largest single tract of natural mangrove forest is the Sundarbans. It consists of a total of 6,01,700 hectare which is 4.07% of total land mass of the country and 40% of total forest land. Sundarbans harbors 334 species of trees, shrubs and epiphytes and 269 species of wild animals. World renowned Royal Bengal Tiger is the magnificent animal of the Sundarbans. 1,39,700 hectare forest land of Sundarbans is declared as World Heritage Site. There are three Wildlife Sanctuaries viz.: Sundarban East; Sundarban West and Sundarban South wildlife Sanctuaries were established. The forest inventory of 1998 shows that there are 12.26 million cubic meter timber are available in the Sundarbans from the species of Sundri (*Heritiera fomes*), Gewa (*Excoecaria agallocha*), Keora (*Sonneratia apetala*), Baen (*Avecennia officinalis*), Dhundul (*Xylocarpus granatum*), Passur (*Xylocarpus mekongensis*) etc. with 15cm and above diameter.

There are some other non-wood forest products like Golpata (*Nypafruticans*), Honey, Wax, Fish, Crab etc. which are also of high value.

ii. Mangrove Plantation

Mangrove afforestation along the entire southern coastal frontier is an innovation of foresters. During 1960-61, the Government under took an afforestation programme along the shore land of coastal districts. This initiative got momentum from 1980-81 with the aid of development partners, and afforestation programmes are extended over foreshore islands, embankments and along the open coasts.

In the meantime, 201,143 hectares of mangrove plantations have been established under a number of Coastal Afforestation projects since 1965-66 to 2013-2014.

Tropical Evergreen and Semi-Evergreen Forests

Tropical evergreen and Semi evergreen forests are extended over Chittagong, Cox's Bazar, Chittagong Hill Tracts and Sylhet totaling an area of 6,70,000 hectare which is 4.54% of the total landmass of the country, and 44% of the national forest land. Depending on topography, soil and climate, these areas are categorized as i) Tropical wet evergreen forests and ii) or Tropical semi-evergreen forests.

The hill forests are abundant with numerous plant as well as animal species. Some important flora are Garjan (*Dipterocarpus spp.*), Chapalish (*Artocarpuschaplasha*), Telsur (*Hopea odorata*), Tali (*Palaquium polyanthum*), Kamdeb (*Callophyllum polyanthum*), Uriam (*Mangifera sylvatica*), Jarul (*Legarstromia speciosa*), Civit (*Swintonia floribunda*), Toon (*Cedrela toona*), Banderhola (*Duabanga grandiflora*) etc. Moreover there are bamboo, cane, climbers and fern etc. in these forests.

These forests have been brought under the country's plantation program since 1871. At present, plantation activities are being conducted under normal and development projects. Some valuable plantation species are Teak (*Tectona grandis*), Gamar (*Gmelinaarborea*), Mehogani (*Swietenia spp.*), Chapalish (*Artocarpuschaplasha*), Jarul (*Legarstromiaspeciosa*), Koroi (*Albizzia spp.*), Chikrassi (*Chikrassiatubularis*), Pynkado (*Xyliadolabrifformis*), Kadam (*Anthocephaluscadamba*), Telsur (*Hopeaodorata*) etc.

The latest forest inventory shows that a total of 2,393 million cubic meter forest products are available in these forests.

Tropical Moist Deciduous Forests

The Central and Northern districts, covering an area of 120,000 hectares, about 0.81% of total land mass of the country and 7.8% of the country's forest land, are bestowed with Tropical Moist Deciduous Forests. This forest is intermingled with the neighboring settlements and fragmented into smaller patches. Sal (*Shorea robusta*) is the main species in these forests, with other species like Koroi (*Albizzia procera*), Azuli (*Dillenia pentagyna*), Sonalu (*Cassia fistula*), Bohera (*Terminalia belerica*), Haritaki (*Terminalia chebula*), Kanchan (*Bauhinia acuminata*), Jarul (*Lagerstroemia speciosa*), Jam (*Syzygium spp*) etc.

A recent forest inventory concluded that 3.75 million cubic meters of wood is available in the Sal Forests.

Village Forests

Tree coverage in the village forests are 270,000 hectares, which acts as the source of a remarkable portion of national demand of forest products. The latest inventory shows that a total of 54.7 million cubic metres of forest products are available in these village forests. (www.bforest.gov.bd)

Table 1: Forest Lands of Bangladesh

Forest Type	Area (Million Hectares)	Percentage of total the land area
Controlled by Forest Dept.	1.52	10.300%
Unclassed State Forest	0.73	9.947%
Village Forest	0.27	1.830%
Total	2.52	17.077%

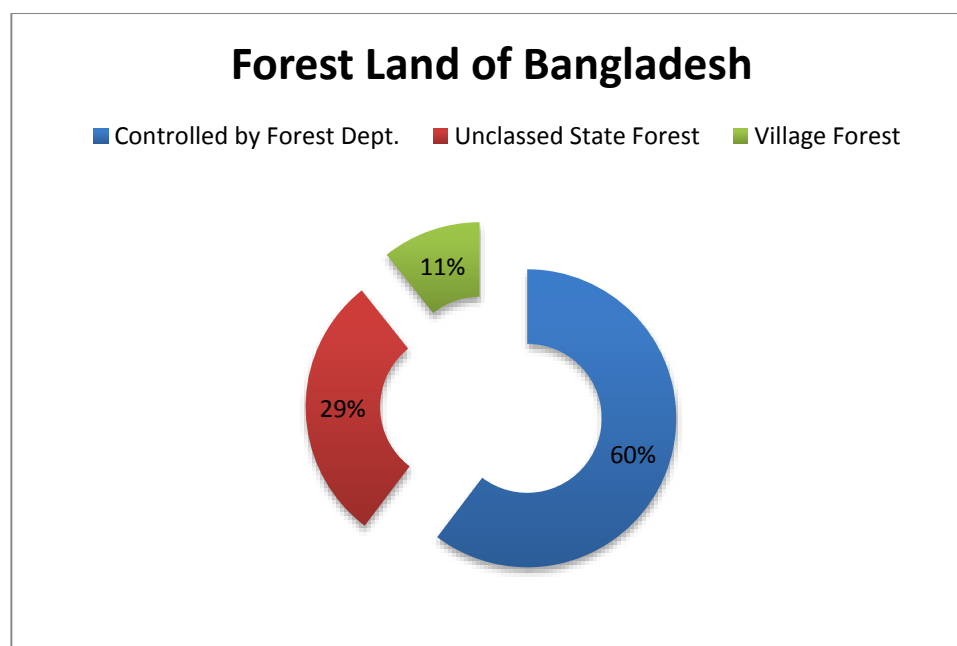


Figure 1: Forest Lands of Bangladesh

Table 2: Forest Controlled by Forest Department.

Forest Type	Area (Million Hectares)	Percentage of total land area)
Hill Forest	0.67	44 %
Natural Mangrove Forest	0.60	39 %
Planted Mangrove Forest	0.13	9 %
Sal Forest	0.12	8 %
Total	1.52	100%

Source: Bangladesh Forest Department

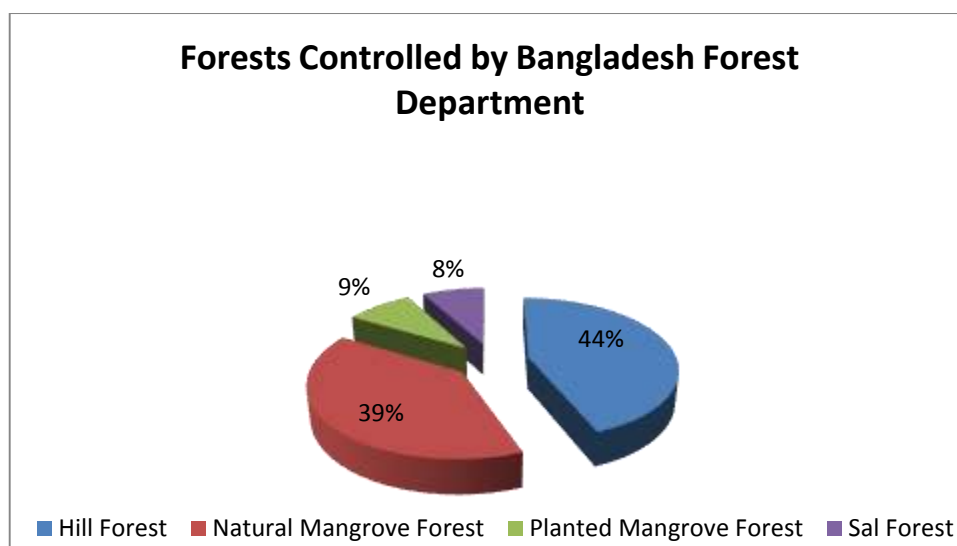


Figure 2: Forest Land Controlled by Forest Department.

Key Elements Relating to Forest Governance

Management Practices of Forestry Sector

The forests not only became degraded but also almost became completely depleted and encroached. The traditional forest management failed not only to protect the resources but also the land under it. The Government gradually took a number of steps over the last 30 years, especially since the '80s. Of these, the following are the major ones.

- Forest Manual Parts 1 and 2 is being used for normal forestry practices. The regulations contained in the Forest Manual are generally used to perform all the day to day activities for forest governance.
- Introduction of 'social forestry'. This was initiated practically in 1977, although rules were only formulated in 2004. The process took a long time and went through lots of ups and downs to reach the current stage of promulgation of various rules and legal frameworks to institutionalize the system. Social forestry, however, has achieved great success and wide appreciation.
- Imposition of bar on the harvest of natural forests. The first declaration as such was initiated in 1971, and the duration of such impositions was extended from time to time. Under the provisions of such impositions, any felling in natural forest is prohibited till 2020.
- A Forest policy was formulated in 1994, which foresaw the future in a wider perspective and accommodated many modified approaches.
- A land use policy was formulated in 2001, which has a clear mandate towards conservation of forest cover.

Historical Background of Forest Management

The Forest Policy of 1955 gave clear guidelines for forest management stating the necessity of management plan. All of the territorial forests came under management plan since then. The period of management plan is usually 20 years. But the period is reduced to 10 years. The last management plan which is in operation is the Integrated Management Plan of Sunderbans Reserved Forest. That plan was prepared under IDA Assisted Forest Resource

Management project. The project carried out inventory in the Hill forest, Mangrove forest and also in Coastal plantations. The output of that inventory is the preparation of seven management plans.

Hill Forest

It spreads over the Civil Districts of Khagrachari, Rangamati, Bandarban, Cox's Bazar, Chittagong, Hobiganj, Moulovibazar. The principal reserved forest areas are Maini Head Water Reserve, Kassolong Reserve, Sitapahar Reserve, Reinkheong Reserve, Thega Head Water Reserve, Sangu-Matamuhuri Reserve, and other reserved forests in the hills were managed till 1989 under clear felling system following artificial regeneration. The objective of forest management was to replace the less valuable trees with high value timber species, like teak, Gamer, Gorjan, Jarul, Loakhat, Dhakijam, Champa Ful etc.

The most important objective was to supply raw materials to Bangladesh Forest Industries Development Corporation. The hill forests, particularly those in the south eastern part of the country, suffered much degradation due to mechanical extraction operated by BFIDC. The natural regeneration has not been successful in the felled area. As a result, it has been transformed to savannah forest. It has also been accelerated by shifting cultivation in the Chittagong hill tracts. The gene pool has been lost tremendously. The priority on the basis of management objective could not prove as sustainable. Later on, project driven management of plantation forestry came into being, and it has been operational since 1980. The IDA assisted the Second Forestry Project (the FRMP project), which introduced exotic species in the hill forest areas.

The vision of the Forest Policies of 1955 and 1962 was to promote the extraction of tropical hardwood in hill forests where the conservation focus was totally absent. Even in the first forest policy of independent Bangladesh, the main focus was on the mechanical harvesting of trees to feed the demand of forest-based industries and optimum extraction of forest produce for meeting the national demand.

Sal forest

The management of inland Sal forest was under the joint control of Zamindar and Government where the coppice with standard silvicultural systems was followed until 1973. In the Central and North Western parts of the country, the area of Sal forest was about 12,0000 hectares. The forest is depleted now, as a consequence of faulty management practice coupled with population pressure in the area, particularly in the Bhawal and Modhupur tracts. To meet their fuel wood demand, the population extracted the Sal forests indiscriminately. The demand for house posts, poles for piling and construction was enormous. The government imposed a moratorium on felling of the Sal forests in 1973, but due to the increasing demand for housing and settlement, road network, township development, industrialization, deforestation intensified and the land use pattern has changed. Encroachment of forest lands has been compounded and accelerated by illegal settlements by the Land Revenue Department. (Ali, 2011).

Social Forestry

Participatory Forestry

Over the last two decades, there has been a gradual shift in the forest management approach adopted by Forest Department i.e. from its traditional custodian role to a more participatory approach. Accordingly, the participation of the people in protecting the natural forest and afforesting the degraded and encroached forest land with benefit sharing mechanism has been developed, and the involvement of the people in forest management has been ensured.

The ADB-funded Community Forestry Project implemented in the seven northern districts from 1981 to 1987, laid the foundation for “participatory forestry” in Bangladesh. Following this, other ADB-funded projects named 'the Thana Afforestation and Nursery Development Project', 'Green Belt Project' and 'Forestry Sector Project' have been implemented throughout the country. Major components of these projects are: Fuelwood Woodlots, Agroforestry, Strip plantations and plantations in marginal lands.

Table 3 and Figure 3 below show the benefits distributed among the participants and wood produced in the country from 1999 to 2014-15.

Table 3: Summary of Harvested Social Forestry Plantation (1999-00 to 2014-15)

Area Felled km/ha	Timber Quantity (million Cubic m.)	Fuelwood Quantity (million Cubic m.)	Poles (million Nos)	Total sale Proceed (million Tk)	Participant Involved (million Nos)	Participant Share (million Tk)	Tree Farming Fund (million Tk)	GOB Revenue (million Tk)
65,463.10 ha & 65,057.98 km	10.714	10.872	4.931	5170.9	0.111	2340.70	512.7	2280.80

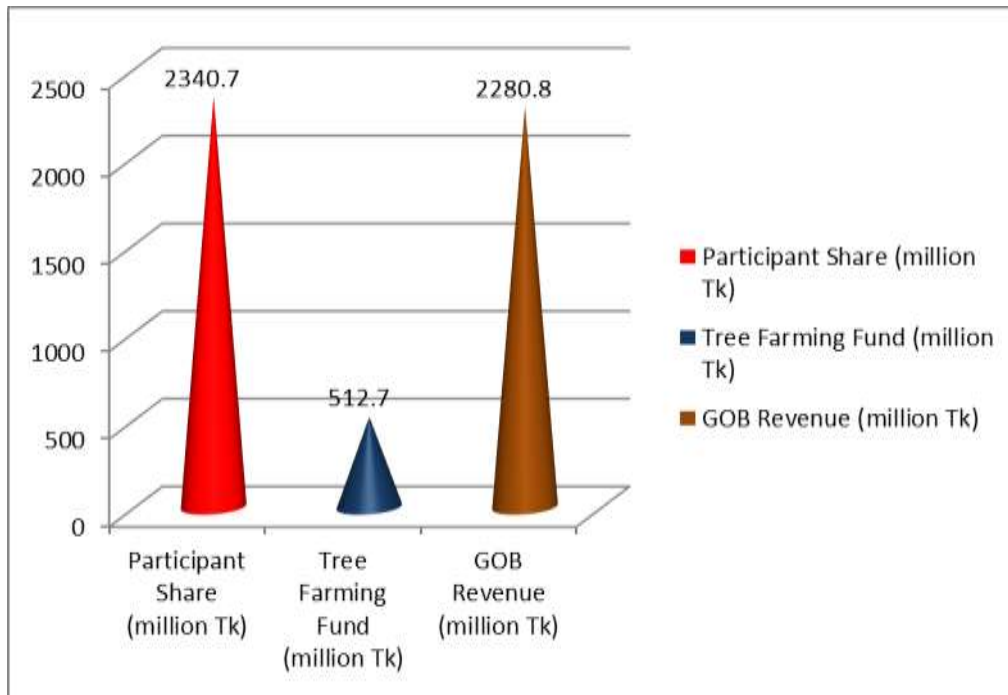


Figure 3: Benefits distributed among the social forestry participants.(1999-00 to 2014-15).
Figure 4 shows the wood products harvested by social forestry for the period 1999 to 2014-15.

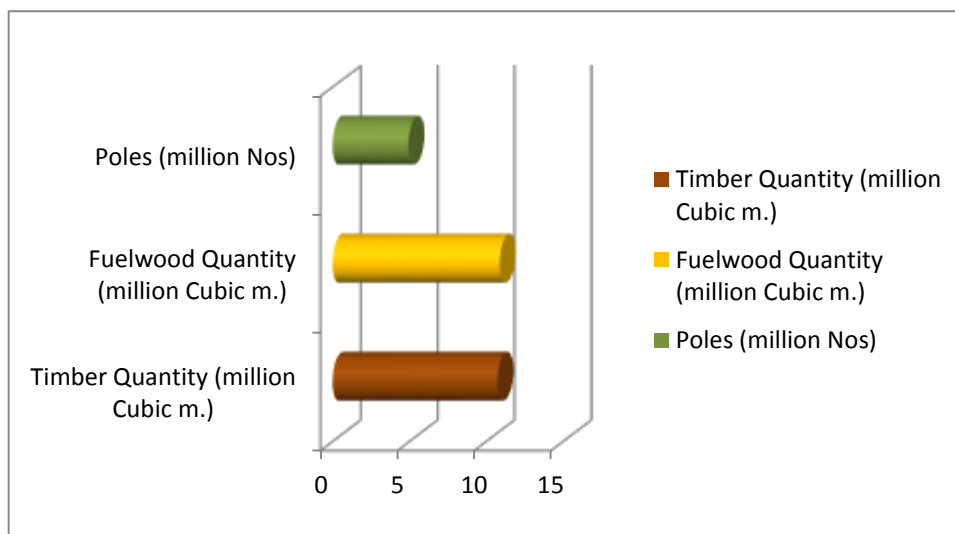


Figure 4: Wood products harvested by social forestry (1999-00 to 2014-15)

Mangrove Forest:

The management of the mangrove forests started back in the eighteenth century based on the sustained yield concept, allowing harvesting of major timber and fuel wood species. The selection system was followed for Sundri (*Heretiera fomes*). The Sunderbans have been divided into different working circle, one of which is termed as Gewa working circle from where Gewa was supplied to Khulna Newsprint Mill. However, the mill was closed in the decade of 1990. There is no Gewa extracted now. Only minor forest products like goran, honey, fish and golpatta were harvested during the last season. Now only small amount of golpatta is extracted from Sunderbans.

The integrated management plan prepared for silvicultural operations in the Sunderbans was valid up to 2010. The basic differences between a conventional management plan and an integrated management plan is the consideration of ecosystem in the later, where most of the natural resources in Sunderbans were taken into account for future management practices without hampering the resource base by present rate of exploitation, so that sustainability can be ensured.

The loss of timber and firewood resources from Sunderbans is caused by excessive dependence of the local poor people on the forests for sustainable livelihood. They do not have either alternative income source or do they have the means of cooking their food using a fuel-efficient stove. More importantly, Sundri is one of the attractive hardwoods used for boat building and as construction material. There are other reasons for the depletion of the mangrove forests, including top dying of the Sundri trees, due to eco-physiological stress and illegal harvesting, although integrated resource management initiatives such as the Sunderbans Biodiversity Conservation Project have been undertaken.

Management of Mangrove Plantations:

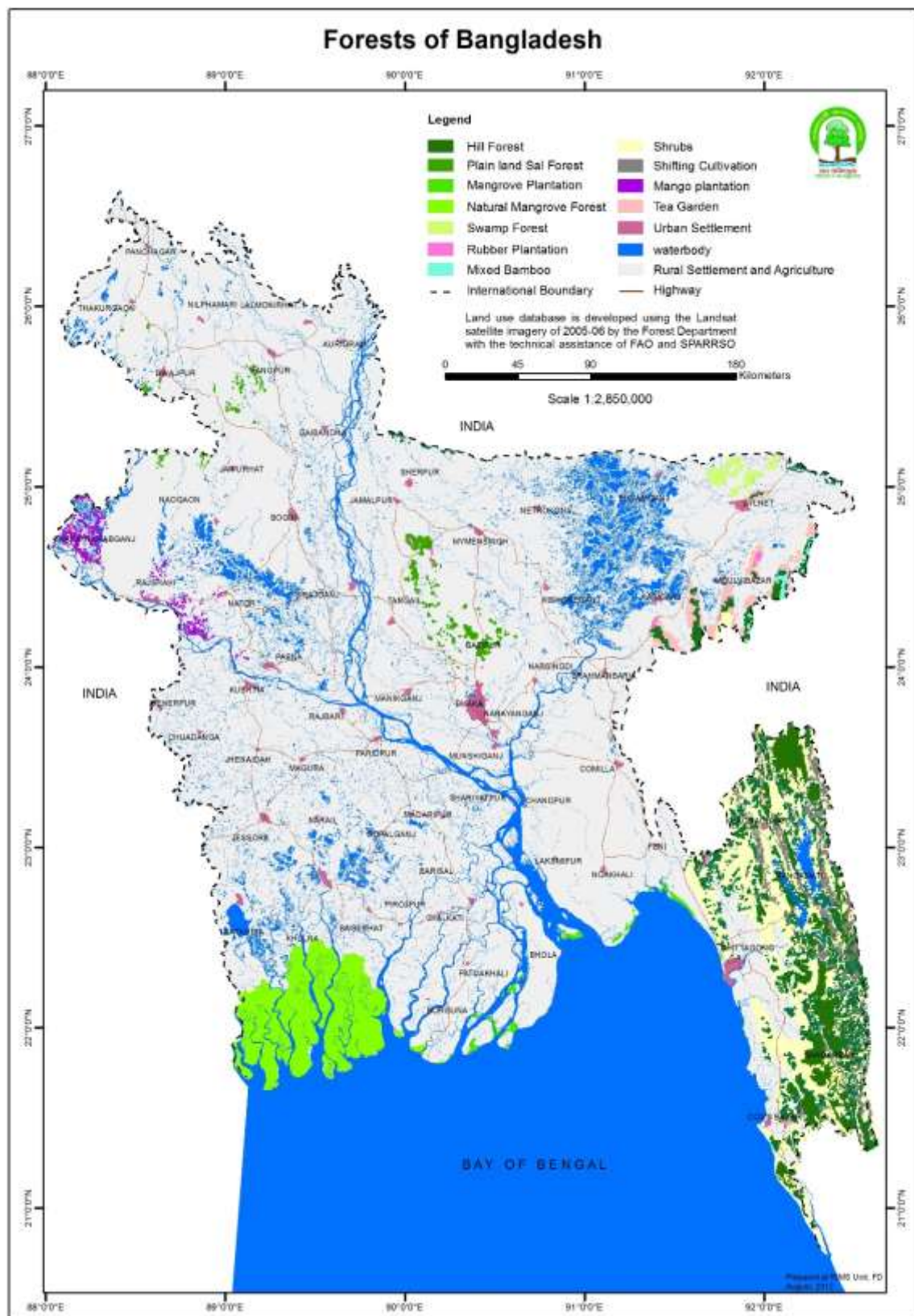
About 180,000 hectares of newly accreted coastal land has been brought under afforestation since 1965-66. This plantation serves as the shelterbelt against cyclone, storm and tidal surges which originate from the Bay of Bengal. Past experience revealed that huge amounts of lives and properties were saved through the protective functions of the mangroves.

The objective of the mangrove plantations has been achieved, but very few initiatives have been taken to make the system sustainable. Better late than never, the forest department carried out a massive inventory of this forest in 1996-97, and with the data generated, four management plans were prepared, but the implementation period of these plans has already expired. There is therefore a crying need to prepare another integrated management plan for the Coastal Forests. (Ali, 2011). Figure 4 below shows the distribution of forests in Bangladesh.

Lessons learnt

Co-management

The Bangladesh Forestry Sector adopted the Nishorgo Network, a platform for collaborative management of protected areas. The USAID Nishorgo Support Project (2003-2008) and the subsequent Integrated Protected Area Co-management (IPAC) project (2008-2013) contributed to strengthening the co-management approach with multiple stakeholders. Since 2012, the Forest Department has declared 40 protected areas in the country among them 20 Sanctuaries, 17 National Parks, 1 marine protected area and 2 vulture safe zone, with 18 of these managed by 23 co-management organizations.



The co-management approach aims to promote an enabling policy environment for people oriented management, capacity building of the Forest Department and community leaders, through sustainable and equitable livelihood development. The scope of community-led

monitoring of resources in protected areas is being developed through community score-cards, indicator bird monitoring and tracking of forest offence records (www.bforest.gov.bd).

Forest Governance

Forest Governance refers to the “process of governing, whether undertaken by a department (government, market or network) whether over a department, formal or informal organization territory whether through laws, norms, power or language.”

In the Bangladesh Forest Department, Forest Manual Part 1 and 2 is being used for normal forestry practices. The regulations in the Forest Manual are generally used to perform all the day to day activities for forest governance.

Forest Policy of 1994

Statements of the National Forestry Policy

The following are the key objectives of the National Forestry Policy of 1994.

- Attempts will be made to bring about 20% of the country's land under the afforestation programs of the government and private sector by year 2015, by accelerating the pace of the program through the coordinated efforts of the government and NGOs and active participation of the people in order to achieve self-reliance in forest products and maintenance of ecological balance.
- Massive afforestation on marginal lands on either side of land surrounding road, rail, dams and khas ponds and tank through the partnership of the local people and the NGOs will be commenced. Side by side, rubber plantation will be encouraged in all suitable areas of the country including Chittagong Hill Tract, Sylhet and Modhupur.
- Special afforestation programs will be undertaken in every city of the country under the auspices of the government in order to prevent pollution of environment in the densely populated area. Municipal, town and other relevant authorities will take concentrated efforts in implementing this program. Attempts will also be made to ensure tree plantation / afforestation while plans are made in respect of residential areas.
- Multiple uses of forest, water and fish of Sundarbans through sustained management will be ensured by keeping the bio-environment of the area intact.
- The areas under the reserved forest, which have been denuded or encroached, will be identified. Afforestation in these lands will be done through people's participation. In this regard, the use of agro-forestry will be encouraged. NGOs will have opportunities to participate in this program. Side by side, the lands in Chittagong and Sylhet, which were allocated to different persons and institutions for developing the Tea gardens and which still remain unutilized and uncultivated, will be identified and used for tree plantation and afforestation.
- Rules and procedures regarding transportation of forest products in the country will be simplified and made up-to-date.
- Export of logs will remain banned given the scarcity of wood in the country. But processed forest products can be exported. Import policy on wood and wood-based products will be liberalized, but import tariffs for the wood products, which are abundant in the country, will be levied appropriately.

- Women will be encouraged to participate in homestead and farm forestry, and participatory afforestation programs.
- Ecotourism, related to forest and wildlife, is recognized as forestry related activity, which will be promoted taking into consideration the carrying capacity of nature.
- There will be massive campaign through the government and non-government medias for raising consciousness among the people regarding afforestation and conservation, and use of forest resources.
- Encouragement will be extended to grow fruit trees for producing more fruits along with the production of timber, fuel wood and non-wood forest products under the afforestation program.
- Initiatives will be taken to reduce wastage by increasing efficiency and modernizing the technology for extracting forest resources.
- The Forest Department will be strengthened in order to achieve the goal and objectives of National Forestry Policy. A new department called "Department of Social Forestry" will be established.
- Laws, rules and regulations relating to the forestry sector will be amended and if necessary, new laws and rules will be promulgated in consonance with goals and objectives of National Forestry Policy.

The Way Forward

The Forest Departments Code of Practice for Law Enforcement:

If the offence is relatively minor, then the Divisional Forest Officer (DFO) may accept the offer of the offender a compromise. Under this provision, the offender has to pay the Forest Charges for contravention of the provision of the law, plus an amount of compensation equivalent to the damage done to the forests plus the value of the forest produce, when the offender is allowed to keep the forest produce. To discourage the forest offenders, at present there is a Government Order that prohibits the offender to keep the forest produce. This is recorded as a Compounding Offence Report (COR).

When the offence involves a larger quantity of forest produce the offender is arrested, the produce and equipment seized then the case is referred for trial at the Magistrates Court. In most cases the offender is bailed but the seized equipment is kept until the trial is over. If the case is proven then the offender is fined or imprisoned or both and the forest produce is confiscated. Confiscated produce is customarily sold at open auction. These cases are recorded as a Prosecuting Offence Report (POR).

On occasions when the Forest Department finds produce that has been obtained without permit and the owners has absconded then the produce is seized, sold at auction, which is recorded as Undetected Offence Reports (UDOR) (www.bforest.gov.bd).

Timber Legality:

Deforestation is considered one of the oldest problems of the world, and it is as old as the agricultural revolution 10 000 to 12 000 years ago. People have always needed land for their own uses and have consequently cleared natural vegetation. Nowadays, global deforestation is understood to be one of the key problems of climate change. Moreover, the economic value of natural resources, such as forests, has been shown to be the major cause of deforestation in developing countries. About 50% of the original forest covering our globe has been cleared in

the last 40 years, and in developing countries about 1.5 billion people rely on firewood for cooking and heating.

Bangladesh is a developing country with 14.4 million hectares of total geographic area. Of these, 13.36 million hectares are land surface, and 0.94 million hectares are rivers and other inland water bodies. The country has only 17.08% (2.52 million ha) of total forest land, and the Sal forests cover about 0.12 million hectares, thereby representing 4.7% of the total forest area of Bangladesh. A few decades ago, Bangladesh was rich in forest resources but a rapid population growth, land conversion into different commercial activities, increased consumption of energy and wood and maximum utilization of natural resources have led to a rapid degradation of forest resources. The tropical moist deciduous Sal forests are a leading example of such degradation, due to highly increasing population that have sequentially brought exploitation of the forest at a significant rate, nearly close to destruction. As a consequence, about 36% of the Sal forests original cover existed in 1985, and more recent estimates mentioned that this figure dropped down to only 10%.

To mitigate shortage of timber, Bangladesh is now importing timber and different types of Forest products from Myanmar, China, Indonesia and other countries. The Government is trying to ensure that the imported timber is legal. The Forest Utilization Division is working with importers so that they submit legality certificate with imported wood and wood products.

Timber

Figure 5 shows the projected requirements and production of saw logs (timber) between 1995 and 2020. The annual requirement of sawn timber is expected to rise (Fig. 01) from 5.4 million m³ (round) in 2000 to 6.8 million m³ (round) in 2015. The projection assumes a flat per capita demand and reflects the expected population growth during the period. Sawmills alone consume a large part of the above requirement. Bangladesh has more than 4,500 sawmills, each with a daily capacity of about 2 m³. About 4,500 sawmills were annually producing about 2.7 million m³ of timber and employing 33,000 persons in 1992 (FMP, 1992). In addition to this about 5,500 pit-saw units also use round wood to produce about 10,000 sleepers (400 m³ timbers) every year.

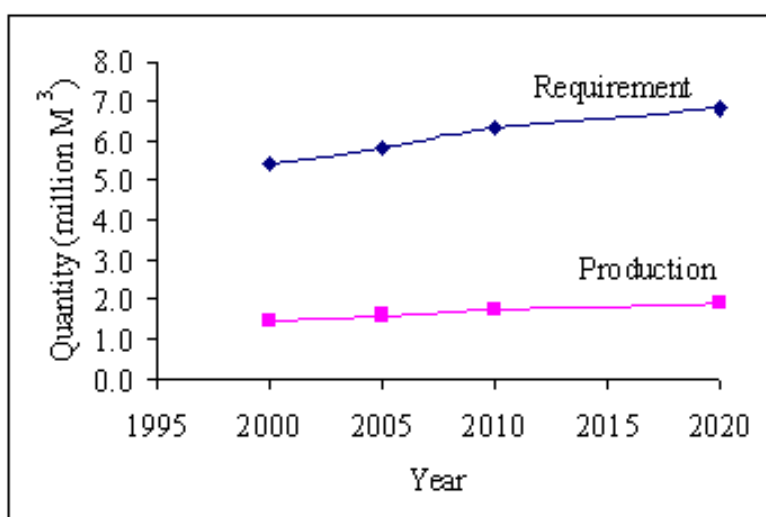


Figure 5: Projected requirements and production of saw logs (timber) between 1995 and 2020

The sawn wood production is expected to increase from its current estimated level of 1.45 million m³ in 2000 to an estimated level of 1.9 million m³ in 2015. Teak, Garjan, Dhaki Jam, Chapalish, Telsur and Champa, Gewa, Sundri and Sal are the main forest tree species that will supply the saw logs. Teak is the dominant plantation species, followed by Jarul, Gamar, Melocanna, Eucalyptus, Keora and Acacia, Babla and Rain Tree. Teak, Jackfruit, Mango, Shil Koroi, Raintree, Mahogany, Eucalyptus and Babul are main species in the villages that will augment the supply of saw logs.

Private wood supplies are very significant, but are spatially skewed like public wood supplies. The Northern and Southern and South-Eastern regions have the best stock of private trees. Dhaka, Tangail, Mymensingh, Rajshahi, Rangpur, Dinajpur, Khulna, Barisal, Patuakhali, Southern Comilla, Noakhali, Chittagong and Cox's Bazar districts have medium stock of private trees. The North-western region and Sylhet, Western Mymensingh and Northern Comilla have significantly lower stock of private tree resources (FRA country report, 2000).

Summary

Having a small country with huge population, Bangladesh is facing a huge pressure in the forestry sector. The need and productivity of forest is not sustainable in Bangladesh. The vast majority of the population lives almost exclusively on the natural resource base. This resource base is under serious threat and environmental planning is essential for the survival with dignity for Bangladesh's over 115 million people and for sustainability of the ecosystem. Despite deploying various techniques, Bangladesh is somewhat unable to stop logging completely. The government is applying different methods to reduce the pressure on the natural forests. It has already been declared in Bangladesh that timber collection from natural forest is completely prohibited till 2020. Social forestry is the main source of timber. The main vision of the Bangladesh Government is to conserve the natural forest and sustainable use of the natural resource for the betterment of the future generations.

Any planning effort must be for the people as they are the users of environmental resources in the final analysis. The preamble of the Constitution of Bangladesh states that "We, the people of Bangladesh having proclaimed our independence" In article 7(1) of the preamble, the constitution proclaims, "All powers in the Republic belong to the people, and their exercise on behalf of the people shall be effective only under, and by the authority of this Constitution." The Government of Bangladesh through its Ministry of Environment and Forest decided to undertake the National Environmental laws and justice, and the governance of environment."

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BANGLADESH

- Name of the Country– The people’s Republic of Bangladesh.
- Location – Situated in South Asia.
- Area – 147570 sq.km.
- Climate – Sub-Tropical.
- Language – Bangla.
- Main Cereal Crop – Rice.
- Major Industries/Export items – Readymade Garments, Raw Jute, Jute Goods, Tea, Leather goods, Fish, Handicrafts etc.





Magpie Robin- The National Bird of Bangladesh

History of Forest Department.

Forest Department was established in 1862.

During British reign Forest Service was known as :

- ☐ Imperial Forest Service.
- ☐ Provincial Forest Service.
- ☐ Sub-ordinate Forest service.

During British Regime Forest of Bangladesh was controlled under Bengal and Assam Forest Department.

History of Forest Department.

During Pakistan Period Forest Department was Controlled under Agricultural Ministry. Then the Forest Service was known as:

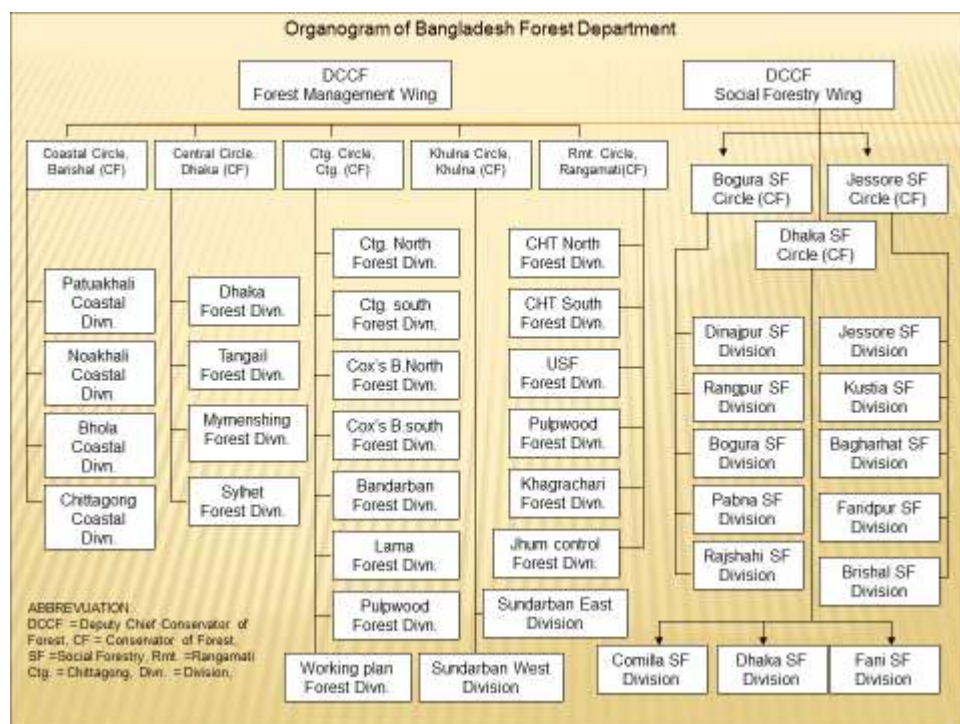
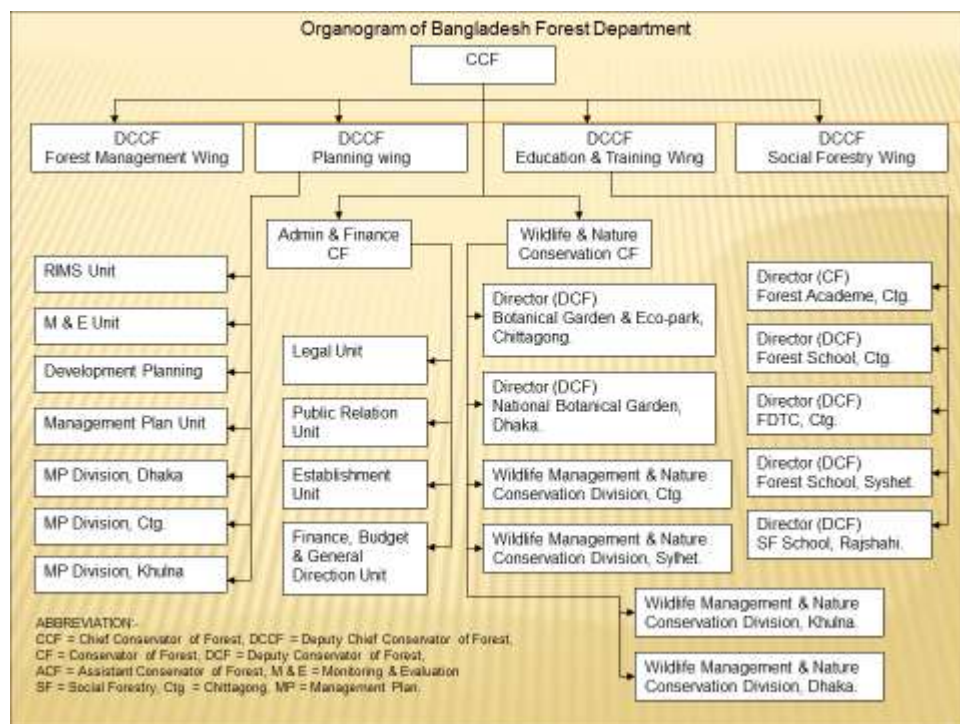
- East Pakistan Senior Forest Service.
- Sub-ordinate Forest Service.

In 1980 Senior Forest Service was Included (B.C.S) Forest cadre.

In 1989 Environment and Forest Ministry was established .

Roles & Responsibility of Forest Department.

- Improve natural and socio economic condition of the country.
- Maintain natural balance.
- Biodiversity Conservation.
- Conservation of Forest Resource.
- Extension of Forest resource.
- Wildlife Management.
- Ecotourism Development.
- Maintain Ecosystem.
- Economic Development.



Glimpse of Bangladesh Forestry

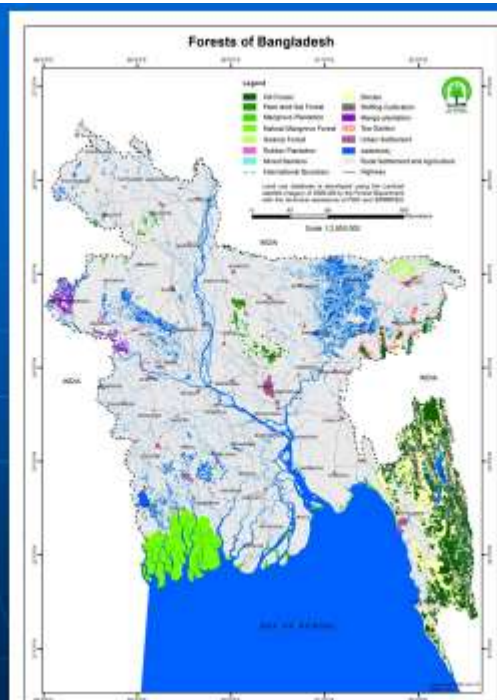
- ❑ Southwest – Sundarbans
- ❑ Northeast and Southeast – Hill Forest of Sylhet, CHTs and Cox's Bazar Forest
- ❑ Central Bangladesh – Degraded Sal Forest
- ❑ Forestland – 2.6 million hectares, or about 18% of the land surface
- ❑ Forest Department owns reserved, protected and acquired forest
- ❑ Unclassed State Forest is owned by Land Ministry. A large portion of the U.S.F is affected by shifting cultivation.
- ❑ Forest policy formulation started in 1894. The last national forest policy adopted in 1994

Forest of Bangladesh

Types of Forest	Area (Million hac.)	% of total land of Bangladesh
Reserved Forest	1.52	10.30
Un-class State of Forest	0.73	4.95
Village Forest	0.27	1.83
Total :	2.52	17.08

Forest Controlled by Forest Department

Types of Forest	Area (Million hec.)	% of total Area of Bangladesh.
Hill Forest	0.67	4.54
Natural Mangrove Forest	0.60	4.07
Mangrove Plantation	0.13	0.88
Sal Forest	0.12	0.81
Total :	1.52	10.30



Forest Type of Bangladesh

■ Hill Forest –

- Area – 0.67 million ha.
- Location – In the Southeast and Northeast of Bangladesh.

Principal tree species of Hill Forest

- Chapalish - *Arotocarpus Chaplasha*
- Garzan - *Dipterocarpus spp*
- Teak - *Tectona grandis*
- champal - *Michelia champacea*
- Gamar - *Amelina arborea, etc.*

Common wildlife

- Asiatic Elephant - *Elephas maximus*
- Sambar - *Cervus unicolor*
- Leopard - *Panthera pardus*
- Hoolock Gibbon - *Hylobates hoolock*
- Wild Boar - *Sus scrofa, etc.*

Hill Forest



Hill Forest



Hill Forest



Hill Forest



Forest Type of Bangladesh

■ Mangrove Forest –

- Area – 0.74 million ha.
- Location – South and Southeast of Bangladesh.

The Bangladesh & Indian Sundarban together forms the largest single tract Mangrove Forest of the world.

Principal tree species

- Sundri - *Heritiera fomes*
- Gewa - *Excoecaria agalloches*
- Bean - *Avicennia spp*
- Goran - *Ceriops spp*
- Golpata - *Nypa fruticans*, etc.

Common wildlife

- Royal Bengal Tiger - *Panthera tigris*
- spotted deer - *Axis axis*
- Estuarine crocodile - *Crocodylus porosus*, etc.

SUNDARBAN MANGROVE FOREST



SUNDARBAN MANGROVE FOREST



Royal Bengal Tiger



Spotted Deer



Forest Type of Bangladesh

■ Sal Forest –

- Area – 0.12 million ha.
- Location – Central, Northern & North Western part of Bangladesh.

Principal tree species

- Sal - *Shorea robusta*

Common wildlife

- Fishing cat - *Felis viverrina*
- Capped leaf monkey - *Trachypithecus pileatus*
- Barking Deer - *Muntiacus muntjak*, etc.

SAL FOREST



Sal Forest



Protected Area

There are 38 protected areas and 6 others conservation sites in Bangladesh. The protected areas cover a total area of **439798.2 ha. (16.59% of Total Forest Area)**. The protected area included 17 National parks, 20 wildlife sanctuary, 1 marine protected area and 12 other conservation sites.

	NATIONAL PARKS	Location	Area (ha.)	Established
1	Bhawal NP	Gazipur	5,022	1974/1982
2	Modhupur NP	Tangail/ Mymensingh	8,436	1962/1982
3	Ramsagar NP	Dinajpur	27.75	2001
4	Himchari NP	Cox' Bazar	1,729	1980
5	Lawachara NP	Moulavibazar	1,250	1996
6	Kaptai NP	Chittagong HT	5,464	1999
7	Nijhum Dweep NP	Noakhali	16352.23	2001
8	Medha Kassapia NP	Cox's Bazar	395.92	2004
9	Satchari NP	Hobigonj	242.91	2005
10	Khdin nagar NP	sylhet	679.00	2006
11	Baralyadhala NP	Chittagong	2933.61	2010
12	Kuakata NP	Patuakhali	1613.00	2010
13	Nababgonj NP	Dinajpur	517.61	2010
14	Shingra NP	Dinajpur	305.69	2010
15	Kadigarh NP	Mymensingh	344.13	2010
16	Altadighi Np	Naogaon	264.12	2011
17	Birgonj NP	Dinajpur	168.56	2011

	WILD LIFE SANCTUARIES	Location	Area (ha.)	Established
1	Rema-Kelenga WS	Hobigonj	1795.54	1996
2	Char Kukri-Mukri WS	Bhola	40	1981
3	Sundarban (East) WS	Bagerhat	31226.94	1960/1996
4	Sundarban (West) WS	Satkhira	71502.10	1996
5	Sundarban (South) WS	Khulna	36970.45	1996
6	Pablakhali WS	Chittagong HT	42087	1962/1983
7	Chunati WS	Chittagong	7761	1986
8	FasiaKhali WS	Cox's bazar	1302	2007
9	Dudh Pukuria-Dhopachari WS	Chittagong	4716.57	2010
10	Hazarikhil WS	Chittagong	1177.53	2010

	WILD LIFE SANCTUARIES	Location	Area (ha.)	Established
11	Sangu WS	Bandarban	2331.98	2010
12	Teknaf WS	Cox's bazar	11615.00	2010
13	Tengragiri WS	Barguna	4048.58	2010
14	Dudh Mukhi WS	Bagerhat	170	2012
15	Chadpai WS	Bagerhat	560	2012
16	Dhangmari WS	Bagerhat	340.00	2012
17	Sonarchar WS	Patuakhali	2026.48	2011
18	Nazirganj WS (Dolphin)	Pabna	146.00	2013
19	Shilanda-Nagdemra WS (Dolphin)	Pabna	24.17	2013
20	Nagarbari-Mohanganj Dolphin Sanctuary	Pabna	408.11	2013

	Conservation Sites	Location	Area (ha.)	Established
1	National Botanical Garden	Dhaka	84.21	1961
2	Baldha Garden	Dhaka	1.37	1909
3	Madhabkunda Eco-Park	Moulavibazar	265.68	2001
4	Sitakunda Botanical Garden and Eco-park	Chittagong	808	1998
5	Bangabandhu Sheikh Mujib Safari Park	Cox's Bazar	600	1999
6	Modhutila Eco-Park	Sherpur	100	1999
7	Banshkhali Eco-Park	Chittagong	1200	2003
8	Kuakata Eco-Park	Patuakhali	5661	2005
9	Tilagar Eco-Park	Sylhet	45.34	2006
10	Borshijora Eco-Park	Moulavibazar	326.07	2006
11	Bangabandhu Sheikh Mujib Safari Park	Gazipur	1493.93	2013
12	Rajeshpur Eco-Park	Comilla	185.09	

Social Forestry

- From last two decades there has been a gradual shift in the forest management approach adopted by Forest Department i.e from its traditional custodian role to a more participatory approach. Accordingly the provision of people's participation in protecting the natural forest and afforesting the degraded and encroached forest land with benefit sharing mechanism has been developed and people's participation has been ensured. As a result, forest cover has been increased to a great extent and socio-economic condition of social forestry participants' has been improved.



Strip plantation along rail road
Social forestry model



Strip plantation in road-side
Social forestry model



Cane plantation
Social forestry model



Bamboo plantation
Social forestry model



Agar plantation
Social forestry model



Agroforestry
Social forestry model

Distribution of benefits among Social Forestry participants
by Honorable PM of Bangladesh



Summary of Harvested Social Forestry Plantation (1999-2015)

Area Felled km/ha	Timber Quantity (million Cubic m.)	Fuelwood Quantity (million Cubic m.)	Poles (million Nos)	Total sale Proceed (million Tk)	Participa nt (Involved (million Nos)	Participa nt Share (million Tk)	Tree Farming Fund (million Tk)	GOB Revenue (million Tk)
65,463.10 ha & 65,057.98 km	10.714	10.872	4.931	5170.9	0.111	2340.70	512.7	2280.80

Coastal Afforestation

- Bangladesh is pioneer in coastal plantation program. To protect lives and resources from Cyclone and tidal surges of the people of 10 coastal districts of Bangladesh, FD started coastal afforestation along coastal embankment since 1960 and in newly accreted land since 1965-66. So far FD has recovered about 0.151 million ha of coastal land through coastal afforestation which increases the country's total area of about 1%.

Coastal Afforestation



Coastal Afforestation



Coastal Afforestation



Eco-tourism in Bangladesh

Eco-tourism is a new concept in the country Bangladesh has tremendous potentialities of development of eco-tourism opportunities in the country. Some important tourism sites under the control of BFD are mentioned below.

Some Potential Eco-tourism Sites

- [Sundarban](#)
- [Bhawal National Park](#)
- [Modhupur National Park](#)
- [Kaptai National Park](#)
- [Bashkhali Eco-park](#)
- [Madhutila Eco-park](#)
- [Himchari National Park](#)
- [Teknaf Game Reserve](#)
- [Nizum Dweep](#)
- [Sitakunda Botanical Garden and Eco-park](#)
- [Madhabkunda Eco-park](#)
- [Kuakata Eco-park](#)
- [Rema kalenga wildlife sanctuary](#)
- [Lawachara National park](#)
- [Satchari National park](#)
- [Ramsagar National park](#)
- [Dulahazara Safari Park](#)

Sundarban - the world Heritage site

Location : Southeast of the country composed of three wildlife sanctuaries such as Sundarban east Wildlife sanctuary, Sundarban South wildlife sanctuary and Sundarban West Wildlife sanctuary.

Area : The total area of world Heritage Site is 1400 sq.km. out of which 910 km. is land area and 490 km. is water area.

Special Attraction :

- The Royal Bengal Tiger
- Estuarine Crocodile
- Ganges River Dolphin
- Spotted Deer
- The Sundri Tree

Sundarban - the world Heritage site



Bhawal National Park

Location : About 40km north of Dhaka city.

Area : 5022 hectare

Special Attraction :

- Continuous Sal Forest
- Facilities of picnic spot, boat Journey & horse riding
- Rest House

Bhawal National park



Modhupur National Park

Location : The Park is in Tangail District.

Area : 8436 hectare

Special Attraction :

- Continuous Sal Forest
- Facilities of picnic spot
- Rest House
- Tribal Life
- Capped Leaf Monkey

Modhupur National Park



Ramsagar National park

Location : south of Dinajpur District.

Area : 27.76 hectare

Special Attraction :

- Biggest Man made tank of Bangladesh
- Historic events of National Heritage
- Rest House
- Migratory Birds in winter

Ramsagar National park



Kaptai National Park

Location : The Kaptai National Park is located in Rangamati Hill District .

Area : 5464 hectare

Special Attraction :

- Old teak plantation
- Kaptai lake
- Asiatic Elephant

Kaptai National park



Asian Elephant



Kaptai Lake



Himchari National Park

Location : Himchari under the Cox's Bazaar District .

Area : 1729 hectare

Special Attraction :

- Evergreen & Semi evergreen Forest
- Water fall
- Elephant

Himchari National Park



Teknaf Wildlife Sanctuary

Location : Teknaf Game reserve is located on the bank of the River Naf and 48 km from Cox's Bazar town.

Area : 11615 hectare

Special Attraction :

- Scenic beauty of the Naf River & blue waves of the Bay of Bengal
- Natural Forest
- Asian Elephant



Teknaf Wildlife Sanctuary



Sitakunda Botanical Garden and Eco-park

Location : Chittagong District.

Area : 808 hectare

Special Attraction :

- Picnic spot
- Scope to observe hill forest and the Bay of Bengal
- Historic chandranath temple

Sitakunda Botanical Garden and Eco-park



Madhabkunda Eco-park

Location : The Madhabkunda Eco-park is located at Madhabkunda under Moulavibazar District.

Area : 265.68 hectare

Special Attraction :

- Largest water fall of Bangladesh
- Natural forest & wildlife

Madhabkunda Eco-park



Kuakata

Location : Kuakata is located at the southern most tip of the country facing the Bay of Bengal, in the sea-queen district of Patuakhali.

Area : 5661.0 hectare

Special Attraction :

- Coastal Forest
- Tribal life

Kuakata



Lawachara National Park

Location : Moulivi Bazar District.

Area : 1250.0 hectare

Special Attraction :

- Mixed Ever Green Forest
- *Hoolock gibbon*
- Foot Trail
- Tribal life
- Different Species of birds

Lawachara National Park



Satchari National Park

Location : Habiganj District.

Area : 243.0 hectare

Special Attraction :

- Natural Forest
- *Hoolock gibbon*
- Tribal life

Satchari National Park



Rema-Kalenga wildlife Sanctuary

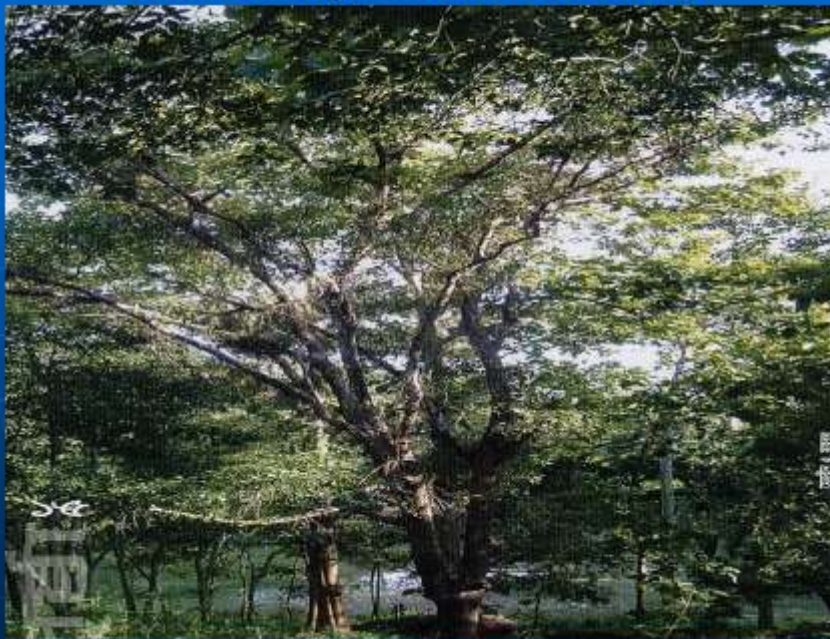
Location : Habiganj District.

Area : 1795.0 hectare

Special Attraction :

- Natural Forest
- Different Species of Birds
- Tribal life
- Wildlife

Rema-Kalenga wildlife Sanctuary



Madhutilla Eco-park

Location : Sherpur District.

Area : 100.0 hectare

Special Attraction :

- Sal Forest
- Lake
- Plantation of rare Species

Madhutilla Eco-park



Bashkhali Eco-park

Location : Chottagong District.

Area : 1200.0 hectare

Special Attraction :

- Natural Forest
- The Bay of Bengal
- Boat Riding

Bashkhali Eco-park



Nijhum Deep National park

Location : Noakhali District.

Area : 16,352.0 hectare

Special Attraction :

- Coastal Forest
- Spotted Deer (*Axis axis*)
- Migratory Birds.

Nijhum Dweep National Park



Timber legality

- The annual requirement of sawn timber is expected to rise from 5.4 million M³ (round) in 2000 to 6.8 million M³ (round) in 2015.
- Social forestry is the main source of timber supply.
- The Garjan, Jam, Chapalish, Telsur and Champa, Gewa and sundri are main forest tree species.
- Teak is the dominant plantation species, followed by Jarul, Gamar, Melocanna, Eucalyptus, Keora and Acacia, Babla etc.
- Private Wood supplies are very significant. Khulna, Barisal, Patuakhali, Southern Comilla, Noakhali, Chittagong and Cox's Bazar districts have medium stock of private trees.

Tools to Regulate Timber And other Non-timber Products Movement in Bangladesh

- Collection and Transportation of Timber from Reserve Forest, Protected Forest, Acquired Forest, Vested Forested, Social Forestry and timber from other government owned land (except Sundarban RF, Khagachhari, Rangamati & Banderban) is regulated by 'Forest Product Movement (Regulation) Rules, 2011'. (Forest Transit Rule, 2011)

Tools to Regulate Timber And other Non-timber Products Movement in Bangladesh

- Other than this, the timber and non-wood forest product movement in Bangladesh is also regulated by Social Forestry Rules, 2004 (Modified up to May, 2011).
- The Forest Act, 1927.
- Chittagong Hill Tract Forest Transit Rules, 1973.
- Rules for the Control of transit of timbers and other forest produce and rules for the measurement and registration of boats used for transit in the Sunderbans Forest Division, 1959.
- Brick Burning (Control) (Amendment) Act, 2013.
- Saw-mill (License) Rules, 2012.
- Agar Tree Selling Rules, 2012 and
- Wildlife (Conservation and Security) Act, 2012.

Forest Governance

- Forest Governances refers to “Process of governing, whether under taken by a department (Government, market or network) whether over a department, formal or informal organization territory whether through laws, norms, power or language.”

Forest Governance

- In Bangladesh Forest Department, forest manual part 1&2 is being used to normal forestry practices.
- A Forest policy was formulated in 1994, which foresaw the future in a wider perspective and accommodated many modified approaches.
- A land use policy was formulated in 2001, which has a clear mandate towards conservation of forest cover.
- Social forestry and Protected Area management is also very important policy for Forest governance in Bangladesh.

Problems Facing

FD faces numbers of problem some of which are -

- Illegal Felling
- Shifting cultivation
- Over exploitation of bamboos and trees
- Population pressure
- Encroachment
- Poor logistics
- Insufficient manpower
- Weak political commitment



CAMBODIA'S FOREST MANAGEMENT IN THE CONTEXT OF TIMBER LEGALITY VERIFICATION-NARETH CHEA



Mr Nareth Chea giving the Country Report on Cambodia



Mr. Sokla Yek from Cambodia in the forest in Pu'er City region



Outline

- 1-Current Forest Resource Situation
- 2-Forest Cover
- 3-Main Sources Of Timber Supply
- 4-FA Organization Structure
- 5-National Policy
- 6-Efforts on Timber Legality Assurance System
- 7-Current Works on Timber Legality Assurance System
- 8-Challenge and Required Support



I-Current Forest Resource Situation

- Total country area: 181,035km²
- Permanent forest
 - Production Forest: 1,200,000 ha, MAFF
 - Forest Plantation: 96,349 ha
 - Protected forests: 1,484,343ha
 - Community Forestry: 410,025 ha
 - Forest concessions: 3,374,328ha
- Protected areas: 3,134,471ha by MoE



II- Forest Cover 2010



N.	Forest Types	Forest Area	%
1	Evergreen forest	3,499,185	19.27
2	Semi evergreen forest	1,274,789	7.02
3	Deciduous forest	4,481,214	24.68
4	Other forest	1,108,600	6.10
	Total Forest Land	10,363,789	57.07
5	Non Forest	7,796,885	42.93



III. Main Source Of Timber Supply

There are main sources of Timber Supply:

- Forest Plantation(Acacia & Teaktonagrandis)
- Confiscate Illegal Timber by Court Decision(7488m³151) ,2014
- Economic Land Concession (127,142m³) ,2012
- Community Forestry
- Import: 1,300 m³(Chanfuta, afzelia quanzensis),2014
- Export: 75,291m³, 2014

6



IV-FA Organizational Structure

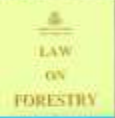


Forestry Administration has total 1,389 officers assigned to work
at central level = 284 officers and local levels = 1,105 officers.

6



V-National Policy



National Forest Policy Framework

Millennium Development Goal:
maintaining good forest cover 60% by 2015, and reduce a level of fuel wood dependency from 97% to 52% of total population

Rectangle Strategy of RGC:
ensure environmental sustainability through sustainable management of natural resources

National Forest Policy:
Forest Resource Conservation, Good Governance, Socio-Economic Development, Poverty Reduction.

National Forest Program:
Advance the sustainable management and development of forest for contribution to poverty alleviation, enhanced livelihoods, economic growth and environment, protection

7



National Policy(CON'T)







Forest Governance

Forestry reform:
Former Forestry and wildlife department reformed to Forestry Administration (2004)

Forest Management System:

- Decentralization and de-concentration: involving from local authority and local community;
- Public consultation;
- Private sector participation.

8



VI-Efforts on Timber Legality Assurance System in Cambodia

- Forest Governance Policy was elaborated in National Forest Programme (2010-2029)
- ASEM FLEGT Conference and Seminar were hold in collaboration of FA and EU in Phnom Penh in 2010
- A number of discussions between Ministerial level and EU on Timber Legality Assurance System in 2011 but no conclusion has been made yet

9



VII-Current Works on Timber Legality Assurance System in Cambodia

- With supported from EU/EFI, The timber flow study was conducted by Global Forestry Service (GFS) in collaboration with FA, relevant Government agencies and private sectors.
- The Workshop-Launch of Study Report on Understanding Timber Flows And Control in Cambodia in the Context of FLEGT was organized by TWG-FR and EU/EFI in November 2014 in Phnom Penh.



10



VIII-Challenge

- ✱ Lack of policy on TLAS and VPA
- ✱ Institutional capacity on TLAS still limited

🔑 **Support Required:**

- Technical Adviser and fund to strengthen for certification office
- Resources to carry out TLAS public and cross sector consultation
- Strengthen capacity on TLAS

11



sUmGrKuN

Thank You So Much For Your Attention

12

KEYNOTE LECTURE 3: HOW TO VERIFY LEGALITY-LEGAL SYSTEMS AND TOOLS – REVIEW OF REGIONAL LEGISLATIVE PROCESS: LAW, ACTS, BILLS AND REGULATIONS MR. VINCENT VAN DEN BERK



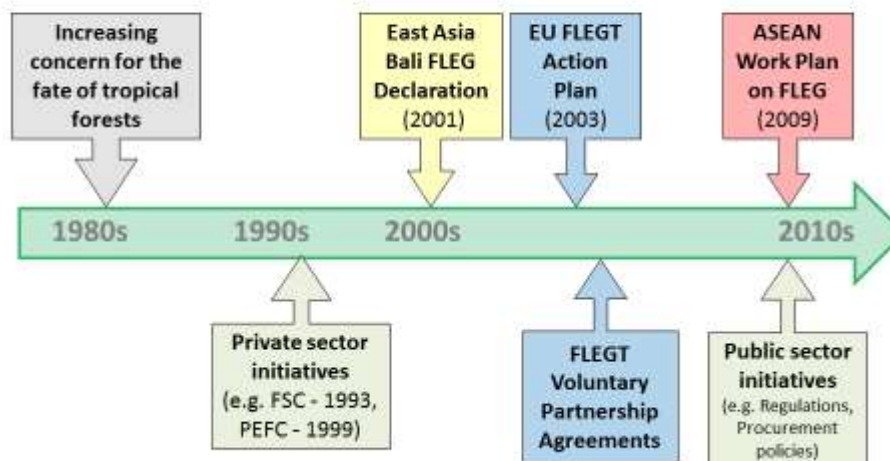
Mr Vincent van den Berk giving his first thematic presentation.



This presentation

- Timber legality in historical context
- Setting the scene for timber legality
- Private procurement, certification
- Public procurement
- Illegal logging legislation
- What is legal timber? Example EU and VPA's

Timber legality in historical context



Setting the scene for timber legality

Historical context

- 1980s: growing concern about the **degradation and loss** of forests
- 1990: Rio Conference highlighted need for **sustainable management** of forests
- 1998: G8 Summit - **Action Plan on Illegal Logging**
- 2001: Bali Declaration - **intensify national efforts**, and strengthen bi-, multi-lateral & regional **collaboration**
- 2003: **EU FLEGT** Action Plan
- 2009: **ASEAN** Work Plan on Strengthening **FLEG**
- 2010s: **Regulations** in some markets demanding proven legality of timber products

What am I buying?

- Increasing awareness that there are serious issues with some forest sources:
 - *Stolen* timber - no right to harvest
 - *Undersized* logs or *protected species*
 - Gained by *corrupt* means
 - From an operation *not paying taxes* or other charges: loss of revenue to governments and communities
 - *Not complying with regulations* on forestry, environmental, health & safety...
 - *Conflict timber*



Responses



- *Private sector initiatives*
- *Public sector initiatives*

Certification – of forest management and chain of custody

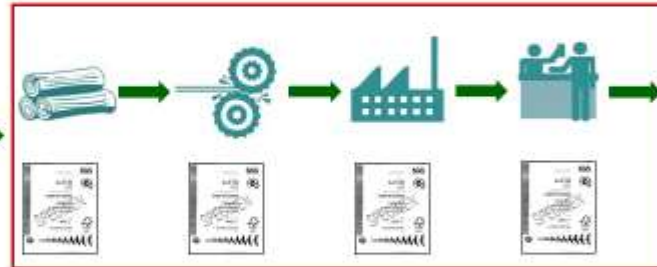
FMU certificate



Forest Management Certification:

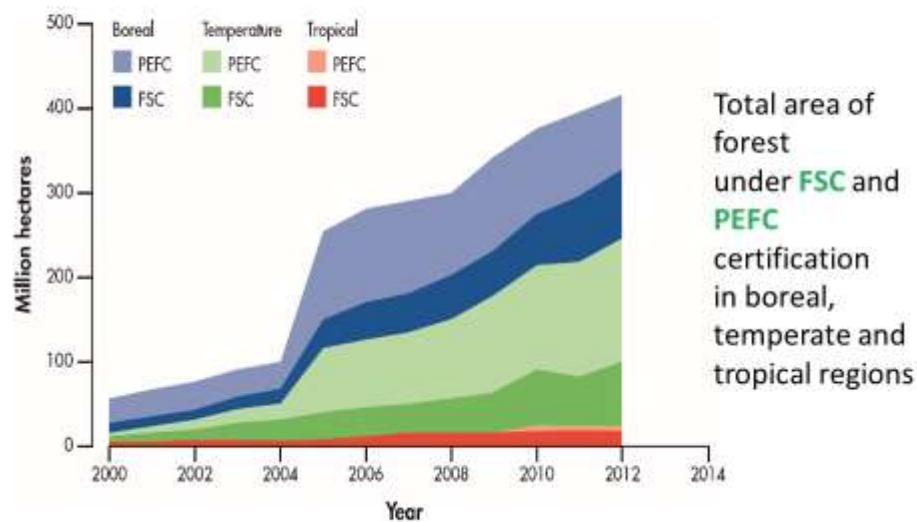
A system of forest inspection

CoC certificates



Chain of Custody Certification:
A means of tracking wood through the supply chain from forest to final user

Growth of certified forest areas 2000-12



Source: <http://www.biodiversityindicators.net/forestcertification>

Public procurement policies for timber



5 major EU importing countries have public procurement policies for timber

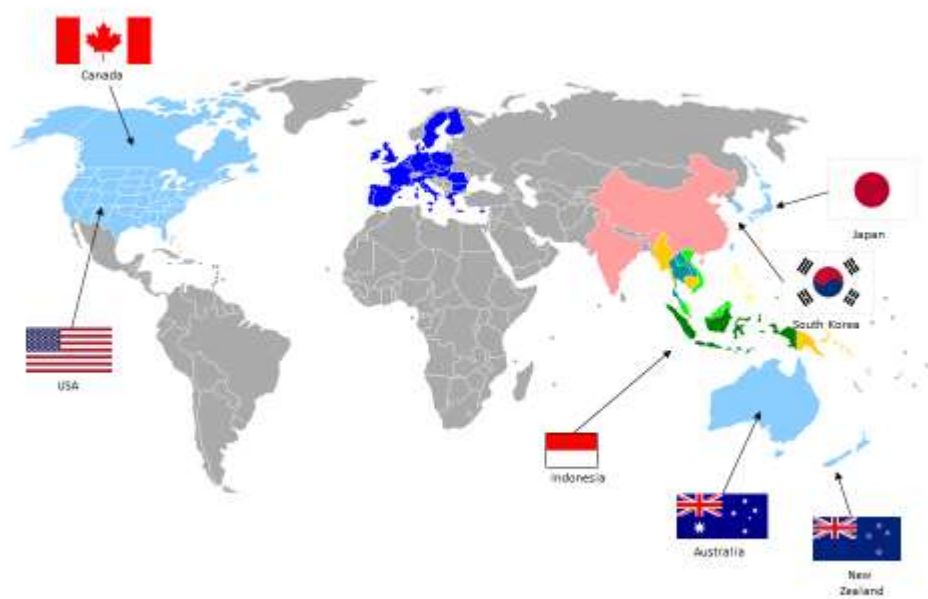
Other countries with timber procurement policies include:

- Japan (Goho-wood)
- New Zealand

Prohibitions on placing illegal timber on the market

- Lacey Act amendment of 2008 - requires importers to exercise **Due Care** to ensure that the timber/products were legally harvested
- EU TR from 2013 – requires “operators” to exercise **Due Diligence** to minimise the risk of placing illegally harvested timber/ timber products on the market
- Australia Illegal Logging Prohibition Act from 2014 - includes **Due Diligence** requirement





What is legal timber?

Example EU and Voluntary partnership agreements (VPA)

The Forest Law Enforcement, Governance & Trade (FLEGT) Action Plan



FLEGT Action Plan – 7 elements

- Development cooperation with timber-producing Countries
- Bilateral trade agreements (VPAs)
- New legislation (EU TR)
- Public procurement
- Encouraging private sector action
- Encouraging financial institutions' action & safeguards
- Addressing conflict timber

FLEGT – Complementary demand & supply side measures

EU Timber Regulation (EU TR) ↔ Voluntary Partnership Agreement (VPA)

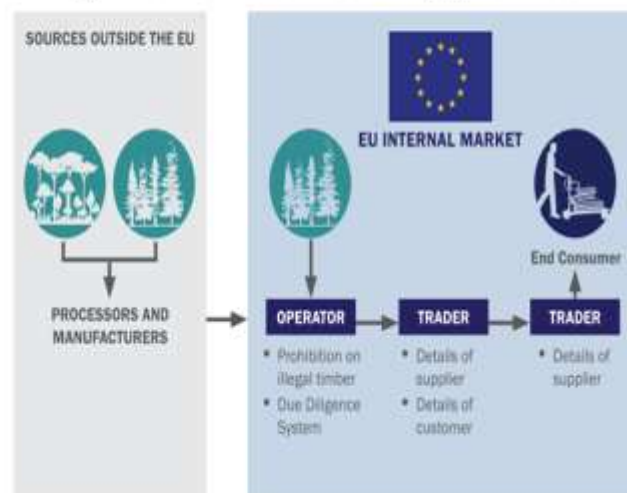
- Prohibits sale of illegal timber in the EU since March 2013
- Ensures export of only legal timber to EU from participating countries

➤ Demand side measure

➤ Supply side measure

EU TR – Geographical scope

- Applies to both imported and domestically produced timber



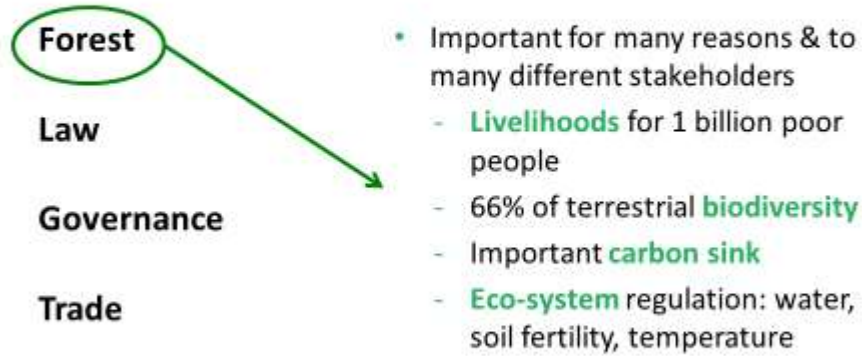
Why F L E G T?

How is legality defined?

- Applicable legislation of the country of harvest:
 - Legal *rights to harvest*
 - Payments for *taxes* and *fees* related to harvesting and timber trade
 - *Timber harvesting* laws including *environmental* and *forest* legislation
 - *Third parties'* tenure and use *rights*
 - *Trade* and *customs* rules

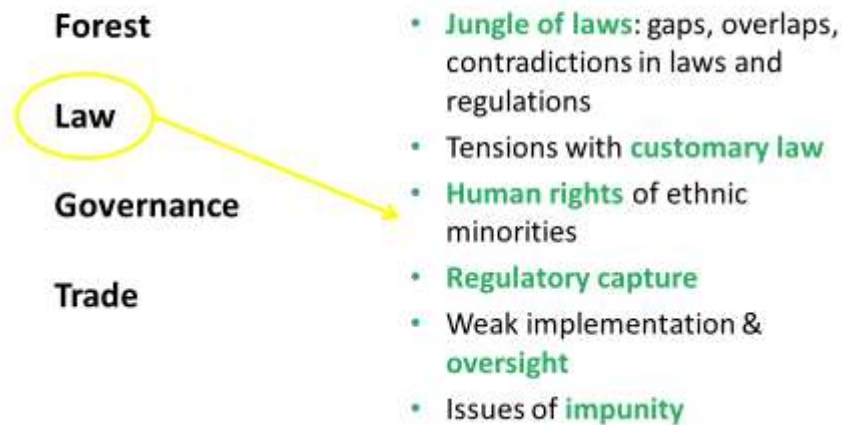
FLEGT...

... goes beyond illegal logging



FLEGT...

... goes beyond illegal logging



FLEGT...

... goes beyond illegal logging



FLEGT...

... goes beyond illegal logging



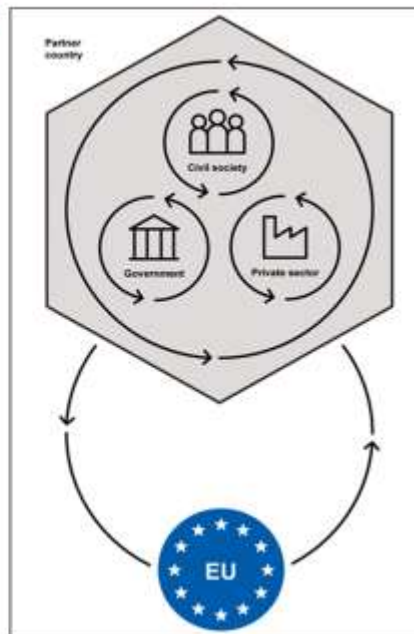
What is a FLEGT Voluntary Partnership Agreement?

What is a VPA?

- Legally-binding agreement between EU & Partner Country
- Objectives:
 - At least *all timber* (per product scope of the VPA) *exported to EU* from the partner country *verified as legally* compliant
 - *Clear legal framework*
 - Improved *governance* and *transparency*

How is it negotiated?

- **Within** stakeholder groups
- **Between** stakeholder groups
- **Bilateral** negotiations with the EU



What do stakeholders bring to a VPA?



What is negotiated?

- A timber legality assurance system (TLAS)
- Commitments to improve **transparency** and other aspects of forest governance
- **Framework** for **monitoring** and evaluating **implementation**

VPA text and annexes

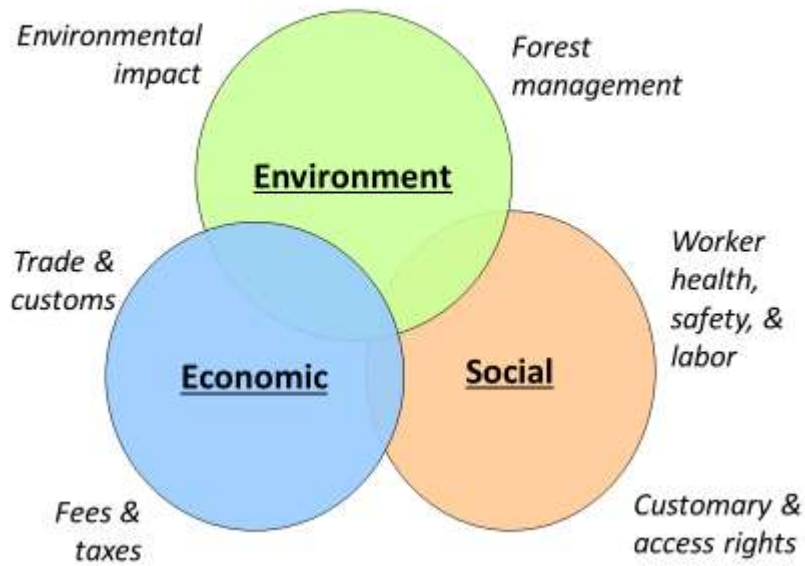
Product scope
Legality definition
Legality assurance system
EU procedures for imports of FLEGT-licensed timber
FLEGT licences
Independent auditing
Legality assurance system assessment criteria
Implementation schedule
Accompanying measures
Public information
Joint implementation committee

Why VPAs need a TLAS

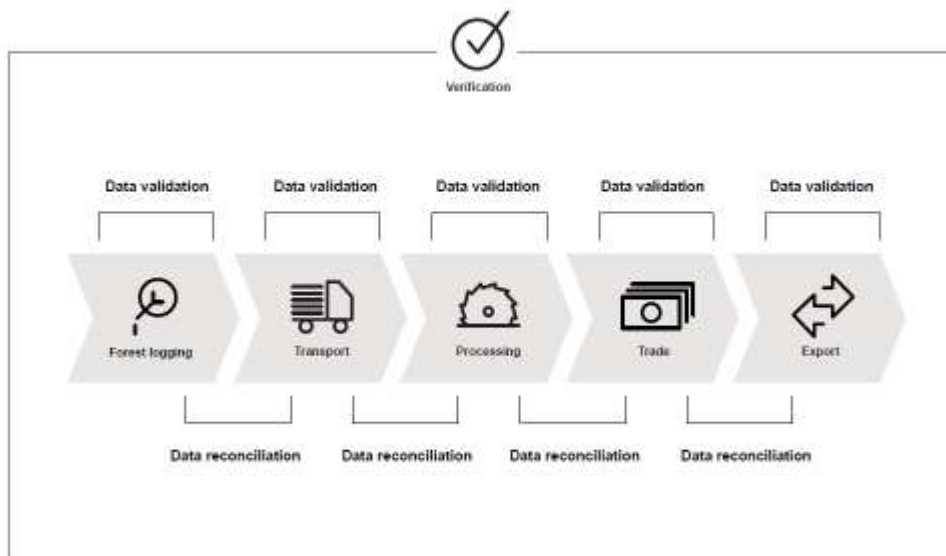


How to find out?

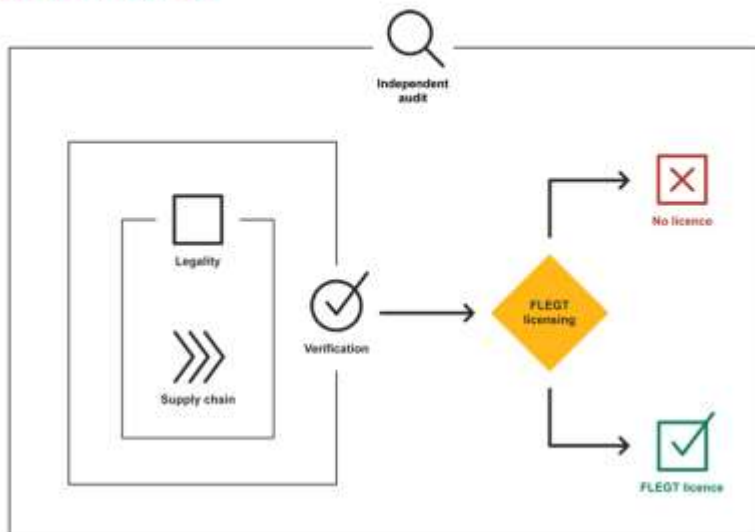
TLAS – Legality definition: 3 principles



TLAS – Supply chain controls



TLAS – Integrated system with 5 components



Governance commitments

- Depending on the country:
 - *Legal reforms*
 - *New structures and capacity*
 - *Better enforcement*
 - *Better regulation of domestic markets*
 - *Information to be made public and communication*
 - *Checks and balances*

FLEGT & VPA progress in Asia



EU FLEGT Facility
Kuala Lumpur, Malaysia

Telephone
+603-4251 1886

Email
Vincent.vandenberk@efi.int



Do you want more information?

European Commission website on EUTR
for EU operators
<http://ec.europa.eu/environment/eutr2013>

EU FLEGT Facility website on VPAs and
FLEGT-licensed timber
<http://www.efi.int>

And more information

<http://ec.europa.eu/environment/forests/flegt.htm>

http://ec.europa.eu/environment/sites/home_en.htm

http://ec.europa.eu/environment/forests/illegal_logging.htm

CHALLENGE OF LEGAL AND POLICY SYSTEMS – MR XIA JUN



Mr Xia Jun giving his thematic presentation



Challenge of legal and policy systems

XIA Jun, APFNet
July 4, 2015
xia_jun@apfnet.cn



11th session of the United Nations Forum on Forest, May 4-15



UNCED Forest Principles

Principle 1

- *States have, in accordance with the Charter of the United Nations and the principles of international law, the sovereign right to exploit their own resources pursuant to their own environmental policies;*
- *States have the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction*

<http://www.un.org/documents/ga/conf151/aconf15126-3annex3.htm>



UNCED Forest Principles

Principle 2

- *States have the sovereign and inalienable right to utilize, manage and develop their forest in accordance with their development needs and level of socio-economic development and on the basis of national policies consistent with sustainable development and legislation, including the conversion of such areas for other uses within the overall socio-economic development plan and based on rational land-use policies*

<http://www.un.org/documents/ga/conf151/aconf15126-3annex3.htm>



UNCED Forest Principles

Principle 13

- *Trade in forest products should be based on non-discriminatory and multilaterally agreed rules and procedures consistent with international trade law and practices. In this context, open and free international trade in forest products should be facilitated.*

<http://www.un.org/documents/ga/conf151/aconf15126-3annex3.htm>



UNCED Forest Principles

Principle 14

- *Unilateral measures, incompatible with international obligations or agreements, to restrict and/or ban international trade in timber or other forest products should be removed or avoided, in order to attain long-term sustainable forest management.*

<http://www.un.org/documents/ga/conf151/aconf15126-3annex3.htm>



Non-legally binding instrument on all types of forests

V National policies and measures

- (n) *Review and, as needed, improve forest-related legislation, strengthen forest law enforcement and promote good governance at all levels in order to support sustainable forest management, to create an enabling environment for forest investment and to combat and eradicate illegal practices, in accordance with national legislation, in the forest and other related sectors.*

<http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N07/469/65/PDF/N0746965.pdf?OpenElement>



Non-legally binding instrument on all types of forests

VI. International cooperation and means of implementation

7. *To achieve the purpose of the present instrument, Member States should:*

(g) Enhance bilateral, regional and international cooperation with a view to promoting international trade in forest products from sustainably managed forests harvested according to domestic legislation;

<http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N07/469/65/PDF/N0746965.pdf?OpenElement>



Non-legally binding instrument on all types of forests

VI. International cooperation and means of implementation
(cont.)

(h) Enhance bilateral, regional and international cooperation to address illicit international trafficking in forest products through the promotion of forest law enforcement and good governance at all levels;

(i) Strengthen, through enhanced bilateral, regional and international cooperation, the capacity of countries to combat effectively illicit international trafficking in forest products, including timber, wildlife and other forest biological resources;

<http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N07/469/65/PDF/N0746965.pdf?OpenElement>



Non-legally binding instrument on all types of forests

VI. International cooperation and means of implementation (cont.)

(j) Strengthen the capacity of countries to address forest-related illegal practices, including wildlife poaching, in accordance with domestic legislation, through enhanced public awareness, education, institutional capacity-building, technological transfer and technical cooperation, law enforcement and information networks;

<http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N07/469/65/PDF/N0746965.pdf?OpenElement>



Contents

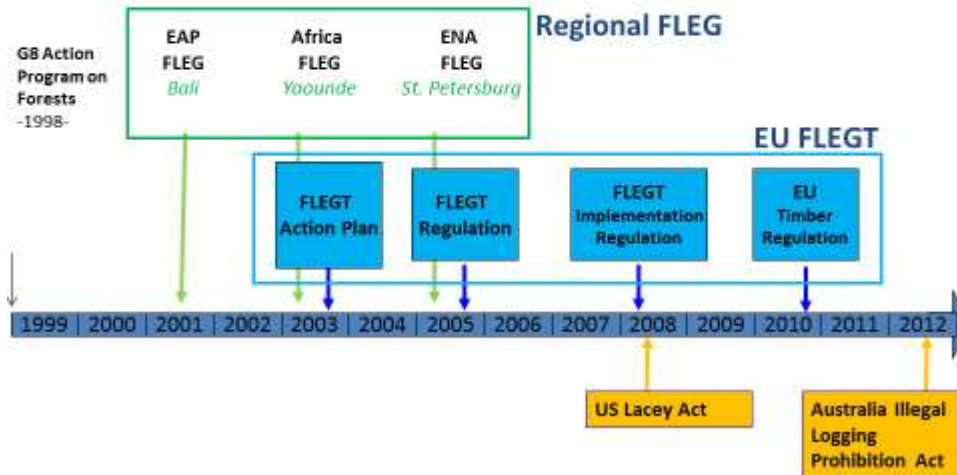
1. From G8 initiative to global action

2. Defining illegal logging

**3. Legal and policy systems in Asia-Pacific
and other major market**

4. Way forward

1. From G8 initiative to global action



G8 Action Program on Forests

Initiated by the US and endorsed by world's leading advanced economies

key priorities: monitoring and assessment, national forest programmes, protected areas, private sector and illegal logging

goals:

- work with developing countries to curb such practices
- better law enforcement, institutional and legislative reforms and regulation of industry
- reform legislation and policies
- build capacity to monitor and control illegal logging

Implication:

- the very first public commitment to address illegal logging
- place high in international agenda the need to combat illegal logging



Forest Law Enforcement and Governance (FLEG)

Initiated by WB

Facilitate the participation of both producers and consumers in combating illegal logging and associated trade

Multi-stakeholder participation: producer, consumer, non-profit organization, private sector

Ministerial meetings to solicit political commitment and take concrete actions

3 FLEGs: East Asia and Pacific, Africa, Europe and North Asia

Source: The Forest Law Enforcement, Governance and Trade Action Plan, Reference Book



EU Forest Law Enforcement, Governance and Trade (FLEGT)

Expanded to cover trade issue

VPA is the core (though called Voluntary Partnership Agreement, in fact it is legally binding bilateral agreement)

Exporters in VPA countries are FLEGT certified

Timber Regulation is the sharp teeth (only FLEGT certified timber and timber product is legal)

Source: The Forest Law Enforcement, Governance and Trade Action Plan, Reference Book



Lacey Act Amendment, US

Passed in 1900, amended in 2008

Expanded to a broader range of plants and plant products

Unlawful to import, export, sell, acquire, or purchase fish, wildlife or plants that are taken, possessed, transported, or sold: 1) in violation of U.S. or Indian law, or 2) in interstate or foreign commerce involving any fish, wildlife, or plants taken possessed or sold in violation of State or foreign law.

All shipments of plant and plant products to the US shall complete declaration form (scientific name, country of harvest)

USDA APHIS Lacey Act Website



Illegal Logging Prohibition Act, Australia

Came into effect in November 2012

Makes it a criminal offence to intentionally, knowingly or recklessly import or process illegally logged timber or timber products

Businesses need to assess and manage the risk that the timber or timber products they are importing for processing has been illegally logged. Known as carrying out **due diligence**.

<http://www.daff.gov.au/forestry/policies/illegal-logging>



2. Defining Illegal logging



Illegal logging takes place when “timber is harvested in violation of national laws”. EU Action Plan for Forest Law Enforcement, Governance and Trade (*European Commission 2003*)

Illegal logging refers to situations where timber is produced in contravention of national and international laws on cutting, processing, transporting or exporting wood. (*FLEGT*)

Illegal logging takes place when timber is harvested, transported, bought or sold in violation of national laws. (*Brack & Hayman 2001, p.5, FAO Corporate Document Repository*)



Illegal logging refers to the removal of logs in a manner that is against the provision of relevant laws. (*ITTO*)

Illegal logging is a violation of laws of cutting, processing and transporting timber. The definition of what makes wood legal or illegal is controversial but there are some general requirements for the legal timber. These include harvesting wood only where you have the rights to the timber, respecting quotas and restrictions, paying royalties and taxes and possessing the necessary authorization to transport and process logs. (*FSC*)

Illegal logging is the harvesting, transporting, processing, buying or selling of timber in violation of national laws. This definition also applies to harvesting wood from protected areas, exporting threatened plant/tree species, and falsifying official documents. It also includes breaking license agreements, tax evasion, corruption government officials and interfering with access and rights to forest areas. (*WWF*)



Illegal logging is the harvest, transportation, purchase or sale of timber in violation of laws. The harvesting procedure itself may be illegal, including using corrupt means to gain access to forests; extraction without permission or from a protected area; the cutting of protected species; or the extraction of timber in excess of agreed limits.

Illegalities may also occur during transport, such as illegal processing and export, fraudulent declaration to customs; and the avoidance of taxes and other charges. (*Wikipedia*)

One fundamental aspect is the "violation of relevant national legislation, including ratified international treaties and conventions". (*World Bank 2006*)

Illegal logging of various forms, movement of wood products, which may or may not have been harvested legally, without proper authorization or in contravention of controls; and activities directly aimed at avoidance of payment of taxes or forestry charges". (*Callister; 1999*)



Conclusions:

- There is no **single definition or universal definition** of illegal logging.
- It is not a legal term derived from treaties, statutes, or court opinions.
- It is neither a technical term that professionals use in a consistent way.
- In violation of **national legislation**, not international law.
- It is.....*dynamic*, and *inclusive*.



3. Legal and policy systems in the Asia-Pacific and other major market





In 2010, APEC economies accounted for
--53 percent of the world's forests;
--60 percent of global production of forest
products; and
--80 percent of global trade in forest products

APEC forest products trade valued at over \$150
billion



US Amended Lacey Act

Prohibits trade in plants and plant products, including timber and wood products, harvested in violation of either US law or laws of the country of harvest.

Includes:

Theft of timber, including taking from parks, forest reserves, protected areas, and officially designated areas;
Taking timber without, or contrary to, required authorization;
Taking timber without payment of royalties, taxes, or stumpage fees;
Taking timber in violation of law governing the export or transshipment of plants.



US Amended Lacey Act Penalties

- Forfeiture
 - Strict liability forfeiture if the plant was illegally taken, processed, transported, or sold.
- Civil Penalty
 - In the exercise of due care should have known plant was illegally taken, possessed, transported, or sold.
- Criminal Misdemeanors
 - In the exercise of due care should have known plant was illegally taken, possessed, transported or sold.
 - Or knew of illegality, but plant value of less than \$350.
- Criminal Felonies
 - Knowing violation-knowledge of facts and illegality, need not know specific law violated.
 - Involves import or export or commercial conduct with plant value of more than \$350.



US Amended Lacey Act

Due Care Common-sense Red Flag

- Seller will only accept cash payment or offers a lower price for goods without paperwork;
- Tariff or customs duty not included in price;
- Price well below usual price for legal wood;
- Government permits appear altered or aren't for the product you're buying;
- Unusual sales methods or practices;
- Transactions fit the description of illegal transactions discussed in trade/industry publications;
- Inability of suppliers to provide rational answers to routine questions.



Australia Illegal Logging Prohibition Act 2012

Australian importers must not import illegally logged timber or timber products into Australia, and Australian processors must not process illegally logged raw logs.

Australia Illegal Logging Prohibition Amendment Regulation 2013

From 30 November 2014, Australian importers of regulated timber products must do due diligence before they import. Likewise, Australian processors of domestically grown raw logs will also need to have a due diligence system in place.



Australia: Country Specific Guidelines

- Co-developed by Australia and trading partners
- Enables an Australian importer to recognize what legal timber “looks like”
- Each guideline to include an associated Quick Reference Guide.
- Available from November 2014



Australian Government
Department of Agriculture



Country Specific Guideline for *Solomon Islands*



This Guideline has been prepared by the Australian Government and the Government of Solomon Islands. It is intended to assist Australian importers of regulated timber products from Solomon Islands in understanding the regulatory framework in Solomon Islands in order for them to carry out their due diligence obligations under the *Illegal Logging Prohibition Amendment Regulation 2013*, which supports the *Illegal Logging Prohibition Act 2012*.

Contents in a Country Specific Guidelines (example of Solomon Islands)

What is required under the new law?
What timber products are imported into Australia from Solomon Islands?
Documents to show legality of timber
How is timber harvesting regulated in Solomon Islands?
Timber export regulation
Sawn timber supply chains in Solomon Islands
Prohibited exports from Solomon Islands
Who should I contact for further information?
Attachment A – Permit to Export Forest Produce (example)
Attachment B – Felling License (example)
Attachment C1 – Milling License (issued with a Felling License) (example)
Attachment C2 – Milling License (incorporates permission for felling) (example)
Attachment D – Certificate of Origin (example)


Malaysian Government
 Ministry of Forestry and Fisheries

Form number: F01 (1)

Form Number: 6112/2011

Permit to Export Timber Products

Exporter	Company name
License number	6112/2011
Product description	Timber (Y-100)
Product number	6112/2011
Place of origin	From: Indonesia
Date of issue	10 October 2011
Valid until	31 October 2011
Volume of goods	1000 m³
Weight of goods	1000 m³
Value of goods	1000 m³
Remarks	Timber (Y-100) 1000 m³

Declaration:

I, the Commissioner of Customs, hereby certify that the goods described above are of the origin and production process as well as subsequent processing, transport and trade activities are verified as meeting all applicable Indonesian laws and regulations.

Signature of Exporter _____ Date _____

Signature of Customs Officer _____

Location _____



Indonesia

Indonesia timber is deemed legal when its origin and production process as well as subsequent processing, transport and trade activities are verified as meeting all applicable Indonesian laws and regulations.

Malaysia

Timber harvested by licensed person from approved area and verified by the relevant authorities in accordance with the laws, regulation and procedures pertaining to forestry and trade in Malaysia.



Chile

Law Decree 701 on Forest Promotion 1974 and Law 20283 on Native Forest Restoration and Forest Promotion state requirements to be fulfilled in order to perform any forestry activity located in Chile, and legal sanctions for those who do not comply with these requirements.

Viet Nam

The Land Law and the Law on Forest Protection and Development provides legal framework for legal logging; Law on Penalty for Administrative Violations and Criminal Laws stipulate penalty of illegal logging and associated trade.



Korea

Creation and Management of Forest Resources Act prescribes "persons who intend to cut standing timber or to extract and collect forest products within forests shall obtain permission therefore from the heads of a Si/Gun/Gu or the head of the regional forest service concerned, as prescribed by Ordinance of the Ministry of Agriculture, Food & Forestry.

Act on the Sustainable Use of Timbers Article 34

- The State and local governments shall establish and implement measures to prevent distribution or use of timber illegally cut inside or outside the ROK.
- The Minister of the Korea Forest Service shall, in cooperation with local governments and agencies and organizations related to forest and the timber industry, provide guidance and conduct publicity activities to prevent the distribution and use of illegally cut timber.



Japan

- Law Concerning the Promotion of Procurement of Eco-friendly Goods and Services by the State and Other Entities 2000.
- Legality Verified Wood and Wood Products were added to the list of Eco-friendly Goods.
- Guideline for Verification on Legality/Sustainability of Wood and Wood Products 2006.
 - Legality: timber to be procured should be harvested in legal manner consistent with procedures in the forest laws of timber producing countries and areas.
 - Sustainability: timber to be procured should be harvested from the forest under sustainable management.
 - 3 types of verification methods:
 - SFM Certification and COC (FSC, PEFC, etc.)
 - Verification conforming to Associations' Code of Conducts
 - Verification by Individual Companies' Own Systems



Papua New Guinea

As a member of ITTO, PNG complies with its definition "any timber extracted and sold in contravention to the national laws" is deemed illegal.

Russia

- Illegal Logging Prevention Plan 2011-2014 includes:
- Package of measures to improve legal and regulatory framework in matters of forest management and conservation;
 - Carrying out institutional arrangements;
 - Systematization of primary accounting of cut timber and creation of cut timber data base;
 - International cooperation.



Conclusions:

1. Unidirectional/bidirectional/multidirectional
US
Australia, EU
ASEAN Criteria for TLAS

Guidance template



APEC Experts Group on Illegal Logging and Associated Trade (EGILAT)

Timber legality guidance for <Economy>

The purpose of this guidance document is to provide APEC member economies with advice on timber legality on the laws and regulations in place in ~~the region~~ it arises from discussion at the 1st EGILAT meeting in Qingdao, China, in May 2014, where it was agreed it would be beneficial to compile an APEC compendium of timber legality guidance documents to support the legal timber trade between APEC members.



APEC-wide policy guidelines

APEC-wide understanding and agreement on 'illegal logging and associated trade'

Provide greater clarity and transparency

Identify categories of laws that economies agree are relevant

Non-binding and flexible

Economies may then develop an APEC compendium of relevant laws to fit within agreed guidelines

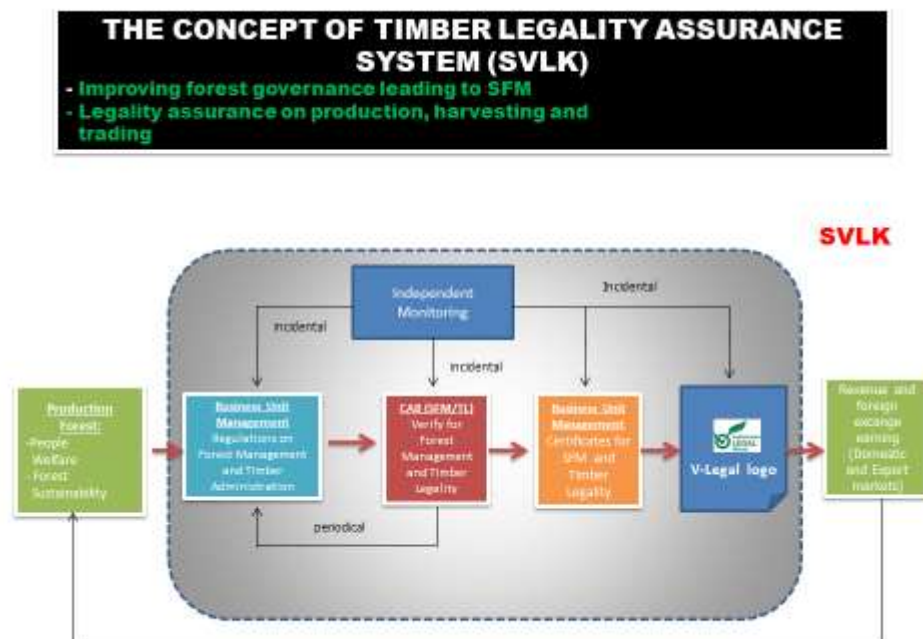


Conclusions:

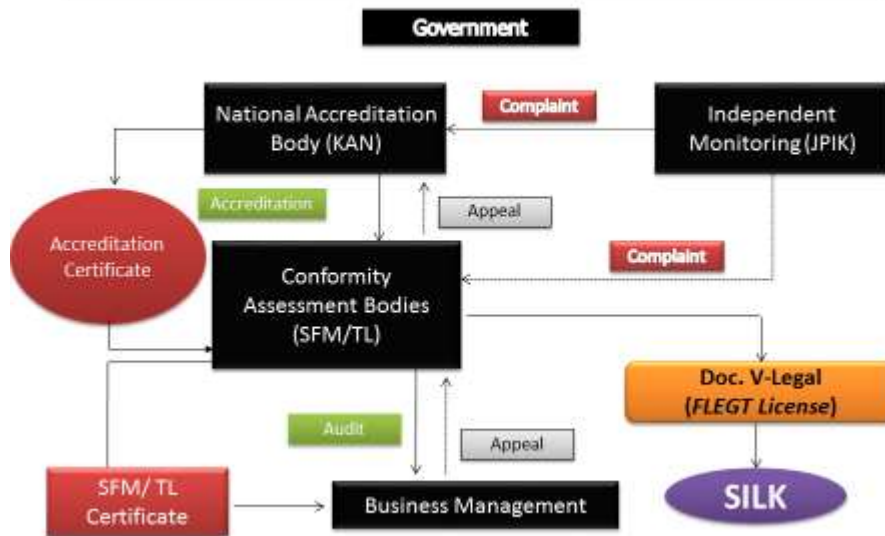
2. Fragmentation of law and enforcement

Malaysia: Forestry Dept (Peninsular Malaysia, Sabah and Sarawak), Malaysian Timber Industry Board, Sarawak Timber Industry Development Corporation
US: APHIS, FWS, Dept of Justice

3. Case study: TLAS & VPA



HOW THE SYSTEM WORKING



FLEGT Voluntary Partnership Agreements

Trade agreements guarantee legal timber

- Bilateral agreements between the EU and a timber-producing economy;
- To ensure that timber and timber products exported to EU come from guaranteed legal sources;
- The timber-producing economy agrees to control and license its timber exports as legal;
- The EU accept only licensed imports from that economy (FLEGT licensed timber);
- Legality is assured through a Timber Legality Assurance System (TLAS).



FLEGT Voluntary Partnership Agreements

Legality assured through TLAS

- Legality definition
- Verifiable control of the supply
- Capacity and appropriate tools verification
- Licensing by national authority;
- Independent monitoring.



FLEGT Voluntary Partnership Agreements

Defining legality

- The legality definition outlines the set of laws that will be enforced and monitored in the context of the FLEGT agreement
- Legality is based on the laws and procedures of the timber – producing economy in question, and must include laws addressing social, environmental and economic issues
- The definition must be developed through extensive participation of all stakeholders and rights holders

4. Way forward

Effectiveness of third party Certification schemes

Government's role

APEC-wide policy guidelines?

or ASEAN Criteria for Timber Legality Assurance?

or VPAs alliance?

or CITES?

Critical: harmonizing regulations and legality assurance systems across the region/world to prevent leakage of illegally harvested material.





GOVERNMENT OF CHILE
NATIONAL FOREST CORPORATION
MANAGEMENT SUPERVISION AND ENVIRONMENTAL ASSESSMENT

"FOREST NATIONAL STRATEGY FOR ENFORCEMENT PERIOD 2014-2018"

JUNE 2015

Sergio Morales Saez
Environmental Assessment Section Chief
CONAF Araucania-Chile

ABSTRACT

The National Forestry Corporation (CONAF) is the institution responsible for ensuring compliance with existing forest laws of Chile. In its annual forestry audit program, ground patrols periodically conduct inspections in order to verify that the forestry resource interventions are authorized by the Corporation to ensure its protection and sustainable management.

In its current work program, the Forest Control Department has developed three major actions to forest improve management for the period 2014 to 2018. These are to implement control strategies and traceability systems for species conservation, and promote government coordination and integration of society in defining regional priorities for enforcement.

In this context, the areas of work is based on the actions proposed for the Strategy for Forestry Control for the period between 2014 and 2018. Development of the Strategy considered the input and involved participation from all the regions. It includes inputs from meetings held in three macro zones held during the year, where professionals from the Corporation had the opportunity to raise points of view regarding the problems associated with the audit, which is applied in the regions.



Mr Sergio Morales Saez answering questions after his presentation

1. INTRODUCTION

The Executive Director of the National Forestry Corporation (CONAF), through Resolution No. 169 dated April 23, 2014, approved the specific management strategy for Forest Monitoring and Environmental Assessment, based on the institution's legal mandate and important oversight role.

One of the actions of CONAF is to increase the degree of compliance of forest and environmental legislation. In this context, the Management Control and Environmental Assessment strategy is not restricted to compliance with laws and regulations relating to plantations and native forest, but also they incorporate environmental legislation including compliance with regulations relating to the use of fire and protected areas. Through this

strategy the Corporation aims to conduct its auditing functions by optimizing the resources allocated to these activities.

The Corporation's functions are:

- planning institutional activities for the implementation of sectoral forest and environmental legislation;
- supervise and monitor derivatives SEIA sectoral commitments;
- supervise and standardize the implementation of forestry legislation relating to the conservation, protection and sustainable management of natural forests, forest plantations, xerophytic formations and natural monuments; and
- implement systems to improve care for users, access to information and modernise the governance related to the implementation of sectoral forest and environmental legislation.

Figure 1 below shows the main divisions within the organization. The main divisions are:

- Administration and Systems Development;
- Environmental Assessment; and
- Standards and Procedures and Forest Control.

The latter Division is responsible for the design, monitoring and evaluation of strategies and actions that CONAF running in this area, as well as:

- management of information systems required for the control and the generation of statistics;
- protection of different ecosystems and environmental heritage; and
- ensuring the rational use, conservation and protection of these resources.



2: KEY ELEMENTS RELATING TO FOREST GOVERNANCE AND FOREST RESOURCE MANAGEMENT

2.1: Institutional Aspects

The National Forestry Corporation (CONAF) is a private entity under the Ministry of Agriculture, whose main task is to manage the forest policy of Chile and encourage the development of the sector.

The organization's mission to "contribute to the sustainable management of native forests, xerophytic formations and forest plantations through the advocacy, monitoring of forest and environmental legislation and the protection of vegetation resources and the conservation of

biological diversity through the National System of Protected Wilderness Areas, for the benefit of society. ".

Its strategic objectives are:

- Supervise and encourage the sustainable management of native forests, xerophytic formations and forest plantations and protection of protected species.
- Improve access of forest producers with emphasis on small, medium and indigenous peoples, to the benefits of forestry conservation and tourism.
- To promote the generation of environmental services through the promotion and care of urban trees, suburban parks and natural infrastructure, and other plants with heritage and cultural value.
- To protect society from the threat by forest fires, forest pests, invasive tree species and the effects of climate change.
- Conserve biodiversity by strengthening SNASPE.

Management Control and Environmental Assessment

The Forestry Administration, through the Department of Forestry Control, is responsible for:

- the design, monitoring and evaluation of the strategies and actions; and
- managing the information systems required for the control and generation of statistics, which is very important in the protection of ecosystems and environmental heritage, and control of the illegal forestry practices.

Vision and Mission Control Management and Environmental Assessment View

CONAF is recognized nationally and internationally for its contribution to the recovery and conservation of forest ecosystems and xerophytic formations.

Mission

Its mission is enforcement of forestry and environmental legislation to ensure the conservation and sustainable use of native forests, forest plantations and xerophytic formations.

The strategic areas of Management Control and Environmental Assessment are as follows:

- Propose legal amendments concerning the Decree Law 701 (extension), new Law on Forestry Development and Native Forest Law in line with the Government's program commitments.
- Strengthen institutional activities and improve the quality of corporate response in the field of forest monitoring and environmental assessment in response to citizens' demands and government priorities.
- Increase the awareness of forest users, and facilitate access to instruments within the forest and sectoral environmental legislation.
- Establish a management model that includes mechanisms for citizens' participation and inclusion for determining territorial control priorities.
- Implement mechanisms and control systems for the protected species and xerophytic species from native forests.

2.2: POLICIES, PLANS, PROGRAMS AND PROJECTS THAT DEAL WITH FOREST GOVERNANCE AND TIMBER LEGALITY

2.2.1: Forestry Strategy Supervision 2014-2018

2.2.1.1: Improve internal control forest management through various tools that allow a more effective control.

Actions for planning and coordination of forestry and environmental control.

The objective is to strengthen the forest control program with national coverage, by increasing the number of control activities that have the greatest impact in safeguarding forest ecosystems and xerophytic formations, emphasising in particular those directly related to these resources, such as property taxes inspections, land, air and / or maritime patrols, and technical studies/evaluations of compliance controls.

Monitoring and evaluation of forestry activities and environmental monitoring.

The key objectives are:

- generate monthly executive reports with the number of control activities undertaken to date, and the associated statistics,
- monitor specific audit procedures (CITES and Natural Monuments);
- monitor quarterly through SAFF, the documentation generated in the various control activities, controlling quality and non-conforming products;
- undertake an analysis semi-annually, of forest audit process under the organization's Quality Management System;
- review procedures and instructions formalized under the Quality Management System and continuous improvement;
- manage the integration of Territorial Information System (SIT) of CONAF, a thematic layer with the various control activities (SAFF), so that spatial information is available at all times for consultation by the technical and professional staff
 - this will provide information on the territorial impacts of the various control activities;
- assist in the development and implementation of a System of Monitoring and Early Warning, in order to evaluate changes in vegetation cover and other land use changes; and
- generate quarterly reports with the results from complaints to the respective local Police Courts, quantifying the number of complaints with satisfactory results for the Corporation:
 - this will be done in coordination with each Regional Office.

Standardize procedures forest and environmental control.

- Develop a draft National Forest Plan Control in Indigenous Communities to establish a standardized pattern to be applied by auditors for the various activities they undertake in community areas.
- This proposal considers the gathering of information in the north and south of the country, on the current stage of the audit carried out in indigenous communities within the country.

- Validate the proposed National Forest Plan Control in Indigenous Communities in the regions, incorporating all the information generated from holding meetings with the different regions.
- Priority Areas Update Control at national level, developing the corresponding cartographic coverage, based on the application of criteria that consider variables such as territorial and social aspects, among others
- Develop a standardized procedures for xerophytic formations through an instructive work, where specific criteria are established to control activities to apply to this type of plant formations.
- Update the Manual of Procedures for the Control of Forest Activities - Environmental, aimed at supervisors of CONAF.
- Generate the second version of the Manual of Procedure to implement the provisions of Supreme Decree No. 490, on Larch; Prosecution statement on incorporating specific legal articles, to be used for dealing with offenders.

Disseminate existing obligations to the general public, in order to increase the level of compliance and reduce unauthorized forestry activities.

- Maintain ongoing communication and coordination with the Ministry of Communications (SECOM) on implemented activities as appropriate.
- Implement a semi-annual Communication Agenda together with the regions with relevant milestones in each region, on control and prevention of illegal forestry activities.
- Design and disseminate information on the country's mandatory forest law enforcement nationwide and the community level through radio.
- Develop and print brochures on forest and environmental legislation for the general public.
- Develop and publish articles, reports in print media like magazines and newspapers among others, to communicate the work on forestry and environmental audit conducted by the Corporation, including results and achievements and other related topics.
- Design and install signs to disseminate information on forest legislation on highways or roads with high traffic flow as well as strategic points determined by the Corporation.
- Develop videos about the various control activities undertaken, both regionally and nationally (operational), to be broadcast on the Corporation's website and different social networking platforms such as You tube channel (MINAGRI-CONAF) Facebook and Twitter.

2.3: EXTENT OF INVOLVEMENT OF KEY STAKEHOLDERS ESPECIALLY LOCAL COMMUNITIES, CIVIL SOCIETY, ORGANIZATIONS, PRIVATE SECTOR, INCLUDING INDUSTRIES.

CONAF also has other control measures, which are defined as preventive activities, which consist for example, the dissemination of forest legislation and ensuring compliance with it. Such measures are geared towards different groups within the public such as schoolchildren,

university students, direct users of forest resources, the elderly, indigenous communities and NGOs among others.

Citizens' participation mechanisms are used to educate and inform the general public on the proper application of forest legislation through training activities, information dissemination and picnics. The aim is to promote proper stewardship of forest ecosystems with the active participation of the community. The following mechanisms are used to engage the public and seek their input and involvement in forest management and control of illegal activities.

Regional control tables

Regional control tables involve coordination between government agencies and institutions with oversight responsibilities for forests, aimed at coordinating actions, share information, and analyze and evaluate contingency situations in each of the regions.

Workshops

They involve group discussions for sharing concerns related to forest management and the control of illegal activities.

Talks

Lectures and exhibitions are used to inform the public about their rights and obligations in relation to forest legislation and the use of forest resources and the environment, both now and in the future.

Focus group

Focus groups are used to gauge the attitude and opinions of specific audience on topics related to the Corporation's oversight role over forests.

Advisory Councils

Advisory councils involve representatives from different interest groups in society, such as neighborhood organizations, NGOs, student groups, etc. The members contribute ideas and different approaches to addressing issues related to forest management.

Forest Days

Forest days are used to showcase to the public practical activities undertaken by the Corporation to manage the forests and protect the environment.

Operation and Control

It involves effective planning of the activities proposed to be carried out, including coordinating the date and the number of attendees to the activity, as well as determining the physical location where the activity will be held to enhance its effectiveness.

Customer satisfaction surveys are conducted after completing each activity to seek feedback on improvements to future activities.

2.4: THE USE OF TECHNOLOGY FOR FOREST GOVERNANCE AND FOREST RESOURCE MANAGEMENT.

The incorporation of technology and the improvements to the control system developed by CONAF in recent years, is one of the reasons Chile has not featured internationally in INTERPOL's reports on illegal forestry activities in Latin America.

Satellite technology and air patrols programs have assisted in identifying forest clearance in places which are difficult to access by land, such as the islands of the south or in the high mountains.

Currently CONAF is developing a project to implement mobile field support to regulators in monitoring compliance with forest legislation. This will involve the use of tablets in the field by officers to enable them to access information in real time to support their enforcement activities. Other technologies being deployed include geographic information systems such as Google Earth, for monitoring and detecting possible illegal logging activities in addition to field observations. CONAF is also developing Android applications for specific control activities, particularly for monitoring the transport of wood products from native forests.

The Corporation has a website focused on its activities relating to the control of illegal forestry activities (<http://fiscalizacionforestal.conaf.cl/>). The website provides information on the national regulatory framework for controlling illegal forest activities, as well as the marketing of products forest in Chile. Information about national and international initiatives to control the trade in illegal timber (such as Regulation No. 995/2010 EU; Australia's Prohibition of Illegal Logging Act, 2012 and the amendments to the US Lacey Act) is also published on the website in both the Spanish and English languages.

2.5: KEY CHALLENGES

Some of the key challenges are the following:

- Continuing to strengthen governmental coordination and linkages with other institutions active in environmental monitoring and natural resource management. This would contribute to the implementation of operational control for illegal forestry activities on interagency basis and ensure greater efficiency in the transfer of information and the implementation of forestry control actions.
- Mobilize technological resources available nationally to support forest control activities and monitoring of natural resources. Examples include using Geographic Information Systems (GIS) and drones to assist in planning, evaluation and monitoring.
- Strengthen oversight activities through the establishment of mechanisms for engagement with civil society.
- Implement ISO 9001 Quality Management Standard in forest plantations to improve the corporate image of the Corporation.
- Encourage the early adoption of "CITES Law", for managing and monitoring species included in the CITES Appendices.
- Design and implement a traceability system for species conservation issues to enable greater control over products derived from these species.
- Implement a control system that ensures sustainable practices in wood production, as well as transportation and marketing.
- Based on field experience and lessons from other regions, suggest appropriate changes to legislation to the Executive in forest control activities.

3: LESSONS LEARNED

3.1: OVERALL OUTCOME OF THE DOMESTIC LEVEL EFFORTS

In recent years, CONAF has strengthened controls over the country, increasing the number of audits on farms, roads, urban centers. Between 2012 and 2013, about 6,500 annual audits were conducted, about 1,000 more than the average for the period 2009-11.

CONAF, in this area, has mainly promoted activities that currently have a greater impact on the protection of forest resources and reduction of illegal activities. Activities have involved inspections to ensure payment of property taxes inspections, imposition of roadblocks to monitor wood products being transported, visit to storage facilities, air patrols, among others.

As a result, in 2012 CONAF achieved certification under the international standard ISO 9001: 2008, Quality Management for its plantations audit processes. This shows that CONAF's auditing system for plantations is based on international quality management standards. Since 2013, the scope of the audit has been expanded to include native forests.

CONAF's approach is based on the delivery of quality service to users and better internal management, which aim to strengthen control activities more effective for early detection of illegal activities, and increase compliance of the country's forestry legislation by forest owners, traders, transporters and general public.

CONAF also has a formal system for receiving complaints of alleged violations of the forestry legislation. Under this system, citizens can make complaints through the Corporation's website, by letter or in person. CONAF responds to these complaints by investigating and addressing the issues raised by the complainant.

In recent years, CONAF has also modernized and strengthened its work in the area of forest monitoring and control of illegal activities, in order to enhance the protection of the country's vegetation resources. Within this context, it has promoted the use of satellite imagery and aerial photographs in forest monitoring and management. These innovative changes have enhanced the Corporation's capacity and ability to monitor and detect illegal activities such as non-payment of property taxes and illegal harvesting, particularly in areas that are difficult to visit on a regularly. These changes also help to gather evidence for the prosecution of violations to the forest laws before the relevant courts.

4: THE WAY FORWARD

4.1: FOREST GOVERNANCE AND TIMBER LEGALITY AS PRIORITIES

Improvement in forest governance to curb illegal activities is now a national priority. In 2008, the Constitutional Court encouraged the President to formalise the legal status of the CONAF in the Presidential Decree referred to in Article 19 of Law No. 18,348, published in 1984, or through another constitutional mechanism deemed appropriate by the government.

As a consequence, there is new governance or an institutional framework in place, aimed at a creating a modern forest service capable of addressing the forestry challenges currently facing the country, involving the participation of various stakeholders related to forestry.

CONAF cannot be effective without the support and involvement of the public. In addition, CONAF needs to be strengthened with additional human resources, better management tools, an adequate budget and capabilities that would enable the organization to fulfil its legal mandate.

4.2: KEY DIRECTIONS FOR CHANGE TO MAKE THE FOREST GOVERNANCE EFFORTS MORE EFFECTIVE AT THE DOMESTIC LEVEL

To improve the forest governance system to better control illegal forestry activities, it is important that Corporation implement reforms to address some of the current institutional weaknesses. Suggested areas of reform include the following:

- CONAF's legal mandate must be revised to remove the current limitations on its forest audit functions;

- integration and coordination between sections and departments within the Corporation should be further improved: the existing arrangements hinder the development of initiatives where greater coordination and communication between these actors is required. (Forest Control v / s Forestry Development);
- enhance D.L. 701 to remove any impediments to sustainable forest management; and
- efforts should be concentrated on the implementation of national control strategy for the period 2014-2018.

4.3: POLITICAL COMMITMENT

In the political arena, there is need for continue the efforts to reform the forest governance system, so it can make an effective contribution to sustainable forest management in Chile. This should include an emphasis on afforestation to assist in the provision of quality water, recovery of eroded soils and stopping the advance of desertification, among others.

The new forest governance must meet the new challenges of the forestry sector including:

- on-going provision of technical assistance to the sector;
- enhanced standards for environmental protection;
- increased allocation of resources; and
- ending the enrichment of a few at the expense of many smallholders.

For the CONAF to emerge stronger from this process requires a better forest governance system that recognises the importance of forestry to the country's economy. Any new governance system must also address social, labour and environmental issues associated with forestry and forest management.

5: SUMMARY

- Define the new forestry institutions.
- Implement mechanisms for citizens' participation.
- Improve communication and internal management of CONAF.
- Promote the extension of the DL 701.

WORKSHOP ON ENHANCING FOREST GOVERNANCE FOR ASIA
AND THE PACIFIC IN THE CONTEX OF TIMBER LEGALITY
VERIFICATION

FOREST NATIONAL STRATEGY FOR ENFORCEMENT PERIOD 2014-2018

Sergio Morales Saez
Environmental Assessment Section Chief
CONAF- IX REGION



NATIONAL CONTEX

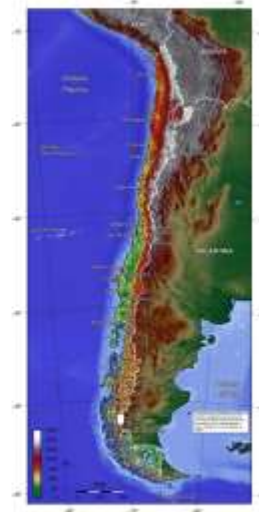


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CHILE - generalities

- The mainland of Chile covers an area of 756,626 km² (75.6 million hectares).
- The continental extension is 4,329 kilometers long. It has an average width of 160 km.
- There are two mountain ranges along Chile:
 - The Andes mountains, which form the eastern boundary of Chile with Bolivia and Argentina.
 - The Coastal mountains which are located close to the Pacific Ocean.
- The fertile valley called Valle Central has been formed from these mountain ranges.



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CHILE - climatic regions

- Northern Chile is one of the most barren areas on the planet. It's climate is warm with large temperature differences between day and night. On average, the annual precipitation does not exceed 14 mm.
- Central Chile has a Mediterranean climate. It is generally warm, with great differentiation between winter and summer rainfall. Snow and cold weather are characteristics of the mountainous area, whereas the coast is more temperate.
- In the south, the precipitation reaches 5,000 mm. in most mountainous and remote areas. The coast is battered by strong winds but not as cold, but the summers are fresh with abundant clouds.
- The southern part of the country has a cold steppe climate with large sections of ice fields.



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Land Use



Urban and Industrial Areas
248.003 has



Farmland
3.414.510 has



Meadows and shrubbery
19.315.340 has



Forest plantations
2.872.007 has



Native forest
14.181.747 has



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Land Use



Wetlands
4.632.362 has



Areas without vegetation
24.776.377 has



Snow and Glaciers
4.293.894 has



Lakes
1.266.618 has



Unclassified areas
341.374 has



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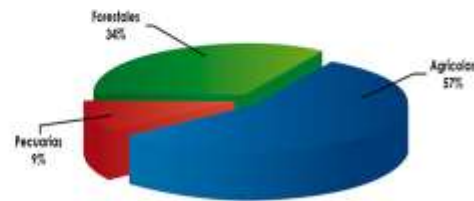
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Macro economics

- Chile has a per capita GDP of US \$ 15,000.
- It has maintained in recent years annual GDP growth rate of 5.2%.
- Chile's economy is considered one of the most developed in Latin America.
- It is believed that Chile would be a developed country between 2018 and 2020.
- Chile is a full member of the Organization for Economic Cooperation and Development (OECD).
- The forestry sector contributes about 3.1% to the national GDP.



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Macro economics

- Chile's economy is characterized by being open and export-oriented.
- Chile's export profile consists of the following:
45% of industrial,
45% of mining; and
10% of agricultural and forestry exports.
- Chile depends on 35% of foreign sales.
- Within the industrial sector the key exports are:
cellulose, wood, methanol, food products such as
fruits and vegetables, dairy and fish.
- Forestry, salmon and wine have become very
important in the last decade.

Comercio	
Exportaciones	▲ \$81.411 millones de dolares (2011)
Destino de Exportaciones	- China: 14,8% - Estados Unidos: 12,5% - Japón: 10,5% - Países Bajos: 5,8% - Corea del Sur: 5,7% - Italia: 5,1% - Brasil: 5%⁵
Importaciones	▲ \$70.619 millones de dolares (2011)
Origen de Importaciones	- Estados Unidos: 17,1% - China: 11,2% - Brasil: 10,3% - Argentina: 9,9%⁵



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Forestry exports

Forestry exports reached US \$ 5,000 million, representing 8.2% of the national total.



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The main destination countries are:

China (20.1%),
USA (11.1%),
Japan (10.6%),
Italy (7%) and
South Korea (6.9%).

Success factors of the development of the forestry sector in Chile

- ✓ Genetic selection of tree species to compete in international markets.
- ✓ Adequate logistical conditions: roads, ports and maritime fleets.
- ✓ Forest sector institutions that gives confidence to invest.
- ✓ Private Land Ownership.
- ✓ Long-term vision of the State for decades agreed on:
 - Need to Protect and restore soils.
 - Environmental Protection
 - Strong State support to forestry development.
 - Support for socio-economic development of smallholders.
- ✓ Sustainability in forest management and steady growth of forest resources.
- ✓ 1000 private companies in the sector providing 10% of jobs in the country.
- ✓ Development of technology in all processes, from the genetic selection to the forest industry.



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Present and future challenges

- Reforest 2 million hectares of degraded vegetation.
- Increase Bio energy plantations.
- Integrate poor rural areas into the domestic economy.
- Reduce erosion affected areas by increasing forestry development in areas associated with indigenous communities.
- Create new instruments to promote incentives for the provision of environmental services.



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Forest institutions in Chile CONAF

The institutions responsible for forestry development in the country are based in the Ministry of Agriculture.

The National Forestry Corporation is the State Forest Service.

The Forestry Institute (INFOR) is responsible for research, developing new technologies and providing statistics for the Chilean forestry sector.



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National Forest Service - CONAF

Nuestras Oficinas



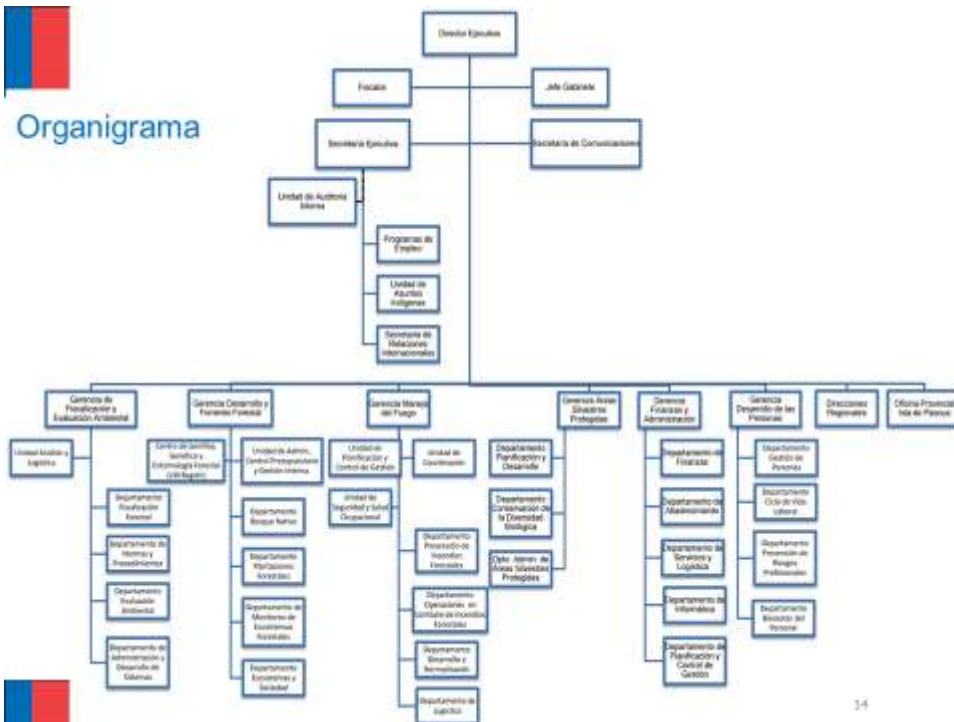
- Created in 1970
- 130 offices across the country: a central office, 15 regions, 35 provinces, 20 area offices and 57 offices in units of the National System of Protected Wild Areas (SNASPE). It is the institution with greater territorial presence of the state.
- It has a staff of 3600, between permanent and temporary workers.
- Lines of action:
 - Managing the National System of Protected Wild Areas (SNASPE).
 - Protection against forest fires, pests and diseases.
 - Forestry development, forest management laws and
 - Environmental and forest control.

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restal - CONAF

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Organigrama



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Introduction

- The National Forestry Corporation (CONAF) is the institution responsible for ensuring compliance with existing forest laws of Chile.
- The Forestry Administration, through the Department of Forestry Control conducts the design, monitoring and evaluation of the strategies and actions in this area that runs CONAF.
- Also we manages the information systems required for the control and the generation of statistics, fulfilling a very important role in the protection of ecosystems and environmental heritage and preventing illegal practices in forestry.



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Introduction

- We have an annual Forestry Control Program (**illegal logging**), which periodically conducts **ground patrols** and **inspections** in order to verify that forestry activities are authorized by the Corporation, thereby **ensuring their protection and sustainable management**.
- The Forest Control Department, **is developing** three major actions to **improve management** for the period between 2014 to 2018.
- **These are:** Implement **control strategy**, implement **traceability system** and **promote government coordination** and **integration of society** in defining regional priorities for enforcement.



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Vision and Mission of the Control Management and Environmental Assessment Division

View

The organization is recognized nationally and internationally for its contribution to the recovery and conservation of forest ecosystems and xerophytic formations.

Mission

Enforcement of forestry and environmental legislation and ensuring the conservation and sustainable use of native forests, forest plantations and xerophytic formations.



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FORESTRY STRATEGY SUPERVISION 2014-2018

- **IMPROVE INTERNAL CONTROL OF FOREST MANAGEMENT THROUGH VARIOUS TOOLS THAT ALLOW A MORE EFFECTIVE CONTROL**
- **Actions for planning and coordination of forestry and environmental control.**
- **Strengthen forest control program with national coverage for property taxes inspections, land, air and / or maritime patrols.**



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FORESTRY STRATEGY SUPERVISION 2014-2018

- Generate monthly executive reports, and the associated statistics.
- Monitor quarterly through SAFF, the documentation generated in the various control activities, controlling quality and non-conforming products.
- Develop analysis semiannually of the forest audit process under the Corporation's Quality Management System.



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FORESTRY STRATEGY SUPERVISION 2014-2018

- Review procedures and instructions formalized under the Quality Management System and continuous improvement.
- Manage the integration of the Territorial Information System (SIT) of CONAF, a thematic layer with the various control activities (SAFF).
- Assist in the development and implementation of a System of Monitoring and Early Warning, in order to evaluate changes in vegetational coverage and distribution of surfaces.
- Generate quarterly reports with the results of complaints to the respective Local Police Courts, quantifying the number of complaints with satisfactory results for the Corporation.



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FORESTRY STRATEGY SUPERVISION 2014-2018

- **IMPROVE INTERNAL CONTROL OF FOREST MANAGEMENT THROUGH VARIOUS TOOLS THAT ALLOW A MORE EFFECTIVE CONTROL**
- **Standardize procedures for forest and environmental control.**
- Develop a draft National Forest Plan Control in Indigenous Communities and establish a standardized pattern to be applied in areas where there is presence of community procedures.
- Priority Areas Update Control at national level, developing the corresponding cartographic coverage, based on the application of criteria that consider variables of territorial and social aspect, among others.



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FORESTRY STRATEGY SUPERVISION 2014-2018

- **Standardize procedures for forest and environmental control.**
- Develop a standardized procedures for xerophytic formations through an instructive work, where specific criteria are established to control activities that apply to this type of plant formations.
- Updating the Manual of Procedures for the Control of Forest Activities - Environmental, aimed at supervisors of CONAF.
- Generate second version of the Manual of Procedure to implement the provisions of Supreme Decree No. 490, on Larch; Prosecution statement on incorporating specific legal articles, through which they must punish wrongdoing.



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FORESTRY STRATEGY SUPERVISION 2014-2018

- Disseminate existing obligations to the general public, in order to increase the level of compliance and reduce unauthorized short forest legislation.
- Implement a semiannual Communicative Agenda together with the regions, which contain relevant communication milestones in each region, in terms of control and preventive punitive control.
- Design and issue sentences radial control on the mandatory forest law enforcement in the country, in a nationwide radio and local levels.
- Develop and print brochures spread of forest and environmental legislation for the general public.



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FORESTRY STRATEGY SUPERVISION 2014-2018

- **EXTENT OF INVOLVEMENT OF KEY STAKEHOLDERS ESPECIALLY LOCAL COMMUNITIES, CIVIL SOCIETY, ORGANIZATIONS, PRIVATE SECTOR, INCLUDING INDUSTRIES**
- Moreover, the CONAF also has other control measures, which are defined as preventive activities, which consist, for example dissemination of forest legislation, ensuring compliance with it.
- Such measures are geared towards different groups within the public, where it is possible to identify groups composed of schoolchildren, university students, direct users of forest resources, people belonging to the elderly, indigenous communities and NGOs among others.



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FORESTRY STRATEGY SUPERVISION 2014-2018

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FORESTRY STRATEGY SUPERVISION 2014-2018

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FORESTRY STRATEGY SUPERVISION 2014-2018

- EXTENT OF INVOLVEMENT OF KEY STAKEHOLDERS ESPECIALLY LOCAL COMMUNITIES, CIVIL SOCIETY, ORGANIZATIONS, PRIVATE SECTOR, INCLUDING INDUSTRIES

Regional tables

Regional tables are an instance of governmental coordination between services and institutions with oversight powers, which aims to coordinate actions of joint control, enhance public institution, convey official information, and analyze and evaluate contingency situations, among others in each of the regions.



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FORESTRY STRATEGY SUPERVISION 2014-2018

- EXTENT OF INVOLVEMENT OF KEY STAKEHOLDERS ESPECIALLY LOCAL COMMUNITIES, CIVIL SOCIETY, ORGANIZATIONS, PRIVATE SECTOR, INCLUDING INDUSTRIES

- **Workshop**

It corresponds to a group space for discussion and share different concerns about a topic, always maintaining a climate of respect, empathy and acceptance among people who make up the workshop. Based on this, this mechanism is open to discuss issues related to forest control and can raise all kinds of questions from the audience space.



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FORESTRY STRATEGY SUPERVISION 2014-2018



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FORESTRY STRATEGY SUPERVISION 2014-2018

- EXTENT OF INVOLVEMENT OF KEY STAKEHOLDERS ESPECIALLY LOCAL COMMUNITIES, CIVIL SOCIETY, ORGANIZATIONS, PRIVATE SECTOR, INCLUDING INDUSTRIES

- Talks

The theoretical lectures, exhibition correspond to instances that are oriented to publicize the rights and obligations that forest legislation offers or imposed for the use of forest resources and the environment, both now and in the future.



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FORESTRY STRATEGY SUPERVISION 2014-2018



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FORESTRY STRATEGY SUPERVISION 2014-2018

- EXTENT OF INVOLVEMENT OF KEY STAKEHOLDERS ESPECIALLY LOCAL COMMUNITIES, CIVIL SOCIETY, ORGANIZATIONS, PRIVATE SECTOR, INCLUDING INDUSTRIES
- Focus group

Technique used in social science research and commercial work that allows to know and study the opinions and attitudes of a specific audience on topics related to oversight role performed by the Corporation.



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FORESTRY STRATEGY SUPERVISION 2014-2018

- EXTENT OF INVOLVEMENT OF KEY STAKEHOLDERS ESPECIALLY LOCAL COMMUNITIES, CIVIL SOCIETY, ORGANIZATIONS, PRIVATE SECTOR, INCLUDING INDUSTRIES
- Advisory Councils

Mechanism constituted from several members which function to represent different interest groups in society, such as neighborhood organizations, NGOs, student groups, etc. Together, the board members contribute to approach different problems on the care of forest resources within the scope of the audit.



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FORESTRY STRATEGY SUPERVISION 2014-2018

- EXTENT OF INVOLVEMENT OF KEY STAKEHOLDERS ESPECIALLY LOCAL COMMUNITIES, CIVIL SOCIETY, ORGANIZATIONS, PRIVATE SECTOR, INCLUDING INDUSTRIES

- **Forest Days**

Practical activity that is performed in the field with a certain group of people, which is achieved visualize and understand in a better way, issues related to various control procedures that are performed by employees of the Corporation, to promote the protection of ecosystems associated with the forest effectively promoting the inclusion of the society in management oversight.



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FORESTRY STRATEGY SUPERVISION 2014-2018



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FORESTRY STRATEGY SUPERVISION 2014-2018

- TECHNOLOGY GOVERNANCE DEPLOYED FOR FOREST AND FOREST RESOURCE MANAGEMENT IN DIFFERENT SITUATIONS AND THE ROLE OF SCIENCE AND TECHNOLOGY IN PROVIDING APPROPRIATE TECHNOLOGY INSTITUTIONS.
- The incorporation of technology and the improvement of the control system developed by CONAF from recent years, is one of the reasons why Chile is not illegal timber was found in the international program that is running INTERPOL worldwide, with emphasis on Latin America.
- It has been integrating more resources for enforcement in recent years, which has enabled us, for example, improve the technological equipment, such as GPS and tools in the field, and thus also increase the number of audits on farms, roads, collection centers and air patrols.



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AIR PATROLS.



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ROAD PATROLS.



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COLLECTION CENTERS PATROLS.



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FOREST CONTROL



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FOREST



ROADS



INDUSTRIES



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FORESTRY STRATEGY SUPERVISION 2014-2018

Finally as a summary of the forestry strategy supervision in Chile we can say: there are 3 types of people who are related to illegal logging.

- **They do not know:** to them they should provide technical assistance and support both in the preparation of the management plan, as also in its execution.
- **They can not:** to them is also necessary to provide technical support with a comprehensive program of forestry extension. The difference is that these people do not have the intellectual or economic conditions for all necessary to have an approved plan of management efforts.

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FORESTRY STRATEGY SUPERVISION 2014-2018

- **They do not want:** they are against all kinds of regulations and making illegal logging on land they do not own. I mean steal wood. For them

.....



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Muchas Gracias



**FOREST RESOURCES MANAGEMENT AND CHINA'S TIMBER LEGALITY
VERIFICATION SYSTEM: - JING TAO**



Mr Jin Tao of China

ENHANCING FOREST GOVERNANCE FOR ASIA AND THE PACIFIC IN THE CONTEXT
OF TIMBER LEGALITY VERIFICATION, July 2-13, 2015, Jiaxing, China

**Forest Resources Management and
China's Timber Legality
Verification System**

JING Tao

Division of Foreign Economic and Trade,
Department of Development Planning and Assets Management SFA

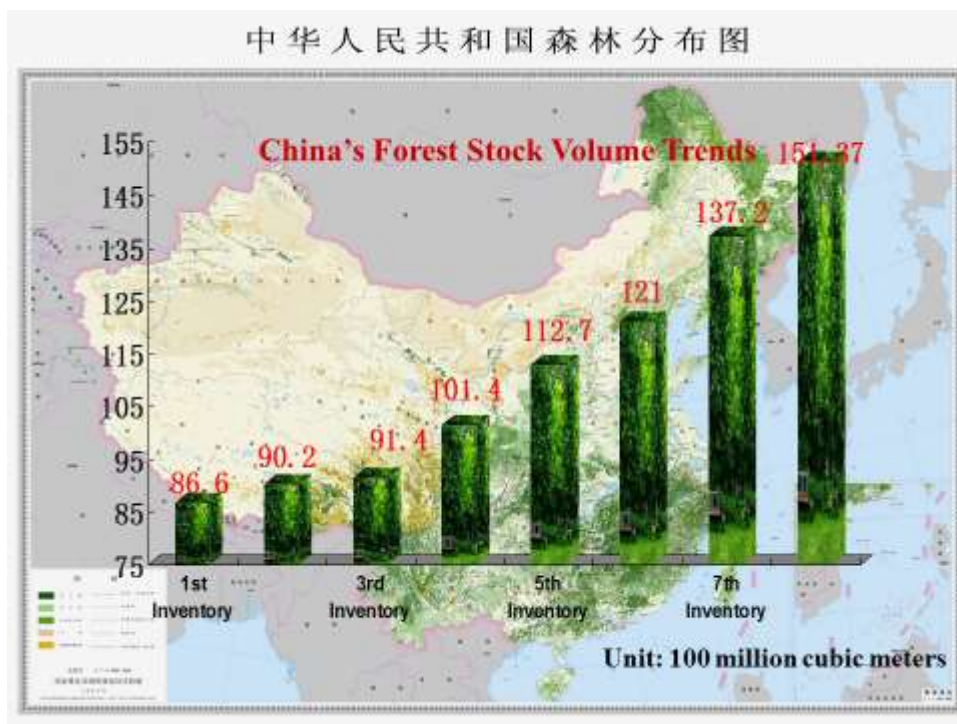
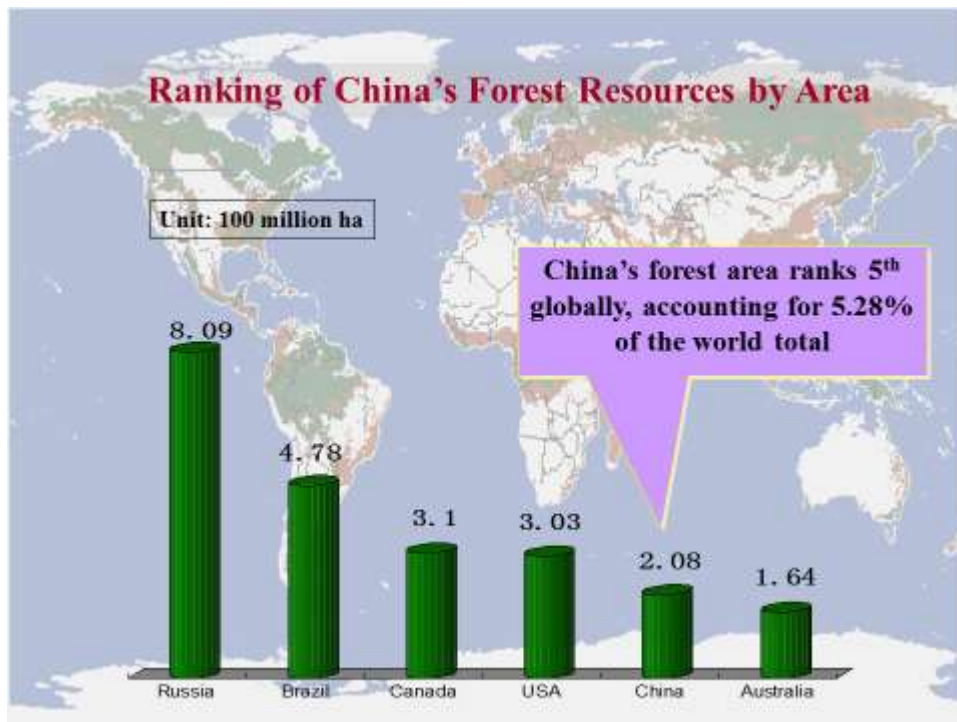


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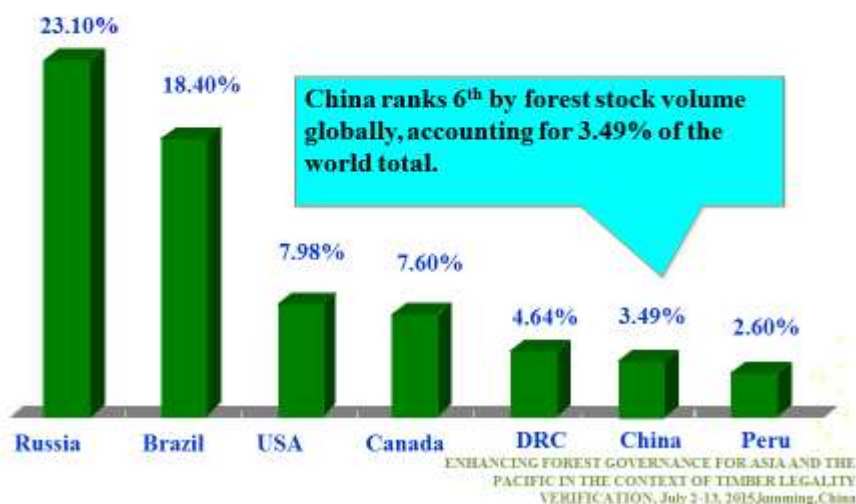
- ☐ Forest Resources Management in China
- ☐ Forest Products Trade in China
- ☐ CTLVS Development and Progress
- ☐ Key Challenges
- ☐ Summary

ENHANCING FOREST GOVERNANCE FOR ASIA AND THE
PACIFIC IN THE CONTEXT OF TIMBER LEGALITY
VERIFICATION, July 2-13, 2015, Jamning, China





Ranking of China's Forest Resources by Stock Volume



1 Forest Resources Management in China

Forest land and tenure administration

► Forest land administration

According to related laws and regulations, acquisition and occupation of forest land shall go through certain procedures.

Forest land protection is included as an important part of the target responsibility system of forest resources protection and development, and an indicator for assessing performance of local government officials.



中华人民共和国
森林法实施条例

➤ Forest tenure administration

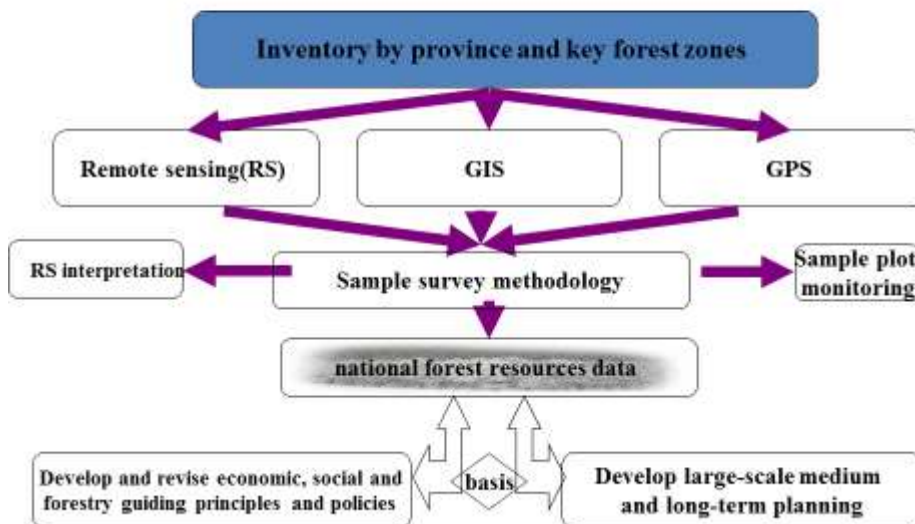


The forest tenure certificate registered, filed and issued by the people's government at or above county level, is the only legal document used to recognize the ownership or use right of forest, forest wood and forest land, equally authentic with land certificate.

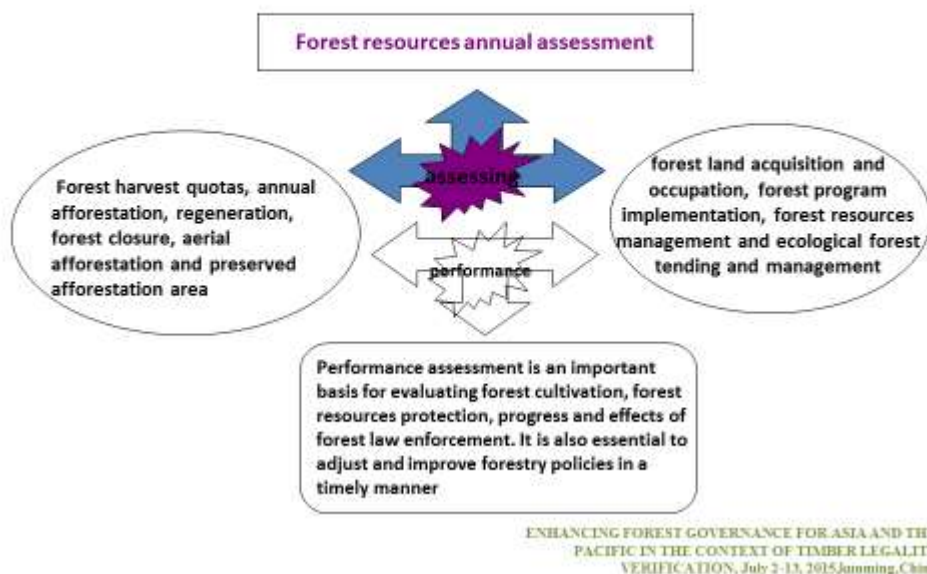
ENHANCING FOREST GOVERNANCE FOR ASIA AND THE
PACIFIC IN THE CONTEXT OF TIMBER LEGALITY
VERIFICATION, July 2-13, 2015, Jamning, China

Forest resources monitoring system

➤ Continuous forest resources inventory

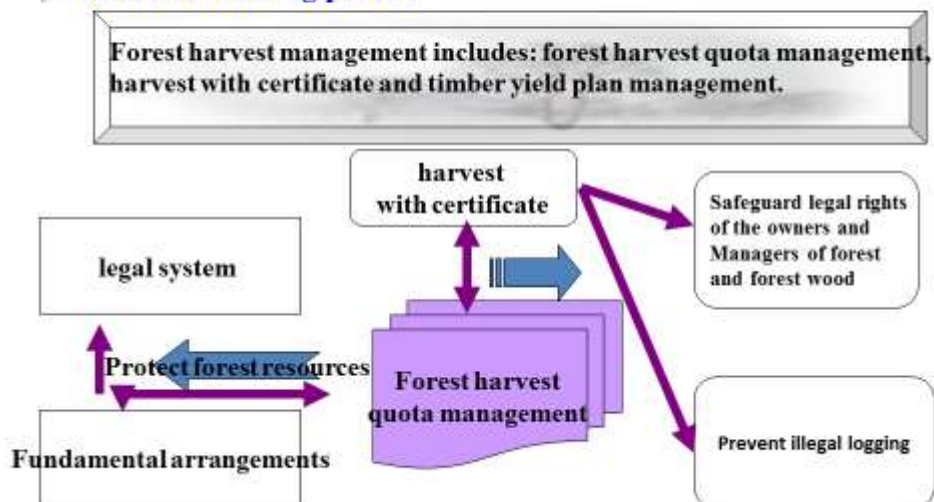


➤ Forest resources annual assessment



Forest resources utilization administration

➤ Forest harvesting permit



➤ Timber transportation permit

Timber transport management is an important measure to maintain timber transport order and prevent illegally sourced timber from entering into the market.



➤ Management & processing permit

The certificate system for timber processing, harvest and transport exerts whole-process control from harvest to market circulation.



2

Forest Products Trade in China

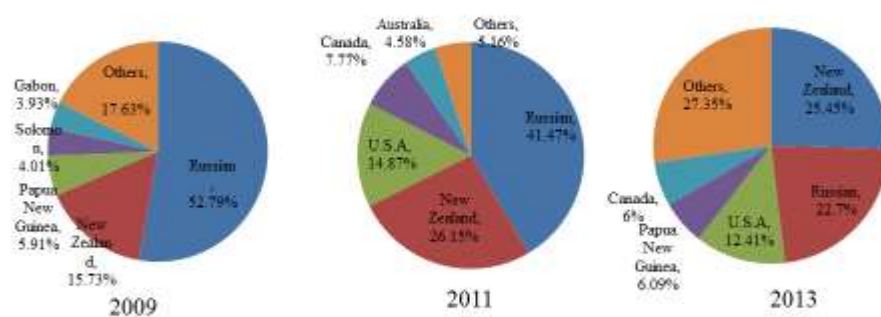


2.1 Constant Increase of Production and Outbound Trade of Forest Products



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PACIFIC IN THE CONTEXT OF TIMBER LEGALITY
VERIFICATION, July 2-13, 2015, Jamning, China

2.2 Top 5 Country of Imported Log in China



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2.3 Changes of International Forest Products Trade

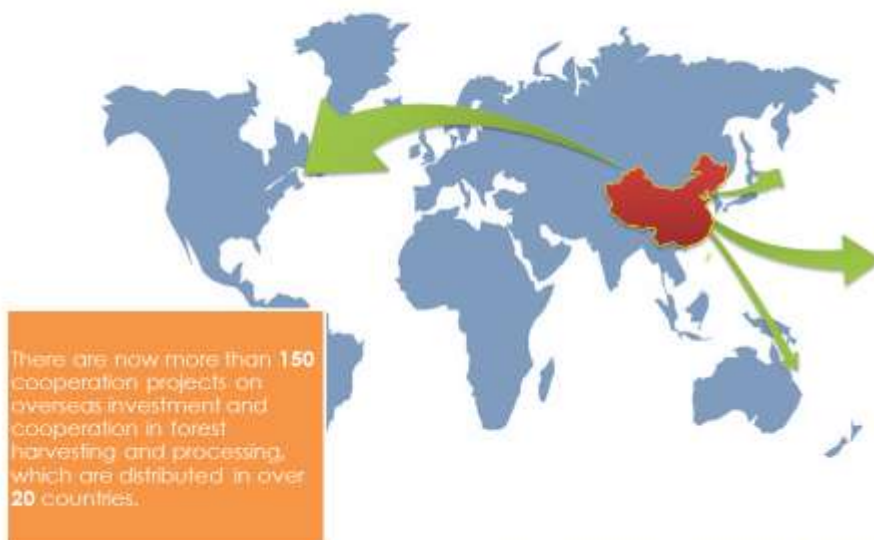


2.4 Added value & technology



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2.5 Emerging Trend in Overseas Forestry Investment

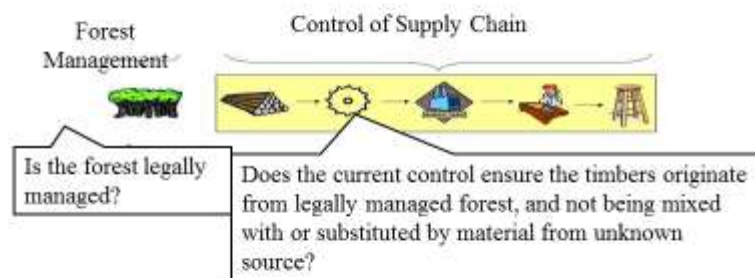


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PACIFIC IN THE CONTEXT OF TIMBER LEGALITY
VERIFICATION, July 2-13, 2015, Jamning, China



3 CTLVS Development and Progress

3.1 Definition of Legal Timber



Different countries, organizations and individuals have different perceptions towards legal timber, for which there is no a unified definition in the world.

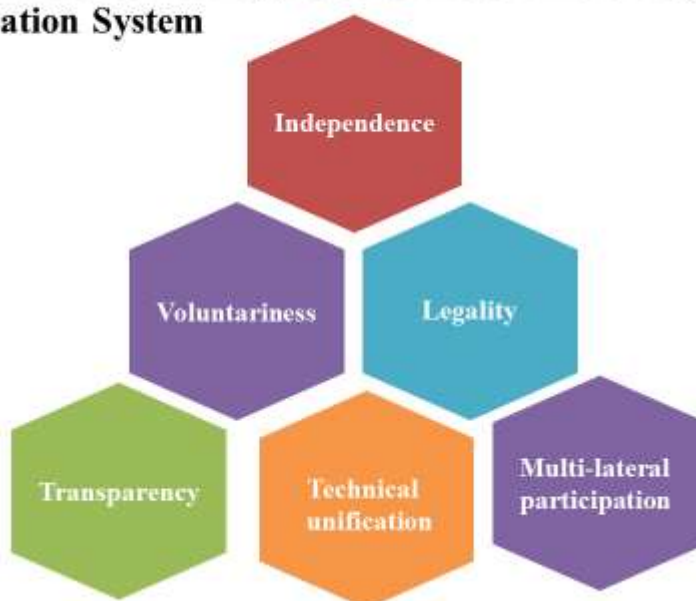
3.2 Goal of Chinese Timber Legality Verification System

- Considering the international development of timber legality verification and Chinese situation, we proposed a **voluntary** verification standard led by the **government** and based on due diligence, to fight against illegal logging, regulate production of forest products, meet international legality requirement, effectively expand international market, promote international trade of forest product and forestry legalization in China.



ENHANCING FOREST GOVERNANCE FOR ASIA AND THE
PACIFIC IN THE CONTEXT OF TIMBER LEGALITY
VERIFICATION, July 2-13, 2015, Jiaming, China

3.3 Construction Principles of Chinese Timber Legality Verification System



3.4 Framework of China's Timber Legality Verification System



ENHANCING FOREST GOVERNANCE FOR ASIA AND THE
PACIFIC IN THE CONTEXT OF TIMBER LEGALITY
VERIFICATION, July 2-13, 2015, Jamning, China

3.5 Standard for Legal Timber

Content	Main Principle
Due Diligence	Commitment of legal purchase; responsibility and power; saving of evidence; monitoring for implementation of due diligence system; scope of due diligence system; supply chain and material information; risk evaluation; risk mitigation; declaration
Forest management legality	Forestland ownership; legal registration; payment of taxes and dues according to law; legal harvest; environmental protection; worker's and community's rights
Supply chain legality	Legal registration; import legality; transportation legality; export legality
CoC	Management system; raw material purchase; raw material acceptance and storage; processing; sales; declaration of timber legality

ENHANCING FOREST GOVERNANCE FOR ASIA AND THE
PACIFIC IN THE CONTEXT OF TIMBER LEGALITY
VERIFICATION, July 2-13, 2015, Jamning, China



4.Key Challenges

- Further development of CTLVS, including promotion and application of CTLVS and assurance of its credibility is likely to require coordination of several public agencies .
- Stakeholder awareness concerning legality issues (including both public agencies and the private sector) is not universally high.
- Domestic demand for timber and wood products is high, and is growing rapidly, and unfettered by requirements to demonstrate legality. This segmentation of domestic and international markets creates a considerable challenge for the promotion of timber legality.
- Credible legality verification and timber tracking along complex supply chain.

ENHANCING FOREST GOVERNANCE FOR ASIA AND THE
PACIFIC IN THE CONTEXT OF TIMBER LEGALITY
VERIFICATION, July 2-13, 2015, Jamming, China

5. Summary



ENHANCING FOREST GOVERNANCE FOR ASIA AND THE
PACIFIC IN THE CONTEXT OF TIMBER LEGALITY
VERIFICATION, July 2-13, 2015, Jiaming, China

First, it should encourage each side to come to consensus on the definition of “illegal logging and related trade”.

Second, communication and cooperation in forest law enforcement and governance

Summary

Third, information sharing mechanisms should be established to increase the transparency of timber markets.

Fourth, it is supposed to encourage the each side to come to a mutual understanding of the legality verification of timber and timber products in international trade.

ENHANCING FOREST GOVERNANCE FOR ASIA AND THE
PACIFIC IN THE CONTEXT OF TIMBER LEGALITY
VERIFICATION, July 2-13, 2015, Jiaming, China

Summary

Fifth, economies should carry out necessary information exchange and capacity building in terms of related domestic laws and regulations

Sixth, it should understand the important role of public sector, association and enterprises in combating illegal timber logging and related trade

Seventh, it is supposed to oppose the trade protectionism in the name of combating illegal logging and related trade.

THANKS

Jing Tao

Department of Development Planning and Assets Management SFA

ENHANCING FOREST GOVERNANCE FOR ASIA AND THE
PACIFIC IN THE CONTEXT OF TIMBER LEGALITY
VERIFICATION, July 2-13, 2015, Jiaming, China

**ENHANCING LEGAL AND POLICY SYSTEMS AND CAPACITY BUILDING FOR
BETTER FOREST GOVERNANCE-REGIONAL OVERVIEW – VINCENT VAN DEN BERK**



Mr Vincent van den Berk giving his presentation.

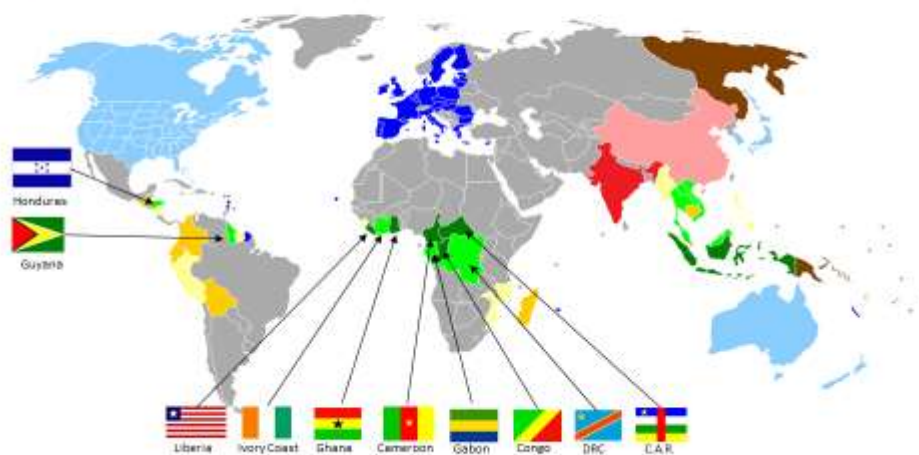


Outline

- Setting the Scene for FLEGT
- EU FLEGT Action Plan
- Why FLEGT?
- What is a FLEGT VPA?
- FLEGT & VPA Progress
- ASEAN Cooperation in the Forestry Sector
- Looking forward...



FLEGT VPA partner countries



- FLEGT licenses (not yet)
- System development
- Formal negotiations
- Entering into negotiations
- Preparation, in-country consensus building
- Introduction to VPAs
- Bilateral Coordination Mechanism (BCM)

ASEAN



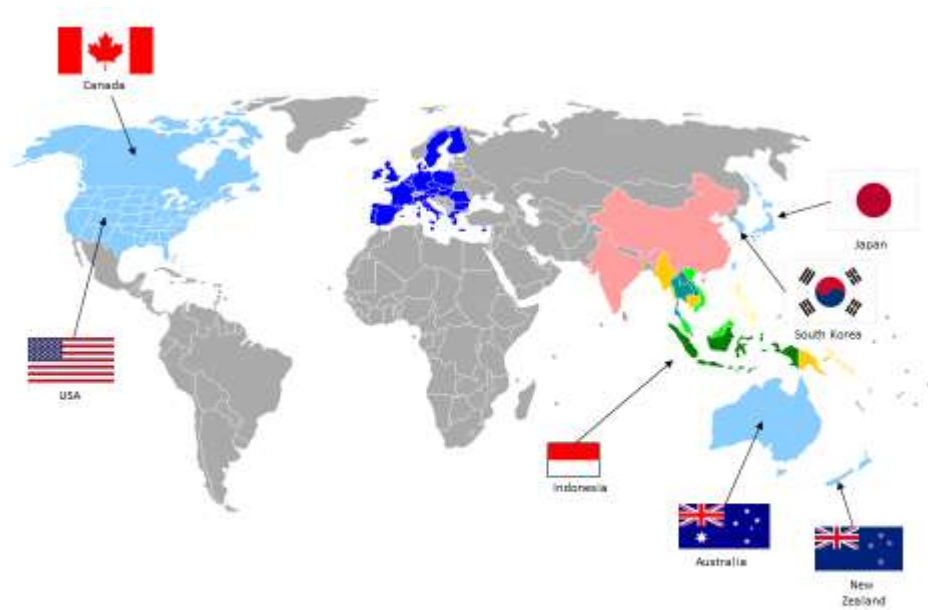
- FLEGT licenses (not yet)
- System development
- Formal negotiations
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- Preparation, in-country consensus building
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- Bilateral Coordination Mechanism (BCM)





VPA negotiation & implementation – Examples

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Indonesia	Negotiation				Implementation				
	Start: Mar				Initial: May		Sign: Sept	Ratify: Mar/Apr	FLEGT Licensing?
Malaysia	Start: Apr								
Vietnam			Info/ prep	Start: Nov					
Lao PDR					Info/ prep	Enter: Feb			
Thailand					Information / Preparation		Enter: Sept		



ASEAN Cooperation in the Forestry Sector

ASEAN bodies covering the forest sector

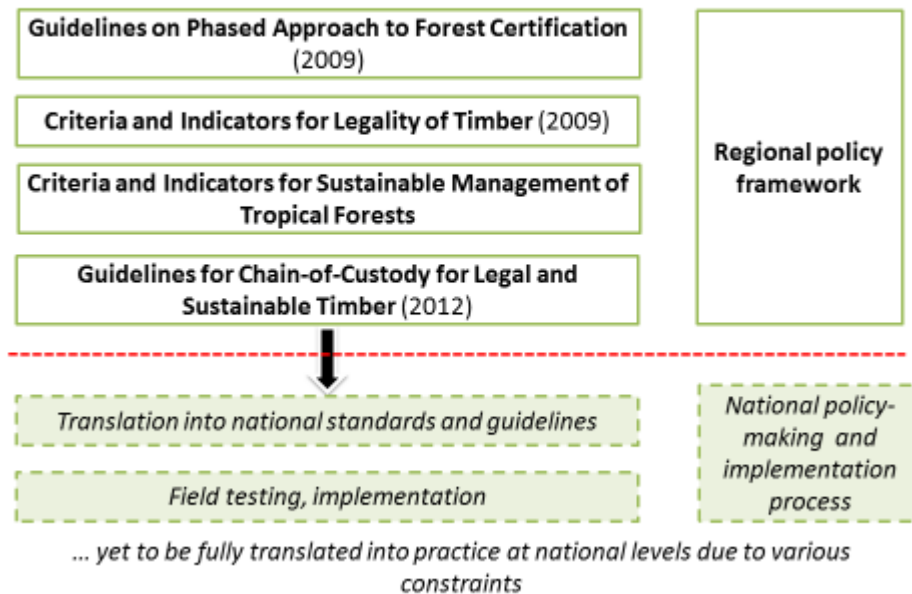
ASEAN Ministers Meeting on Agriculture and Forestry (AMAF) - subsidiary bodies:

- ASEAN Sen'r Officials Meeting of the ASEAN Min'strs on Ag and Forestry (SOM-AMAF)
- ASEAN Senior Officials on Forestry (ASOF):
 - Policy co-ordination and decision-making on **regional co-operation** in the forestry sector
 - Established four experts groups, one working group and two networks – including *inter alia*:
 - ❖ ASEAN Experts Group on International Forest Policy Processes (AEG-IFPP) – develops **joint positions** of AMS on international **forest-related policy processes**
 - ❖ ASEAN Working Group on a Pan-ASEAN Timber Certification Initiative (AWG-PATCI) – aimed to develop a **regional framework** for a **phased-approach to forest certification** in AMS
 - ❖ ASEAN Regional Knowledge Network on FLEGT (ARKN-FLEG) aims to **support** the implementation of the 2008-2015 **Work Plan for Strengthening FLEG** in ASEAN

ASEAN progress on timber legality

- ASEAN Declaration on Environmental Sustainability – Policy guidance
- ASEAN Ministerial **Statement on strengthening FLEG** – adopted and issued on 1 November 2007
- **Work Plan on Strengthening FLEG** in ASEAN 2009-2015, agreed by 11th ASOF Meeting – Objective to strengthen FLEG:
 - *Strengthen policy and legal framework, promote **transparency**, conduct regional capacity building, strengthen **customs cooperation**, develop regional frameworks for **phased-approached to forest certification***
- **Re-vitalised ARKN-FLEG** – met in Sept 2014 in Laos
- ASEAN **market integration** envisaged for 2015, **timber** one of the **key integration commodities**
- *Regional enforcement in **legal timber still at its beginnings***

Regional framework on forest certification



EU FLEGT Facility support...

- Capacity building for regional FLEGT stakeholders under the AWG-PATCI
 - *Joint ASEAN / EU FLEGT Facility / AMS sub-regional **training in timber legality assurance**: 2010, 12, 13, 14*
- Support for meeting to **ARKN-FLEG**, and exploring its **potential as a multi-stakeholder** forum on FLEGT
- Scoping **study** on ASEAN timber **trade, customs** and **timber legality** – recommendations on
 - *integrating timber legality assurance systems (TLAS) into National Single Window (NSW) systems for customs*
 - *improving documentation to support **export declarations** as a check on legality*

Looking forward...

- New Strategic Plan for ASEAN cooperation in forestry

Towards a new ASEAN strategy for cooperation in forestry

- **Strategic Plan** for ASEAN Cooperation in Food, Agriculture and Forestry (2016-2025) – 2nd *draft* version
- Overall aims: achieve AEC Blueprint; contribute to completion of MDGs and the post-2015 Sustainable Development Goals;...
- **Goals** of ASEAN co-operation in forestry to:
 - *enhance* international **competitiveness** of ASEAN's forestry products
 - meet **international standards** of sustainable forest management (**SFM**)...
 - strengthen **joint approaches** in addressing international and regional forestry issues
 - **increase productivity & efficient utilization** of forest products.

Towards a new ASEAN strategy for cooperation in forestry

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 - *strengthen joint approaches* in addressing international and regional forestry issues
 - *increase productivity & efficient utilization* of forest products.

Looking forward...

- *FLEGT Action Plan evaluation*

FLEGT Action Plan evaluation

- **Ongoing independent evaluation** of the implementation of the FLEGT Action Plan 2003 to 2014 – to:
 - Document and assess *progress, achievements, possible shortcomings and gaps*
 - Assess and analyse *changes* in the *global context* and how they affect the Action Plan
 - Contribute to *guide future EU efforts on FLEGT* and, more broadly, on reversing the loss of forest cover and promoting sustainable management of forest resources
- **Links with EUTR review**
 - Separate and parallel *mandatory review* of the EU Timber Regulation focussing on enforcement of its provisions based on reporting by Member States
 - Include a *review* of the *product scope*

FLEGT AP evaluation – Forward-looking and participatory process

- Opportunity to **reflect** with **key stakeholders** on progress and achievements
 - Surveys, *consultations* and workshops in *Europe* and in some *partner countries*
 - *Dedicated sessions in relevant meetings – e.g. FLEGT week*
 - *Web-based survey* tool will be developed on capacity4dev
- ... to compile, evaluate and summarise the views and expectations of constituents in Europe and in EU partner countries
- Evaluation will be **forward-looking** and provide **lessons learnt** and **recommendations**.

Policy challenges for the 21st Century...

Challenges for the 21st Century – Points for discussion

- Legal timber is becoming a standard requirement in many large markets – **What challenges do small-scale operators still face in accessing and supplying legal timber and how to address these?**
- VPAs are providing space for national discussions on governance issues, and giving civil society a voice in the process – **What forest governance issues would benefit from regional multi-stakeholder discussions and how could this be realised?**
- Concerns about forest loss increasingly focus on conversion – **What can we learn/take from FLEGT to help address wider land-use governance issues?**

EU FLEGT Facility
Kuala Lumpur, Malaysia

Telephone
+603-4251 1886

Email
Vincent.vandenberk@efi.int



Do you want more information?

European Commission website on EUTR
for EU operators

<http://ec.europa.eu/environment/eutr2013>

EU FLEGT Facility website on VPAs and
FLEGT-licensed timber

<http://www.eflegt.efi.int>

And more information

<http://ec.europa.eu/environment/forests/flegt.htm>

http://ec.europa.eu/environment/sites/home_en.htm

http://ec.europa.eu/environment/forests/illegal_logging.htm

TIMBER TRACEABILITY FOR LEGALITY – CHEN JIE

Outline of Timber Traceability for Legality

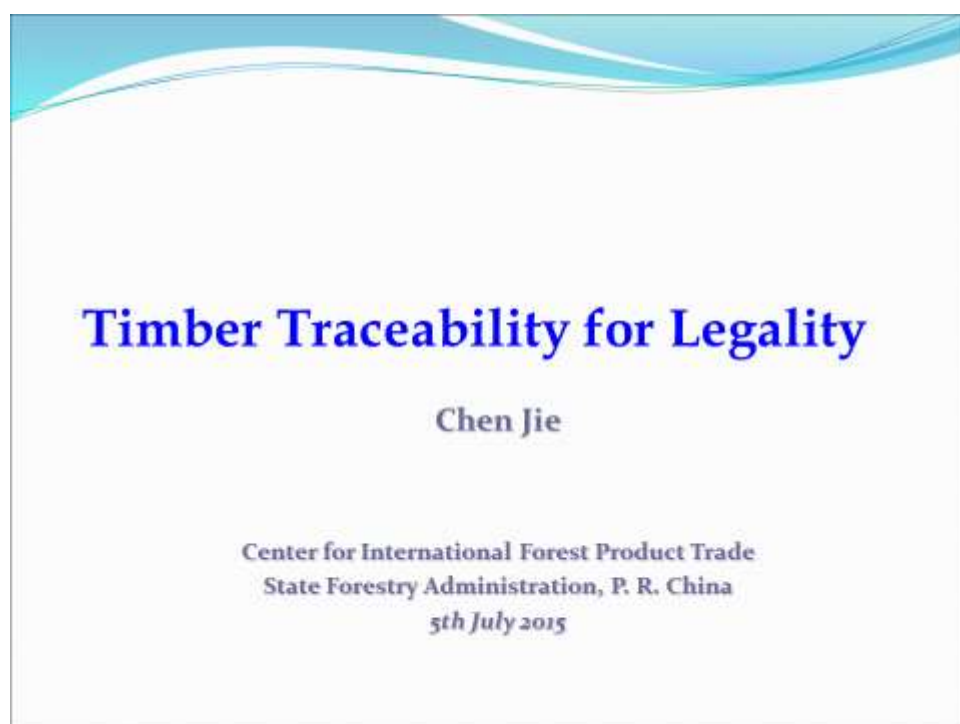
The presentation briefly introduces timber traceability as an emerging useful approach to ensuring legality, as more markets seek similar requirements. The presentation also defines timber traceability, including its concepts and roles, and describes how it functions to ensure the origin of legal timber and supply chain control and management are compliant with laws and requirements.

Currently there are two main approaches to timber tracking, i.e., the documented approach and the technology approach. The documented approach involves the keeping of paper-based documents, files and records relating to the production, processing and trading of timber. The technology-based approach involves using both electronic and semi-electronic (incorporating paper-based documented systems) for supply chain management and control. Both systems are now the principal means of keeping documents for supply chain control and management to proof and verify the legal origins of timber and timber products.

It is important to note that both the documented approach and the technology-based approach do not provide the perfect solution for verifying legal origin. Consequently, technologies such as genetic and stable isotope techniques are increasingly being adopted to prove legal origin and support the documented and electronic supply chain control and management systems.

The verification systems that are currently available can be classified into two: mandatory and voluntary systems. Voluntary systems (for example FSC, PEFC, VLC, LHV, TLTV) implemented at the company/enterprise level, are some of the systems now commercially available for providing third-party independent verification of legality. Mandatory systems are implemented at the country/national level, and involve initiatives such as the European Union's Voluntary Partnership Agreements (VPAs). Mandatory systems have been developed to address some of the problems associated with the voluntary systems.

Wood tracking systems and due diligence systems are now the most credible means for verifying and ensuring legality in terms of origin and supply chain control and management. The presentation also identifies some of the problems associated with wood traceability which have encountered up to date, and proposes future actions required for further discussion among participants.





Contents

- Timber traceability: background, concept and roles
- Approaches for timber traceability
- Systems available for timber traceability
- Problems encountered

Timber Traceability: Background

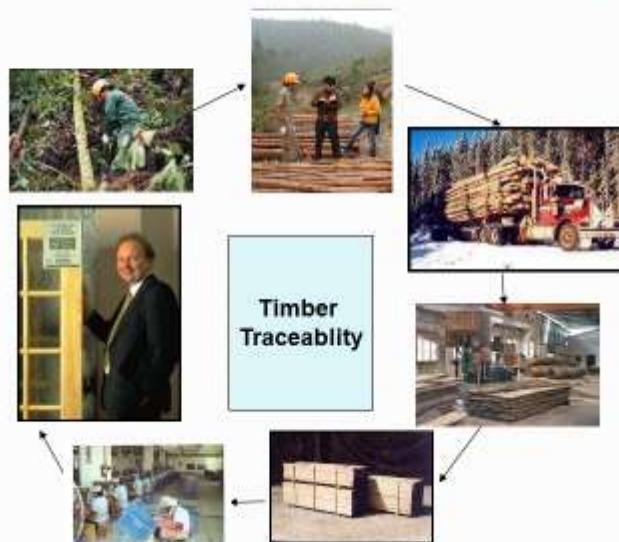
Within the context of supporting legal and sustainable forest supply chains, traceability has emerged in the last decade as a new tool to verify claims and assure buyers about the source of their materials. Mostly led out of Europe, and targeting countries where illegal logging has been a key problem.



Market requirements on legality

Sector	Types	Policies and Regulations
Government	International process	Forest Law Enforcement, Governance and Trade (FLEGT)
	Regulations	US Lacey Act EU Timber Regulation Australian Illegal Logging Prohibition Bill
	Public Procurement policies	Belgium, Denmark, France, Germany, the Netherlands, the UK
Private Sector	Responsible purchasing policies of timber trade federations	Belgian Timber Importers' Federation, French Timber Trade Federation, German Timber Trade Federation, Netherlands Timber Trade Federation, UK Timber Trade Federation (UK TTF)
	Responsible purchasing policies of companies	B&Q, Danzer, DLH, The Home Depot, HSBC, IKEA, Walmart
	Green building initiatives	BREEAM Code for Sustainable Homes, Green Building Council Australia (GBCA), US Green Building Council (USGBC)

Timber Traceability: Concept



Timber Traceability: Roles

Full traceability offers advantages for multiple partners along the supply chain to ensure materials come from legal or even sustainable origin and no mixing has happened. It can act as:

- A mechanism to comply with local and international policies and regulations.
- A tool to reduce the risk of illegal or non-compliant material entering the supply chains.
- A means to provide coordination between authorities and relevant bodies.

Timber Traceability: Roles (Cont.)

- A method for volume control, including stock control and monitoring.
- An real-time alert for non-compliance as well as the recording errors.
- A model to improve effectiveness and efficiency and increase transparency.
- A tool to promote company's integrity and credibility.

Approaches to Track Timber

Documented Tracking

1. **Electronic System:**
Helveta, GTS....
2. **Semi-electronic System**
3. **Paper-based system**

Tracking Technology

1. **Physical ident.**
 - paint marking
 - plastic tag
 - barcoding
2. **Chemical Ident.**
 - Genetic Testing
 - Stable Isotope Testing

What systems available currently?

Types	Level	Name of the programme /scheme
Voluntary legality verification schemes by certification bodies	Company level	➤ Timber Legality and Traceability Verification (TLTV) by SGS ➤ Verification of Legal Origin (VLO) by SmartWood (SW) ➤ Verification of Legal Compliance (VLC) by SmartWood (SW) ➤ Origine et Legalité des Bois (OLB – timber origin and legality) by Bureau Veritas (BV) ➤ the Legal Harvest Verification (LHV) by SCS ➤ Legality Verification System by Certisource ➤ FSC Control Wood ➤ PEFC Due Diligence System
Mandatory legality verification	National level	➤ Mandatory Legal Timber Validation (MLTV) offered by SGS ➤ Timber Legality Assurance System in VPA countries ➤ DDS verification provided by EUTR Monitoring Organizations, e.g., NEPCo, BV, Control Union
NGO initiatives	Company level	➤ Tropical Forest Foundation (TFF) ➤ Timber Trade Action Plan (TTAP) legality checklist

Voluntary Systems for Timber Tracking



Source from well-managed forest

Linkage from upstream to downstream



Recognizable label

Market-based incentive



Mandatory Requirement on Timber Traceability

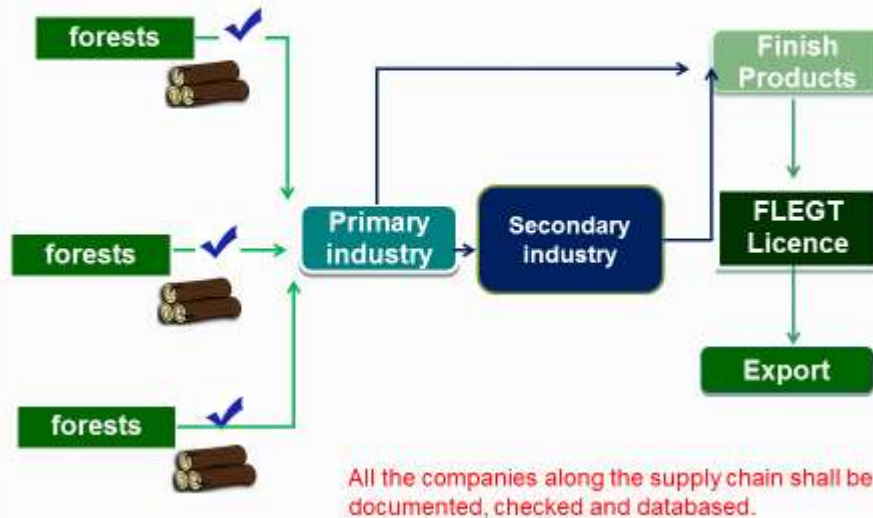
1

Wook Tracking System for TLAS

2

Due Diligence System

Wood Tracking System



Due Diligence System



- **1. Legal right to harvest**
 - Land tenure and management rights
 - Concession licenses
 - Management and harvesting planning
 - Harvesting permits
- **2. Taxes and fees**
 - Payment of royalties and harvesting fees
 - Value added taxes and other sales taxes
- **3. Timber harvesting**
 - Timber harvesting regulations
 - Protected sites and species
 - Environmental requirements
 - Health and safety + Legal employment
- **4. Third parties' rights**
 - Customary rights
 - Free prior and informed consent
 - Indigenous people's rights
- **5. Trade and transport**
 - Classification of species, quantities and qualities
 - Trade and transport
 - Offshore trading and transfer pricing
 - Custom regulations
 - Export taxes and duties + CITES



Legality at Supply Chain Level

- 1.1 Classification of species, quantities, qualities
- 1.2 Trade and transport
- 1.3 Offshore trading and transfer pricing
- 1.4 Custom regulations
- 1.5 CITES



WORLDWIDE - FUTURE - ECONOMIC - WISDOMFUL - CREDIBLE
MORE INFO - GO TO WWW.WORLDWIDE.NET

Legality at Chain of Custody Level

- 1 General CoC requirements
- 2 Purchasing and receiving
- 3 Processing
- 4 Shipping and sales



Legality verifications in effect

- Voluntary legality verification systems have emerged early and promoted the concept of legality, but limited progress has achieved due to market demand;
- Timber or timber products accompanied with FLEGT License issued under TLAS are accepted as legal in EU Timber Regulation, but takes more time than expected and no FLEGT licence has ever been issued;
- Due Diligence requirements in regulations is the basis for wood tracking, and DD system showed a good trend as the EU has reinforced the enforcement of EUTR. But the upstream suppliers will play a bigger role in information/evidence gathering.
- Timber or timber products achieving voluntary verification, forest certification and NGO initiatives cannot be automatically accepted as legal, but these systems or initiatives can be used as evidence of Due Diligence System as long as they meet the requirements of these regulations.

Problems Encountered

- Limited effect has been achieved in terms of wood traceability.
- Transparency and credibility are the two issues that attract great concerns , and are yet to be fully addressed: Limited capacity for monitoring/checking and limited capacity of SMEs for documentation.
- More scientific methods have been introduced and adopted but only significant in sending message to industry, and the actual impacts are hard to tell.
- Timber traceability systems have become more sophisticated and complex. Costs and limited technical capacity are some of the main factors limiting their full implementation.
- For complicated supply chain involving more than 3 countries, it is difficult to trace back to the forest without effective cooperation between countries.
- It will be costly and difficult to track wood back to the origin without agreement between governments on standards or systems.

What we can do for future?

Looking for simple, easy-to-operate and credible approach for the problems and really ensure the source of materials



*Thank You
for
Your Attention!*



SVLK-COMMITMENT TO SUSTAINABLE FOREST AND LEGAL TIMBER TRADE – NONI EKO RAHAYU



Mrs Noni Eko Rahayu from Indonesia



SVLK

(SISTEM VERIFIKASI LEGALITAS KAYU)

Commitment to Sustainable Forest and Legal Timber Trade

Noni Eko Rahayu
Ministry of Environment and Forestry
Republic of Indonesia

Workshop on Forest Governance for Asia and the Pacific
in the Context of Timber Legality Verification
Yunnan, China, 2-13 July 2015



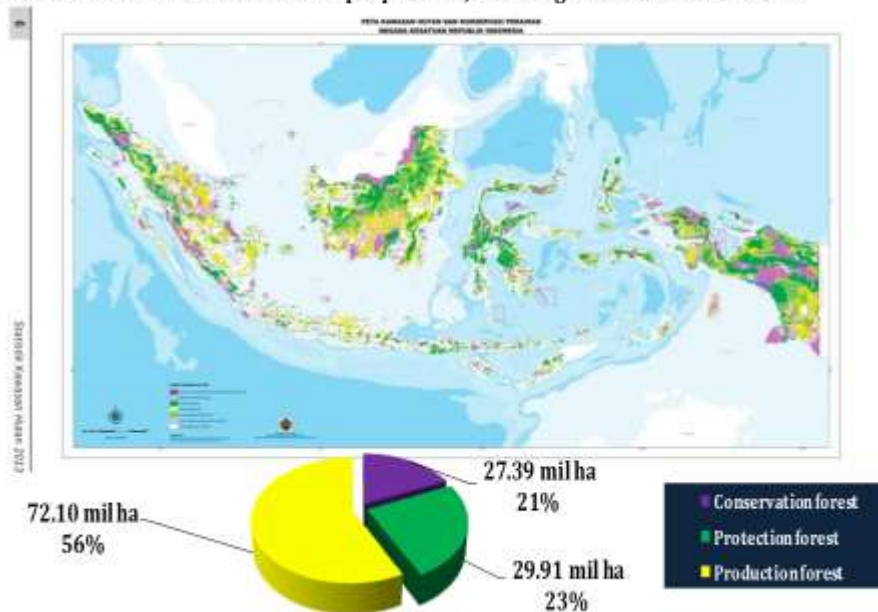
Content



- **Indonesia Forest Resources Management**
- **SVLK Development and Progress**
- **Challenges and Opportunities**
- **Lesson Learnt**

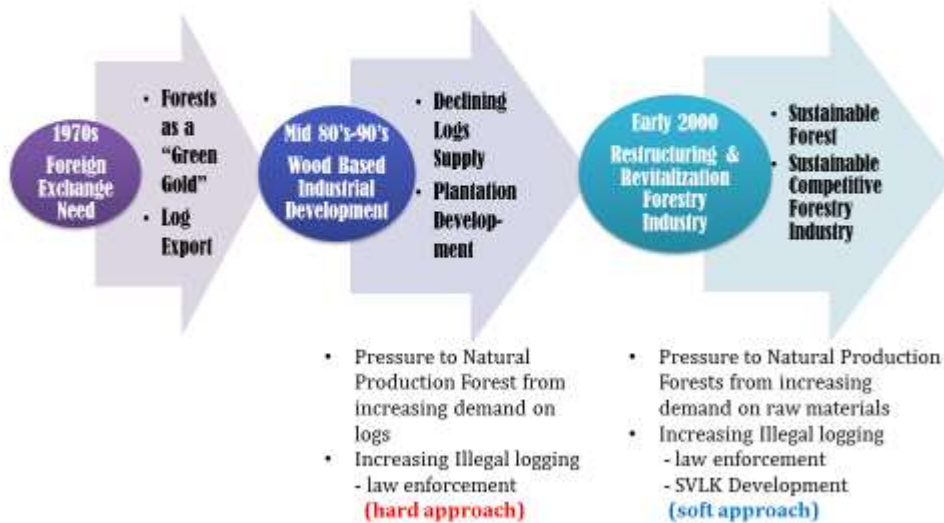
- ❖ Total land area 189.66 mil ha
- ❖ Forestland and waters is 129.42 mil ha
- ❖ Livelihood source for 48.8 million people in 31,000 villages in and around forest

Source: MoF (Desember 2014)



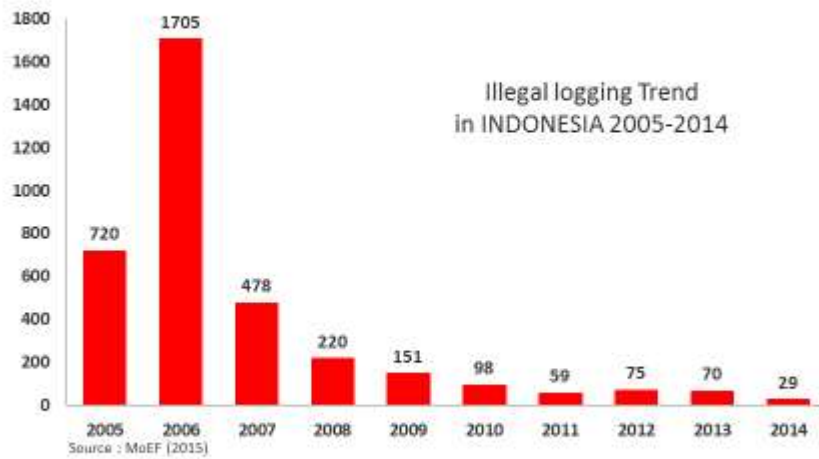


Forest Resource Management



Toward Sustainable Forest Resources





6



Justification for SVLK Development

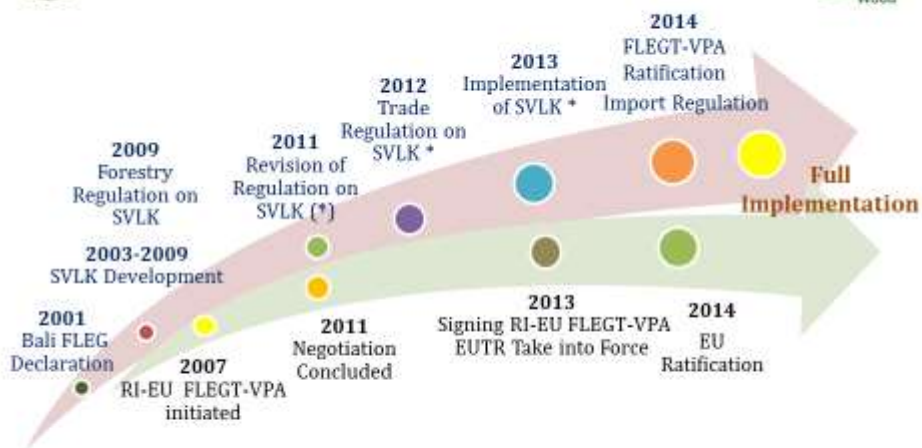




SVLK Development Principles



SVLK Development & FLEGT-VPA Progress





Uniqueness of SVLK



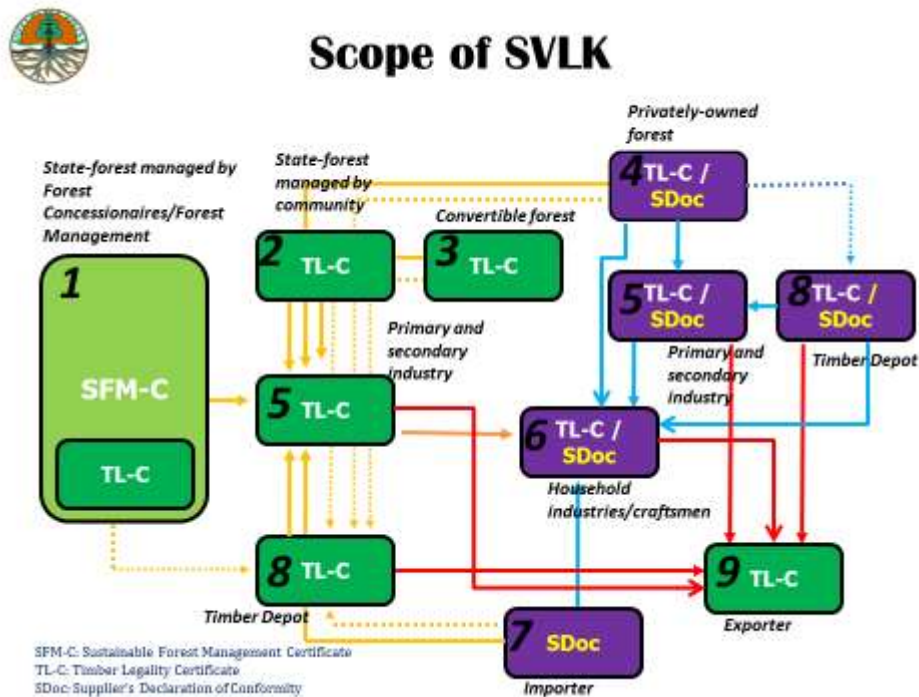
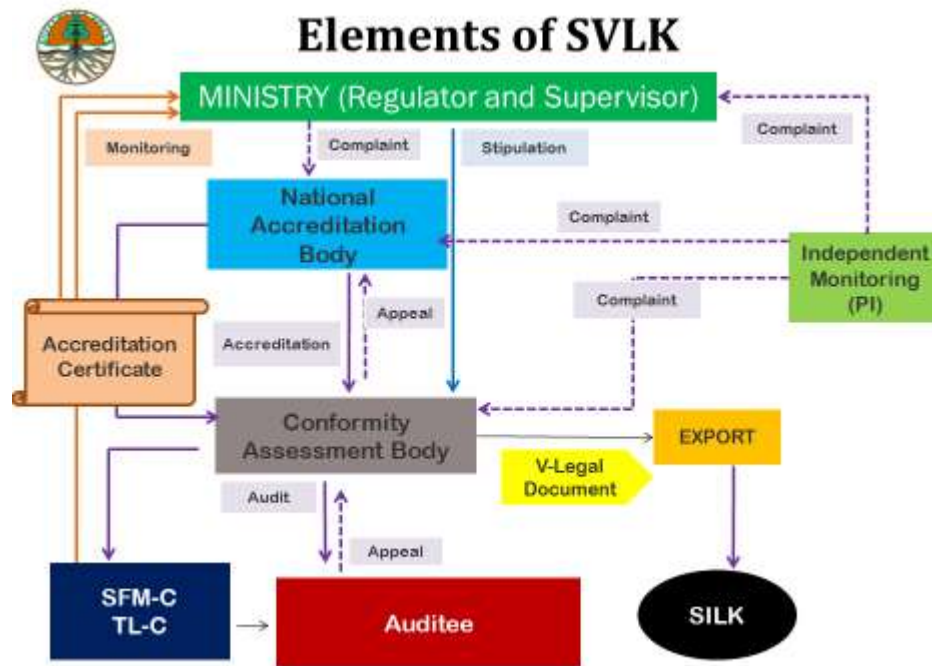
- SVLK is developed
 - based on Indonesian law and regulation
 - through multi-stakeholders consultation process
- Implemented by forestry-based stakeholders
- Mandatory
- Strong commitment to sustain forest resources



The Advantages of SVLK Development



- improve forestry governance
- meet customer demand for legally harvested, transported, processed and traded timber from sustainable forests
- consists of **Legality** and **SFM** Schemes → Timber Legality Certification, Supplier's Declaration of Conformity and Sustainable Forest Management Certification
- provide unique experiences to customer



Certification Progress (up to 19 June 2015)

Type of Certification	Certified (unit/Ha)	Failed (unit/Ha)	On Process (unit/Ha)	Total (unit/Ha)
SFM for state-owned forest	156 (13,546,556)	61 (3,295,885)	3 (530.005)	220 (17,372,416)
TL for state-owned forest	115 (5,051,078)	4 (260.395)		119 (5,311,473)
TL for privately-owned forest	93 (42,672)	4 (1,500)	2 (4,493)	99 (48,665)
TL for timber industries	1.312	50	434	1.796

Challenges

- Small scale industries, including privately-owned forest → finance
- Market incentive
- Adequacy of CABs and auditors
- Independent Monitoring Financing
- Actors Capacity
- Market awareness on legal timber trade

Government Facilitation

Priority
1

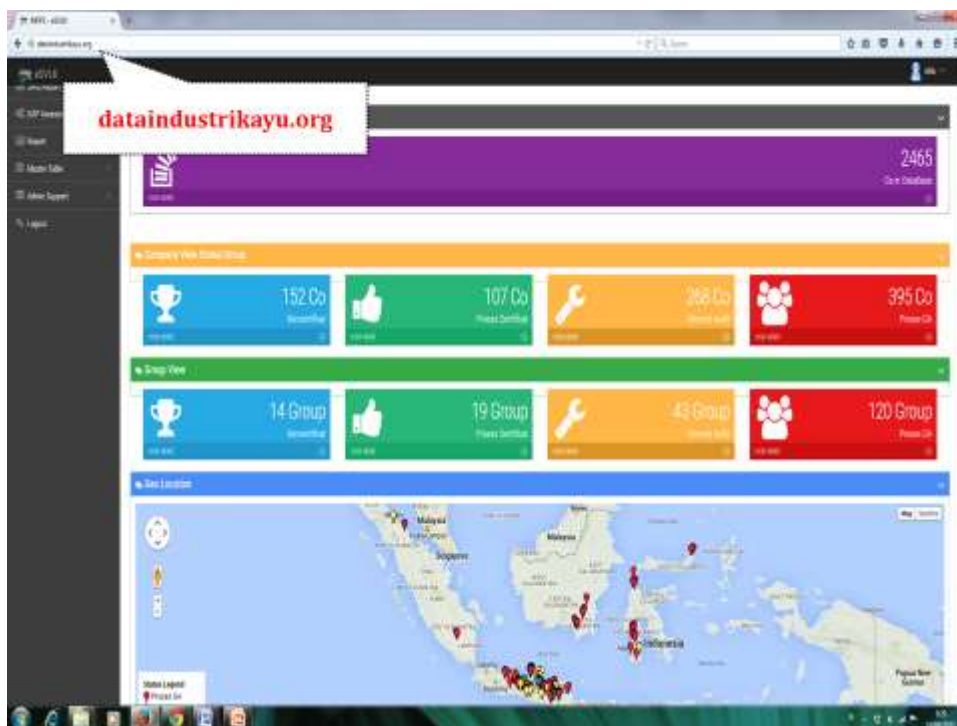
- Small scale primary and secondary industry which also exporter

Priority
2

- Privately-owned forest based primary and secondary industry

Priority
3

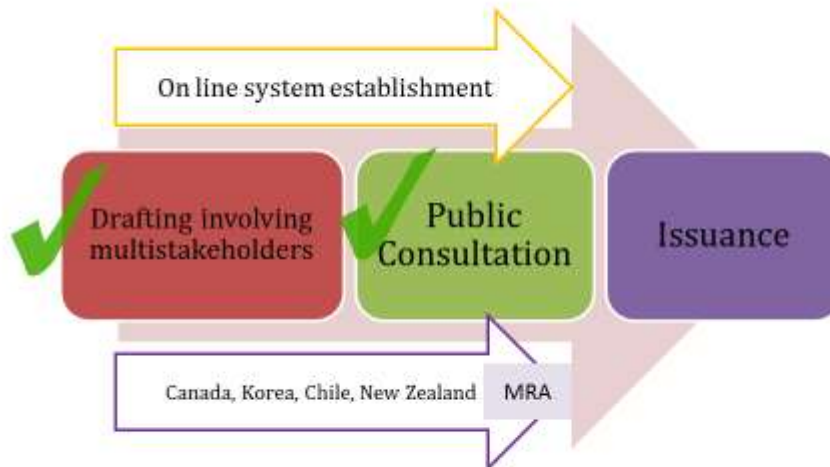
- Timber depot

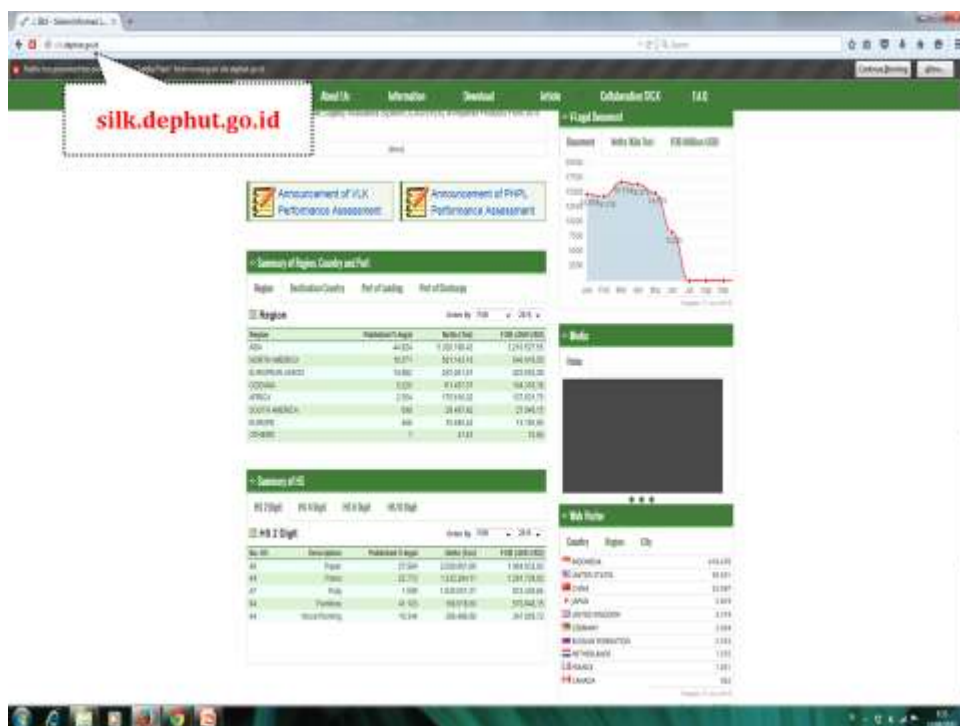


Opportunities

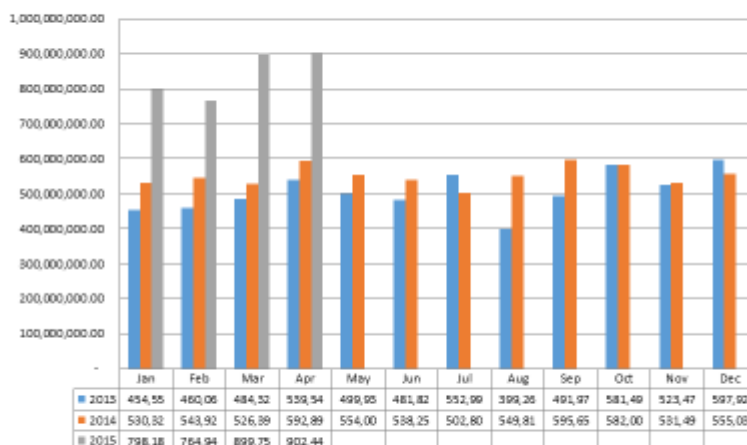
- SVLK recognition and acceptance:
 - FLEGT-VPA IDN-EU
 - CSG IDN – AUS
 - Negotiation process with Japan, Korea, China, USA, Canada
- Local government support → policy, finance, personnel
- On line system
- University support → SVLK as subject/course
- Multistakeholder participation:
 - Intensive coordination
 - Inputs on regulation
 - Donor support, including for IM trust fund

Technical Import Regulation





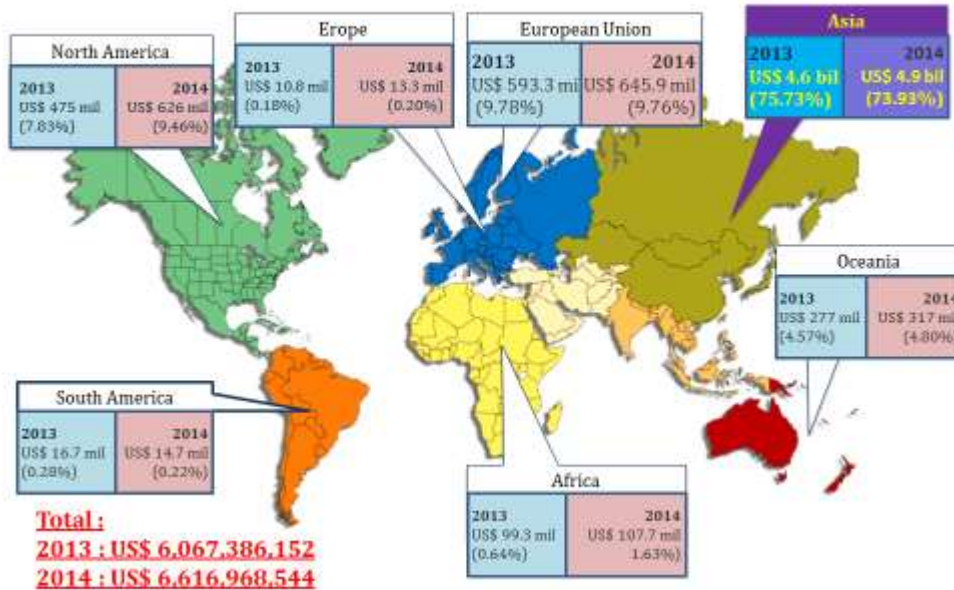
Forest Product Export Using V – Legal Document January 2013 – April 2015 (USD)



Total : \$.16,035,305,796.87

Source : SILK online, 1 May 2015

Export Value per Region (January – December 2013 and 2014)



Local Government Support on SVLK



Jepara Regent Regulation No. 500/139 2013	
- Permit simplification - Dissemination of SVLK - SVLK Clinic - Pro people activity - Training - Guidelines	

Klaten Regent Regulation No. 16/2014	
- Permit acceleration on SVLK - Incentive and non-fiscal - Assistance facilitation - Finance facilitation - Training and workshop - SVLK Acceleration Team	

Jombang Regent Regulation No. 14/2015	
- Permit acceleration on SVLK - Incentive and non-fiscal - Assistance facilitation - Finance facilitation - Training and workshop - SVLK Acceleration Team	

Lesson Learnt

- Multistakholders participatory process
- IT-based system → transparency
- Small scale, big force
- Legality towards sustainability
- No automatic market insentive
- Market awareness on legal timber trade varies
- Paradigm revolution



FOREST GOVERNANCE IN LAO PDR – DUANGSAVANH SAOPHIMPHA



Mr Duangsavanh Saophimpha presenting the LAO PDR Country Report



Forest Governance in Lao PDR

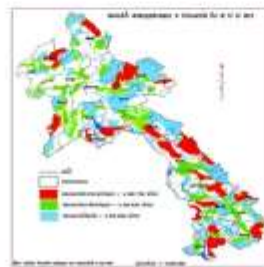




General Introduction



LAO PDR: Land locked country (area: 236,800 km²)
Around 80% is mountainous; Population of 6.7 million in 2014.
Lao PDR shares its border with many countries:
China in the north, Cambodia in the south, Vietnam in the east, Thailand in the west and Myanmar in the northwest.



Forest and other Land Use Types

Land Use Types	
Dense Forests	9,544,000 (40%)
Potential Forest	8,272,000 (35%)
Other Land Use Types	5,864,000 (25%)
Total	23,680,000 (100%)

Forest & other Land Use Type





Forest Resources Assessment

- Every 10 years Forest cover change assessment (1982, 1992, 2002, 2010)
- Deforestation was about 100,000 ha/year.
- Forest Cover assessment 2010 is 40.3% (FRA 2010/ FAO Lao Forest cover was 65%).



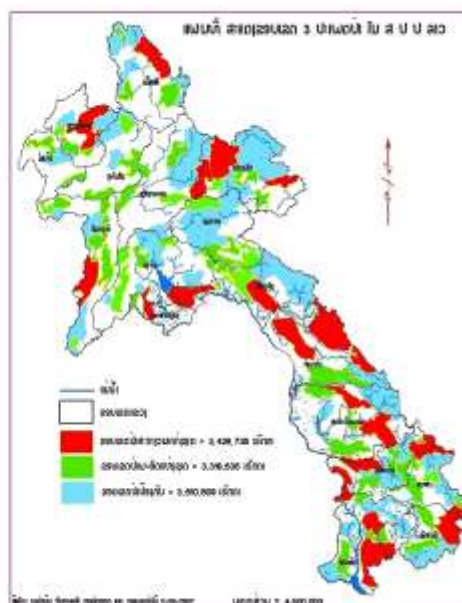
Forest Categories

❖ 3 Forest Categories 16 M. ha

- Protection Forest 8,2
- Conservation Forest 4,7
- Production Forest 3,1

❖ Other Forest Areas 2.56 M. ha:

- Village Forests 1.56
- Industrial Tree Plantations 0.50
- Smallholder Woodlots 0.50





 Forestry Strategy 2020

- Overall Objective: Participatory Sustainable Forest Management & Poverty Eradication
- Programmes and Actions included:
 - Land use planning, monitoring
 - Strong Forest Legal Framework
 - Sustainable Forest Management
 - Capacity Building
 - Tree Plantation Development
 - Biodiversity Conservation
 - Protection Forests and Watershed Management



Forestry Policy



- ❖ Increase forest cover by 70% in 2020:
 - maintain and improve the quality of existing forest areas by naturally regenerating up to 6 million ha
 - plantation development in allocated degraded forest lands up to 500,000 ha
- ❖ Participatory sustainable forest management approaches (generate a sustainable stream of forest products for domestic socio-economic development and livelihood improvement of rural people, and international cooperation: REDD+, PES,)
- ❖ To preserve existing biodiversity and conserve environment (water, soil, climate) through forest law enforcement and governance



Department of Forest Inspection



- Role
 - Prime agency responsible for enforcement activities under the GoL Forestry Law, and the Wildlife and Aquatic Law.
 - ToR No. 1894/MAF, 10/8/2012
- Aim
 - To **disrupt**, **dismantle** and **discourage** illegal activities under these laws.
- Focus
 - On areas of High Risk and taking actions to **Prevent**, **Detect** and **Suppress** illegal activities.



EXISTING LAWS



Key Lao PDR environmental laws and initiatives	
Law and Regulations	Year
Forest Economic Mechanism	1989
Decree No. 118 Control and Management of Aquatic Animals, Wildlife, Hunting and Fishing	1993
Decree No. 117 Management and Use of Forests	1989
Tropical Forest Action Plan	1991
Decree No. 184/PM - National Forestry Reservation under the Forestry	1993
Decree No. 185/PM Management and Use of Forests and Forest Lands	1993
Decree No. 186/PM Allocation of Forests for Protection and Preservation	1993
Agreement on the cooperation for the sustainable development of the Mekong River Basin	1993
Forestry Law	1998
Water and Water Resource Law	1998
Land Law	1997
Environmental Protection Law	1999
National Forestry Institutions and Species Strategy	2001
NRA Regulations	2001
National Biodiversity Plan	2004
Prime Minister's Order No. 20	2007
Review Forestry Law	2008
Review Wildlife and Aquatic Law	2008
Law on Investment Promotion No. 68/MA	2008
Presidential Decree on State Land Leases and Concessions No. 135/PM	2009
Decree No. 285 - Establishment and Activities of the River Basin Committee	2010
Environmental Protection Law, No. 20/MA	2012
Environmental Impact Assessment Guidelines	2012
Ministerial Agreement on Environment and Promotion of a List of Investment Projects and Activities Requiring for Conducting Initial Environmental Examination or Environmental Impact Assessment, No. 8056/MONRE	2012
Ministerial Instruction on Initial Environmental Examination of the Investment Projects and Activities, No. 8028/MONRE	2012
Ministerial Instruction on Environmental and Social Impact Assessment of the Investment Projects and Activities, No. 8030/MONRE	2012
Adapted from: Dylundson, 1993 MLC Order, 1995 KES, Inoue, 1999 MRE Monitoring, 1995 MLC, PNMRE, 2012 KES	

Primary laws

Establishment of the Department of Forest Inspection and clarification of roles and responsibilities between enforcement agencies

Forestry Law	2007	Formalised the classification of forest land, management and planning, and biodiversity conservation.
Wildlife and Aquatic Law	2007	Established principles, regulations and measures on the protection and management of natural wildlife and aquatic life, and established the framework for declaring species endangered and protected.
Criminal Procedure Law	2012	Article 46: Investigation and Interrogation

10



Drivers of illegal activity



• The management and protection of natural resources are undermined by:

– International demand for products

– Involvement of criminal activity

- Some organised and disorganised

– Cultural customs and beliefs

- People build their house by wood
- They cook with charcoal
- Perception wild food is healthier/traditional medicine

– Poverty

- Emerging cash economy (demand for goods and services)



Poverty

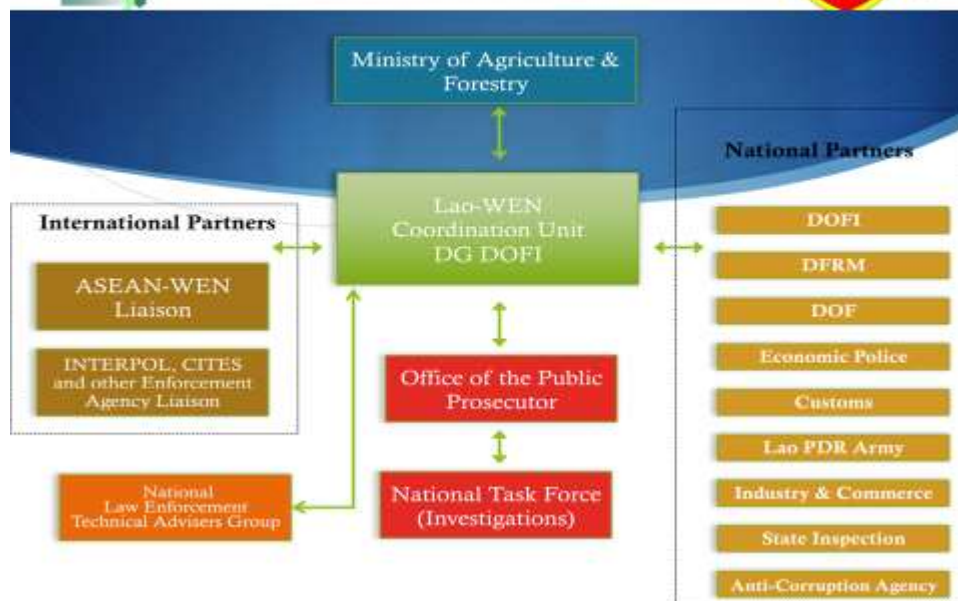


Organized Crime pays grand mother and her nephew to cut valuable Dalbergia





Strength through cooperation



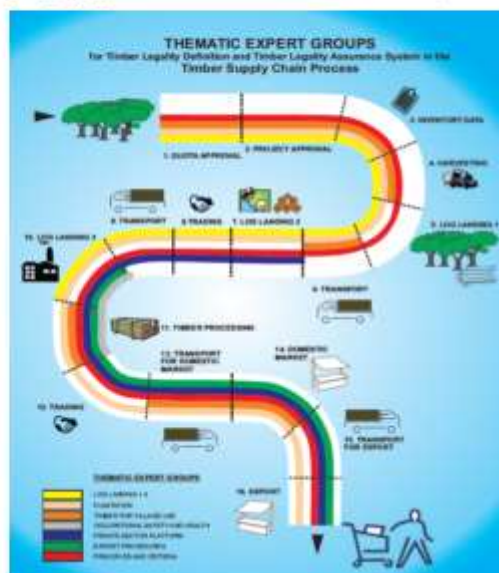
Strengthen International Link



1. Transshipments through Laos from other countries should be done only according to CITES regulations
2. Increase the capacity to identify, record confiscate illegal timbers, and intervene in trade activities that are under the table.
3. Establish working relations with other international agencies that try to stop illegal logging trade.
4. Join ASEAN-WEN activities and workshops
5. Increase cooperation with neighboring countries on international trade.



The TLD & TLAS for Lao PDR





Key areas for Patrols



➤ Logging

- Dam, Mining, Irrigation or Road Construction
- Checkpoint or roadblock
- Saw Mills and Warehouse Inspection and Furniture Manufacturers

➤ Wildlife

- Market and Roadside sale of Wildlife
- Hunting, keeping and selling of protected wildlife (inc. CITES)
- Private and Commercial possession of protected species (bears and other animal farms)

➤ Community engagement

- Schools and Markets
- Project work (WCS)



Our Approach



- Target the high risk threats
- Actively work to reduce threats
- Be pro-active not re-active
- Identify “Hot Spots”
- Monitor changes in criminal activity
- Document actions accurately
- Work together
- Work with other agencies

7/31/2015



Future Activities



- Enhance skills and provide equipment
- Developing IMS capacity
- Enhance community support
- Build trust, demonstrate capacity to respond
- Focus activities on areas of High Risk
- Taking actions to **Prevent, Detect** and **Suppress** illegal activities



Thank you

IMPLEMENTATION OF SUSTAINABLE FOREST MANAGEMENT (SFM) IN SABAH - DAIM BIN BALINGI



Implementation of Sustainable Forest Management (SFM) in Sabah

Daim Balingi
Sabah Forestry Department
MALAYSIA

Workshop on Forest Governance for Asia
and the Pacific in the Context of Timber
Legality Verification





Sabah: A Brief Background

- The 2nd largest state in Malaysia - 73,620 km² / 7.362 million ha.
- Lies on the north-eastern tip of one of the world's largest tropical islands – Borneo.
- 59 % under forest cover - 53% are forest reserve, parks and wildlife sanctuaries.



Sabah Forestry Department – Vision & Mission



VISION

Towards the realization of Sustainable Forest Management

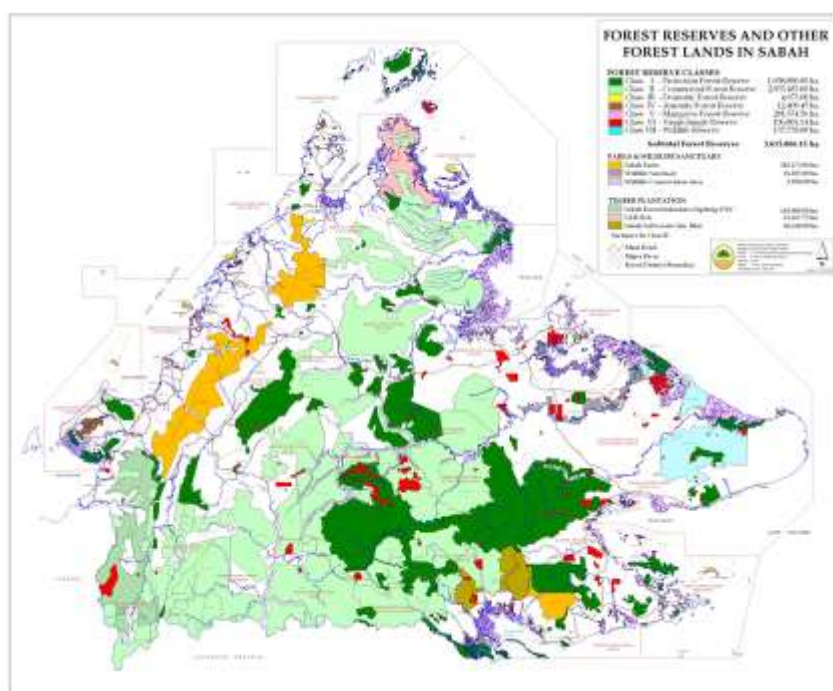
MISSION

To effectively and efficiently plan and implement the management of the State's forest resources in accordance with the principles of Sustainable Forest Management



Forest Resources

Forest Reserve	Function	Area (hectare)
Protection Forest (Class I)	Conservation	1,038,890.00
Commercial (Class II)	Production	2,033,183.00
Domestic (Class III)	Domestic Use	4,673.00
Amenity (Class IV)	Amenity & Arboretum Work	12,409.45
Mangrove (Class V)	Protection of Mangrove	281,374.56
Virgin Jungle Reserve (Class VI)	Conservation - Research Purposes	102,801.14
Wildlife Reserve (Class VII)	Conservation	137,735.00
Sub-Total		3,615,066.15
Parks & Wildlife Sanctuary		
Sabah Parks	Conservation	245,172.00
Wildlife Sanctuary	Conservation	26,103.00
Wildlife Conservation Area	Conservation	2,854.00
Sub-Total		274,129.00
TOTAL		3,889,195.15

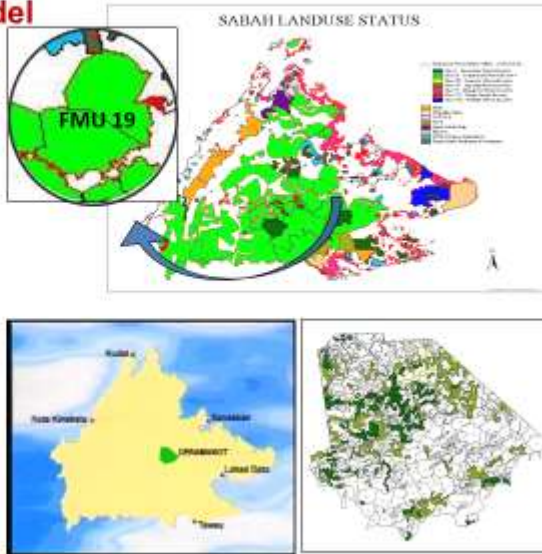




SFM in Sabah – How it Started?

Deramakot Forest Model

- The SFM concept begun in Sabah when Deramakot Forest Reserve (DFR) was chosen as a model for well-managed forest in 1989.
- In July 1997, Deramakot was certified under the FSC standard, a 1st for any tropical forest.
- DFR remains the longest and oldest certified tropical rainforest in the world.



Adoption of SFM Policy in Sabah – Expansion of the Deramakot Model

Transition from conventional forest management to SFM

- The state government adopted the policy in 1997 – inviting the private sector to participate in translating SFM concept into real practice, based on the Deramakot model of a well-managed forest.
- This started with the issuance of long-term licenses [Sustainable Forest Management License Agreement (SFMLA)] to 10 private companies in 1997, for 100 years.
- Since then, Forest management in Sabah has changed – from managing for timber to managing for all values of forests through SFM.
- The number of SFMLA now increased to 29, covering about 1.8 million ha or 81% of the State's Commercial FR.
- It is our target that the Deramakot model be expanded to cover all forest areas in Sabah in a step by step and systematic approach.





Implementation of SFM includes the following elements:

- Forest Management Unit (FMU) systems - 27;
- Forest zoning;
- Public-Private partnership: Licensee's sole responsibility for financing all SFM costs;
- Long term tenure – to provide security of management;
- "Total" forest management, encompassing sustainable and environment-friendly harvesting, forest rehabilitation, silviculture, training, etc.;
- Safeguards against non-compliance;
- Preparation of a management plan (FMP) before operations are allowed;
- Third-party assessment of compliance or non-compliance;
- Employment of trained personnel including foresters and field staff;
- Performance bond guarantees.



Enabler

Getting Politically Certified:

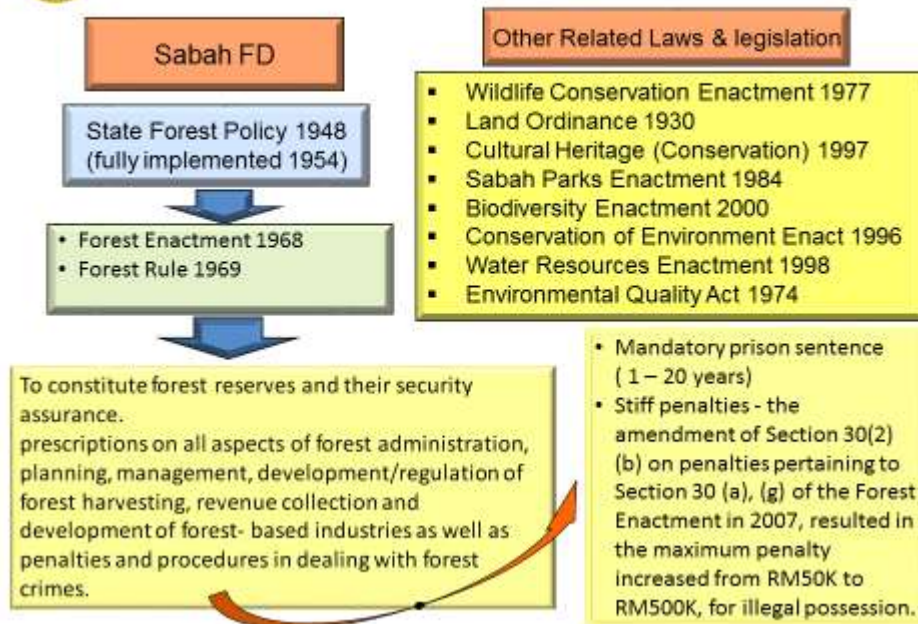


Political commitment is a paramount enabler that is necessary to make SFM possible.





Existence of Policies, Laws & Regulations

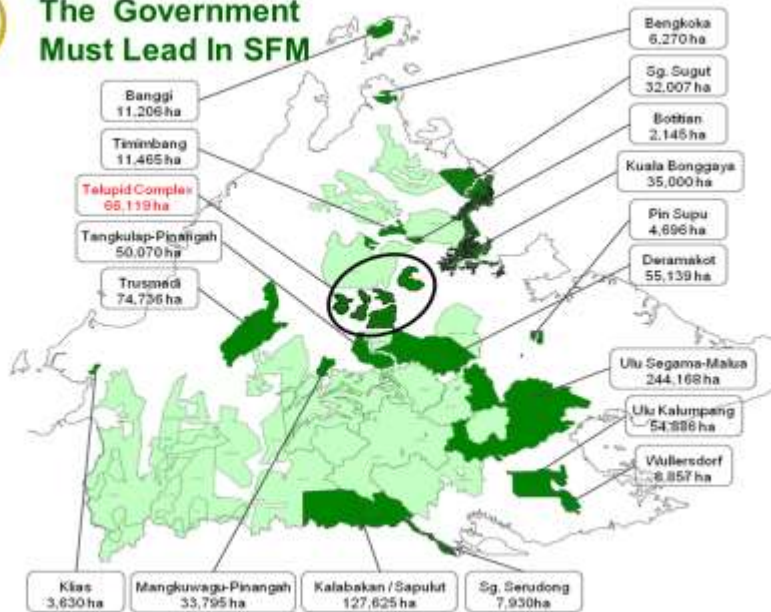


The Government Must Lead In SFM

- apart from long term licensees (50 - 100 years), the State Government itself engaged directly in SFM.
- although costly, at not less than RM5 million a year per forest management unit, knowledge and experience will be lost without a "hands on" approach.
- furthermore, private sector unlikely to share research results and new knowledge / experiences / ingredients for success, with others.
- only governments have an obligation to disseminate knowledge / information / findings.
- about 800,000 hectares directly under FD's management.

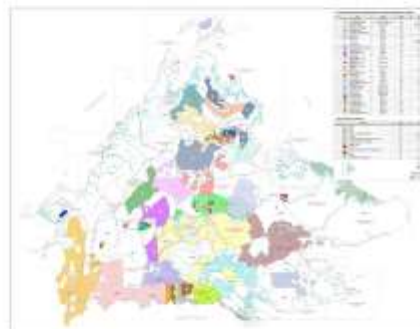


The Government Must Lead In SFM



Security of tenure

- There can never be SFM or conservation in the absence of security tenure.
- Sabah's forest reserve areas' security of tenure is provided for under the Sabah Forest Enactment 1968.
- All SFMLA licences issued are long term security land tenure (50 – 100 years).



Currently, 29 SFMLA holders are implementing SFM in Sabah

Partnerships in Forest Governance

- o local and international.
- o WWF, GRASP, EU, UNESCO, HSBC, SIME DARBY, Alexander Abraham Foundation, LEAP, MPOC, Social Forestry NGOs, Timber Associations, Licencees, Sabah Nature Society, HUTAN (French Research NGO), local communities, etc.
- o GFTN, Heart of Borneo.
- o Leibniz Institute for Zoo and Wildlife Research.
- o do not work in isolation.

Heart of BORNEO
3 Countries = 1 vision



SUMATRAN RHINO RESCUED



When you have meaningful work, you can find people to partner with.



Progress Towards SFM Harvesting - Raising Standards

- o get it right the 1st time – all to practice RIL (Reduced Impact Logging) in NFM (natural forest management) areas.
- o 3rd party auditing of RIL operations started in 2010.
- o the elimination of short term licences in forest reserves.
- o 2 million hectares under approved FMPs to date as the blueprint to dictate operational works.



Get It Right The First Time				
THE COST OF BAD HARVESTING PRACTISES				
Logging Method	Return To Government	Cost Of Rehabilitation	Net Gain / Loss	Remarks
1 Conventional	RM100/m ³ or RM45,000/ha at 50 m ³ /ha	RM5,000 - RM7,500/ha or RM1000/m ³ to RM1400/m ³	Zero at best or a net loss of RM2,000/ha	Takes at least 50 years to recover
2 Reduced Impact Logging (RIL)	RM100/m ³ or RM5,000/ha at 50 m ³ /ha	RM350 - RM500/ha or RM7/m ³ to RM10/m ³	Gain exceeds RM4,500/ha	Can harvest sustainably every 25 years

Note:

- o poor logging practices lead to an enormous cost on future generations and it is false economics.
- o it is 10-20 times more expensive to restore a forest because of bad logging practices as compared to RIL.

RIL Carbon

- o save 30 tonnes/ha of carbon because of RIL.
- o at USD6.00 = USD180/tonne in the voluntary market.
- o USD180 to USD450/ha of income.

Extra Cost Of RIL More Than Offset Through Sales Of RIL Carbon

- o GHP preparation - RM150 to RM170/ha
- o Supervision - RM200/ha/year
- o Supervision - RM3 million/year over 30,000 ha or RM100/ha
- o Total: RM500/ha against Carbon Income of RM600-RM1,800/ha





Forest Restoration & Silviculture

- Improving current timber stands through enrichment planting & silvicultural treatment to secure future timber stocks.
- Our core business for the next 20 years is to restore forests.



Tree Plantation

- Almost all the SFMLA/LTL areas do not allow any natural forest harvesting for the period 15 – 20 years due to poor stocking and degraded nature of their forests.
- To overcome this problem, a small percentage of their FMU area is set aside for growing short rotation quality forests trees, and mostly in areas of relatively low HCvFs – known as ITP.
- The ITP continued to be an important activity for sustained timber supply in the future.



Community Forestry – “Engage With Communities”

- communities living inside or adjacent to forests and conservation areas benefit directly from SFM implementation.



Community Forestry – “Engage With Communities”

- Provide basic facilities, job opportunity (engage them in conservation work, etc.)

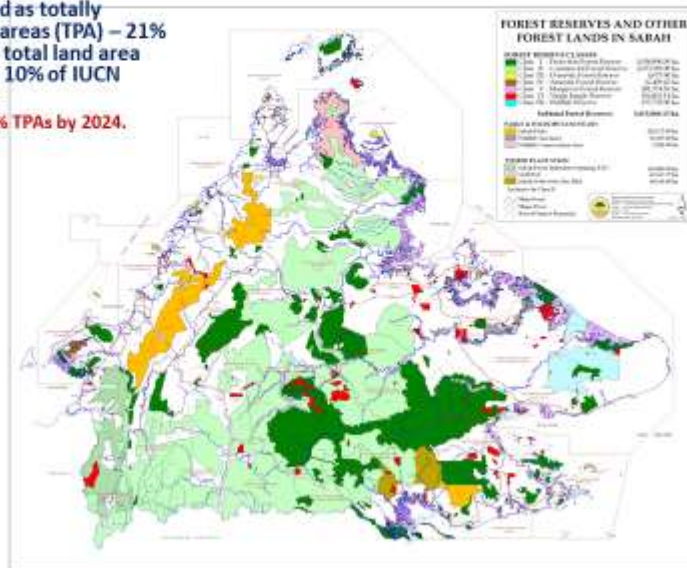




Forest Conservation

1.56 million ha has been established as totally protected areas (TPA) – 21% of Sabah's total land area (exceeded 10% of IUCN standard).

Target - 30% TPAs by 2024.



Forest Conservation (continued)

Heart of Borneo (HoB) Initiative (22 mil ha) – 3 Countries, 1 conservation vision



HoB Area in Sabah covers about 3.9 million ha.

Malua BioBank: Sales of BCC @ USD10 / 100 m²



Biodiversity Conservation Certificate

What does your contribution help to do?

The certificate is issued to the donor and is valid for 10 years. It is a testament to the donor's commitment to the conservation of the Malua Wildlife Habitat. The certificate is issued to the donor and is valid for 10 years. It is a testament to the donor's commitment to the conservation of the Malua Wildlife Habitat.



Independent Auditing

Independent auditing of long term licensees:

- ☐ 3rd party auditing on compliance and legality with EU-FLEGT (TLAS) has continuously been conducted since June 2009.
- ☐ 3rd party auditing on RIL operations – since 2010.
- ☐ Its effects:

- transparency enhanced – the good, the bad and ugly are not hidden.
- illegality reduced – assisting law enforcement.
- a basis for certification.

Sabah on right track – EU ambassadors

By Sandra Saital

KOTA KINABALU: Sabah has been viewed as an important partner for the European Union (EU) member states, especially when environmental topics are concerned.

Ambassadors of the European Union (EU) delegation to Malaysia, Vincent Pilet, said they were very keen to conduct with the state government in promoting the sustainability of the virgin forests as well as the sustainable management of these forests.

Leading 10 other ambassadors and three chargé d'affaires were also here. Pilet said he was



Chief Minister Datuk Seri Panglima Musa Kasa (right) with the European Union delegation after a courtesy call at his official residence in Sri Laga on Thursday. At second left is Vincent Pilet.



Monitoring & Reporting

- ☐ Implementation of SFM activities were continuously monitored and assessed.
- ☐ Field monitoring is done by DFO (District Forestry Officer) - information collected is reported on a quarterly basis (Quarterly Report – QR) to HQ.
- ☐ End of the year - the Licensees submitted the Compliance Report (CR) to HQ for assessment (after verified by DFO).
- ☐ Assessment on the Licensee's performance -
 - good performance – issuance of CC.
 - Low performance – warning given.





Forest Certification

Transparency in SFM Implementation is Enhanced Through Forest Certification

- SFMLA Holders are required to attain forest management certification by the year 2014.
- Certified forest areas so far – 446,570 ha fully certified and 417,192 ha partially certified (Total – 863,720 ha):
 - ❑ Deramakot FR – 55,139 ha (FSC).
 - ❑ Tangkulap-Pinangah FR – 50,070 (FSC).
 - ❑ Ulu Segama-Malua FR – 241,098 (FSC).
 - ❑ KTS Plantation Sdn Bhd – 57,247 ha (MTCS – PEFC).
 - ❑ Sabah Softwoods Bhd – 27,374 ha (FSC).
 - ❑ Hijauan Bengkoka Plantation – 15,642 ha (FSC).
 - ❑ Yayasan Sabah (FMU 15 & 16) – 176,993 ha (VLC).
 - ❑ Benta Wawasan (Kalabakan FR) – 16,000 ha (FSC Controlled Wood)
 - ❑ SFI – 104,822 (ha) (FSC Controlled Wood)



Conclusion

- We have achieved significant progress in the implementation of SFM since 1997.
- However, with all efforts made by Sabah Forestry Department, it is difficult to guarantee that everyone will implement SFM overnight.
- SFM is a continuous process - It is a journey and not a destination.

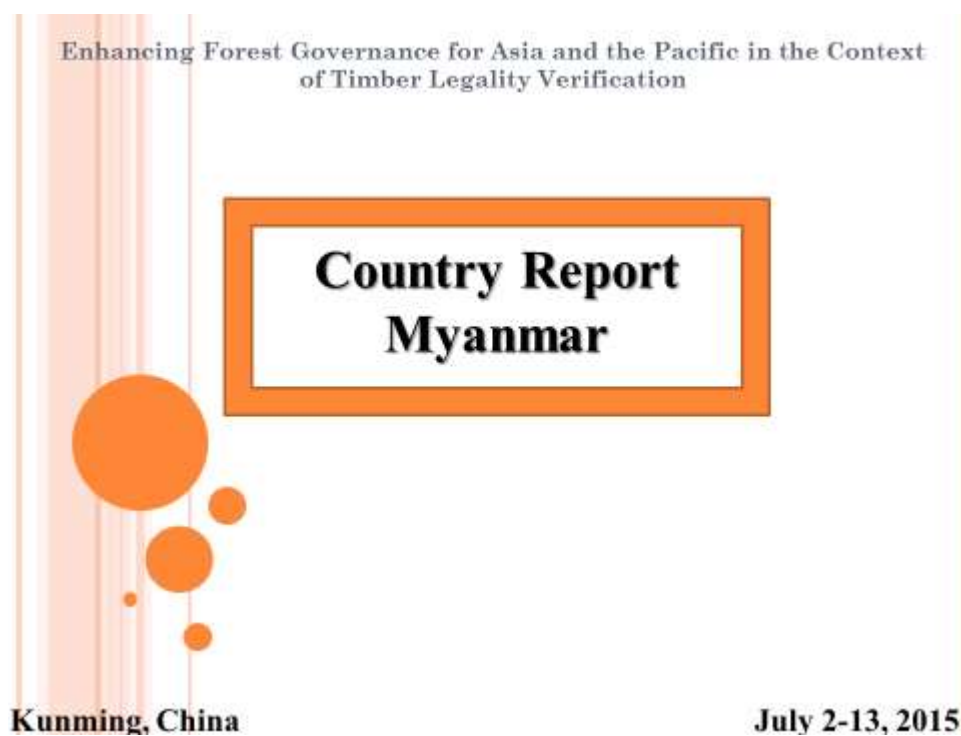


Thank You

COUNTRY REPORT – MYANMAR - DR TIN TIN MYINT



Dr Tin Tin Mynt from Myanmar



OUTLINES OF PRESENTATION

- Current Forest Resources in Myanmar
- Legislative & Institutional Arrangements
- Review on Forest Management System
- Review on the Traceability System of Timber Harvesting
- Challenges & Opportunities
- Possible Measures

CURRENT FOREST RESOURCES IN MYANMAR

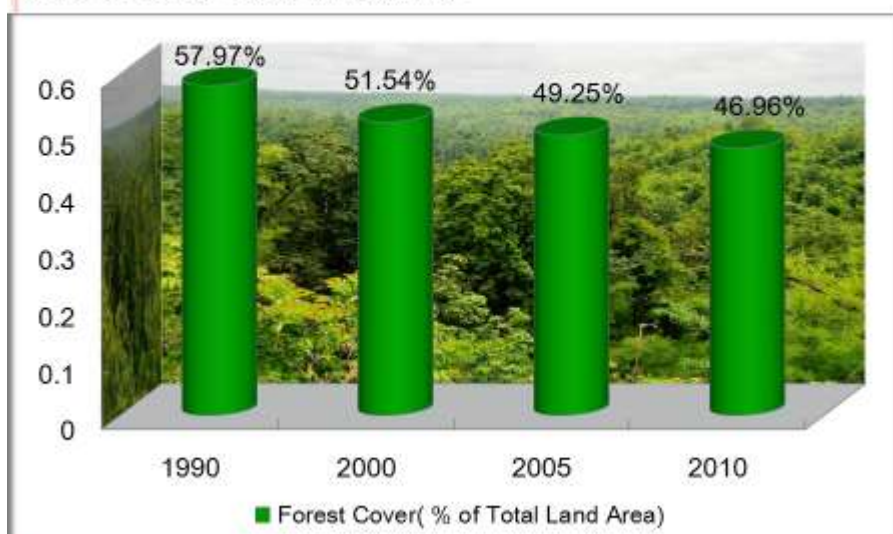
Timber Source & Its Ownership

Timber Source	Area(million ha) by Ownership			Total	% (by Source)
	Govt.	Private	FUG		
Natural Forest	30.734			30.734	96.73
Plantation Forest	0.967	0.029		0.997	3.14
Community Forest			0.042	0.042	0.13
Total	31.702	0.029	0.042	31.773	100.00
% (by Ownership)	99.78	0.09	0.13	100.00	

Source: Forest Department 2010

CURRENT FOREST RESOURCES IN MYANMAR

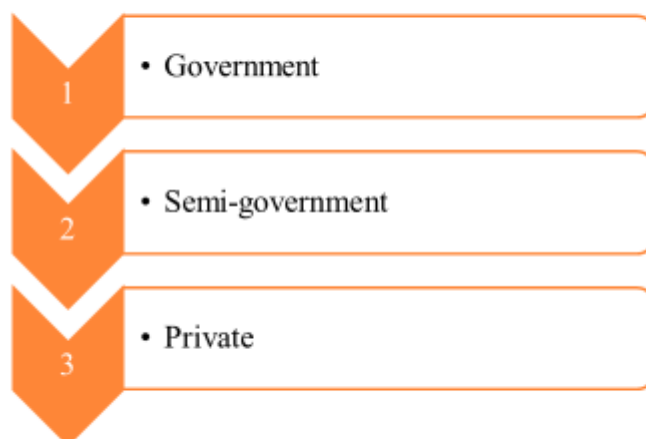
Trend of Forest Cover in Myanmar



Source: Country Report, Myanmar (FRA, 2010)

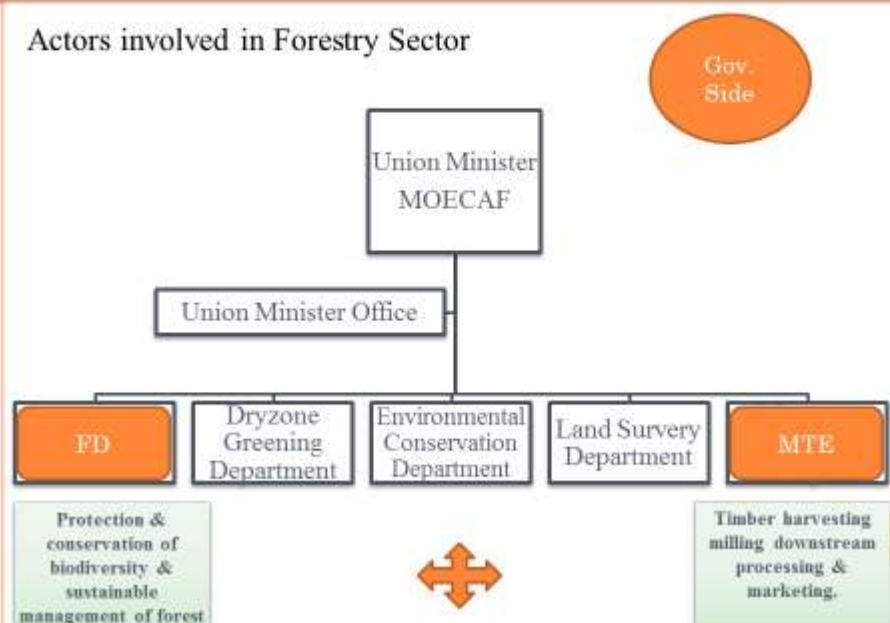
LEGISLATIVE & INSTITUTIONAL ARRANGEMENTS

Actors involved in Forestry Sector



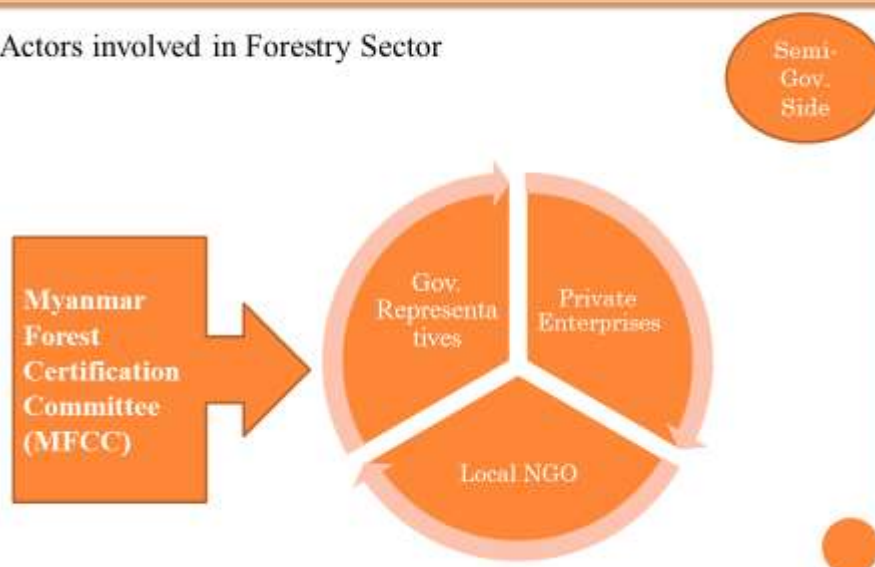
LEGISLATIVE & INSTITUTIONAL ARRANGEMENTS

Actors involved in Forestry Sector



LEGISLATIVE & INSTITUTIONAL ARRANGEMENTS

Actors involved in Forestry Sector



LEGISLATIVE & INSTITUTIONAL ARRANGEMENTS

Actors involved in Forestry Sector



LEGISLATIVE & INSTITUTIONAL ARRANGEMENTS

Forest Policy (1995)

- Focuses on enhancing national socio-economic development while also ensuring ecological balance and environmental stability.
- Policy Target: 30% of total land as Reserved Forest and Protected Public Forest while 10% as Protected Area System

LEGISLATIVE & INSTITUTIONAL ARRANGEMENTS

Major Laws and Regulations (FD)

- 1 • Forest law (1992)
- 2 • Forest Rules (1995)
- 3 • Forest Policy (1995)
- 4 • Protection of Wildlife, Wild Plants & Conservation of Natural Areas Law (1994)
- 5 • Community Forestry Instructions (1995)
- 6 • Working Plan Manual (1938)
- 7 • Departmental Instructions (1955)
- 8 • Standing Order for Subordinates (1959)

LEGISLATIVE & INSTITUTIONAL ARRANGEMENTS

Major Laws and Regulations (MTE)

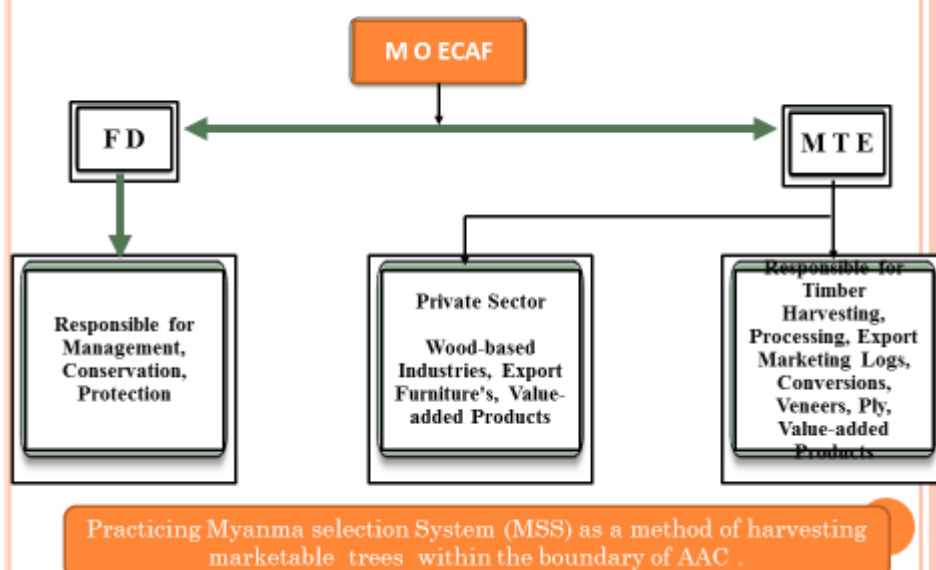
- 1 • Rules for Jungle Rejection of Teak Logs and Logging Rules (1936)
- 2 • Classification & Grading of Teak Logs (1939)
- 3 • Extraction Manual (1948)
- 4 • Departmental Instructions-DI (1986)
- 5 • Standing Order for Extraction Staff (1970)
- 6 • National Code of Forest Harvesting Practices (2003)
- 7 • Reduced Impact Logging Guidelines (2008)

LEGISLATIVE & INSTITUTIONAL ARRANGEMENTS

Major Laws and Regulations (FD & MTE)

- 1 • C & I for Natural Forest Management Certification (2007)(revised draft in 2014)
- 2 • ASEAN C & I for Timber Legality (2009)
- 3 • Myanmar Timber Legality Assurance System (2013)
- 4 • Environmental Conservation Law (2012)
- 5 • Environmental Conservation Rules (2013)
- 6 • National Code of Forest Harvesting Practices (2003)

REVIEW ON FOREST MANAGEMENT SYSTEM



REVIEW ON FOREST MANAGEMENT SYSTEM

MSS

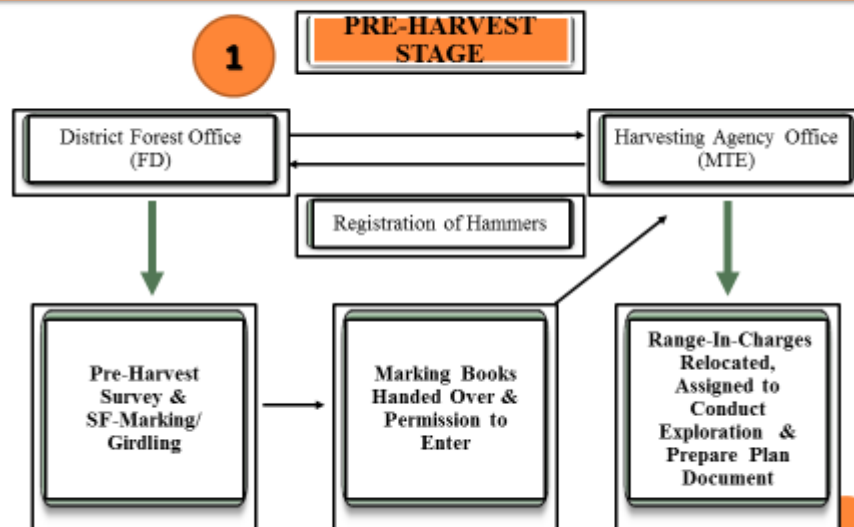
Area Limit

Girth Limit

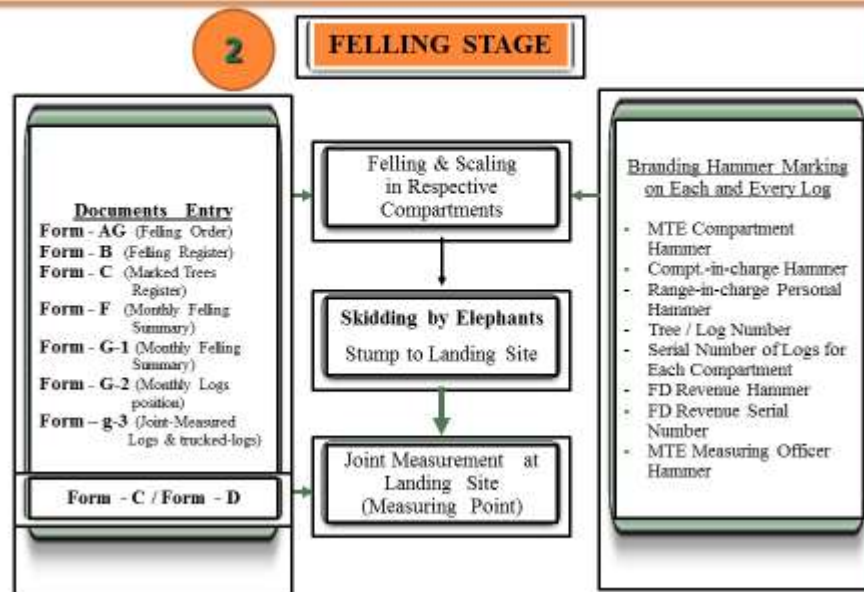
Felling Cycle Limit

Practicing Myanma selection System (MSS) as a method of harvesting marketable trees within the boundary of AAC .

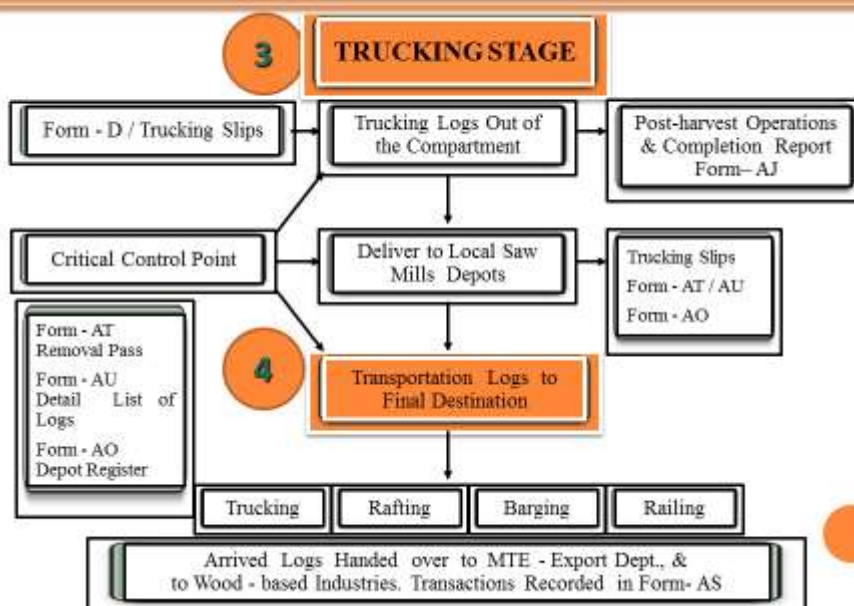
REVIEW ON THE TRACEABILITY SYSTEM OF TIMBER HARVESTING (BY FD & MTE SIDE)



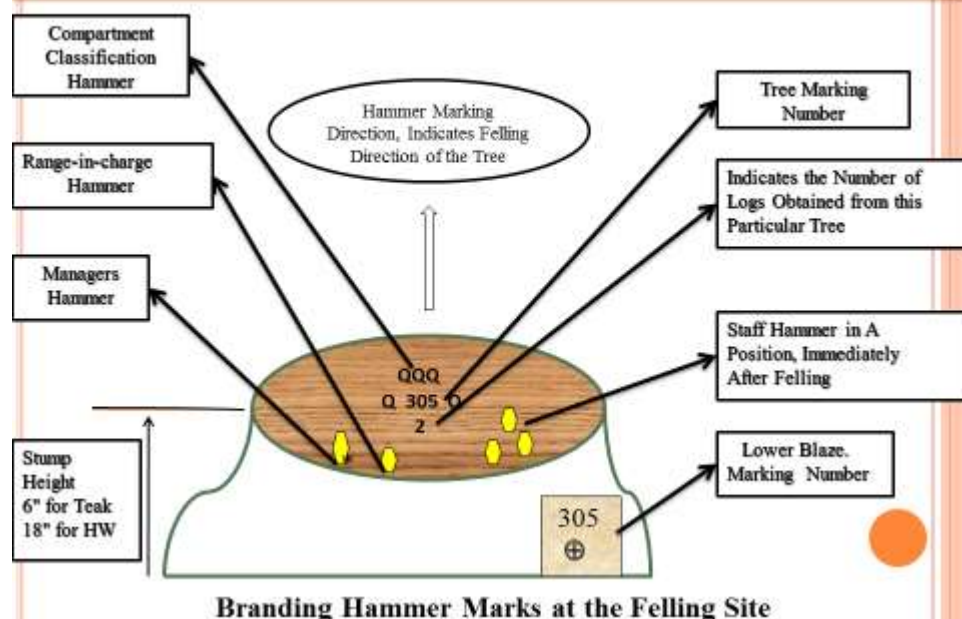
REVIEW ON THE TRACEABILITY SYSTEM OF TIMBER HARVESTING (BY FD & MTE SIDE)



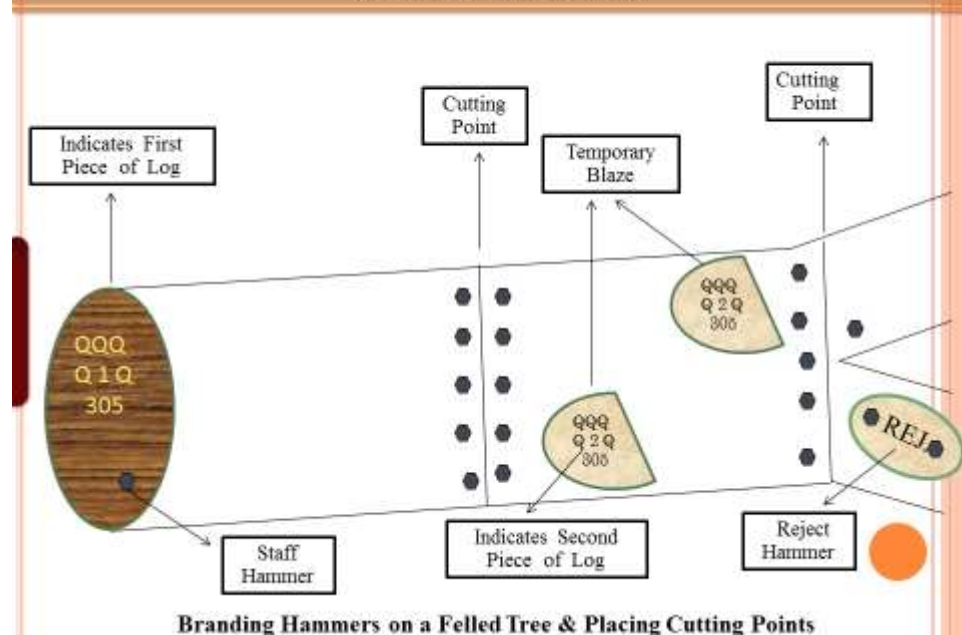
REVIEW ON THE TRACEABILITY SYSTEM OF TIMBER HARVESTING (BY FD & MTE SIDE)



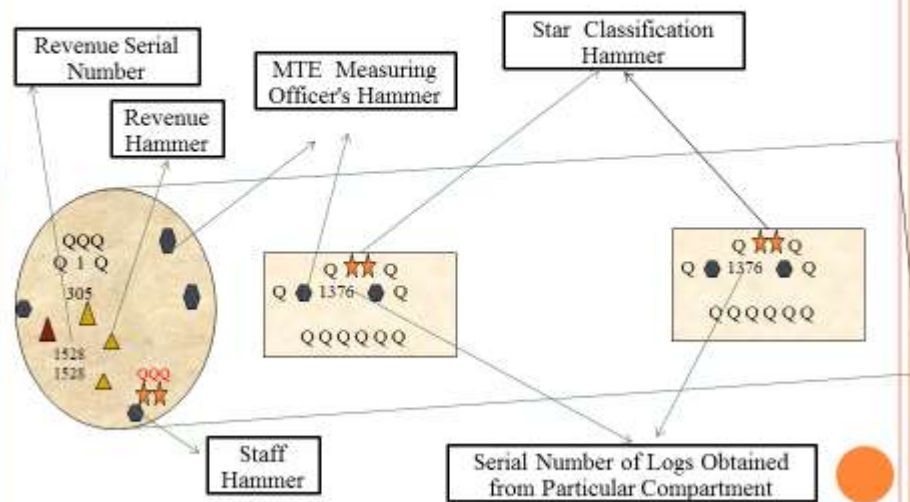
REVIEW ON THE TRACEABILITY SYSTEM OF TIMBER HARVESTING (BY FD & MTE SIDE)



REVIEW ON THE TRACEABILITY SYSTEM OF TIMBER HARVESTING (BY FD & MTE SIDE)



REVIEW ON THE TRACEABILITY SYSTEM OF TIMBER HARVESTING (BY FD & MTE SIDE)



Branding Procedures at the Landing Site (Joint Measurement Between FD & MTE)

CHALLENGES & OPPORTUNITIES

Regulations and legislations for timber harvesting process as well as marketing are already in place

BUT

CHALLENGES & OPPORTUNITIES

CHALLENGES

1: Deforestation and forest degradation

- Logging (Legal & illegal)
- Fuel wood demand
- Agricultural land expansion
- Shifting cultivation
- Infrastructure Development
- Mining activities
- Dam development
- Urbanization
- Rubber plantation and other perennial crops

CHALLENGES & OPPORTUNITIES

CHALLENGES

2: Underdevelopment of Wood-Based Industries in Myanmar

- Aged factories and sawmills (Maintenance and Upgrading)
- Lack of technology, capital and Investment (Public and private sectors)
- Heavy export of industrial round-logs
- Uncertainty of raw material supply for the local manufacturers
- Lack of legality assurance system and timber certification system
- Lack of national standards
- Lack of skilled labor
- Insufficient infrastructure (Electricity, transport, road, etc.)
- Economic sanctions and lack of foreign investment
- Lack of competition
- Complicated procedures

CHALLENGES & OPPORTUNITIES

CHALLENGES

3. Lack of monitoring system and field capacity
4. Corruption
5. Lack of awareness of the importance of forests and their services
6. Weak law enforcement
7. Lack of end user market access
8. Lack of capacity building....etc.,

CHALLENGES & OPPORTUNITIES

OPPORTUNITIES

1. The following have already been in place.
 - Regulatory framework
 - C & I for SFM (2007)(Draft revised in 2014)
 - National Code of Forest Harvesting Practice (2000)
 - RIL (2008)
 - C & I for Legality of timber
 - National Forestry Master Plan (2001 – 2031)
 - National Comprehensive Development Plan (2011-2031)
 - Myanmar Timber Legality Assurance System (2013)
 - Land use policy in draft
2. Investment opportunities due to trade facilitation measures and strong labor market
 - Plantation Establishment
 - Wood-based industries
 - Ecotourism

CHALLENGES & OPPORTUNITIES

OPPORTUNITIES

1. The following actions are already effective under the Govt. Reform Process:

- Log Export Ban (LEB) in 2014 April first
- Reformulated AAC in accordance with current situation of forest growing stock.
- Reducing harvesting amount under the AAC since 2014.
- Encouraging Involvement of private sectors in Plantation and timber industry
- Introducing Forest Police Force in 2013 to combat Illegal Logging & Trade
- Setting special operation and plan in some regions and state boundary of wood smuggling routes
- Engaging with EU to participate the EU FLEGT VPA process

POSSIBLE MEASURES

TOWARDS LEGALITY AND SUSTAINABILITY OF TIMBER

- Review and revise the old or inapplicable rules and regulations, procedures and standards.
- Enact new legislation (as required).
- **Enforce laws if it is not effective.**
- Implement timber certification systems.
- Strengthen the timber verification system through independent auditing
- Invite and listen the voices of all multi-stakeholders in defining “Legality” of timber
- Put procedures and codes into practices (not on the desk).
- Review and reform organizational structures (as required).



THANK YOU

FOREST GOVERNANCE IMPROVEMENT: EMERGING CHALLENGES - Dr C.T.S. Nair

SUMMARY

The term “Governance” has become the most widely used term in almost all public policy discussions. Governance refers to “all processes of governing, whether undertaken by a government, market, network, family, tribe, formal or informal organization or territory and whether through laws, norms, power or other means”. Poor governance affects all sectors and institutions, including public and private sectors, community organizations and even civil society organizations. Some sectors, like forestry, are often more prone to poor governance, considering the vastness of the resources, conflicting interests of diverse stakeholders, the vagueness in policies and legislation, weaknesses in institutional arrangements and the opportunity to make huge short term profits.

Governance challenges have existed and exist in all societies at all times and no country or society is totally free from governance deficiencies. It is essentially a system failure that undermines public trust and confidence, and if left unaddressed, paves the way for decline and collapse of societies. Such collapse could be economic, social or environmental. Many of the environmental problems originate from governance failures. Income that should be legitimately accruing and contributing to larger societal welfare is appropriated by a few thus undermining progress and sustainability. Those benefitting from governance failure have a strong vested interest in maintaining the *status quo*, ensuring that sustainable management fails to become a viable alternative. Often, armed conflicts are fueled by and sustained through illegal activities.

This presentation provides an overview of forest governance challenges in the Asia-Pacific region, particularly focusing on the following.

Forest governance problems stem from weaknesses of the larger governance system:

Poor forest governance leads to a wide array of resource appropriation not sanctioned as per accepted norms, policies and legislation, and affects everyone including future generations. Forest governance failure is largely a reflection of the failure of overall governance and in many cases, forests are more prone considering the nature of resources, their multiple end uses and the ease of their appropriation, ignoring their direct and indirect impacts on society.

Dominance of informal systems:

In many countries a sizeable share of economic activities have remained outside the formal systems. It is important to make a distinction between the traditional need based informal systems (for example collection of forest products to satisfy the basic needs like household fuel, medicines, forest derived foods) that sustain rural communities, and the very powerful greed based informal systems that have emerged, taking advantage of the new opportunities.

Formal governance systems that are in place (many of which have been established under colonial systems of resource appropriation) have focused on controlling and combating the need based informal systems, and seldom have the capacity and willingness to tackle the more powerful greed based informal systems. The linkages between the different governance systems – formal and informal – are complex adding to the challenges in the pursuit of sustainable forest management.

Improved people's participation a necessary condition for forest governance improvement:

Governments and institutions functioning democratically and in an open manner are less prone to governance failures. It is in this context that forestry reforms have focused on more participatory approaches. But decentralization and tenure improvements alone are not in themselves sufficient to address governance problems as even they are susceptible to corruption and mismanagement. Governance improvement largely depends on transparency and accountability. Active civil society organizations and responsible media along with necessary checks and balances in system are key to improving governance.

Globalisation has increased the opportunities for illegal activities

While globalisation has enhanced the opportunities for sustainable forest management, it has also increased the scope for illegal activities, including illegal logging and processing of products which has become transnational, making it difficult for national agencies to track and trace illegal activities. Conflicting policies and legislations are conveniently exploited by criminal gangs to sustain illegal activities. With land becoming an important resource, large scale fraudulent appropriation of land for growing crops like rubber, oil palm, etc. has become widespread, severely affecting conservation and sustainable management of forests in many countries.

Technological changes and governance improvement:

Technological changes have helped significantly to improve governance, especially through streamlining various processes, which otherwise give opportunities for malpractices and corruption. Tracking the movements of products along supply chains and faster communication between different law enforcement agencies have helped to counter illegality. Yet, it should be borne in mind that those managing illegal operations are also becoming tech-savvy and are able to conceal illegality using modern technologies.

Considerable work has been done on assessing forest governance and the nature of interventions required to improve the system of governance. While trade and access to markets have provided an important entry point, governance needs to be examined from a much larger context and should encompass all the key players – governments, communities, private sector, etc. – involved in managing and utilizing forest resources. There is also a need to enhance the synergy between different national policies and regulations and the principles of accountability and transparency should become the guiding principle in the functioning of all entities.

FOREST GOVERNANCE IMPROVEMENT: EMERGING CHALLENGES

Dr. C.T.S. Nair



Dr. CTS Nair giving his second Keynote Presentation.

INTRODUCTION

- ❑ “Governance” has become the most widely used term in almost all public policy discussions. In fact it has become the “bottom line” of every initiative, and ultimately every thing ends up in “governance failures” and “governance improvements”.
- ❑ Poor governance affects all sectors and institutions, including public and private sectors, community organizations and even civil society organizations.
- ❑ Governance challenges existed in all societies and at all times and no country or society is totally free from governance deficiencies.

Governance Definition

“All processes of governing, whether undertaken by a government, market, network, family, tribe, formal or informal organization or territory and whether through laws, norms, power or other means”

FORESTS AND GOVERNANCE

- ❑ Some sectors like forestry are more prone to governance problems on account of:
 - ❑ Vastness of the resources whose value remains unrecorded;
 - ❑ Conflicting interests of the multitude of stakeholders;
 - ❑ Vagueness of policies and legislation;
 - ❑ Weaknesses in institutional arrangements; and
 - ❑ The opportunity to make huge short term profits.
- ❑ Forest governance failures occur on account of multiple factors and governance improvement will have to address often complex issues, far outside the forestry domain.
- ❑ Most often governance failure is a widespread systemic problem; It could also be a context or sector/ specific problem.

FORESTS AND GOVERNANCE

- Forest governance challenges have been widely recognised for a very long time.
- In the early stages much of it revolved around leakages of income to government due to:
 - ☐ Illegal removal of products (local communities, loggers, etc.) as defined by existing laws;
 - ☐ Land encroachment.



FORESTS AND GOVERNANCE

- ☐ Most of the forest laws have been formulated to prevent such leakages and to pursue legal measures in case such loss is detected.
 - ☐ Offenders face legal action;
 - ☐ Failure on the part of officials to prevent/ detect losses results in disciplinary action for dereliction of duty.
- ☐ Increase in the number of stakeholders/ players involved and the broadening of the role of government led to broadening the concept of governance.
- ☐ With globalization illegally procured products move across national boundaries and often illegal activities are planned and executed from distant and safe locations. It is in this context that governance issues have come to the forefront of international attention.

IMPACT OF POOR GOVERNANCE

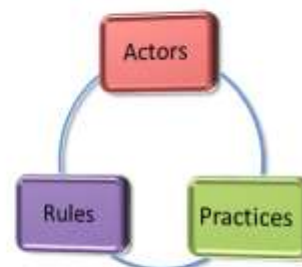
- ☐ **Economic loss.**
 - ☐ Loss of income to government and other legal owners.
 - ☐ Increases costs and inefficiency.
 - ☐ Import of illegally procured products undermines competitiveness of domestic manufacturing.
- ☐ **Environmental damage.**
 - ☐ Many environmental problems are an outcome of poor governance, which fails to take into account the costs accruing to others.
- ☐ **Social problems.**
 - ☐ The poor are often the most affected by governance failures.
 - ☐ Access to resources by the poor are significantly reduced.
- ☐ Undermines social cohesion, accentuating conflicts.
- ☐ Makes legitimate activities unviable.
- ☐ Corrupts the society's value systems

FORESTS AND GOVERNANCE

Since its early beginning as law enforcement, the concept of governance has broadened to cover almost all activities of the government and also other players. Some of the examples of governance failure are:

- ☐ Illegal logging;
- ☐ Land encroachment;
- ☐ Illegal trade of various products;
- ☐ Tax evasion;
- ☐ Money laundering;
- ☐ Corruption;
- ☐ Syphoning funds from conservation and developmental activities;
- ☐ Inefficient management of forests.

Governance Components



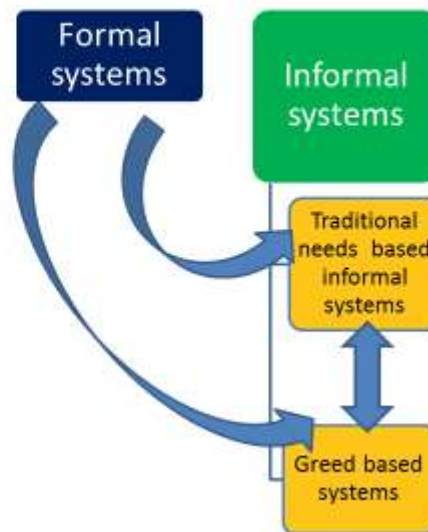
GOVERNANCE AND THE INFORMAL SECTOR

As regards governance we can identify two broad categories of systems:

- Formal systems, consisting of widely accepted, legally approved systems.
- Informal systems, operating outside the formal, legally approved arrangements.

There are strong linkages between the formal systems and informal systems. Often who are apparently part of the formal system have close links with the informal systems.

At the economy level informal sectors and activities continue to be robust.



FORMALISATION ENCOURAGING GROWTH OF INFORMAL SECTOR

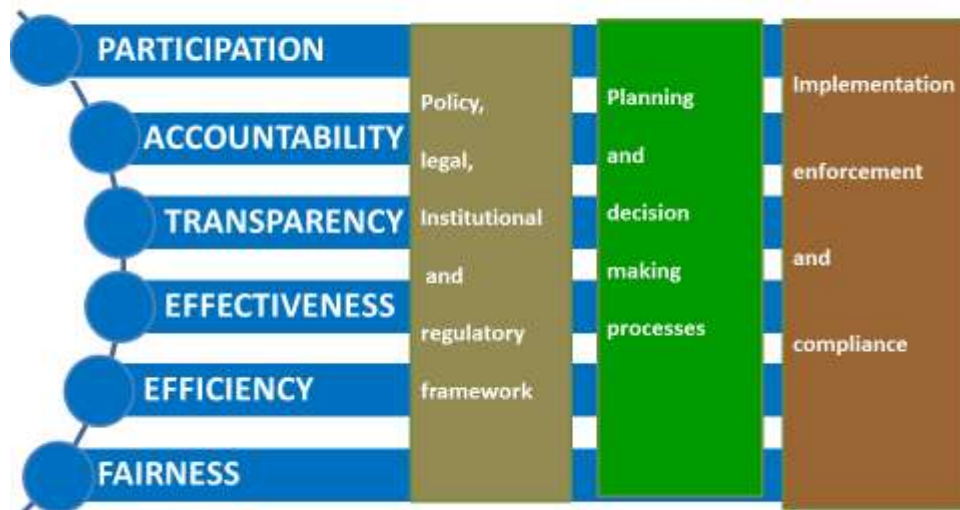
- Most often the creation of formal systems – often driven externally – has contributed to the shift of the traditional systems of resource use into the informal domain.
- Most forest legislation in the developing economies have a colonial legacy, which has turned traditional resource use systems into the informal domain and criminalised them.
- Many traditional resource governance systems were robust and sustainable. It is often the external factors including the imposition of policies and legislation that undermined traditional governance systems.
- On-going initiatives like FLEGT/ VPA should avoid repeating the past mistakes.
- The costs of compliance has encouraged the growth of the informal sector.

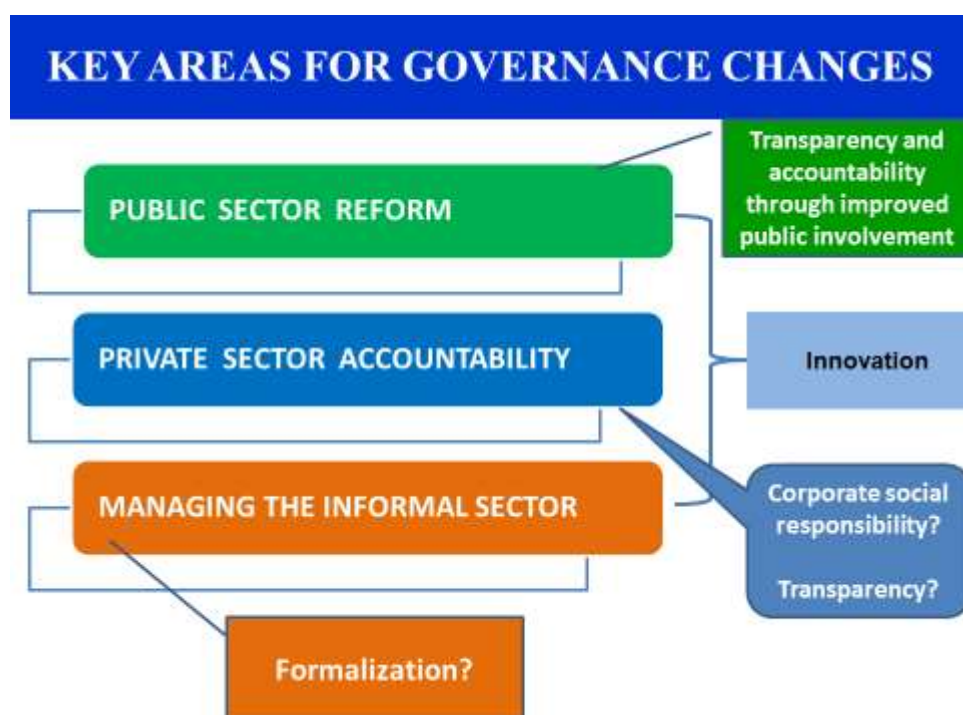
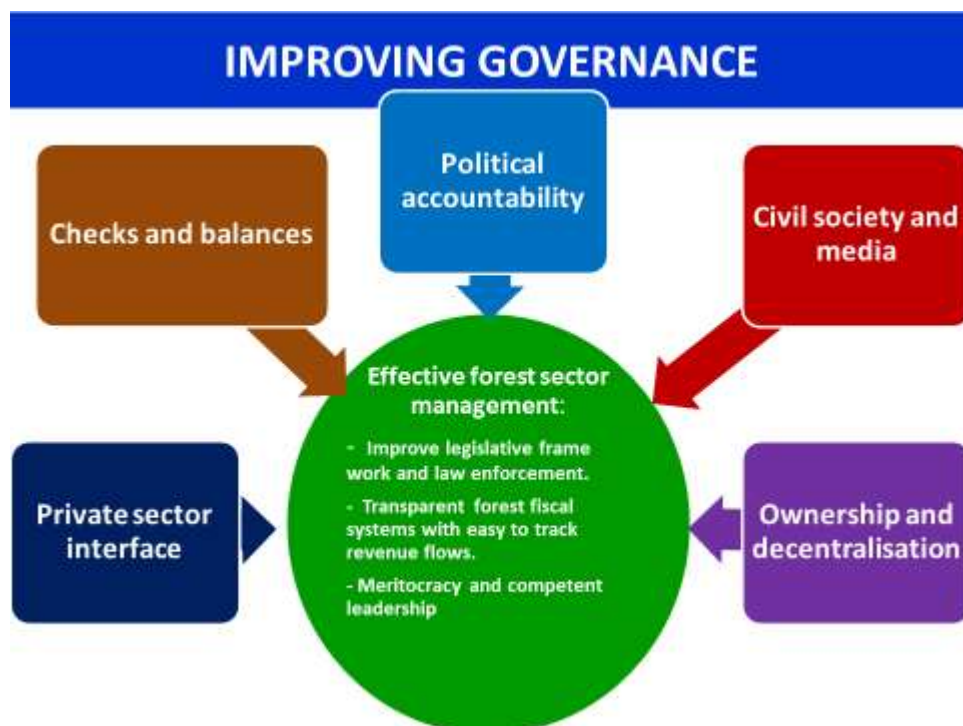
GOVERNANCE AND ELITE CAPTURE

A major challenge in improving forest governance is the appropriation of forest resources by the ruling elite.

- There are umpteen examples where coalitions of army, business interests (both national and international) and politically powerful families/ groups have appropriated forest resources.
- Economic liberalisation policies, often advocated and pushed by bilateral and multilateral organizations, have encouraged such appropriation, especially by attracting international capital for logging and plantations.
- Decentralisation in many cases have not helped to prevent elite capture. Often it has encouraged decentralization of corruption.

PRINCIPLES AND PILLARS OF GOOD GOVERNANCE





PUBLIC SECTOR REFORM

- ❑ Public sector reform – including forestry departments – remain a major challenge in improving governance in most developing countries.
 - ❖ Cost of maintaining the public sector takes a disproportionately large share of government revenue;
 - ❖ They fail to deliver value for money.
- ❑ However reform of institutions face enormous problems.
- ❑ Resistance to reform is extremely high and often we end up with highly sub-optimal outcomes.
- ❑ Transaction costs of governance reforms could be quite high.

FOREST GOVERNANCE IMPROVEMENT: A “WICKED PROBLEM”

- ❑ Considering the multitude of actors involved and their divergent and conflicting interests, improving forest governance is a very complex and difficult problem of what can be regarded as a “wicked problem”.
- ❑ In dealing with normal problems, we undertake a systematic analysis of the issues, identify where we want to reach, and then adopt a step by step approach putting the different pieces together.
- ❑ “Wicked problems” are not amenable for such step by step approach and require highly adaptive unconventional interventions.
- ❑ Governance reform efforts, especially externally driven ones, are unable to pursue such approaches. And sometimes standardised approaches could cause more problems.

KEY MESSAGES

- ❑ Governance challenges are expected to become more severe in the coming decades as pressure on natural resources increases.
- ❑ Forest governance cannot be considered as an isolated issue as it is an integral component of the larger governance system.
- ❑ Governance needs to become more inclusive. But in many situations “elite capture” continues to be a major challenge notwithstanding democratization and decentralization.
- ❑ Globalization has created new governance challenges. There has been a significant flow of international capital to the forest sector, resulting in large scale land conversions through non-transparent (and often dubious) transactions.
- ❑ Need to redefine and improve the regulatory framework to provide a level playing field and an effective mechanisms to arbitrate differences.
- ❑ Improved access to information and greater openness (for example citizen’s right to information, E. Governance), has considerable potential to improve governance.

THANK YOU

**ENHANCING FOREST GOVERNANCE FOR ASIA AND THE PACIFIC IN THE
CONTEXT OF TIMBER LEGALITY VERIFICATION**

Kunming City, Yunnan Province, China

July 2-13, 2015

Country Report

PHILIPPINES

7th Annual Training Workshop on

“Sustainable Forest Resource Management”

ENHANCING FOREST GOVERNANCE FOR ASIA

AND THE PACIFIC IN THE CONTEXT OF

TIMBER LEGALITY VERIFICATION

Forester Joel E. Flores and Forester Jesus DL. Posadas, Jr.

I. INTRODUCTION

The Philippines' total area of about 30 million hectares is legally classified as forestland, and alienable and disposable land. The classified forestlands covered 15.81 million hectares or 52.7%; and alienable and disposable lands spanning 14.19 million hectares or 47.3%.

The Philippine forest/land cover data for Year 2010 released by the National Mapping and Resource Information Authority (NAMRIA) was generated through the visual interpretation of images of the Philippines taken from various earth observation satellites. These are ALOS AVNIR-2, SPOT5, and Landsat. Based on the 2010 satellite imagery, the total forest cover for the whole Philippines is 6,839,718 hectares or 23% of the total area of the country.

Of the total forest covered area, 1,934,032 hectares are closed forest or 28.28%; 4,595,154 hectares or 67.18% are open forest; and 310,531 hectares or 4.5% are mangrove forest. In terms of forest cover change, the country's total forest cover had decreased by 328,682 hectares (4.59%) from 7,168,400 hectares in Year 2003 to 6,839,718 hectares in Year 2010. Among the seventeen (17) regions of the country, eleven (11) have decreased in forest cover while six (6) have improved/increased their forest cover.

The results further showed that deforestation and forest degradation occurred in the Philippines from Years 2003 to 2010 as the total forest cover decreased by 328,682 ha (4.59%) or at a rate of 46,955 hectares annually. Forest degradation is also apparent in the conversion of closed forest to open forest, and the reduction in % canopy cover within the closed and open forests amounting to 996,431 hectares or by 142,347 hectares annually. These data validate that the government has sufficient grounds for the implementation of Executive Order No. 23 (Logging Moratorium in Natural and Residual Forests) and Executive Order No. 26 (National Greening Program), which are the main policies/programs being implemented by the Department of Environment and Natural Resources (DENR) since Year 2011.

The President of the Philippines had issued two (2) Executive Orders (E.O.) namely E.O. Nos. 23 and 26 on February 1, 2011 and February 24, 2011, respectively, in order to rehabilitate and reforest open, denuded and degraded forestland and at the same time protect the remaining forests of the country, including forest plantations established under the National Greening Program (NGP). Executive Order No. 23 is entitled “Declaring a Moratorium in the Cutting and Harvesting of Timber in the Natural and Residual Forests and Creating the Anti-Illegal Logging Task Force”.

In line with this issuance and to intensify forest protection and law enforcement initiatives, the Department of Environment and Natural Resources (DENR) has crafted a Five-Year National Forest Protection Program (NFPP) – Menu of Options for Effective and Efficient Forest Protection and Law Enforcement of the DENR. The program has eight (8) Menu of Strategies with fifty (50) Menu of Activities that are expected to yield varied Menu of Immediate Outcomes and Long-term Impacts. A Menu of Measureable Work Units, Cost Estimates and Budgetary Estimates, and Indicators are included in the Program. These menus of strategies and menus of activities served as options for wherever and whenever are applicable to the DENR Field Offices in preparing their respective Forest Protection and Law Enforcement Plans.

On the other hand, Executive Order No. 26 is entitled “Declaring an Interdepartmental Convergence Initiative for a National Greening Program (NGP) as a government priority – “Bringing together agencies, efforts and people”. The NGP addresses the priority program thrusts of the country such as poverty reduction, resource conservation and protection, productivity enhancement and climate change mitigation and adaptation. Under the program, all tree planting efforts of the government sector, private organizations and civil society are harmonized. The program aims to plant 1.5 billion trees covering about 1.5 million hectares of open and denuded forestlands, mangrove and protected areas, ancestral domains, civil and military reservations, urban areas, inactive and abandoned mine sites and other suitable lands for a period of six (6) years from 2011 to 2016.

The decreasing trend in forest cover of the country from Years 2003 to 2010 is now shifting to an increasing manner since Year 2011. With the implementation of the National Greening Program in Year 2011, the forest cover of the country is expected to increase by an additional area of approximately 1,200 million hectares by Year 2015. From 2011 to 2014, around 1,005,013 hectares of open, denuded and degraded forestland were already rehabilitated under the National Greening Program. With the significant contribution of the National Greening Program in terms of improving the forest cover of the country, the total forest cover of the country is expected to reach 8,039,718 hectares by Year 2015. These established plantation forests (planted forests) together with the remaining forest cover of the country are the main focus of the intensive forest protection activities currently being implemented by the government.

In terms of forest monitoring, the Forest Management Bureau is currently conducting the ground-based forest resources inventory specifically the relocation and re-measurement of 371 FRA tracts established in 2002-2004 during the FAO supported National Forest Assessment Project. This FRA tracts re-measurement is expected to finish by Year 2016. While the National Mapping and Resource Information Authority (NAMRIA) is doing the wall-to-wall forest/land cover mapping of the country.

II. MAIN CONCERNS

Based on the result of the 2010 forest/land cover mapping, the total forest cover for the Philippines is 6,839,718 hectares or 23% of the country’s total area. Of these, 1,934,032 hectares are closed forest or 28.28%; 4,595,154 hectares or 67.18% are open forest; and 310,531 hectares or 4.5% are mangrove forest. Page 3

The country’s total forest cover had decreased by 328,682 hectares (4.59%) from 7,168,400 hectares in Year 2003 to 6,839,718 hectares in Year 2010. Among the seventeen (17) regions of the country, eleven (11) have decreased in forest cover while six (6) have improved/increased their forest cover. Notable decreases in forest cover in Year 2010 include the following: Region 1 lost 34.42% of its forest cover from 189,801 hectares in Year

2003 to 124,477 hectares in Year 2010; Region 6 went down by 29.18% from 349,233 hectares to 187,319 hectares; and Region 12 declined by 28.69% from 349,234 hectares to 249,050 hectares. Notwithstanding the decrease in the Philippine forest cover, there are regions that gained improvements in their forest cover from Years 2003 to 2010, noteworthy of which are the following: Region 5 gained 32.94% from 156,476 hectares to 208,015 hectares; Region 13 increased by 30.54% from 523,292 hectares to 683,112 hectares; and Autonomous Region of Muslim Mindanao (ARMM) grew 20.59% from 250,346 hectares to 301,894 hectares.

Based on the above results, deforestation and forest degradation occurred in the Philippines from Years 2003 to 2010 as the total forest cover decreased by 328,682 ha (4.59%) or at a rate of 46,955 hectares annually. Forest degradation is also apparent in the conversion of closed forest to open forest, and the reduction in % canopy cover within the closed and open forests amounting to 996,431 hectares or by 142,347 hectares annually. These data validates that the government has sufficient grounds for the implementation of E.O. No. 23 (Logging Moratorium in Natural and Residual Forests) and E.O. No. 26 (National Greening Program) which are the main policies/programs being implemented by the DENR since Year 2011.

Below are the specific forest cover change that occurred in the Closed Forest, Open Forest and Mangrove Forest between Years 2003 and 2010.

FOREST COVER CHANGE, AREA REDUCTION AND ADDITION

1. Closed Forest

Nationwide, Closed Forest decreased by 626,840 hectares (24.48%) from 2,560,872 hectares in Year 2003 to 1,934,032 hectares in Year 2010 or an annual change of 89,548 hectares. There are eleven (11) regions where closed forest decreased and six (6) regions where it increased (see Table 1 below).

Table 1. Closed Forest Change by Region

Rank	Region	CY2003	CY2010	Change (ha)	% Change
DECREASED					
	Philippines	2,560,872	1,934,032	(626,840)	-24.48%
1	Region 4-B	484,866	97,810	(387,056)	-79.83%
2	CAR	384,877	255,552	(129,325)	-33.60%
3	Region 12	126,385	54,247	(72,138)	-57.08%
4	Region 4-A	117,162	69,544	(47,618)	-40.64%
5	Region 6	105,873	67,167	(38,706)	-36.56%
6	Region 1	37,723	18,390	(19,333)	-51.25%
7	Region 2	503,149	485,262	(17,887)	-3.56%
8	Region 11	177,503	160,083	(17,420)	-9.81%
9	Region 5	50,618	39,646	(10,972)	-21.68%
10	ARMM	106,319	99,889	(6,430)	-6.05%
11	Region 3	226,241	225,352	(889)	-0.39%
INCREASED					
1	Region 10	107,071	173,962	66,891	62.47%
2	Region 13	64,729	99,812	35,083	54.20%
3	Region 8	36,473	45,948	9,475	25.98%
4	Region 7	2,231	11,464	9,233	413.83%
5	Region 9	29,652	29,906	254	0.86%

Of the closed forest area of 2,560,872 hectares in Year 2003, 1,280,436 hectares or 50% were retained as such while 1,024,349 hectares or 40% were converted to open forest, 204,870 hectares or 8% were converted to other wooded lands, 12,804 hectares or 0.50% were converted to *other land, natural* and around 38,413 hectares or 1.5% were converted to *other land, cultivated*.

Conversely, there were areas in CY 2003 under other land cover types that were converted into closed forests in CY 2010. Thus, around 27.26% of area addition i.e. converted to closed forest came from previous open forest area, and 6.53% came from previous other wooded land area, and *other land, cultivated*. The remaining 66.21% of the closed forest in CY 2010 are the remaining closed forest in CY 2003 which is 1,280,436 hectares.

2. Open Forest

For the whole Philippines, Open Forest cover increased by 234,988 hectares (5.39%) from 4,360,166 hectares in Year 2003 to 4,595,154 hectares in Year 2010 or annual change of 33,570 hectares. Out of 17 regions, open forest cover decreased in ten (10) regions and increased in seven (7) regions (see Table 2 below).

Table 2. Open Forest Cover Change by Region

Rank	Region	CY2003	CY2010	Change (ha)	% Change
DECREASED					
1	Region 2	638,094	553,344	(84,750)	-13.28%
2	Region 3	362,886	294,291	(68,595)	-18.90%
3	Region 1	151,927	105,060	(46,867)	-30.85%
4	Region 6	154,041	110,146	(43,895)	-28.50%
5	Region 10	227,930	197,517	(30,413)	-13.34%
6	Region 12	221,499	193,202	(28,297)	-12.78%
7	Region 7	60,868	35,798	(25,070)	-41.19%
8	Region 8	444,594	426,863	(17,731)	-3.99%
9	Region 9	130,264	120,488	(9,776)	-7.50%
10	NCR	2,790	2,098	(692)	-24.79%
INCREASED					
Philippines		4,360,166	4,595,154	234,988	5.39%
1	CAR	287,443	517,640	230,197	80.08%
2	Region 13	431,832	557,402	125,570	29.08%
3	Region 4-B	652,711	744,530	91,819	14.07%
4	Region 5	92,359	143,416	51,057	55.28%
5	ARMM	98,241	146,431	48,190	49.05%
6	Region 11	241,522	265,754	24,232	10.03%
7	Region 4-A	161,165	181,175	20,010	12.42%

Of the open forest area of 4,360,166 hectares in CY 2003, 2,398,091 hectares or 55% were retained as such while 527,274 hectares or 12.1% were converted to closed forest, and 1,434,801 hectares or 32.9% were converted to other wooded land, *other land*, *cultivated*, and *other land, natural*.

In terms of area addition to open forest in CY 2010, 22.29% came from closed forest, and 25.52% came from other wooded land, *other land*, *cultivated*, and *other land, natural*. The remaining 52.19% of the open forest in CY 2010 are the remaining open forest in CY 2003 which is 2,398,091 hectares.

1. Mangrove Forest

Page 9

Generally, mangrove forest cover of the country had increased by 62,169 hectares or 26% from 247,362 hectares in CY 2003 to 310,531 hectares in CY 2010. Of the 17 regions, only two regions experienced a reduction in mangrove forest cover i.e. Region 2 where it went down by 2,700 hectares and Region 13 by 833 hectares while the rest increased except in CAR which is a landlocked region. Mangrove forest cover increased in 14 regions (see Table 3 below).

Table 3. Mangrove Forest Cover Change by Region (2003 vs. 2010)

Rank	Region	2003	2010	Change (ha)	% Change
DECREASED					
1	Region 2	8,602	5,902	(2,700)	-31.39%
2	Region 13	26,731	25,898	(833)	-3.12%
INCREASED					
	Philippines	247,362	310,531	63,169	25.54%
1	Region 4-B	57,567	73,324	15,757	27.37%
2	Region 5	13,499	24,953	11,454	84.85%
3	ARMM	45,786	55,574	9,788	21.38%
4	Region 4-A	11,346	18,937	7,591	66.91%
5	Region 6	4,600	10,006	5,406	117.52%
6	Region 9	22,279	26,523	4,244	19.05%
7	Region 10	2,492	6,379	3,887	155.97%
8	Region 7	11,770	14,804	3,034	25.78%
9	Region 8	38,781	41,654	2,873	7.41%
10	Region 1	151	1,028	877	580.56%
11	Region 11	2,010	2,879	869	43.23%
12	Region 3	368	955	587	159.39%
13	Region 12	1,350	1,601	251	18.58%
14	NCR	30	115	85	283.51%

Of the mangrove forest area of 247,362 hectares in CY 2003, 148,417 hectares or 60% were retained as such while 19,789 hectares or 8% were converted to *other land, natural*, 44,525 hectares or 18% were converted to *other land, cultivated*, 34,631 hectares or 14% were converted to built-up area, inland water and open forest.

III. KEY ELEMENTS

A. MAJOR POLICY ISSUANCES TO PROTECT AND IMPROVE THE FOREST COVER OF THE COUNTRY

The President of the Philippines issued two (2) major policies with the aim of protecting the remaining forests of the country and at the same time rehabilitate the open, denuded and degraded forestland i.e. Executive Order No. 23 issued on February 1, 2011 and Executive Order No. 26 issued on February 24, 2011, respectively.

1. Executive Order No. 23 (Declaring a Moratorium on the Cutting and Harvesting of Timber in the Natural and Residual Forests and Creating the Anti-illegal Logging Task Force)

With the implementation of Executive Order No. 23, the Department of Environment and Natural Resources (DENR) is prohibited from issuing logging contracts/agreements in all natural and residual forests, such as Integrated Forest Management Agreements (IFMA), Socialized Integrated Forest Management Agreements (SIFMA), Community Based Forest Management Agreements (CBFMA), and other contracts/agreements with logging components in the natural and residual forests. The DENR is likewise prohibited from issuing/renewing tree cutting permits in the natural and residual forests nationwide, except for clearing of road right of way by the Department of Public Works and Highway (DPWH),

site preparation for tree plantations, silvicultural treatment and similar activities, provided that all logs derived from the said cutting permits shall be turned over to DENR for proper disposal. Tree cutting associated with cultural practices pursuant to Indigenous Peoples Right Act (IPRA Law) may be allowed only subject to strict compliance with existing guidelines of the DENR. The DENR was also tasked to close and not to allow to operate all sawmills, veneer plants and other wood processing plants that are unable to present proof of sustainable sources of legally cut logs for a period of at least five (5) years; and to develop a National Greening Program (NGP) through the Department of Agriculture-DENR-Department of Agrarian Reform (DA-DENR-DAR) Convergence Initiative.

Executive Order No. 23 also paved the way for the creation of Anti-Illegal Logging Task Force (AILTF) that enforces the moratorium and leads the anti-illegal logging campaign in the entire country. The Task Force is composed of the DENR Secretary as Chairman, and the Secretaries of the Department of Interior and Local Government (DILG), Department of National Defense (DND), the Chief of the Philippine National Police (PNP), the Chief of the Armed Forces of the Philippines as members.

Before the implementation of E.O. 23, there were 197 illegal logging hotspot areas (municipalities) nationwide. Together with the intensified forest protection and law enforcement initiatives of the government, the illegal logging hotspot areas drastically reduced to 23 representing a reduction of 88%. The remaining illegal logging hotspot areas are mostly located in the southern part of the Philippines (see Table 4 below).

Table 4. Illegal Logging Hotspots Before and After E.O. No. 23

Major Island	No. of Illegal Logging Hotspots (Municipality)		Percentage (%) Increase/ (Decrease)
	Before E.O.No. 23 Year 2010	After E.O.No. 23 Year 2014	
Luzon	121	9	(93%)
Visayas	48	0	(100%)
Mindanao	28	14	(50%)
TOTAL	197	23	(88%)

With the implementation of E.O. No. 23, all the 19 logging concessions operating in the natural and residual forests of the country were ordered closed by DENR and a total of 1,411 illegal logging cases were filed in court with 191 persons convicted (2010-2014 data). In terms of trend in the total volume of apprehension and confiscation of forest products annually, the volume was significantly decreased by 60% in CY 2013, and 63.7% in CY 2014 i.e. in reference to the 2012 data (see Table 5 below). The significant reduction is attributed to the intensified forest protection, and law enforcement initiative of the government.

Table 5. Confiscated Forest Products from CY 2012-2014

YEAR	Volume Confiscated (bd.ft.)
2012	10,270,311
2013	4,153,419
2014	3,730,127

The disposition of confiscated forest products (CFP) before E.O. No. 23 was through p bidding wherein the suspected illegal loggers invariably win the auction. Now, CFP are donated primarily to Department of Education (DepEd) for the School Desk Program of the government. From 2011 to 2014, a total of 146,424 school chairs, desks and other school

furniture have been donated to DepEd, and around 380 school building were repaired using CFP.

2. Executive Order No. 26 (National Greening Program)

This Executive Order is pursuant to Section 2.6 of Executive Order (E.O.) No. 23 mandating the Department of Agriculture-Department of Agrarian Reform-Department of Environment and Natural Resources (DA-DAR-DENR) Convergence Initiative to develop a National Greening Program in coordination with Department of Education, Commission on Higher Education, Department of Social Welfare and Development, Department of Budget and Management, private sector and other concerned agencies and institutions.

The National Greening Program (NGP) is not an ordinary reforestation/re-greening program, it also aimed in reducing poverty among upland and lowland poor households, indigenous peoples, and in coastal and urban areas; implementing sustainable management of natural resources through resource conservation, protection, and productivity enhancement; providing food, goods and services such as timber, fiber, non-timber forest products, aesthetic values, air enhancement values, water regulation values, and mitigate climate change by expanding forest cover that serve as carbon sink; promoting public awareness as well as instill social and environmental consciousness on the value of forests and watersheds; enhancing the formation of positive values among the youth and other partners through shared responsibilities in sustainable management of tree plantations and forest resources; and consolidating and harmonizing all greening efforts of the government, civil society and the private sector.

The NGP shall plant 1.5 billion trees in 1.5 million hectares of lands of the public domain for a period of six (6) years from CY 2011 to CY 2016. These areas for development includes forestlands, mangrove areas and protected areas, ancestral domains, civil and military reservations, inactive and abandoned mine sites, riverbanks, stream banks and other suitable public lands.

Page 13

Among the NGP's milestone accomplishments from Years 2011-2014 includes the rehabilitation of 1,005,013 hectares of open, denuded and degraded forestlands (see Table 6); generation of 2,262,556 jobs, and employing about 320,220 persons including women who are commonly tapped in seedling productions.

Table 6. Area replanted/rehabilitated under the NGP (2011-2014)

YEAR	AREA PLANTED (ha)
2011	128,558
2012	221,763
2013	333,161
2014	321,532
TOTAL	1,005,013

B. DRIVERS OF CHANGE IN FOREST AREA AND QUALITY

A DENR and GIZ study published in Year 2013, "Analysis of Key Drivers of Deforestation and Forest Degradation in the Philippines", interviewed respondents from various sectors (DENR, Local Government Unit, Peoples Organizations, PCSD, Traders) in four (4) sites as to what they perceived as direct and indirect drivers of deforestation and forest degradation in the Philippines. The results showed that there are 13 direct drivers under four (4) main categories. These main categories are Forest Products Extraction, Agricultural Expansion, Infrastructure Expansion and Biophysical Factors. On the other hand, the 13 drivers of deforestation and forest degradation are timber harvesting/timber poaching, fuelwood

gathering and charcoal making, Non-Timber Forest Products extraction, Kaingin/Shifting cultivation, conversion of forestland into settlement/resettlement areas, into oil palm and rubber plantations, highland vegetable farming, transport (road construction), mining, markets (wood processing plants), hydro-power dam construction, tourist facility development, and biophysical factors (natural causes such as typhoons, earthquakes, landslides, flood, drought, forest fires and climate change).

Further, among the perceived indirect drivers of deforestation and forest degradation are weak institutional capacities, weak law enforcement, corruption/collusion and political interference are the likely factors as far as the governance aspect is concerned. For the socio-demographic aspect, the likely factors are increasing number of informal settlers in forest and irresponsible attitude towards forest were identified by a majority of the respondents. For the economic and market aspect, the main reasons cited are the high demand for wood and limited livelihood options.

IV: LESSONS LEARNED

The implementation of National Greening Program, and the intensified forest protection activities initiated by the government are also main drivers of change in forest area and quality, specifically from Year 2011 onwards. Through these initiatives, forest cover of Philippines has increased and is expected to reach 8.34 million hectares by Year 2015. Page 15
the active participation and involvement of various stakeholders such as government sector, local government units, private sectors, civil society organizations, religious groups, peoples' organizations and local communities. Further, illegal logging hotspot provinces has been drastically reduced by 76% (from 51 to 12) while 88% (from 197 to 23) for hotspot municipalities through a combined efforts from the Department of Environment and Natural Resources, Department of Interior and Local Government, Department of National Defense, Philippine National Police and Armed Forces of the Philippines. The two (2) national initiatives of the government are envisioned to increase forest cover of the country through massive rehabilitation/re-greening of open, denuded and degraded forestlands and at the same time protection of the existing forest cover of the country. The above-cited interventions are supported with policy issuances issued in Year 2011 i.e. Executive Order No. 23 (Declaring a Moratorium on the Cutting and Harvesting of Timber in the Natural and Residual Forests and Creating the Anti-illegal Logging Task Force); and the Executive Order No. 26 or the National Greening Program with an aim of planting 1.5 million hectares of open, denuded and degraded forestlands with 1.5 billion trees/seedlings within six (6) years.

V: WAY FORWARD

The Philippines thru the Department of Environment and Natural Resources (DENR) at this stage is now exploring various initiatives and approaches on how to sustain the gains from the National Greening Program (NGP), and to improve further the forest cover of the country in general. Among these initiatives is the development of the Community-Based Forest Rehabilitation and Landscape Restoration Approach, and continuous implementation of intensified forest protection and law enforcement activities from 2016-2020. These interventions will also contribute significantly to the achievement of the country's goal of increasing its forest cover at the national level but also will help in the achievement of APEC 2020 Forest Cover Objectives for Years 2016-2020 at the Regional and International levels.

A. COMMUNITY-BASED FOREST REHABILITATION AND LANDSCAPE RESTORATION

The Community Based Forest and Landscape Restoration Approach shall focus on the rehabilitation of degraded watersheds and mangrove areas, intensification of protection and

conservation of existing forests and protected areas for biodiversity conservation, adoption of measures for soil stabilization, construction of infrastructures for water conservation such as check dams and small water impounding structures. Appropriate livelihood projects shall be established making use of the available raw materials within the community established through the partnership. Livelihood projects can be a form of adaptation and mitigation measures against the impacts of climate change. The rehabilitation and landscape restoration process shall be implemented thru the community based approach. To ensure smooth implementation, community organizing and strengthening of local communities/peoples' organizations shall be among the priority support interventions.

While there are specific support interventions, crosscutting approaches shall be likewise applied, which include capacity building on forest restoration and management, establishment of baselines, GIS mapping and planning and outcome-based monitoring and reporting.

The forest and landscape restoration interventions shall be implemented in both terrestrial and mangrove landscapes of the severely affected areas within the provinces of Leyte, Southern Leyte, Western Samar, Eastern Samar, Capiz, Aklan, Antique, Iloilo, Negros Occidental, Cebu, Capiz, Palawan, Masbate and Dinagat Islands. The rehabilitation and restoration process shall be implemented thru the community based approach.

Briefly described below are strategies and activities that will be implemented in the affected areas:

1. Survey, mapping and planning including establishment of baselines

Procurement of high resolution images (50 cm resolution) shall be done to establish baselines. Protection and production forest shall be clearly delineated and defined on the ground and shall serve as basis of target setting of specific restoration and protection interventions including survey, GIS mapping of identified areas and preparation of site development plans.

2. Conservation and protection of natural forest landscapes and protected areas

Areas with natural forests and protected areas shall be protected from all forms of destruction to allow the natural processes within and to improve degraded portions through enrichment planting and assisted natural regeneration.

3. Rehabilitation and Restoration of degraded watersheds and coastal areas

Rehabilitation of open areas/degraded watersheds shall be done thru reforestation of suitable species based on site-species matching. Degraded mangrove forests in tidal and coastal areas that extend inland along streams and rivers shall be rehabilitated by planting appropriate mangrove species. Narrow strips of lands along the sandy part of the seacoast shall also be enriched with trees. Agroforestry systems shall be applied in partly wooded and open spaces where farmers can grow short term crops such as vegetables and root crops, high value and tree crops for the development of livelihood projects.

4. Setting Up or Restoration of Livelihood Projects by the affected communities

Within the 5-year timeframe, appropriate livelihood projects shall be established or restored making use of the available raw materials within the community established through partnership. Livelihood projects can be in a form of adaptation and mitigation measures against the impacts of climate change. The livelihood support shall include establishment of processing and post-harvest facilities for value adding.

5. Vegetative and structural measures for soil stabilization and conservation and water impounding structures

Based on the geo-hazard mapping and site validation/assessment, highly vulnerable and erodible areas shall be managed by establishing appropriate soil stabilization and conservation measures as well as water impounding structures.

6. Organizational development and management

In order to address the social dimension of this initiative and considering that local communities are partners of the government in forest management, community organizing and strengthening of local communities/peoples' organizations shall be given priority.

B. IMPLEMENTATION OF INTENSIFIED NATIONAL FOREST PROTECTION PROGRAM (MENU OF OPTIONS FOR EFFECTIVE AND EFFICIENT FOREST PROTECTION AND LAW ENFORCEMENT)

This Menu of Options was developed to provide every Department of Environment and Natural Resources (DENR) Regional Office a long list of choices in terms of Strategies and Activities to choose from since every Regional Office has different situations, conditions, and requirements. But there is a Menu such as Sustainable Forest Management that must be adopted by all regions due to the requirement of the law. Hence, this National Forest Protection and Law Enforcement Program shall provide insights leading to a measureable outcome at the end of a certain period. A list of long terms impacts are also reflected that will serve as the ultimate goal of the Program.

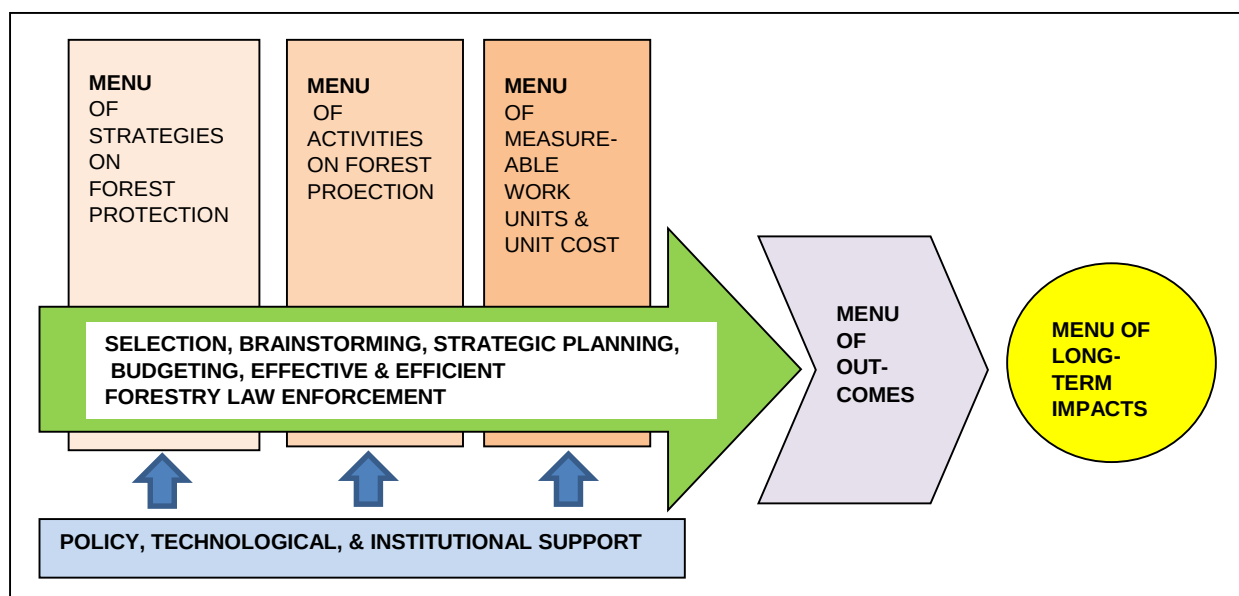
To make this plan credible, a **Forest Protection and Law Enforcement Framework** (see Figure No.1) has been developed and incorporated as a vital component of the National Forest Protection Program outlining the logical courses of actions for effective and efficient forest law enforcement.

The country's forest cover must be increased and protected to negate and mitigate the impact of climate change. At the same time, pursue sustainable forest management in all forestlands including forest plantations in both public and private lands for the production of various environmental goods and services. Moreover, newly established and planted forest plantations under the National Greening Program (NGP) pursuant to Executive Order No. 26 that will cover some 1.5 Million hectares to be planted by Year 2016 shall likewise be protected.

The tasks of protecting our forests require substantial support in terms of institutional, logistical and financial assistance from national government including active participation from different stakeholders. It is imperative for all DENR Field Offices to prepare their plans anchored on the Five-Year National Forest Protection and Law Enforcement Program.

The ultimate goal of the Program is to effectively and efficiently protect the country's forests from further destruction and degradation by choosing varied menus of strategies and menus of activities that served as options for wherever and whenever are applicable to the DENR Field Offices in preparing their respective Forest Protection and Law Enforcement Plans.

Figure No. 1. Forest Protection and Law Enforcement Framework



1. Menu of Forest Protection Strategies and Activities

The MENU is a list of Strategies on how to undertake various ways and means for effective and efficient forestry law enforcement. Below are the enumerations of various strategies and activities in forest protection that the DENR Regional Field Offices can choose from based on the uniqueness of their area of jurisdiction.

MENU OF STRATEGIES	MENU OF ACTIVITIES
<u>Menu 1.</u> Provision of full logistic and material support that are essential in forest law enforcement	1.1 Unmanned aerial vehicle surveillance by private service provider 1.2 Internet-based aerial surveillance systems if economically feasible and/or available 1.3 GPS with geo-tagging capability, Digital SLR Camera set with telescopic lens, & Rugged binoculars 1.4 Acquisition of sea craft with outboard motor & trailer 1.5 Acquisition of hauling truck (Saddam trucks) 1.6 Acquisition of Boom Truck with loading crane 1.7 Maintenance of motor vehicles
<u>Menu 2.</u> Improvement of infra-structures and provision of institutional support in investigation, filing of information and/or criminal complaints and prosecution of forestry cases	2.1 Construction of Forest Ranger Stations & ENR Information Centers 2.2 Radio Communications with base & handheld units 2.3 With Close Circuit TV (one set) 2.4 Solar Panels 2.5 Support to investigation & filing of criminal complaints 2.6 Support to prosecution of criminal complaints 2.7 Procurement of mapping equipment, surveillance software

MENU OF STRATEGIES	MENU OF ACTIVITIES
Menu 3. Active collaboration and involvement of forest communities and other stakeholders in forest protection and law enforcement undertakings	3.1 Involvement of forest communities, Indigenous Cultural Communities/ Indigenous Peoples (ICCs)/IPS in forest protection works 3.2 Activate/revitalize MFPCs, individuals & group volunteers for Deputation as Special/Deputized Environment and Natural Resources Offices (S/DENROs)
Menu 4. Undertake capacity building to DENR field personnel and enhance their skills and competence for effective protection of forests and plantations for biodiversity conservations	4.1 Para-legal training to DENR personnel for capacity building 4.2 Para-legal training to DENR partner volunteers for deputation 4.3 Conduct trainings on forest fire management (prevention, detection & suppression); forest pest & disease 4.4 Develop & adopt new reporting system for forest protection (operations center, formatting, electronic, paperless, hotline) 4.5 Small group & informal discussions in the upland communities
Menu 5. Sustain a well-planned Information, Education and Communications (IEC) campaign region-wide down to CENRO level	5.1 IEC Campaign like community level meetings, consultations, orientations, seminars, symposium 5.2 Publish press releases, photo releases, feature articles for media exposure 5.3 Advertise/publish thru print and broadcast media, even in internet 5.4 Video documentary featuring actual success stories of DENR & other partners in implementing forest law enforcement 5.5 Document activities in photos & similar media: writing & publicizing stories on best practices 5.6 Develop information materials i.e. motivational & instructional posters, primers, brochures, & flyers
Menu 6. Consistent apprehension, & mandatory administrative adjudication and confiscation of undocumented forest products and including conveyances and other implements	6.1 Apprehend undocumented forest products including NTFPs, vehicles, equipment and other implements 6.2 Hauling of apprehended forest products and vehicles to safe places 6.3 Immediate administrative & adjudication proceedings for apprehended forest products including conveyances and implements
Menu 7. Effective Forest Fire, Pest & Disease Management measures	7.1 Identification, survey, mapping & monitoring of fire prone areas 7.2 Identification & detection of forest pests & diseases with the research

MENU OF STRATEGIES	MENU OF ACTIVITIES
	7.3 Train DENR personnel in detecting biological agents that cause forest destruction in both natural and forest plantations 7.4 Monitor, assess, pest and disease control & management measure to avoid spread of forest pest and diseases
Menu 8. Pursue Sustainable Forest Management mechanisms, initiatives, practices & other institutional reforms in forestry	8.1 Timber Tracking System (considers ELECTRONIC System) 8.2 Forest Certification System (<i>Setting-up & Operationalization within timber producing regions- Estimate ONLY</i>) 8.3 Chain-of-Custody Certification (<i>Systems Development, Setting-up & Operationalization – Estimate ONLY</i>)

C. FOREST COVER OUTLOOK IN YEAR 2020

By Year 2020, the forest cover of the country is expected to reach 8.34 Million hectares. The increase can be attributed to the additional area that will be developed/rehabilitated under the National Greening Program; and protection of existing forests through continuous implementation of intensified forest protection and law enforcement activities nationwide as well as the governing policy of Executive Order No. 23, and other Forestry Laws, Rules and Regulations. Significant increase is expected in terms of forest cover in planted forests of the country which are mostly within forestland. On the other hand, the increase on forest cover will affect the total volume of growing stock which is expected also to increase to 1,302 million cubic meters by Year 2020.

IV. SUMMARY

The Philippines' total area of about 30 million hectares is legally classified as forestland, and alienable and disposable land. The classified forestlands covered 15.81 million hectares or 52.7%; and alienable and disposable lands spanning 14.19 million hectares or 47.3%. Based on the result of the 2010 forest/land cover mapping, the total forest cover for the whole Philippines is 6,839,718 hectares or 23% of the country's total area. Of these, 1,934,032 hectares are closed forest or 28.28%; 4,595,154 hectares or 67.18% are open forest; and 310,531 hectares or 4.5% are mangrove forest.

The country's total forest cover had decreased by 328,682 hectares (4.59%) from 7,168,400 hectares in Year 2003 to 6,839,718 hectares in Year 2010. The results further showed that deforestation and forest degradation occurred in the Philippines from Years 2003 to 2010 as the total forest cover decreased by 328,682 ha (4.59%) or at a rate of 46,955 hectares annually. Forest degradation is also apparent in the conversion of closed forest to open forest, and the reduction in % canopy cover within the closed and open forests amounting to 996,431 hectares or by 142,347 hectares annually. These data validates that the government has sufficient grounds for the implementation of Executive Order No. 23 (Logging Moratorium in Natural and Residual Forests) and Executive Order. No. 26 (National Greening Program) which are the main policies/programs being implemented by the DENR since Year 2011.

The decreasing trend in forest cover of the country from Years 2003 to 2010 is now shifting to an increasing manner since Year 2011. With the implementation of the National Greening Program in Year 2011, the forest cover of the country is expected to increase by an additional

area of approximately 1,200 hectares by Year 2015. From 2011 to 2014, around 1,005,013 hectares of open, denuded and degraded forestland were already been rehabilitated under the National Greening Program. With the significant contribution of the National Greening Program in terms of improving the forest cover of the country, the total forest cover of the country is expected to reach 8,039,718 hectares by Year 2015. These established plantation forests together with the remaining forest cover of the country are the main focus of the intensive forest protection activities currently being implemented by the government.

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The Philippines through the Department of Environment and Natural Resources (DENR) at this stage is now exploring various initiatives and approaches on how sustain the gains from the National Greening Program (NGP), and to improve further the forest cover of the country in general. Among these initiatives is the development of the Community-Based Forest Rehabilitation and Landscape Restoration Approach, and continuous implementation of intensified forest protection and law enforcement activities from 2016-2020. These interventions will also contribute significantly to the achievement of the country's goal of increasing its forest cover at the national level but also help in the achievement of APEC 2020 Forest Cover Objectives for Years 2016-2020 at the Regional and International levels.

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2. 2013. Philippine 2010 Land Cover Report (Unpublished)
3. Department Memorandum Order No. 2011-01. Guidelines and Procedures in the Implementation of the National Greening Program
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5. 2010-2013. Philippine Forestry Statistics
6. Executive Order No. 23. February 2011. Declaring a Moratorium on the Cutting and Harvesting of Timber in the Natural and Residual Forests and Creating the Anti-illegal Logging Task Force
7. Executive Order No. 26. February 2011. Declaring Interdepartmental Convergence Initiative for a National Greening Program (NGP)



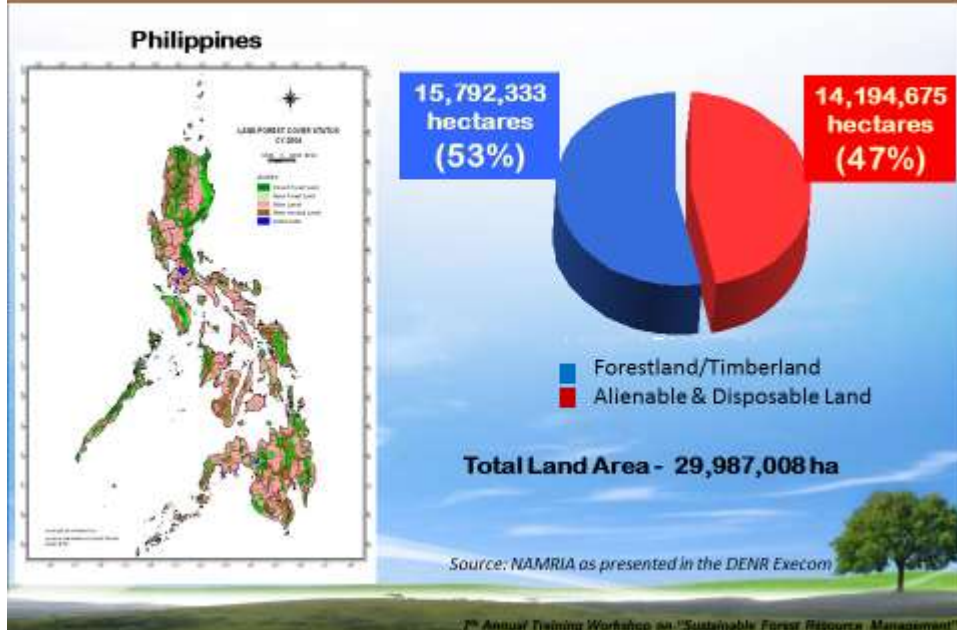
Mr Joel E Flores Joint Presenter of the Philippine Country Report



Mr Jesus DL Possadas Jnr. Joint Presenter of the Philippine Country Report



LAND CLASSIFICATION



CURRENT STATE OF THE FOREST

FOREST COVER

World's Forest Cover (FRA 2010)



Philippines' Forest Cover (2010)

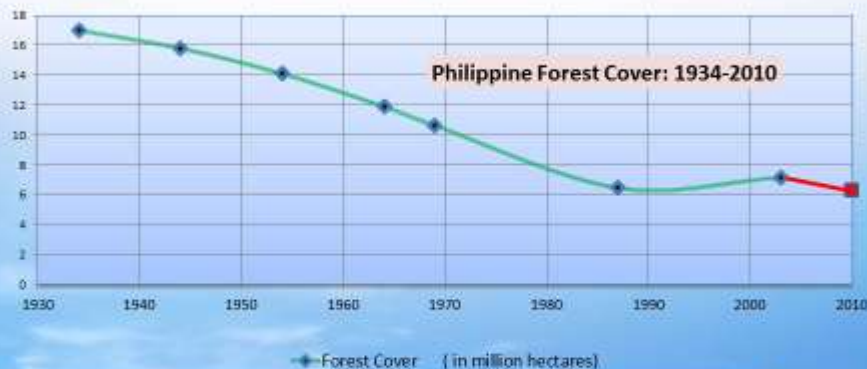


Sources: FAO and NAMRIA

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CURRENT STATE OF THE FOREST

Forest Cover Change in the Philippines

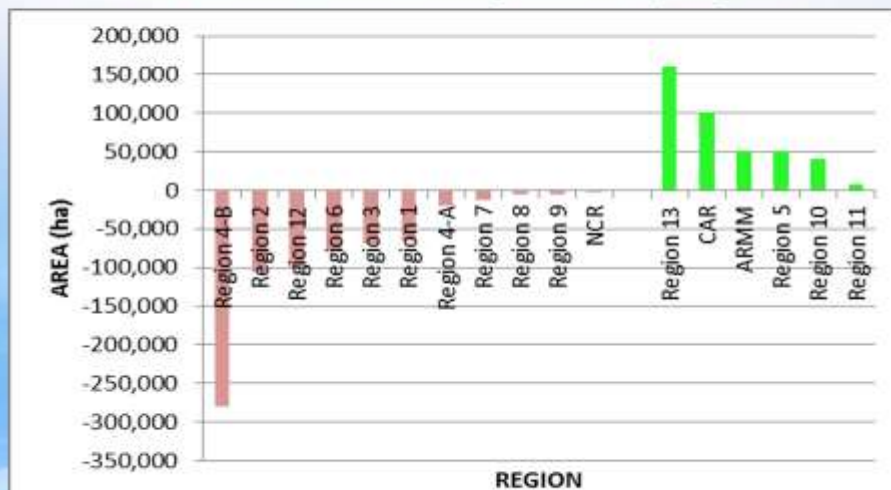


- Forest cover decreased by 328,682 ha i.e. from 7,168,400 ha in 2003 to 6,839,718 ha in 2010 or an ANNUAL FOREST COVER LOSS of 46,954 ha.

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CURRENT STATE OF THE FOREST

Total Forest Cover Change in the by Region



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Guiding Principle in Forest Management

- a) Forestlands and resources shall be managed on sustainable basis in order to meet the needs of present and future generations for forest products and other vital ecological services;
- b) Access to and use of forest lands and resources for production, livelihood, or other services are to be equitably granted by the State, consistent with the principles of social equity and environmental justice; and
- c) The management of forestlands and resources shall be a shared responsibility among all stakeholders consistent with the rule of law and international commitments, and the principles of transparency, accountability and public participation.

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Forestry Master Plan Goals

- To place all forestlands under sustainable forest management in order to meet demands for forest goods and ecosystem services and promote climate resilience
- To sustainably manage watersheds in partnership with stakeholders
- To strengthen resilience of forest dependent communities to climate change hazards
- To place all forestlands under appropriate management arrangements
- To enhance decision making through improved systems on information management and monitoring and evaluation

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Constitutional Provisions

- 1987 Philippine Constitution

"The protection, conservation, development, and utilization of forestlands and forest resources shall be governed by the basic policies on natural resources management as contained in the 1987 Philippine Constitution."

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Constitutional Provisions

- 1987 Philippine Constitution

"The protection, conservation, development, and utilization of forestlands and forest resources shall be governed by the basic policies on natural resources management as contained in the 1987 Philippine Constitution."

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Constitutional Provisions

- 1987 Philippine Constitution

"The state shall protect and advance the right of the people to a balanced and healthful ecology in accordance with the rhythm and harmony of nature."

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Constitutional Provisions

- 1987 Philippine Constitution (Article XII, Section 2)

"All lands of public domain, water, minerals coals, petroleum and other mineral oils, all forms of potential energy, fisheries, forests and other natural resources are owned by the State. The exploration, development and utilization of natural resources shall be under the full control and supervision of the State."

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Constitutional Provisions

- **1987 Philippine Constitution (Article XII, Section 4)**

"The congress shall, as soon as possible, determine by law the specific limits of forest lands and national parks, marking clearly their boundaries on the ground.

Thereafter, such forest lands and national parks shall be conserved and may not be increased nor diminished; except by law, the congress shall provide, for such period as it may determine measures to prohibit logging in endangered forests and watershed areas."

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Major Environmental Laws

- ❑ **Presidential Decree No. 705 as amended by E.O. No. 277 (Revised Forestry Code of the Philippines) - May 19, 1975**

- It remains the basic forestry law governing forests in the Philippines.
- It provides for a system of land classification; and
- Basis for utilization and management (including reforestation and forest protection) based on sustained use management, and penalties for illegal logging and other forms of forest degradation.

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Major Environmental Laws

❑ **PD 705** provides the foundation for good forest rehabilitation and governance but is now wanting given the requirements of current realities.

- Efforts to have a new national forestry law have been on-going since 1992 but have been hampered by the debate on whether or not to continue commercial logging in the remaining natural forests.
- Notwithstanding this constraint, the focus on utilization has somehow been counter balanced by Executive Orders.

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Major Environmental Laws

❑ **Republic Act No. 7161** (Oct. 10, 1991)

- Incorporating certain Sections of the National Internal Revenue Code of 1977, as amended, to PD No. 705, and providing amendments by increasing the forest charges on timber & other forest products
- Banning the cutting of Mangrove nationwide
- DAO No. 2000-63– Rates of Forest Charges Pursuant to R.A. No. 7161

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Major Environmental Laws

☐ **Republic Act No. 9175 Chainsaw Act** (Nov. 7, 2002)

- An Act regulating the ownership, possession, sale, importation and use of chainsaws, penalizing violations thereof and other purposes
- DAO No. 2003-24 Implementing Rules & Regulations of R.A. No. 9175

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Major Environmental Laws

☐ **Republic Act No. 10176** (Sept. 12, 2012)

- An Act reviving the observance of Arbor Day by authorizing the LGUs the responsibilities for celebrating the day for tree planting as an annual event

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Major Environmental Laws

☐ **Executive Order No. 277** (1987)

- Amending Section 68 of PD No. 705, as amended for the purpose of penalizing possession of timber or other forest products w/o the legal documents
- Authorizing the confiscation of illegally cut, gathered, removed, and possession of forest products
- DAO No. 97-32 – Rules for Administrative Adjudication of Illegal Forest Products & Machinery, Equipment, Tools & Conveyances

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Major Environmental Laws

☐ **Executive Order No. 263** (1995)

- Adopting Community-Based Forest Management as the National Strategy to ensure the sustainable development of the country's forestlands resources and providing mechanisms for its implementation
- DAO No. 96-29 – Rules & Regulations for the Implementation of E.O. No. 263

☐ **Executive Order No. 318**

- It shall be the Policy of the Government to pursue sustainable management of forests and forestlands in watersheds.

Major Environmental Laws

❑ Executive Order No. 23 (February 1, 2011)

- Declaring a Moratorium on the Cutting and Harvesting of Timber in the Natural and Residual Forests
- Creating the Anti-illegal Logging Task Force



Illegal Logging Hotspot Areas

Before and After the Issuance of EO No. 23

MAJOR ISLAND	No. of Provinces		No. of Municipalities	
	Before	After	Before	After
Luzon	30	5	121	9
Visayas	10	2	48	0
Mindanao	11	5	28	14
TOTAL	51	12	197	23

Hotspot provinces has been drastically reduced by 76% while 88% for hotspot municipalities.



Illegal Logging Hot Spot Areas **Before** the Issuance of EO No. 23

Summary:

Province – 51
Municipality - 197

● Hot spot areas



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Illegal Logging Hot Spot Areas **After** the Issuance of EO No. 23

Summary:

Province – 12
Municipality - 31

● Hot spot areas



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Exemptions Under Section 2, Item 2.2 of E.O. No. 23

- Clearing of road right of way by the DPWH
- Site preparation for tree plantations
- Silvicultural Treatment
- Similar Activities

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Exemptions under "similar activities"

(as enumerated per Memo from the Office of the Executive Secretary dated 20 October 2011)

☐ Renewable energy projects



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Exemptions under “similar activities”

(as enumerated per Memo from the Office of the Executive Secretary dated 20 October 2011)

- ❑ Construction of transmission lines, telecommunications sites, substation sites, and other power generation projects, including maintenance activities on existing lines



Transmission lines



Telecommunication sites

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Exemptions under “similar activities”

(as enumerated per Memo from the Office of the Executive Secretary dated 20 October 2011)

- ❑ Infrastructure projects undertaken by gov’t. entities through private contractors



Rehabilitation/ Road widening/
Road Right of way



Airstrip

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Exemptions under “similar activities”

(as enumerated per Memo from the Office of the Executive Secretary dated 20 October 2011)

- ❑ Trees in public and private places that pose danger
- ❑ Mining operations with approved Environmental Protection and Enhancement Program (EPEP)
- ❑ Other priority activities of government and government-approved projects and programs and certified as a priority project by the President



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Major Environmental Laws

- ❑ **Executive Order No. 26** (February 24, 2011)
 - Declaration of the implementation of a National Greening Program (NGP) as a government priority
 - Planting of some 1.5 billion trees covering about 1.5 million hectares for a period of six (6) years (2011-2016)



Existing Policies

❑ Memo No. 74 (February 5, 2013)

Clarification on the Suspension of the Processing of All Request for Cutting Permit

1. Cutting of planted trees w/in private lands shall be allowed subject to the clearance to be issued by the concerned Regional Director



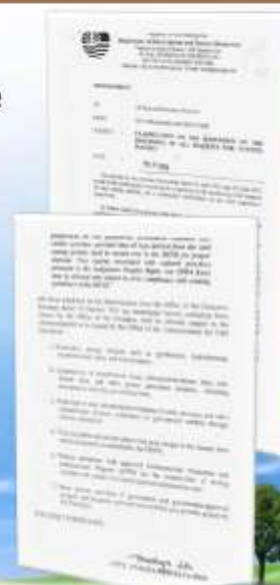
Existing Policies

❑ Memo No. 74 (February 5, 2013)

Clarification on the Suspension of the Processing of All Request for Cutting Permit

2. Cutting of planted trees w/in public forest & covered by existing tenure instruments shall be allowed provided that a clearance shall be issued by RD

Provided that the cutting activity is accordance w/ pertinent plans like IOP, CRMF/FYIOP, etc. that are duly approved by the OUFO

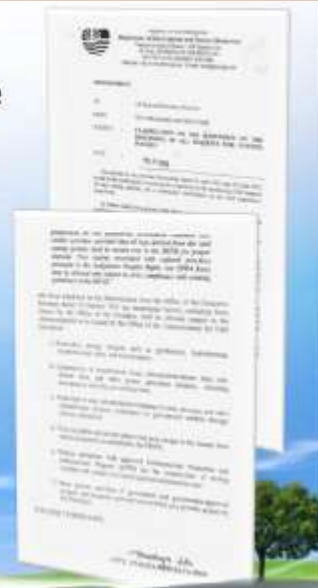


Existing Policies

❑ Memo No. 74 (February 5, 2013)

Clarification on the Suspension of the Processing of All Request for Cutting Permit

3. Cutting of naturally growing trees, including premium species, within private lands and those to be affected by land development and government projects, including those cleared by OP, shall be allowed subject to Clearance/ Permit to be issued by the Office of the Undersecretary for Field Operations



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Existing Policies

❑ Memo No. 74 (February 5, 2013)

Clarification on the Suspension of the Processing of All Request for Cutting Permit

4. Cutting of naturally growing trees within public forest/timber lands shall be allowed as provided in the exemptions under Sec. 2, Item 2.2 of E.O. No. 23
 - Clearing of road right of way by the DPWH
 - Site preparation for tree plantations
 - Silvicultural Treatment
 - Similar Activities (as enumerated per Memo from the Office of the Executive Secretary dated 20 October 2011

...Subject to clearance/permit to be issued by the Office of the Undersecretary for Field Operations



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Existing Policies

☐ Memo of the Secretary dated Aug 11, 2014 on Tree Cutting for Road Widening Project

- Requiring endorsement by DPWH Secretary
- Must be vetted first by DPWH Secretary prior to approval of ECCs and tree cutting permits



Existing Policies

☐ DAO 99-46 – entitled “Revised Rules and Regulations Governing the Entry and Disposition of Imported Logs, Lumber, Veneer, Plywood, Other Wood Based Panels, Poles and Piles, Pulpwood and Wood Chips”

- ✓ Regulate the **importation and transportation** of imported Logs, Lumber, Veneer, Plywood, Other Wood Based Panels, Poles and Piles, Pulpwood and Wood Chips by **issuing Authority to Import** (for TLA, IFMA WPP) or **Certificate of Registration as Importer** (for dealers, agent, contractor and wood furniture manufacturer). Such documents will also serve as the Transport documents of the imported forest based products.



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Existing Policies

❑ DMC 99-20 “Supplemental Guidelines Governing the Registration, Harvesting, Transport and Marketing of Timber By-Products Coming From Private Plantations Within Private Lands or Tax Declared Alienable or Disposable Lands ”

- All private plantation within titled or tax declared A&D lands should be registered in the CENRO having the jurisdiction over the area. All transported timber within private plantation shall secure and accomplish a **Self Monitoring Form (SMF)** from the CENRO concerned indicating the information required therein.



Existing Policies

❑ DAO 2007-31 “Amending certain Provisions of DENR Administrative Order No. 07, series of 1994 and Prescribing the use of Computer Generated Certificate of Timber Origin (CTO) and Certificate of Lumber Origin (CLO) Forms”

- Adoption of **Computer Generated CTO and CLO systems** that uses two bar code numbers which are randomly generated for additional security measure and assigned computer based serial numbers.
- Issued CTO/CLO are subject to confirmation by the FMB



Policy Directions

☐ Sustain the gain of the National Greening Program

- Increase forest cover and rebuild the forest resources base
- Rehabilitation of the remaining degraded forestland
- Increase capacity of forest to provide ecosystem services for water, biodiversity, reduce erosion and carbon sequestration



Policy Directions

☐ Strengthen forest governance

- Improve forest protection on the ground through the use of advance technology (GIS, Remote Sensing, Aerial Photogrammetry)
- Improve/Strengthen field level forestry (PENRO, CENRO)
- Capacity building on forest protection and law enforcement
- Strengthen coordination with the AFP, PNP and other law enforcement agencies



Policy Directions

☐ Encourage and enable investment in large scale forest plantation, agroforestry, and for energy purposes

- Create and enabling environment for investment
 - Policy consistency and logical regulation
 - Strong forest governance and minimal corruption
 - Secure property rights
 - Reduce bureaucratic red tape
- Encourage re-tooling of the wood industry
 - Secondary processing and remanufacturing facilities
 - Development of new products other than wood (bamboo, rattan, nipa)
- Investment in research and development
 - Tree improvement program
 - Clonal nursery

Policy Directions

☐ Institutional readiness with emerging legal framework

- REDD+ and forest carbon accounting
- Forest certification and legal verification
- Land use, land use change and forestry (GHG inventory)



Policy Directions

☐ Forest to ensure continuous delivery of various ecosystem services

- Provisioning services (food, timber, NTFP, medicine, resin, latex)
- Regulating services (soil and water conservation, carbon sequestration, clean air)
- Cultural services (aesthetic value, ecotourism, educational)



Priority Programs

☐ NATIONAL GREENING PROGRAM

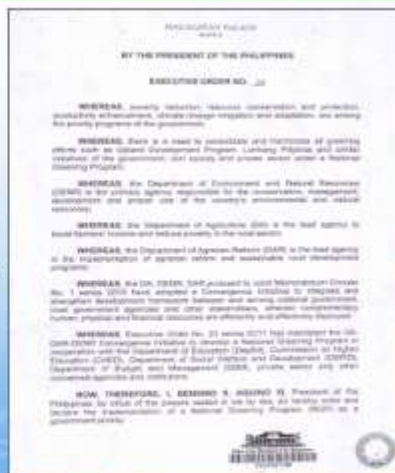
- Mechanization and Modernization of Forest Nurseries (MMFN)

☐ NATIONAL FOREST PROTECTION PROGRAM



NATIONAL GREENING PROGRAM

- Executive Order No. 26 signed on February 24, 2011
- Launched on May 13, 2011



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Accomplishments in AREA PLANTED (Hectare) CY 2011 – Jan.5, 2015

2011		2012		2013		2014		Total	
Target	Accom	Target	Accom	Target	Accom	Target	Accom	Target	Accom
100,000	128,558 (129%)	200,000	221,763 (111%)	300,000	333,161 (111%)	300,000	321,532 (107%)	900,000	1,005,013 (112%)



Brgy. Bajuno, Naga, Zamboanga Sibugay
(Mangrove Plantation)



Brgy. Bamban, Ayungon, Negros Oriental
(Mangrove Plantation)

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Establishment of Mechanized and Modernized Forest Nurseries (MMFN)



NATIONAL FOREST PROTECTION PROGRAM

- ☐ protect the remaining natural forest of the country
- ☐ allow the forest to regenerate
- ☐ provide ecosystems services to the local people and the economy

Effectively and efficiently protect the country's forests from further destruction and degradation by choosing varied menu of strategies and menu of activities that served as options to the DENR Field Offices.

Menu of Activities

1. Full logistic and material support (i.e. CCTV, radio communication system)
2. Improvement of infrastructures, provision of institutional support in investigation and prosecution of forestry cases
3. Active collaboration and involvement of forest communities and other stakeholders
4. Undertake capacity building for Forest Protection Officers
5. Sustain a well-planned IEC campaign
6. Consistent apprehension and mandatory administrative adjudication
7. Effective Forest Fire, Pest and Disease Management measures
8. Pursue Sustainable Forest Management

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Way Forward... Initiatives Relative to Forest Governance and Timber Legality Verification

☐ National Forest Monitoring System

"Establish a system that shall monitor, account and put associated value to forest resources and change such as, but not limited to ecosystem services that are consistent with national and international reporting requirements towards achieving sustainable forest management."

7th Annual Training Workshop on "Sustainable Forest Resource Management"

Way Forward... Initiatives Relative to Forest Governance and Timber Legality Verification

☐ National Forest Monitoring System

Objectives:

- To determine the current status of forest resources, other land cover, land use and forest ecosystem services
- To generate needed data and information for the preparation of national communication, biennial update report, country report
- To identify “key” drivers (activities) of land use change and determine their impacts

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Way Forward... Initiatives Relative to Forest Governance and Timber Legality Verification

☐ National Forest Certification System

- The guidelines to establish a national certification system was drafted and has undergone different levels of consultation with stakeholders
- It has the following features:
 - ✓ Establishment of an independent body that will implement the forest certification system
 - ✓ Accreditation of certifiers/certification bodies by an Accreditation Body
 - ✓ Adoption of a national standard for Forest Management Certification (C and I) and Chain of Custody (CoC) which shall be reviewed and refined every five years

7th Annual Training Workshop on “Sustainable Forest Resource Management”

Way Forward... Initiatives Relative to Forest Governance and Timber Legality Verification

☐ National Forest Certification System

- The proposed forest management standard is anchored on the Philippines C and I for SFM
- The series of consultation for the draft standards has just been concluded both at regional and National level
- Pilot testing in selected sites is on-going
- The issuance of the guidelines for Philippine Forest Certification System (PFCS) will facilitate the creation of a National Governing Body that will initiate the implementation
- Initial Fund to establish and operate the PFCS will be coming from the government

7th Annual Training Workshop on "Sustainable Forest Resource Management"

Way Forward... Initiatives Relative to Forest Governance and Timber Legality Verification

☐ Timber Legality Assurance System

- On-going review of related forest laws, rules and regulations as part of the process to develop a PTLAS
- Other related development
 - ✓ Parallel with government initiatives is the effort of the timber industry to develop a guidebook that contains necessary information required to demonstrate the legality of timber coming from the Philippines
 - ✓ Other private initiatives include capacity building project to develop local expertise to assist Chain-of-Custody (CoC) systems implementation and auditing

7th Annual Training Workshop on "Sustainable Forest Resource Management"

Way Forward... Initiatives Relative to Forest Governance and Timber Legality Verification

☐ Timber Legality Assurance System

- It tries to present all the required documentation and system of verification to facilitate compliance with Due Diligence requirements of major international markets
- This is to develop a pool of auditors to conduct credible 3rd party compliance audits and certification of relevant CoC standards
- Both project is funded under the EU-FAO FLEGT Support Programme



Foreign Assisted Programs

- ☐ FORESTLAND MANAGEMENT PROJECT (FMP)
- ☐ INTEGRATED NATURAL RESOURCES AND ENVIRONMENT MANAGERMENTAL PROJECT (INREMP)
- ☐ BIODIVERSITY AND WATERSHEDS IMPROVED FOR STRONGER ECONOMY AND ECOSYSTEM RESILIENCE (B+WISER) PROGRAM
- ☐ NATIONAL REDD+ SYSTEM PHILIPPINES PROJECT



Forestland Management Project (FMP)

- ☐ Rehabilitate degraded forestlands in **three (3) critical river basins**
 - ☐ Upper Magat and Cagayan River Basin (Regions CAR & 2)
 - ☐ Pampanga River Basin (Region 3)
 - ☐ Jalaaur River Basin (Region 6)
- ☐ Improve **forest conservation** and **social and economic conditions** affected communities
- ☐ Contribute to **disaster risk mitigation** efforts in vulnerable areas
- ☐ Strengthen **forestland management** through Community Based Forest Management



Integrated Natural Resources and Environmental Management Project (INREMP)

Improved condition of **watersheds generating livelihood benefits** in the four **(4) Upper River Basins**

- ☐ Upper Chico River Basin (Region CAR)
- ☐ Upper Wahig-Inabanga River Basin (Region 7)
- ☐ Upper Bukidnon River Basin (Region 10)
- ☐ Lake Lanao River Basin (ARMM)



Biodiversity and Watersheds Improved for Stronger Economy and Economy and Ecosystem Resilience (B+WISER) Program

OBJECTIVES

- ☐ Conserve biodiversity in forest areas
- ☐ Reduce forest degradation in targeted priority watersheds
- ☐ Build capacity to conserve biodiversity, manage forests, & support low emissions development; and
- ☐ Contribute to disaster risk reduction at the sub-national level

7 Project Sites: Northern Sierra Madre Nat. Park (R2), Kaliwa Upper Marikina (R4a), Naujan Lake Nat. Park (R4b), Kinali (R5), Bago Watershed Forest Reserve (R6), Mt. Kitanglad Range Natural Park (R10), Mt. Apo Natural Park (R11 & R12)



National REDD+ System – Philippine Program

OBJECTIVES

- ☐ Use a national framework for implementation of REDD+ based on ecological and social safeguards to reduce greenhouse gas emission; and
- ☐ To achieve co-benefit of biodiversity conservation and livelihood improvements

Project Sites: Davao Oriental, Eastern Samar, & Albay





**CONTRIBUTION TO THE FOREST GOVERNANCE AND POTENTIAL TIMBER
CERTIFICATION THROUGH THE IMPLEMENTATION OF COMMUNITY FORESTRY
PROGRAMS IN SRI LANKA – CASE STUDY - A.W.W.L ABEYGUNASEKARA AND
W.W.M.P.S.C. PALAMAKUMBURA**



**Mr. Ahangama W.W.L. Abeygunasekara from Sri Lanka giving the Sri Lankan Country
Report**

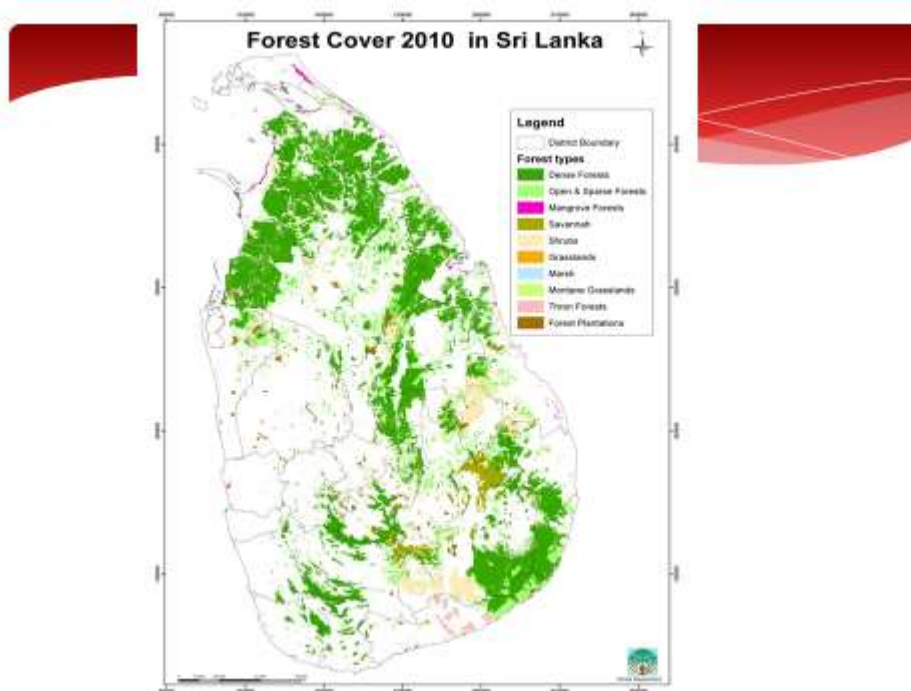


Mr. W M P. S. C. Palamakumbura from Sri Lanka



Background

- * The forest cover was as high as 70% of the total land area of the country in the year 1900
- * Since that time the closed canopy natural forest cover has dwindled rapidly from about 70% to 44% in 1956 and about 22.2% (1.46 million ha) in 2010
- * The total extent of natural forest cover in Sri Lanka (including sparse forests) in 2010 was 1.9 million ha representing around 29% of the land area of the country.
- * The per capita forest land has declined from 0.32 ha in 1956 to 0.09 ha in 1992 and 0.86 in 2010



Community oriented forestry related issues identified prior to the policy development

- Insufficient alternative livelihoods for the community involve in illegal extraction of timber or the unsustainable harvesting of NTFPs
- Absence of assigning management responsibility to communities along with awareness and fire control measures
- Inadequate consideration on home gardens which can produce timber, firewood and income to people
- A potential development of woodlots could provide a source of income and help to meet the demand for timber in Sri Lanka (more than 40% of timber in Sri Lanka is derived from woodlots and home gardens as at 1993).

Main underlying causes for Deforestation and Forest Degradation

- The rapid population increase in the past
- Conversion of natural forests into plantation agriculture (coffee, tea, rubber, coconut etc). During the colonial period.
- Large scale agricultural expansion and settlement schemes. Mainly during 1950 - 1990
- Poverty - which is often associated with landlessness
- Shifting (slash & burn) cultivation (*chena cultivation*)
- Excessive harvesting of natural forests for timber production (prior to 1990) – A total logging ban was imposed in 1990

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Evolution of Community Forestry Management in Sri Lanka - Policies and Plans

- * Community Forestry in Sri Lanka started in 1980's where the concept of Community Forestry was first introduced to the National Forest Policy
- * National Forest Policy (NFP) of 1995 incorporated development of partnerships with local communities
- * The Forestry Sector Master Plan (1995), which built on the NFP, presents a comprehensive long term development framework for the Forestry Sector of Sri Lanka
- * It also emphasized the need for empowering people and rural communities to manage and protect multiple-use forests mainly for their own benefits

Sri Lanka Forest Policy (1995)

The Forest Policy approved by the government in 1995 states that all the forest areas are to be managed in a sustainable manner in order to ensure the continued existence of important ecosystems and flow of forest products and services. It also recognizes and respects the traditional rights, cultural values and religious beliefs of people living in and adjacent to forest areas. There are adequate provisions for collaborative management of protected areas and for benefit sharing.

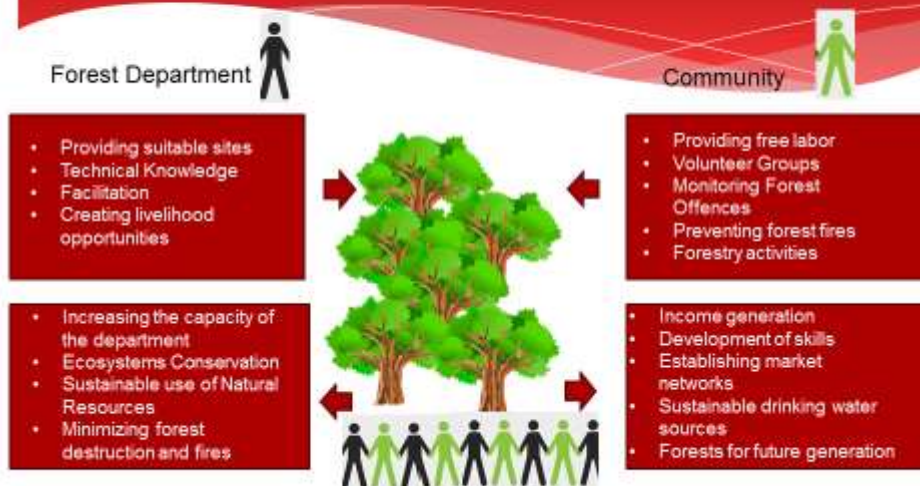
Objectives of the Forest Policy

- * To conserve forests for posterity, with particular regard to biodiversity, soils, water, and historical, cultural, religious and aesthetic values.
- * To increase the tree cover and productivity of the forests to meet the needs of present and future generations for forest products and services.
- * **To enhance the contribution of forestry to the welfare of the rural population, and strengthen the national economy, with special attention paid to equity in economic development.**

Community Forestry Projects implemented since 1980s

- * Community Forestry Project (1982) Funded by ADB
- * Participatory Forestry Project (1993) Funded by ADB & Aus AID (Food Aid component was funded by Aus AID)
- * Participatory Forest Management Project (1996) Funded by DFID
- * “Contributing to the Conservation of Unique Biodiversity in the Threatened Rain Forests of South-west Sri Lanka” (2003) Funded by GEF/UNDP
- * Sri Lanka Australia Natural Resource Management Project (SLANRMP) (2003-2009) Funded by Aus AID
- * Sri Lanka Community Forestry Program (SLCFP) (2012-2015) Funded by Australian Aid – On going program

Community Forestry Core Model in Sri Lanka



Forest Governance through CFP

- Participation of local communities, state and non state stakeholders in Forest Management.
- The approved Forest Policy states that all forest areas must be managed in sustainable manner ensuring existence of ecosystems, forest products and services.
- Respecting the traditional rights, cultural values, religious beliefs and rights and needs of the indigenous people
- Access to the community for forest information and clarity about government rules and regulations related to forestry
- Flexibility to the community in using NTFP and releasing lands upon agreements for farmers' woodlots, one of the best income generating option for people



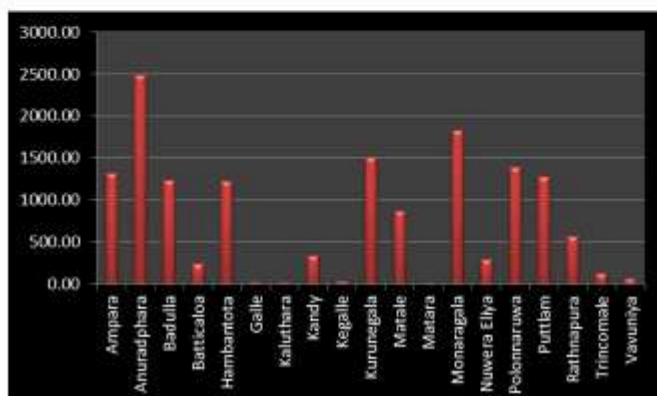
Establishing farmers' woodlots through CFP

Selected farmers are given 0.5-1.0 hectare of state lands each on a forest agreement for a period of 25 years and Forest Department provides planting materials and technical knowhow free of charge. Farmers are encouraged to cultivate cash crops in between forest trees and they are entitled to the entire harvest from cash crops and timber.



Farmers 'woodlots (1993-2011)

Approximately 15,000 ha had been allocated for farmers' woodlots during 1993 – 2011 in 18 districts of Sri Lanka



Contribution of Home garden and Non Forestry sector to timber logging

Supply	1985	1993
Natural forests	425 (44.3%)	5 (0.4%)
Forest plantations	80 (8.3%)	47 (3.7%)
Homegardens and other non-forest sources	260 (27.0%)	550 (43.4%)
Rubber plantations	120 (12.5%)	230 (18.1%)
Coconut/palmyrah plantations	75 (7.8%)	150 (11.8%)
Unrecorded (including illegal supplies)	-	286 (22.6%)
Total domestic log supply	960 (100%)	1 268 (100%)

Sri Lanka's domestic supply of logs before and after the logging ban (thousand m³). (Source: H. M. Bandaratilake, (1993), *Impacts and effectiveness of logging bans in natural forests: Sri Lanka*)

Contribution of Home garden and Non Forestry sector to timber logging

The supply of industrial logs from natural forests in 1993 had been reduced to negligible levels due to the introduction of the logging ban and the allocation of increased areas for conservation in 1990.

Hence the Home gardens and other non-forest resources have become the leading source of log supply in Sri Lanka

The farmers' woodlots established and maintained by the community in CFP comes under the Home Garden and other non-forest resources since the woodlot agreements are being signed between the community (private sector) and the Forest Department (state sector) for long term

Instruments available for timber certification in Sri Lanka: FSC

The Forest Stewardship Council (FSC) has introduced as international labeling scheme for forest products, which provides a credible guarantee that the product comes from environmentally responsible, socially beneficial and economically viable sustainably managed forest.

Benefits for the forests through timber certification

- * Forest illegality can be discouraged
- * Optimal payment of forest rent
- * Legality standards recognized differences in the scale of timber production
- * The independence of timber legality monitoring
- * New technologies to improve forest law enforcement, transparency and governance. Political, legislative and institutional support is essential for their effective deployment
- * Timber legality verification plays a useful role in wider forest governance reform

Potential benefits for the woodlots holders through timber certification

- * Development of international market oriented wood based industries
- * Strengthen the linkages between the community with the private entrepreneurs, logging buyers
- * Gaining competitive advantages

Conclusion

- * The forest cover in Sri Lanka is under threat due to the increase of development needs, growth of the population etc.
- * The sustainability of forests could be threatened by over exploitation of forestry resources, forest degradation, soil infertility and etc.
- * The Forest Policy of Sri Lanka encourages the participation of the community in Forest Management that will be contributed significantly to the Forest Governance.
- * The Forestry interventions of CFP could be improved and expanded by introducing timber certification

Thank You



Ms Nisabhat Tonwoot from Thailand- Presenter of the Thailand country Report



Mr Prayuth Seawym from Thailand



**Developing Timber Certification System for
Exporting Timber out of The Kingdom of Thailand,
in Preparation of AEC and EU FLEGT**



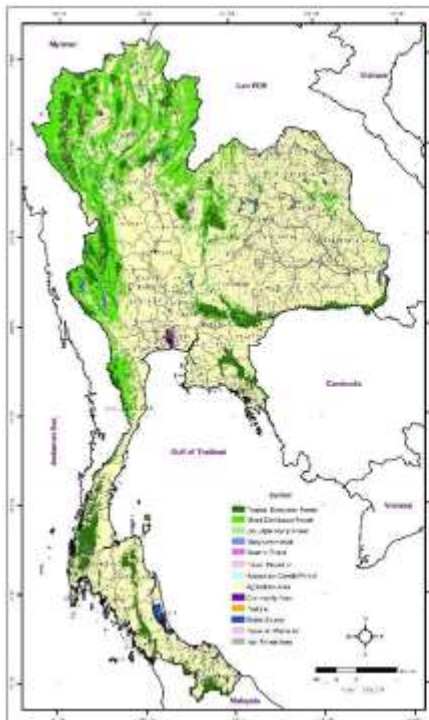
Outline : **Country Profile**

- : Organization**
- : Black ground & Problem**
- : Thailand 's Certificate Process**
 - Certification- Legality**
 - Capacity Building**
- : THAILAND- EU FLEGT Procedure**
- : Challenges**
- : Next Step**



Country Profile

- **Location** : Southeast Asia, 4 neighbor countries
- **Land area** : 513,120 sq km (51.3 million ha)
- **Population** : 67 million
- **Capital city** : Bangkok
- **Head of state** : His Majesty King Bhumibol
- **Head of government** : The prime minister
- **Official language** : Thai
- **National religion** : Buddhism
- **Local climate** : Tropical,
(rainy, winter, summer)



Forest Resource in Thailand

Existing forest area in 2014

171,585.65 sq.km. 33.44%

North	95,074.74 sq.km.	18.5 %
North East	27,555.54 sq.km.	5.4 %
South	20,832.92 sq.km.	4.1 %
Central	20,832.40 sq.km.	3.9 %
East	8033.40 sq.km.	1.6 %

Types of forest

⇒ Evergreen forest

- Tropical evergreen forest
- Dry evergreen forest
- Mangrove forest
- Swamp forest
- Beach forest

⇒ Deciduous forest

- Mixed deciduous forest
- Dry dipterocarp forest
- Pine-deciduous dipterocarp forest

Evergreen forest



Tropical evergreen forest



Mangrove forest



Dry evergreen forest



Swamp forest



Beach forest

Deciduous Forest



Pine- deciduous
dipterocarp forest



Mixed deciduous forest



Dry dipterocarp forest



Developing Timber Certification System for
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Organization ...

Who we are & what we do?



**Developing Timber Certification System for
Exporting Timber out of The Kingdom of Thailand,
in Preparation of AEC and EU FLEGT**





Ministry of Natural Resource and Environment (MNRE)

Forest Sector

1. The Royal Forest Department (RFD)
(Protection Forest ... Wildlife Santa.)
2. Department of National Parks Wildlife and Plant Conservation (DNP)
(Conservation Forest...National Parks)
3. Department of Marine and Coastal Resource (MCR)
(Coastal areas and Mangrove forest)
4. Forest Industry Organize (FIO)
(Economics Forest Plantation...Teak, Eucalyptus spp. Rubber Wood)



**Developing Timber Certification System for
Exporting Timber out of The Kingdom of Thailand,
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Forest Certification Office (RFD)

Vision

**Building confidence in forest certification
and sustainable forest management leading to
international market recognition**

Mission

**Develop effective technology to
develop standards and forest certification**






Developing Timber Certification System for
Exporting Timber out of The Kingdom of Thailand,
in Preparation of AEC and EU FLEGT



Forest Certification Office

- Issuing Certificate
(Roundwood Woodproducts Woodcharcoal)
- Advising exporters
- Preparation of forest management standard
- EU- FLEGT VPA
- NSW (AEC)



Developing Timber Certification System for
Exporting Timber out of The Kingdom of Thailand,
in Preparation of AEC and EU FLEGT



Black ground & Status of Forest in Thailand ??

- The Royal Forest Department's remit is protect natural forest and thus, with a logging ban applying to natural forest in 1989 (B.E 2532) in order to prevent and combat harvesting timbers from natural forest



**Developing Timber Certification System for
Exporting Timber out of The Kingdom of Thailand,
in Preparation of AEC and EU FLEGT**



- **Laws and rules** regarding planting, harvesting, transporting and making use of timbers **have been improved to be more strict**
most of timbers used are imported and planted timbers



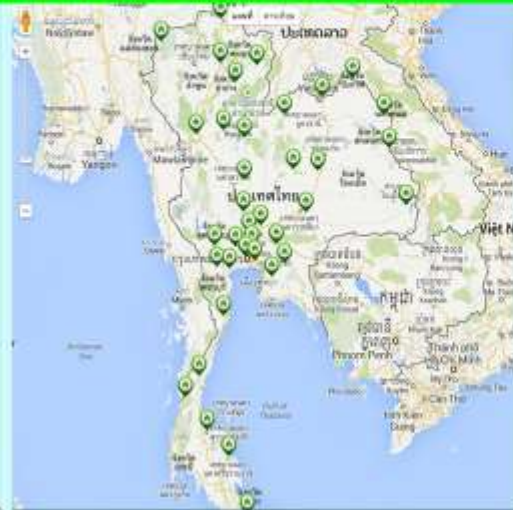
**Developing Timber Certification System for
Exporting Timber out of The Kingdom of Thailand,
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Imported timbers....How are they controlled?

Thailand has procedures to verify documents and evidence **at import checkpoints on the border and within country** in order to verify and prove the legality of the imports, as well as the transportation of timber products, to ensure that timber will be delivered to the right destination.

How are they controlled? Imported Timbers



Forest Act in 1941 (B.E 2484)

Forest Check points

Total 38 located

North 13

North East 9

Central 13

South 6

The Royal Forest Department's staff and The Custom Department's staff



Details of Certificate

- Source & Origin of Goods (Co)
- Species
- Quantity & description
- Forest check point
- Final Destination





Developing Timber Certification System for
Exporting Timber out of The Kingdom of Thailand,
in Preparation of AEC and EU FLEGT



Planted timbers **How are they controlled ?**

The Forest Plantation Act 1992 (B.E. 2535)

- Regulations require land owners to register their tree plantations with The Royal Forest Department's local offices, but timbers that have been harvested from private land and farmer's land cannot be exported.



Developing Timber Certification System for
Exporting Timber out of The Kingdom of Thailand,
in Preparation of AEC and EU FLEGT



Problem? *Not all of species* of timbers is allowed to be exported

1. Notification of Ministry of Commerce regulation on defining Timber to be Permitted prior to Exporting out of the kingdom In 2012 (B.E. 2555)

2. Rules of Ministry of Commerce Regarding Criteria, Methods and Conditions to Export Wood and Sawn wood out of The Kingdom In 2006 (B.E. 2549)

Wood timber which can be exported only in 3 cases

1. *Casuarina junghuhniana* that is planted private land or harvested from forests on government or state enterprise land that to use the land for their benefit is allowed to be export up to the volume indicated in certificate

2. Forest plantation, such as *Eucalyptus spp* or fast-growing tree in *Acacia spp.* Is required certificate from The Royal Forest Department.



Wood timber which can be exported only in 3 cases

3. Teak Planted is grown on public land is allowed to be exported only by the Forest Industry Organization (FIO) which, is the state-owned enterprise under the Ministry of Natural Resource and Environment (MNRE).



Rule of Ministry of Commerce In 2006 (B.E. 2549)

Rubber wood **is not defined**
it can be exported with out any
limit of volume and size
it is defined as agricultural
product Rubber wood is merely
a by-product of rubber tree
plantation

[illegible]

Charcoal is it certified?

**Ministry of Commerce
regulation
In 2006 (B.E. 2549)**

- Requires the licensing of exports of wood charcoal from wood which is planted on private land (*Mangrove spp. Eucalyptus spp.*)
- imported Charcoal
- it can be exported by transit point License

[illegible]

[illegible]



Certification of Wood charcoal

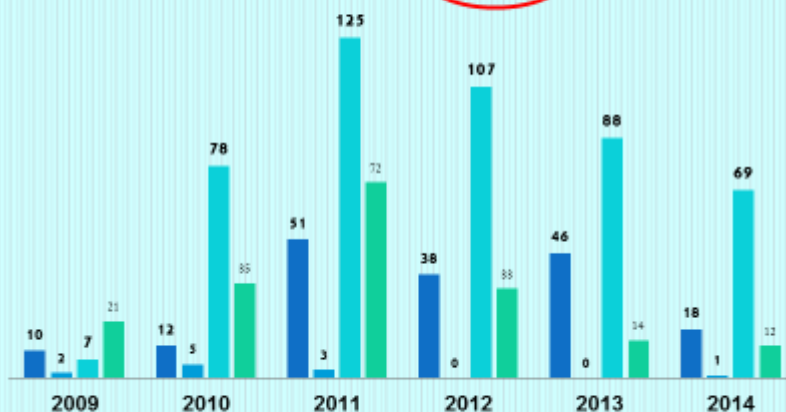
Ministry of Commerce regulation In 2006 (B.E. 2549)

Certification of wood charcoal is required if
the wood is from planted private land
(*Mangrove spp.*, *Eucalyptus spp.*)
imported Charcoal it can be exported by
transit point License



Number of Certification issue by Wood Certification Office in 2009-2014

■ Round wood ■ Sawn timber ■ Wood chips ■ Wood product



Remak
number of the certificated is issued by Wood Certification Office

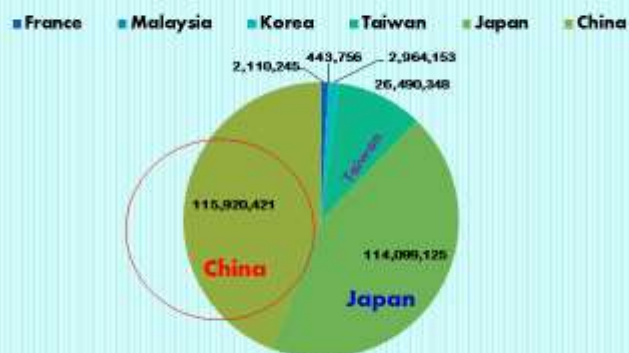
The export value of Round wood in 2015 (*Eucalyptus spp.*)



Remake 1USD =33.8 (30 June 2015)

value of export from the certification of Round wood is issued by Wood Certification Office

The export value of Wood chips in 2015



Remake 1USD =33.8 (30 June 2015)

value of export from the issuance of certificate of Wood products by Wood Certification Office
Royal Forest Department

The export value of Wood products in 2015



Remake 1USD =33.8 (30 June 2015)

value of export from the issuance of certificate of Wood products by Wood Certification Office
Royal Forest Department

The export value of Wood charcoal in 2015



Remake 1USD =33.8 (30 June 2015)

value of export from the issuance of certificate of Wood products by Wood Certification Office
Royal Forest Department

Final Destination of Goods From Thailand



Thailand's update preparation for EU FLEGT VPA

Outline: Procedure of FLEGT VPA in THAILAND

- **Progress**
 - Preparation stage
 - Negotiation stage (now)
 - Implementation stage
- **Next step**
- **LD in Thailand**



Thailand's update preparation for EU FLEGT VPA

Preparation stage

- 2009 RFD first joining on FLEGT by meeting with EU.
- 2010 RFD FLEGT Committee
- 2011 National FLEGT Committee
- 2012 National FLEGT Sub-committees



Thailand's update preparation for EU FLEGT VPA

Study and Academic Documents

- Timber Flows and Their Control in THAILAND by EFI EU and GoT.
- long list of regulations
- Civil Society Organization contribute Capacity Building for local people



Thailand's update preparation for EU FLEGT VPA

Negotiation stage

- 2013 RFD first starting of Video Conference at Ministry of National Resources and Environment, Permanent Secretary is Chairman.
- 2013 Launching Event
- 2013 Joint Expert Meeting (JEM 1) technical mission in Legality Definition.
- 2014 Ad hoc working group for LD



Thailand's update preparation for EU FLEGT VPA

Negotiation stage

- The Thai-EU FLEGT VPA Secretariat Office (TEFSO)
- Technical expert consultant 1 person
- Administrative Assistant 2 Persons



Thailand's update preparation for EU FLEGT VPA

Next step

- The Meeting of Ad-hoc working group for preparing LD and stakeholder engagement.



Thailand's update preparation for EU FLEGT VPA

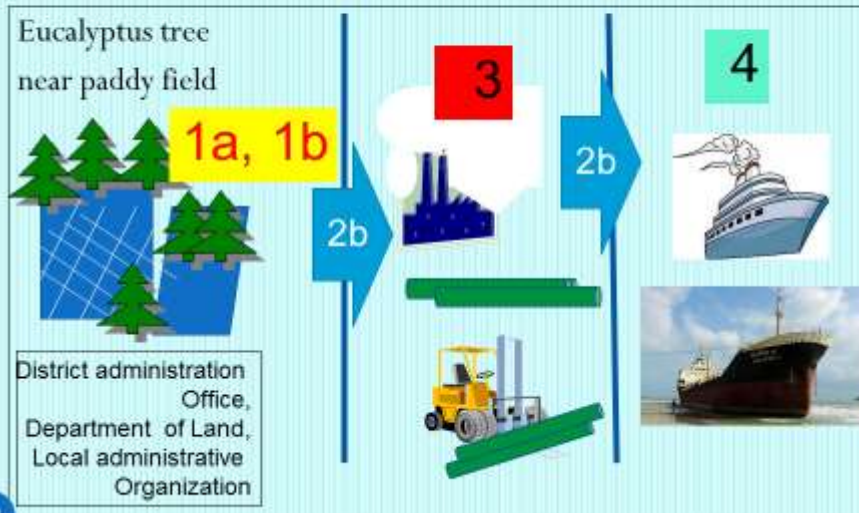
**Thai Legality Definition
(Thai LD)
Separate by Scope of Product**

Thailand's update preparation for EU FLEGT VPA

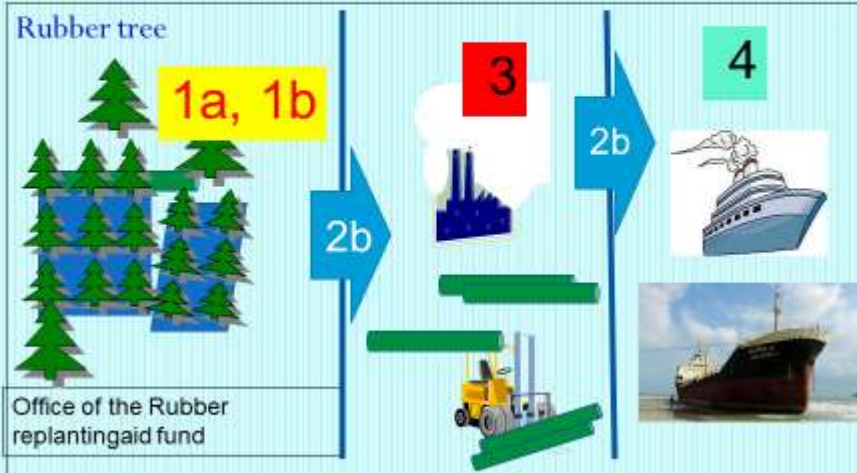
Principle Criteria and Indicator

- Module 1 source of timber 1a: private land, 1b: public land and 1c: imports
- Module 2 Transportation 2a: strict species, 2b: non-strict species
- Module 3 Processing
- Module 4 Exporting

Eucalyptus wood

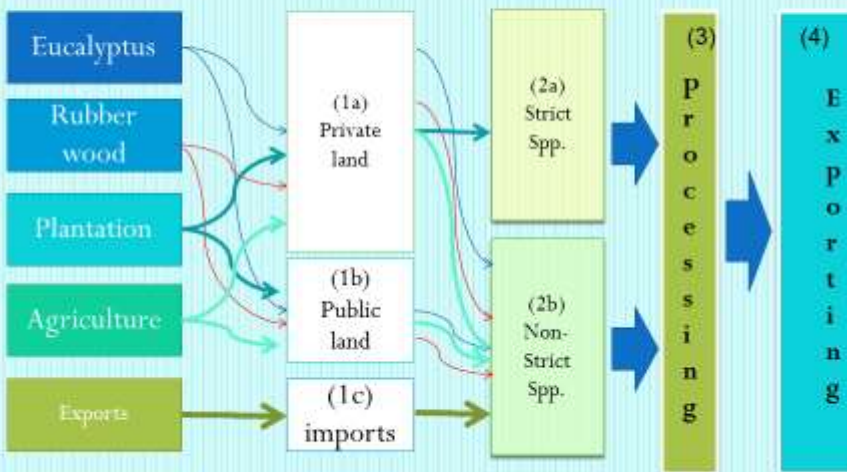


Rubber wood



45

Conclusions



46

THAI - EU FLEGT (Working Group for LD)

1) 14 August 2014

2) 16 September 2014



EFI For EU- FLEGT Asia Team



Capacity Building for RFD's Staff







Challenges form the Study of The EU FLEGT and Thailand development process toward AEC

- **Legality verification**

1. Thai timber industry has to implement Due Diligence System.
Wood and wood product imported from other countries must have Certificate of Origin (Co) and other evidence to prove legality of timber
2. Timber industry should categorize timber according to its source of origin.
3. Private sector needs to develop and implement a chain of custody system in their factories.
4. During the developing the VPA, government must implement stakeholder consultations.



Challenges form the Study of The EU FLEGT and Thailand development process toward AEC

- **Legality verification**

5. The Royal Forest Department is currently developing a Paperless System (**National Single Windows**) to be used for the processes of declaration, verification, and procedures related to custom, as well as the tracking system of wood and wood product in Thailand.



Thank you for your attention

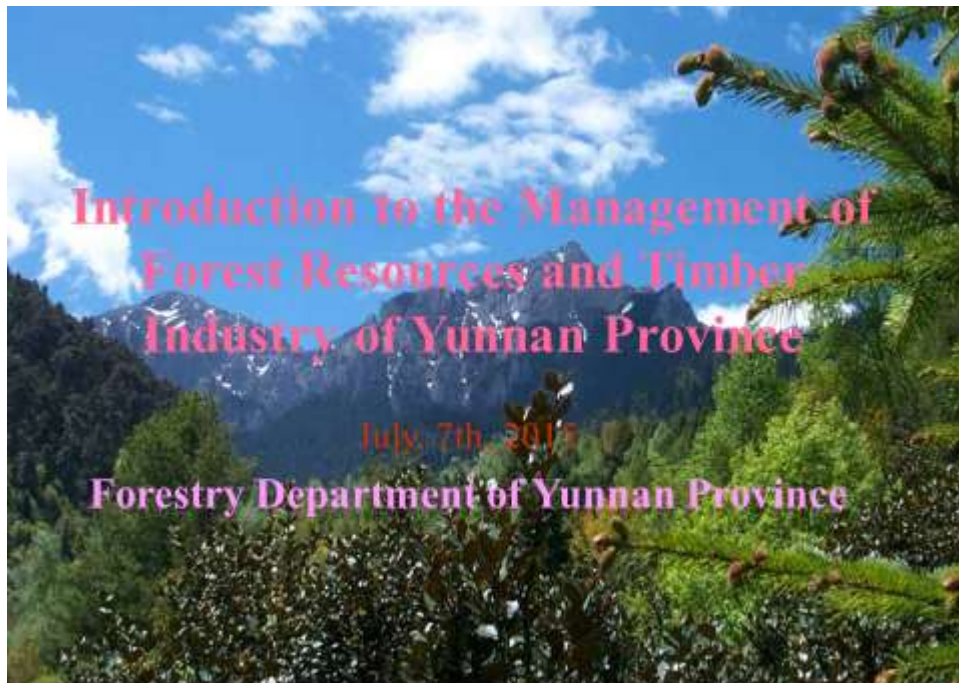
Visit us

http://www.forest.go.th/check_wood/

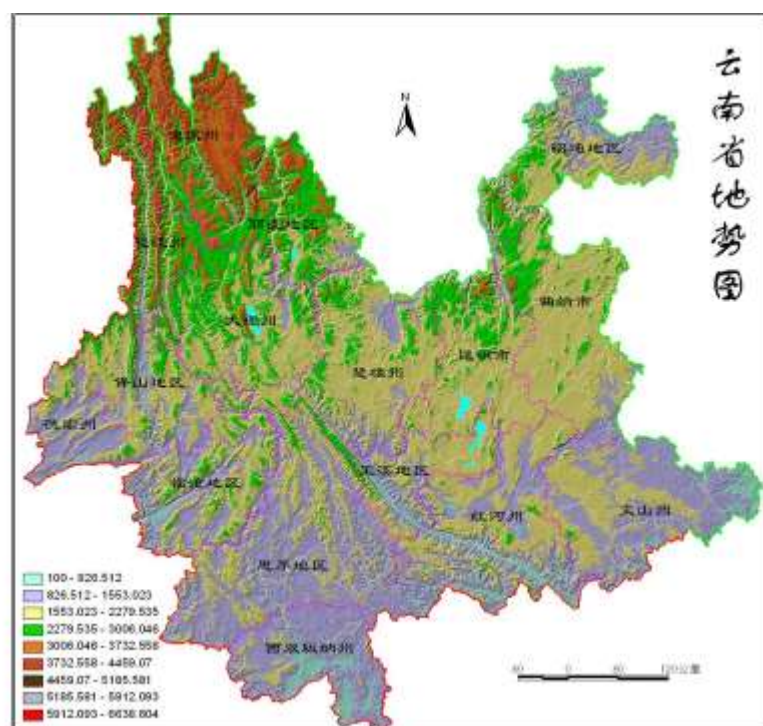
Update THAI EU-FLEGT

<http://tefso.org>

**FORESTRY DEVELOPMENT IN PARTICULAR FOREST RESOURCES MANAGEMENT
AND WOOD INDUSTRIES IN YUNNAN PROVINCE- MR XU ZHIJIANG**



Mr Xu Zhi Jiang giving a thematic presentation on forest management in Yunnan Province



I. Forest in Yunnan

- Yunnan is located in the southwest China and borders Laos, Myanmar and Vietnam.
- Covers 394,000 km². It's terrain is mainly mountains, highland and hills, and about 94% of its land is covered by mountains.



I. Forest in Yunnan

- Population: 46.86 million (by the end of 2013).
- Apart from Han nationality, there are 25 ethnic minority groups with a population over 6000.



I. Forest in Yunnan

- The area of forest land is 25 million ha,
- The forest area is 19.1 million ha,
- Forest coverage 54.6%,
- Growing stock volume is 1.875 billion m³,
- The forest growing stock has reached 1.693 billion m³.



I. Forest in Yunnan

- There are more than 17,000 kinds of higher plants, 1,360 kinds of terrestrial vertebrate wildlife; rare species accounts for 67.5% , ranking the highest domestically; the varieties for bamboo, herb medicine, floral and plants, perfume and wild fungus rank the top in the nation.





Alpine Coniferous
Forest





Broad-Leaved Forests





Vertical Distribution of Forests





Seasonal Rain Forest



Karst Seasonal Rain Forest



Monsoon evergreen-broadleaf Forest



Sub-mountain humid evergreen-broadleaf Forest



Semi-humid evergreen-broadleaf Forest



cold and temperate Hard leaf evergreen-Quercus Forest



Deciduous Quercus Forest



summit moss low forest



warm coniferous forest



warm and thermic coniferous forest



cold and temperate coniferous forest



cold and temperate Shrub



Sub-alpine swamp & meadow



Alpine flowstone meadow

I. Forest in Yunnan

- There are
 - 20 national Nature Reserves
 - 38 provincial NRs
 - 8 national parks and
 - 28 national forest parks
- Established.



Alpine cold Temperate
bamboo forests





II. Management of forest resources of Yunnan Province



Forest Law of the
People's Republic of
China

II. Management of forest resources of Yunnan Province

- Enforced officially on January 1st, 1985
- first revision in 1998
- second revision in 2009.

Forest falls into five categories:

- protection forest, commercial forest, economic forest, firewood forest and special purpose forest.

II. Management of forest resources of Yunnan Province

- **Protection forest:** forest, timber and shrub mainly used for protection, including water conservation forest, wind prevention and sand fixation forest, farm land, pastureland shelterbelt, riverbank protection forest and protective belt (of trees) along a road;

II. Management of forest resources of Yunnan Province

- **Commercial forest:** forest and wood mainly used for producing timber including bamboo forest planted for producing bamboo;
- **Economic forest:** forest for producing fruits, edible oil seeds, beverage, condiments, industrial raw materials and medicine;

II. Management of forest resources of Yunnan Province

- **Firewood forest:** forest for producing fuel;
- **Special purpose forest:** forest and woods for the purpose of national defense, environmental protection, scientific experiment, including national defense forest, experiment forest, seed production stand, environmental protection forest, landscape forest, forest in scenic spots and historic sites and forest in scenic spots of revolutionary significance and forest for natural conservation.

II. Management of forest resources of Yunnan Province

- Quota policy on harvesting has been carried out by the state to protect forest.
- Efforts in afforestation and endeavor to close hillsides to facilitate afforestation are encouraged in order to expand forest coverage.

II. Management of forest resources of Yunnan Province

- (II). Operation and management of forest
1. Governments at all levels should develop long-term forestry plan.
 2. Based on long-term forestry planning, state-owned forestry enterprises, institutions and nature reserves should prepare forest management plan and implement it after being approved by the higher authorities.

Operation and management of forest

The cardinal principle is that the consumption of timber should be lower than its growth rate, and the amount of forest harvesting should be strictly controlled.

Operation and management of forest

State-owned forestry enterprises and institutions, farms, factories and mines are seen as a unit to come up with harvesting quota for state-owned forests and trees; while a county is seen as a unit to work out the harvesting quota for collectively owned forests and trees and individual trees. Forestry administrations of a province, autonomous regions and municipalities should collect all the data and have it checked by people's government at the same level and then hand it over to the State Council for approval.

Operation and management of forest

Earnestly implement quotas for woodland, and forest logging quota management system and strict examination and approval shall be implemented for requisition of woodland and harvesting of trees.

Why should we go through examination and approval procedures for the occupation, requisition of woodland?

Woodland is an important part of forest resources, and it is the basis for forestry development and ecological environment construction.

The Forest Law and Forest Law Enforcement Regulations have made it clear that the use of woodland for various projects involving construction or temporary occupation of forest land requisition and occupation, shall be submitted for approval in accordance with legal procedures, and compensation for the costs associated shall be paid according to law.

**What serves as the legal and regulation foundation
for occupation and land requisition ?**

Forest Law of the People' s Republic of China, Forest Law Enforcement Regulations of the People's Republic of China, Regulations of Examination and Approval of Requisition of Forestland, Management Standard of Examination and Approval of Requisition of Forestland, issued by State Forestry Bureau.

**How much should be charged for vegetation
restoration on occupied and used forestland?**

- (1) for commercial forest, economic forest, fuelwood forest, nursery field= 6 yuan RMB/ m²
- (2) for young afforestation= 4 yuan RMB/ m²
- (3) for protection forest and special purpose forest= 8 yuan RMB/ m²
- for national key protection forest and special purpose forest= 10 yuan RMB/ m²
- (4) for open forest land and shrub land= 3 yuan RMB/ m²
- (5) for suitable land for forest land, cutover land, burned area = 2 yuan RMB/ m²
- (6) Double charges will be imposed for forest land used for urban areas and urban planning.

----Limits of authority for occupation and requisition of forest land

- The forestry department of Yunnan province is entitled to examine and approve: Occupation, requisition of protection forest land, special forest land with the area less than 10 hectares; 35 hectares or less for commercial forest, economic forest, fuelwood forest and cutover land, or other land within an area under 70 hectares;

II. Management of forest resources of Yunnan Province

- The forestry department of Yunnan province will hand over to State Forestry Administration if: occupation, requisition of protection forest land, special forest land is larger than 10 hectares; 35 hectares or more for commercial forest, economic forest, fuel-wood forest and cutover land, or other land more than 70 hectares.

In 2014,

- examination and approval of a total of 1,235 various types of projects for the occupation and requisition of forest land has been approved,
- involving 15,234 hectares of land area, 11,861 hectares of forest land use quotas, and RMB 900 million was charged for vegetation restoration;
- complete felling of 15 million, accounting for 47% of the harvesting quota of the province;
- a total of 217,000 copies of timber transport permits were handled and the delivery of timber is 3.925million m³.

Issues:

Sustainable forest management pilot program is standstill (KfW Bank grants);

In the process of harvesting management, more emphasis has been paid to commercial woods rather than non-commercial woods;

FSC (AFD loan project pilot),

PEFC & CFCC (mutual recognition)

CDM

Objective

By 2020, the area of forest land ownership will reach 24.87 million hectares, and that of forest ownership will be 21.43 million hectares. Forest coverage rate will strive to reach and maintain at more than 1.85 billion cubic meters. For natural wetland area, it remains at more than 420,000 hectares and nature reserve area will be not less than 3 million hectares.

III. Wood industry of Yunnan Province

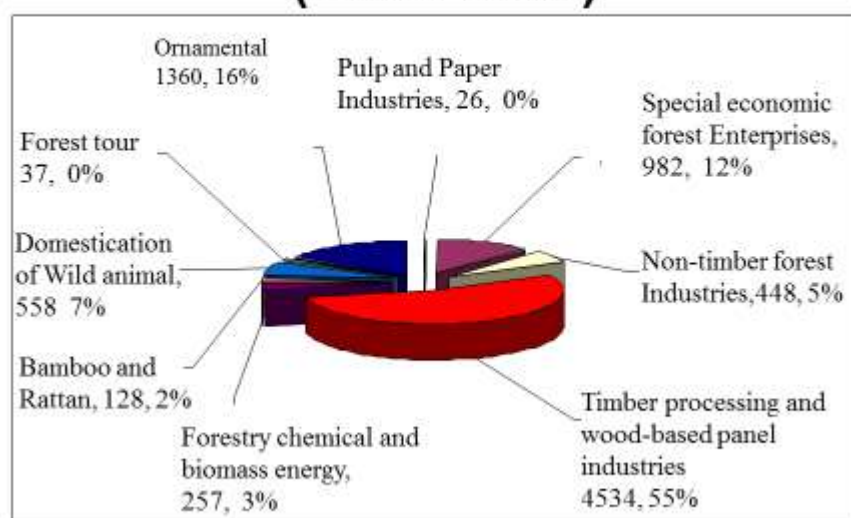
- Adhere to the development concept of “ecological construction led by industry and ecological development of the industry.” According to the requirement of “regional distribution, standardization of cultivation, specialization, large-scale production, brand management”, efforts are continuing to strengthen policy guidance, increase capital investment and actively develop special forest industry.

The number of the province's forestry enterprises reached more than 8,300 and the total assets are over RMB 50 billion, including 192 provincial leading forestry enterprises with an increase of 176 over 2005. It is worth-noting that woody oil industry featured by the rapid development of walnut plantation has been promoted actively. The cultivated area of the province has reached more than 2 million ha, and the annual output is over 450,000 tons with an output value of over RMB 12.5 billion. The area, yield and output of walnuts and macadamia nuts rank first nationwide. Forestry industry has become an important industry in the mountainous areas to help residents to shake off poverty.

Nine categories for the forestry industry in Yunnan

- forest (bamboo) pulp and paper industry,
- special economic forest,
- forest chemicals and bio-energy,
- exploitation of non-timber forest resources,
- timber processing and plywood,
- bamboo and rattan,
- wild animal domestication and breeding,
- forest eco-tourism and
- ornamental seedling

Numbers about forest industry (Total: 8330)



Raw material forest base of enterprises in different businesses

- 1,582 enterprises of the province's forestry have their own raw material forest, which covers 775,600 ha.
- By industry category, there are three industries having the largest area of raw material forest, namely, special economic forest industry claiming 323,333 ha of raw material forest, accounting for 42% of the total area of raw material forest holding by enterprises; timber processing and wood-based panel industry claiming 219,333 ha of raw material forest, accounting for 28% of the total area of raw material forest holding by enterprises; forest (bamboo) pulp and paper industry claiming 170,760 ha of raw material forest, accounting for 22% of the total area of raw material forest holding by enterprises.

Varieties of afforestation species for raw material forest
of forest (bamboo) pulp and paper industry

Main afforestation species include eucalyptus,
Pinus kesiya and bamboo, of which:

Eucalyptus: afforestation area is 96,240 ha,
accounting for 57% of the province' s total;

Bamboo: afforestation area is 34,653 ha,
accounting for 20% of the province' s total;

Pinus kesiya: afforestation area is 39,866 ha,
accounting for 23% of the province' s total.

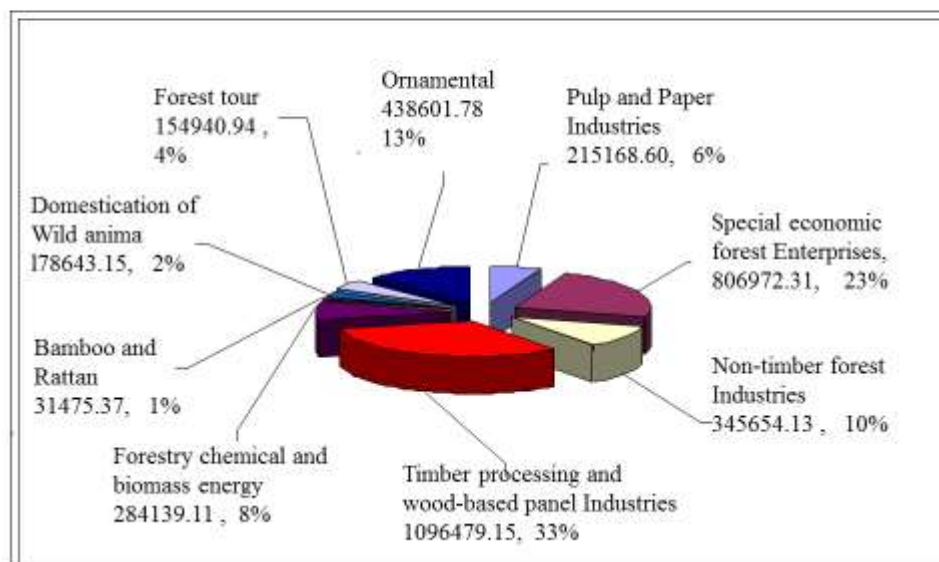
2. Total output value of all industries

- Total output value of leading enterprises in the province' s forestry industry is RMB 7,678,444,200, among which special economic forest, timber processing and wood-based panels as well as forest (bamboo) pulp and paper industry enjoy higher output value, reaching RMB 4,691,486,400, accounting for 61 percent of the total. Three industries include: the total value of special economic forest is RMB 1,798,763,700, accounting for 24% of provincial leading enterprises; output value of timber processing and wood-based panel industry is RMB 1,744,452,600, making up 24% of provincial leading enterprises; output value of forest (bamboo) pulp and paper industry is RMB 1,148,270,000, accounting for 15% of the provincial leading enterprises.

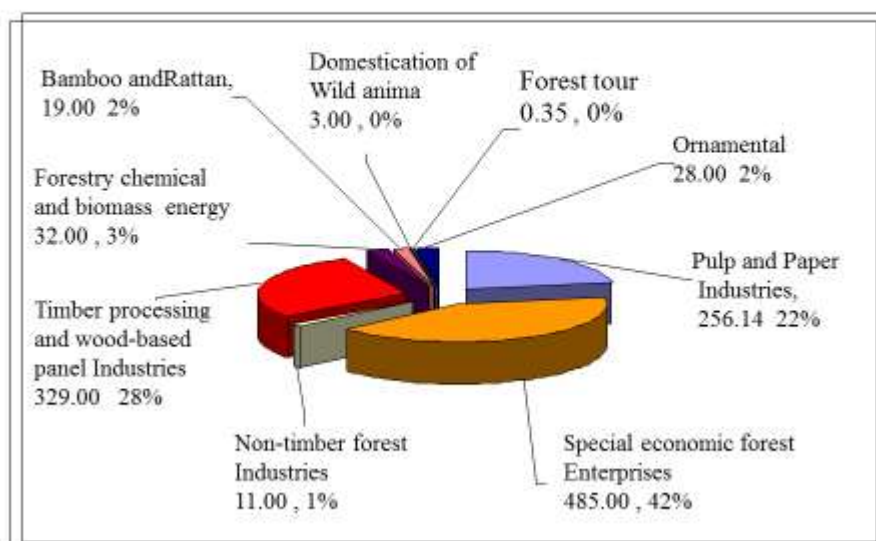
3. Total assets of provincial leading enterprises in forestry industry, classified by the amount of total asset

- The total assets of 37 leading enterprises is over RMB one hundred million (RMB 100 million), occupying 24% of the total asset of leading enterprises; the total assets of 41 companies is not less than RMB 50 million but less than RMB 100 million, accounting for 27 % of the total asset of leading enterprises; the total assets of 72 companies is more than RMB 10 million but less than RMB 50 million, accounting for 47% of the total asset of leading enterprises; the total assets of 4 enterprises are below RMB 10 million.

The Output value of Enterprises in Different Industries



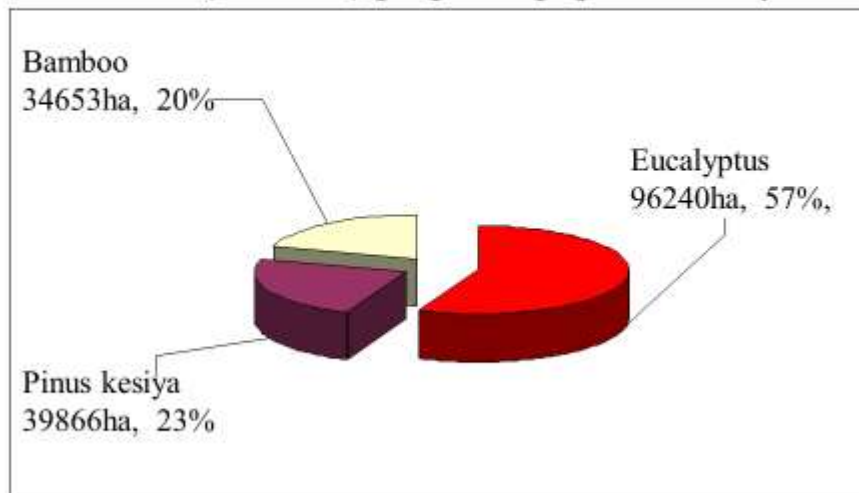
Raw material forest base of enterprises in different business



The output and output value of major timber processing products

Main products	Output	Output value (RMB Yuan)	%
		¥ 4,302,115,600	
Plywood (胶合板)	2,371,677 m ³	¥ 566,861,600	13%
density board (密度板)		¥ 1,138,978,500	26%
Particleboard (刨花板)		¥ 199,750,400	5%
block board (细木工板)		¥ 1,081,188,300	25%
other wood-based panels (其它人造板)			
wood floor	6,021,694 m ²	¥ 859,707,700	20%
wood doors	681,008 solid	¥ 455,629,100	11%

Varieties of afforestation species
for raw material forest of
forest (bamboo) pulp and paper industry



IV. International cooperation on forestry

- Strengthen the open platform and improve cooperation mechanism.

- Protection and development of forest resources, popularization of forestry science and technology,
- Capacity building
- Establishment of cross-border prevention and control of forest fires and pest control, biodiversity conservation, wild animal epidemic disease prevention and control and other emergency defense mechanism.
- Forestry cross-border law enforcement cooperation mechanism should be strengthened as well as the management of forest products import and export to prevent and combat the smuggling of timber, wildlife and products and other criminal acts.

World Bank



GEF



KFW



AFD



Indonesian Group



Thailand



Great Bratain

Forestry Commission



President --
The Central African Republic



ECO--Canada



CDM



Finland



财政部/云南省林业厅 中德(昆明)合作云南 生态建设
MOF/Yunnan Province FB SGAP YUNNAN II co-financed by KfW

1999 2010

中德云南二期造林项目
Sino - German
Afforestation Project
Yunnan II
Final Evaluation by Consultant
专家组终期评估 2010.05-06

Supported by 



Minister--Myanmar



Minister--Myanmar



Minister--Myanmar



Vice Minister from Lao PDR



China(Yunnan)—North Laos



Vice-premier, Lao PDR





The key animal species and they are moving...

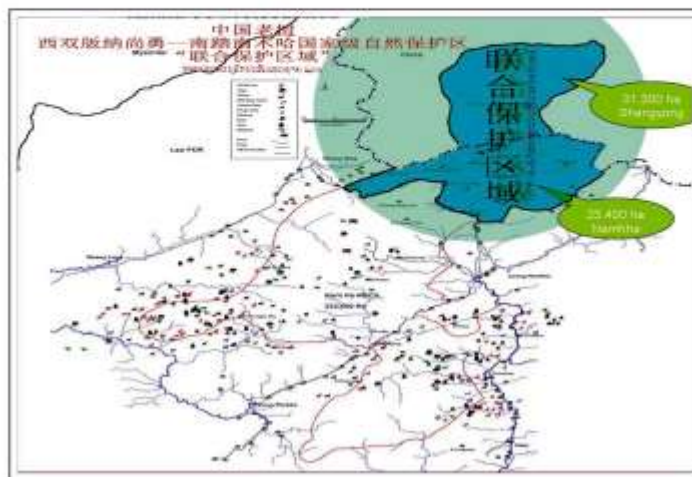


The key animal species and they are moving...



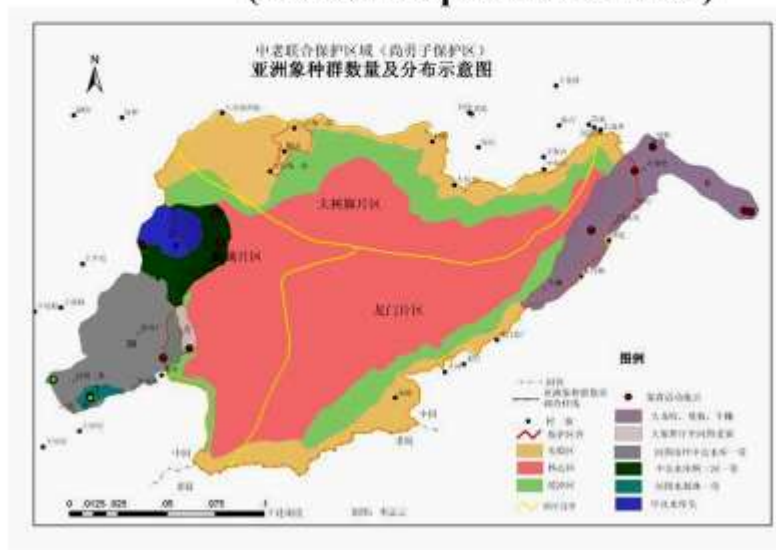
The pilot:

China Shanyong—Lao Namha
Trans-boundary Joint Protected Area



The survey on the trans-migration elephants

... for the purpose of solving and reducing the HEC
(Human-Elephants Conflicts)



中国—老挝跨境联合保护区域示意图



OUTLOOK



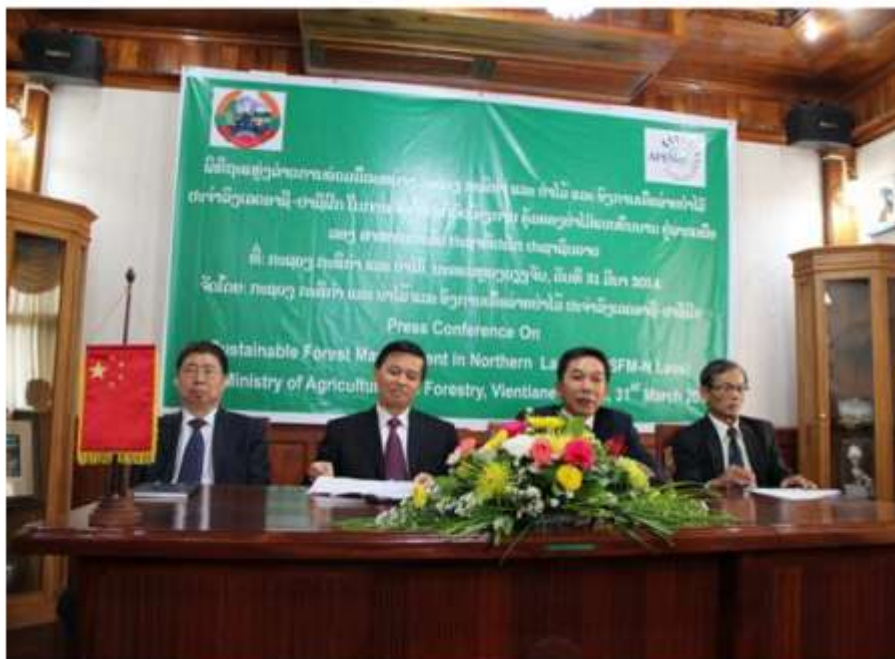
APFNeT is coming...





APFNeT Training Course

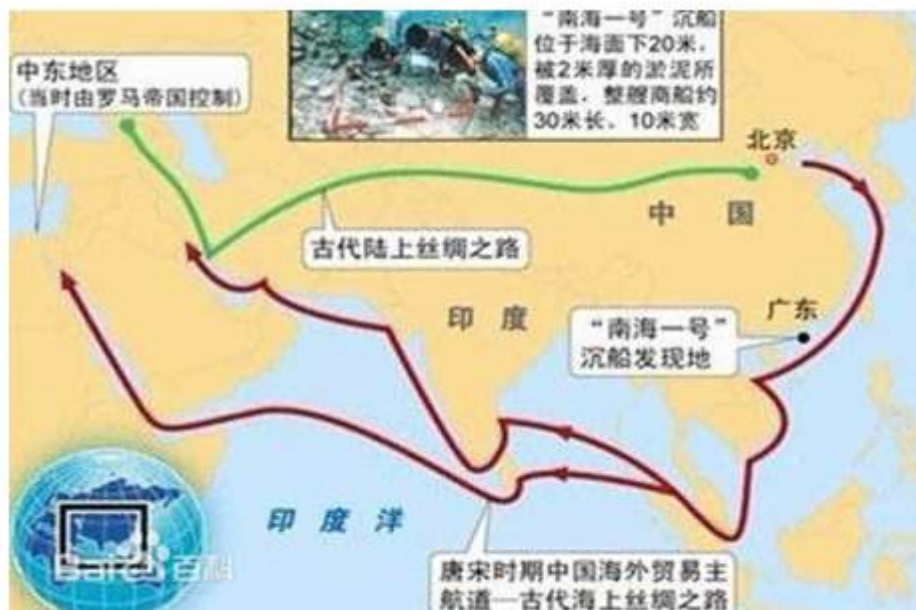






“一带一路”

- “丝绸之路经济带”和“21世纪海上丝绸之路”。
- “One Belt and One Road”，英文缩写是OBAOR或OBOR。



HRH prince William



HRH prince William



HRH prince William



Visiting TNC



YUNNAN & LOS RIOS REGION OF THE REPUBLIC OF CHILE



WELCOME TO YUNNAN



APPENDIX 1

List of Participants

NO.	NAME	ECONOMY	TITLE/INSTITUTE	E-MAIL
1	Faruque Hossain	Bangladesh	Director, Wildlife Center, Forest Department, Ministry of Environment and Forests	Faruque_hossain@yahoo.com
2	Nareth Chea	Cambodia	Chief of Industry and Forest Product Utilization Office, Department of Forest Industry and International Cooperation	narethchea@gmail.com
3	Sokla Yek	Cambodia	Technical officer, Forestry Administration	y.sokla@gmail.com
4	Sergio Ruben Morales Saez	Chile	Forest Engineer, Section Chief Environmental Assessment, National Forestry Corporation	sergio.morales@conaf.cl
5	Jing Tao	China	Deputy director, Department of Development Planning and Finance Management, State Forestry Administration	jtforest@126.com
6	Noni Eko Rahayu	Indonesia	Staff of Directorate for Forest Product Processing and Marketing, Ministry of Environment and Forestry	noni_e_rahayu@yahoo.com
7	Duangsavanh Saophimpha	Lao PDR	Forest Inspection Official, Department of Forest Inspection, Ministry of Agriculture and Forestry	sduangsavanh@yahoo.com
8	Nilapha Vorachith	Lao PDR	Forest Inspection Official, Department of Forest Inspection, Ministry of Agriculture and Forestry	nilapha_v@hotmail.com
9	Daim Bin Balingi	Malaysia	Assistant FLEGT Officer, Sabah Forestry Department	Daim.balingi@sabah.gov.my
10	Tin Tin Myint	Myanmar	Manager, Myanma Timber Enterprise	ttinmyint@gmail.com
11	Jesus Jr. Deleon Posadas	Philippines	Forest Management Specialist II, Forest Management Bureau	jdlp518@yahoo.com
12	Joel Esperat Flores	Philippines	Forest Management Specialist II, Forest Management Bureau	joel_e_flores@yahoo.com
13	Bukon Tom	Papua New Guinea	Manager, Natural Forest Management, Papua New Guinea Forest Authority	tbukon@pngfa.gov.pg
14	Tomiyavau Simon Peter	Papua New Guinea	Manager Compliance, Rimbunan Hijau (PNG) Limited	speter@daltron.com.pg
15	Ahangama Withanage Wasantha Lal Abeygunasekara	Sri Lanka	Conservator of Forests (Social Forestry & Extension), Forest Department	lal_kandy@yahoo.com
16	W W M Palamakumbure Shyaman Chandima Palamakumbura	Sri Lanka	Divisional Forest Officer –Mathale, Forest Department	dfomat@yahoo.com
17	Nisabhat Tonwoot	Thailand	Forestry Technical Officer, Royal Forest Department	tonwoot@hotmail.com
18	Prayuth Seawyim	Thailand	Wood Industry Permission Office, Royal Forest Department	prayut-555@siamza.com

APPENDIX 2

Workshop Program

Part 1: Indoor session (2 - 7 & 12 - 13 July, 2015)

(Golden Spring Hotel, Kunming City, China)

Day 1: Thursday 2 July 2015		
• Arrival of Participants • Registration		
Day 2: Friday, 3 July 2015		
Time	Agenda	Facilitator
0830 – 0900	Opening Ceremony • Welcome remarks • Introductory remarks • Vote of thanks • Group photo	Chair: Prof. Shen Lixin (APFNet- KTC)
0900 - 0930	Icebreaker – Getting to know each other	Workshop facilitator
0930 - 1000	Introduction to the course	
1000 – 1030	Coffee break	
1030-1200	<u>Keynote Lecture 1:</u> Review of forest resource management in Asia and Pacific: status, issues and challenges <i>– by Dr CTS Nair</i>	Workshop facilitator
1200 - 1330	Lunch	
1330 - 1430	<u>Keynote Lecture 2:</u> Timber harvesting, trade and legality issue <i>– by Dr. Kwame Asumadu</i> • Status, opportunities and challenges for timber and timber products market in the Asian-Pacific region • Legality: definition, core set, legality vs. sustainability	Workshop facilitator
1430 - 1520	Participant's Presentation 1: <i>Bangladesh</i>	
1520 - 1550	Coffee break	

1550 – 1630	Participant’s Presentation 2: <i>Cambodia</i>	Workshop facilitator
1630 - 1730	<u>Group Work:</u> Preparation of policy briefs on timber harvesting, trade and legality issue	Workshop facilitator
1830 - 2030	Welcome Dinner	APFNet-KTC
Day 3: Saturday, 4 July 2015		
0830 - 0900	Review of topics addressed on Day 2 – <i>by Selected Participants</i>	
0900 - 1010	<u>Keynote Lecture 3:</u> How to verify timber legality -- legal systems and tools 1. Review of regional legislative process: Law, Acts, Bills and regulations – by Dr Chen Xiaoqian	Workshop facilitator
1010- 1040	Coffee break	
1040 - 1200	2. Challenge of legal and policy systems –by Mr. Xia Jun	Workshop facilitator
1200- 1330	Lunch	
1330 - 1440	Participant’s Presentation 3: Chile	Workshop facilitator
1440 - 1520	Participant’s Presentation 4: China	
1520 - 1550	Coffee break	
1550 - 1730	<u>Group Work:</u> Preparation of policy briefs on legal systems and tools	Workshop facilitator
Day 4: Sunday, 5 July 2015		
0830-0900	Review of topics addressed on Day 3 – <i>by Selected Participants</i>	
0900 – 1010	<u>Keynote Lecture 4:</u> Enhancing legal and policy systems and capacity building for better forest governance 1. Regional overview – by Mr. Vincent van den Berk	Workshop facilitator
1010-1030	Coffee break	
1030 -1110	2. Chains of custody: origin, tracking and tools -- Ms. Chen Jie	Workshop facilitator

1110 - 1150	Participant's Presentation 5: Indonesia	
1200 -1330	Lunch	
1330 - 1410	Participant's Presentation 6: Lao PDR	Workshop facilitator
1410 - 1450	Participant's Presentation 7: Malaysia	
1450 -1510	Coffee break	
1510 -1550	Participant's Presentation 8: Myanmar	Workshop facilitator
1550 -1730	Group Work: Preparation of policy briefs on enhancing legal and policy systems and capacity building for better forest governance	
Day 5: Monday, 6 July 2015		
0830 - 0900	Review of topics addressed on Day 4 - <i>by Selected Participants</i>	
0900 - 1000	Keynote Lecture 5: Improvement of forest governance -- by Dr. CTS Nair 1. How to ensure: participation, accountability, transparency, and tracking 2. On key areas like: forest tenure, land use, forest management, etc.	Workshop facilitator
1000 – 1020	Coffee break	
1020 - 1110	Participant's Presentation 9: Philippines	Workshop facilitator
1110 - 1150	Participant's Presentation 10: Papua New Guinea	
1200 - 1330	Lunch	
1330 - 1410	Participant's Presentation 11: Sri Lanka	Workshop facilitator
1410 - 1450	Participant's Presentation 12: Thailand	
1450 - 1510	Coffee break	
1510 - 1640	Group Work: Preparation of policy briefs on improvement of forest governance	Workshop facilitator
Day 6: Tuesday, 7 July 2015		
0830 - 0900	Review of topics addressed on Day 5 - <i>by Selected Participants</i>	

0900 - 1000	Keynote Lecture 6: Forestry development, in particular forest resources management and wood industries in Yunnan province -- Mr. Xu Zhijiang	Workshop facilitator
1000 - 1020	Coffee break	
1020 - 1200	Role-playing Session: Choosing different alternatives for timber legality verification	Workshop facilitator
1200 - 1330	Lunch	
1330 - 1450	Group Work: How timber legality verification affects forest governance and forest resource management, and possible future action for better regional timber trade	Workshop facilitator
1450 – 1510	Coffee break	
1510 - 1540	Logistics for Field Trip	Ms. Pan Yao (APFNet-KTC)

Day 7 to Day 10: 8 July (Wednesday) to 11 July (Saturday) 2015

8 July 2015	Depart for field trip	APFNet-KTC
9-10 July 2015	Field visits in Pu'er City	
11 July 2015	Return to Kunming	

Day 11: Sunday, 12 July 2015

0830 - 1000	- Field trip wrap-up by participants - Follow-up action - Course evaluation	Workshop facilitator
1000-1030	Coffee break	
1030- 1130	Closing Ceremony - Award of certificates - Remarks by organizers and participants - Vote of thanks	APFNet-KTC

1200-1300	Lunch	
PM	Visit APFNet-KTC and Southwest Forestry University	APFNet-KTC
1800	Farewell Dinner at Southwest Forestry University	APFNet-KTC
Day12: Monday, 13 July 2015 Departure of Participants		

Part 2: Field Trip Session (8 - 11 July, 2015)

(Pu'er City, Yunnan Province, China)

08 July 2015

- 07:00 - 07:45 Breakfast at Golden Spring Hotel
- 07:50 - 08:00 Boarding Bus
- 08:00 - 12:00 Drive from Kunming to Mojiang County
- 12:00 - 13:00 Lunch in Mojiang County
- 13:00 - 16:00 Drive from Mojiang to Pu'er City and Check-in at
Marvellous Land Hotel
- 18:00 - 19:00 Dinner (Hosted by Local Government and City Forestry
Bureau)

09 July 2015

- 08:00 - 08:30 Breakfast at Marvellous Land Hotel
- 09:30 - 11:30 Tree Plantation Base in Xiaoheijiang
- 12:00 - 13:00 Lunch
- 13:00 - 17:30 Visit State-owned Forestry Industry Enterprise
- 18:00 - 19:00 Dinner

10 July 2015

- 08:00 - 08:30 Breakfast at Marvellous Land Hotel
- 08:30 - 09:30 Visit Sensheng Forestry Chemical Industry
- 09:30 - 10:30 Pu'er Huhai Wood Processing Industry

10:30 - 11:30 Pu'er Kanghe Wood-Plastic Enterprise
 12:00 - 13:00 Lunch
 13:00 - 15:00 Visit Wanzhangshan Forest Farm
 15:00 - 17:00 Visit Pu'er Fine Variety Ecological Tea Garden and
 Tea Research Institute
 18:00 - 19:00 Dinner

11 July 2015

08:00 - 08:45 Breakfast at Marvellous Land Hotel
 08:45 - 09:00 Check-out
 09:00 - 11:30 Drive from Pu'er City back to Kunming
 11:30 - 12:30 Lunch in Mojiang County
 12:30 - 16:30 Mojiang County to Kunming City
 16:30 - 17:00 Arrive in Kunming and Check-in at Golden Spring
 Hotel
 18:30 - 19:30 Dinner

APPENDIX 3**WORKING GROUPS COMPOSITION**

No.	Name	Gender	Nationality	Group
1	Mr. Md Faruque Hossain	Male	Bangladesh	1
2	Mr. Sergio Ruben Morales Saez	Male	Chile	
3	Ms. Noni Eko Rahayu	Female	Indonesia	
4	Mr. Ahangama W.W.L. Abeygunasekara	Male	Sri Lanka	
5	Ms. Nisabhat Tonwoot	Female	Thailand	
6	Mr. Nareth Chea	Male	Cambodia	2
7	Ms. Nilapha Vorachith	Female	Lao PDR	
8	Mr. Joel Esperat Flores	Male	Philippines	
9	Mr. W M P. S. C. Palamakumbura	Male	Sri Lanka	
10	Mr. Prayuth Seawyim	Male	Thailand	
11	Mr. Sokla Yek	Male	Cambodia	3
12	Mr. Jing Tao	Male	China	
13	Mr. Duangsavanh Saophimpha	Male	Lao PDR	
14	Mr. Daim Bin Balingi	Male	Malaysia	
15	Ms. Tin Myint	Female	Myanmar	
16	Mr. Jesus Jr. Deleon Posadas	Male	Philippines	

APPENDIX 4:

SUMMARY OF GROUP DISCUSSIONS

A: WORKING GROUP DISCUSSION AND PREPARATION OF POLICY BRIEFS ON PRIORITIES FOR THE REGION

Working Group Discussion Topic:

**What should be the priority for the Asia Pacific Region, legality or sustainability?
How can legality help achieve sustainability and vice versa in the Region?**

GROUP 1

Group 1 concluded that legality should be the first priority for the following reasons:

- Legality is the basis of sustainability as legality defines the regulations for sustainable forest management. When there is law, there is control.
- Legality is part of sustainability. When legality is achieved, the journey towards sustainability is more attainable.
- Legality ensures that timber and timber products entering the market (domestic and international) do not violate laws and regulations.
- Legality helps to achieve sustainability for the following reasons:
 - legality requires all parties to follow prescribed procedures;
 - legality ensures processes and results are measurable;
 - legality ensures the source of timber and timber products can clearly be identified; and
 - monitoring legality will result in sustainability and ensure that the continuous cycle of improvement continues.



Group 1 at work

GROUP 2

Group 2 concluded that legality should be the first priority for the following reasons:

- Conditions imposed through timber harvesting permits and forest policies can help achieve sustainability.
- The governance requirements of legality, (transparency, involvement of civil society organisations and environmental NGOs, participatory decision making and accountability) will help drive sustainability.
- The verification, monitoring and public reporting requirements of legality will also help achieve sustainability.
- Market access incentives provided by the trade in legal timber will help achieve sustainability.



Group 2 Members

GROUP 3

Group 3 concluded that sustainability should be the first priority for the following reasons:

- Sustainability is defined as “Involving the use of natural products and energy in a way that does not harm an environment - that can continue or to be continued for a long time” (*Oxford Advanced Learner’s Dictionary - 7th Edition, 2006*).
- “It is desirable to have continuous flows of goods and services in the forest sector so that their utility for consumers and other beneficiaries is not interrupted.” (*Michael Gane – Forest Strategy, 2010*)
- Sustainability is broader than legality. It entails the management of forests to maintain their full range of services and values:
 - environmental,
 - social and
 - economic



Group 3 Members

- Enforcement – Legality has already in place for many years, but our forests are still decreasing.
- The implementation of SFM will address legality issues.
- SFM will increase our forest resources through forest rehabilitation/enrichment planting/forest plantation.
- SFM is a continuous improvement process.
- SFM implementation starts before physical activities i.e. timber harvesting.
- SFM creates job opportunities.

Sustainability will help to achieve legality for the following reasons:

- through SFM implementation, long term license holders will help governments to safeguard forests;
- once SFM is in place, legality issues become minor;
- SFM creates job opportunities thus helping to avoid illegal activities;
- SFM will help achieve sustainability for other forest services such as production of fire wood for charcoal; and
- SFM will help address environmental issues.

Participants also concluded that:

- there is the need to produce sufficient legally-certified timber and timber products form the Region;
- legality will provide the impetus to drive sustainability in the Region;
- legality and sustainability will help address poverty in the Region;

- legality and sustainability will lead to improvement of socio-economic conditions of the people with in the Region through increased job opportunity;
- there is need for political will and commitment within the Region to address issues associated with illegal and unsustainable practices in timber and timber products production;
- there is need for more opportunities to learn from each other;
- there should be increased resources to support the implementation of legality systems in the Region;
- there is need to support producing countries to improve their the quality of the timber and timber products to meet need the requirement of markets; and
- the forest policies of countries in the Region must be underpinned by agreed common legality and sustainability principles.

B: WORKING GROUP DISCUSSION AND PREPARATION OF POLICY BRIEFS ON SYSTEMS AND TOOLS FOR VERIFYING TIMBER LEGALITY

The Working Group discussions focussed on the requirements for implementing effective timber verification systems and tools. The following schematic process was developed to help participants understand the requirements.

3. There is need for political commitment at the highest level in the relevant country to undertake the process of implementing the systems for timber verification.
Political commitment involves:
 - a. nominating a focal point to negotiate with stakeholders on behalf of the government, and to discuss with stakeholders the processes for developing and implementing the system; and
 - b. creating a stakeholder platform (i e a stakeholders' working group involving representatives of government, industry and civil society).
4. Discussions and negotiations on the following:
 - a. definition of legality covering sources of timber and how legal right of access will be granted to these sources of timber (state forests, private forests, agricultural leases, areas of natural forests approved for conversion for new land uses such as agriculture, mining activities, infrastructure etc.;
 - b. agreement on a system to monitor and verify implementation of the legality definition;
 - c. system to control and manage timber and timber products that will enter the country's supply chain including timber and timber products from domestic sources and imported timber;
 - d. a system for dealing with confiscated timber if this is relevant;
 - e. an independent third party auditing and monitoring system that will oversee the proper functioning of the legality system. The independent third party auditing and monitoring must follow international norms such as ISO standards for auditing and forest conformance assessments;
 - f. a mechanism for approving legal timber for export, including if relevant, the issuing of a legality certificate or license;

- g. a mechanism for providing information, including reporting to the public on the performance of the system;
- h. a dispute resolution mechanism for all stakeholders involved; and
- i. a mechanism for on-going monitoring of the system for continuous improvement.

GUIDING PRINCIPLES

For a legality verification system to be credible, it must meet agreed principles, such as the following those for the EU FLEGT/VPA Process.

Legal right to harvest

- Land tenure and management rights must be respected.
- Concession licenses must be given in a transparent and accountable way devoid of corrupt practices.
- Management and harvesting planning must follow each country's forest policies and laws.
- Harvesting permits must be approved in a transparent and accountable way, based on each country's forest policies and laws.

Taxes and fees

- Payment of applicable royalties and harvesting fees.
- Payment of applicable value added taxes and other sales taxes

Timber harvesting

- Timber harvesting must comply with applicable policies, laws and regulations, including codes of practice.
- Protected sites and species must be excluded and protected from harvesting.
- Environmental requirements must be met.
- Occupational Health and Safety requirements, as well as applicable employment laws must be followed.

Third parties' rights

- Customary rights must be respected.
- Free prior and informed consent must be sought in an accountable and transparent manner.
- Indigenous people's rights must be respected.

Trade and transport

- Classification of species, quantities and qualities must be documented accurately, transparently and in an accountable manner.
- Trade and transport policies, regulations and related requirements must be met.
- Offshore trading and transfer pricing must be monitored and controlled in a transparent and accountable manner.
- Custom regulations must be met.

- Applicable export taxes and duties must be paid.
- Export of CITES-listed species must follow international protocols agreed under CITES.

C: WORKING GROUP DISCUSSION AND PREPARATION OF POLICY BRIEFS ON CAPACITY BUILDING REQUIREMENTS FOR THE REGION

Topic: What are the capacity building needs and requirements for countries in the Region working to implement legality systems?

CAPACITY BUILDING REQUIREMENTS

The Groups collectively agreed that the capacity building needs of the Region for developing and implementing legality systems and tools relate to developing the technical skills and expertise in building and implementing systems for the transparent monitoring and control of timber, specifically building capacity:

- within governments and other stakeholders (industry, communities, civil society organisations) for constructive dialogue and engagement;
- for the development and implementation of Timber Legality Assurance Systems (TLAS), particularly systems to manage and control the supply chain;
- within countries for independent third party auditing and monitoring; and
- within countries, to enable them to promote themselves internationally as sources of legally verifiable timber.

LESSONS LEARNED

Based on the experience of countries in the Region who have successfully implemented legality systems (Indonesia) and those working to implement them (Thailand, Laos, Cambodia), the Participants concluded that the major lessons are:

- There is need for political will and commitment at the highest level within governments in each country, to implement legality systems to support sustainability.
- Political will and commitment involves governments accepting that:
 - it cannot be business as usual: there is need for major change in thinking about how forests are managed i.e. Paradigm shift;
 - they have to be open and accountable to all stakeholders;
 - they have to work with all stakeholders co-operatively, transparently and constructively; and
 - they need to share information and resources with all stakeholders.
- Stakeholders must:
 - learn to trust governments; and

- accept that they all have a common interest, and work constructively towards achieving this common interest.

SOURCES OF SUPPORT

Although the Participants acknowledged that the lack of financial and human resources in many countries to support the development and implementation of legality systems and tools is a major constraint, they nevertheless recognised that once the international community sees that a country is doing good work and genuinely working towards legality and sustainability, they will provide the necessary human and financial support. Sources of possible support identified included:

- the European Union's (EU) Voluntary Partnership Agreement (VPA);
- the United Nation's Food and Agriculture's (FAO) Forest Law Enforcement Governance and Trade (FLEGT) Program;
- the International Tropical Timber Organisation (ITTO);
- Bilateral donors; and
- Environmental Non-governmental Organisations (ENGOS) such as WWF, IUCN, Friends of the Earth, etc.)

D: WORKING GROUP DISCUSSION AND PREPARATION OF POLICY BRIEFS ON IMPROVING FOREST GOVERNANCE-ROLE PLAYING

Participants divided themselves into four groups representing each of the following stakeholder groups:

- Government;
- Civil society;
- Industry; and
- International buyers.

The scenario for role playing was that APFNet country had acquired a reputation internationally as a source of illegal and unsustainable timber and timber products. The government had eventually realised that this poor international image was harming market access for its timber and timber products internationally. A paradigm shift in thinking was needed to address this problem, including reforms to the existing forest governance structure and systems.

Participants were required to discuss how to improve the forest governance in APFNet country to address the problem. Participants were required to assess any reforms in forest governance against the following key principles:

- Participation by all stakeholders (Inclusiveness).
- Accountability of all stakeholders.
- Transparency in the process, as well implementation and on-going monitoring of the new forest governance regime.

- Efficiency of the system in terms of reduced transaction cost and delivery of outcomes.
- Effectiveness in addressing both the causes and results of forest governance failure.
- Fairness to all stakeholders.

CHALLENGES/ISSUES IDENTIFIED BY PARTICIPANTS

- Although governments of countries in the Region are aware of the failure of forest governance and its impacts, there was no political will or commitment to address it.
- Addressing forest governance in the Region will require willingness by governments to engage and involve all stakeholders.
- Forest governance reforms must start with identifying the genuine interest and concerns of all stakeholders.
- Any processes put in place to reform forest governance should provide confidence to all stakeholders that their genuine interests and concerns will be addressed.
- Forest governance in the Region must lead to equitable benefit-sharing for all stakeholders.
- The international trade in tropical timbers must provide sufficient market incentives through market access and fair and equitable pricing, to encourage reforms of forest governance failure.
- In this respect, the consumers of tropical timber in the Region have a responsibility to ensure they provide the right market incentives and signals to encourage reforms.
- Without genuine forest governance reform, the security of tropical timber resources in the Region would continue to be undermined through unsustainable, criminal and illegal activities, leading to exacerbation of poverty in the Region.

E: WORKING GROUP DISCUSSION AND PREPARATION OF POLICY BRIEFS ON THE OPPORTUNITIES AND CHALLENGES OF IMPLEMENTING LEGALITY AND ACHIEVING SUSTAINABILITY IN THE REGION

Topic: What are the opportunities and challenges of implementing legality and achieving sustainability in the Region from the perspectives of both buyers and producers?

GROUP 1

Challenges from producers' perspective

- High cost of certification systems to demonstrate legality and sustainability.
- Lack of capacity of governments and small producers to implement management systems for demonstrating legality and sustainability.
- The cost of independent third party certification bodies.
- How to improve the regulation and control of wood and non-wood products.
- Lack of information management systems.

Challenges from buyers' perspective

- Paying more for legal and sustainably produced timber products.

- The need to implement due diligence requirements to demonstrate legality and sustainability within their markets to their customers.
- Lack of capacity in the producer countries to develop and implement systems to meet the due diligence requirements of buyers.

Opportunities from producers' perspective

- The opportunity to share the costs associated with implementing sustainability and legality systems with the buyers (e.g. overseas assistance through foreign aid and the EU's FLEGT/VPA program).
- Ready market access for legal and sustainable timber and timber products.
- Existing platforms such as VPAs, to provide exposure internationally for producers as sources of legal and sustainable timber and timber products.
- Opportunity to improve the socio-economic conditions of producing countries, particularly indigenous and other communities who are dependent on forests for income generation and general livelihood.
- Enhanced job creation opportunities in producing countries.
- Ability to implement good forest governance.

Opportunities from buyers' perspective

- Ready availability of legally certified wood products.
- Sustainable supply of legal wood products.
- Enhanced access to certified timber products.

GROUP 2

Opportunities

The main opportunities are:

- Job creation.
- High valued market for legal timber.
- Minimization of illegal logging.
- Gain awareness of legality issues.
- Strengthen cooperation among countries.
- Enhanced forest law enforcement.
- Opportunities for afforestation/reforestation.
- Climate change benefits.

Challenges

- Lack of financial resources to implement systems and tools.
- Lack of knowledge on the technical aspects/expertise to implement systems and tools.
- Poverty, which fuels illegal timber harvesting activities.

- Corruption which undermines efforts to implement systems and tools for enhanced forest governance structures that support SFM and legal activities.
- Increasing population growth in the Region.
- Lack of market access (trade barrier) for timber and timber products whose legal origins cannot be established and/or verified.
- Weak forest law enforcement/governance failure.
- High demand of timber and timber products in the Region.
- Implementing development programmes.
- Forest fire (natural disaster/man-made) which threaten forest resources.
- Indigenous peoples' claim on forest land, and how to address these claims satisfactorily to satisfy stakeholders.

GROUP 3

Challenges

- Reforming the policies of each country to incorporate the standards required for timber legality and sustainability
- Reforming forest governance to include effective land tenure safeguards.
- Re-organization of existing structures effectively and cost effectively.
- Developing and implementing MRV (Monitoring, Reporting and Verification) systems.
- Developing and implementing relevant C&I (Criteria and Indicator) for monitoring and assessment of progress.
- High cost of reforms and implementing systems and tools, and the lack of resources.
- Lack of capacity to support forest governance reforms and development, and implementation of legality systems and tools.
- Increasing demand for timber and timber products fuels illegal activities to meet the increasing demand.

Opportunities

The main opportunities include the following:

- Institutional arrangements and policy frameworks are already in place in many countries to implement forest governance and forest law enforcement reforms.
- Natural resources (forests) are abundant in many countries in the Region.
- Ability to attract investors to the forestry sector through national and international communication about legal timber.
- Involvement of stakeholders (NGOs, Private sector, local authority, community and etc.) to provide credibility, transparency and accountability.
- Market access and job creation.

F: WORKING GROUP DISCUSSION AND PREPARATION OF POLICY BRIEFS ON HOW TIMBER LEGALITY VERIFICATION AFFECTS FOREST

GOVERNANCE AND FOREST RESOURCE MANAGEMENT, AND POSSIBLE FUTURE ACTION FOR BETTER REGIONAL TIMBER TRADE

GROUP 1

Group 1 concluded that timber verification:

- reflects the type of forest governance and forest management regime in a country;
- provides the general principles for trade in timber and timber products;
 - e.g. legal timber comes from sustainable forests; and
 - legality certificate is accepted by all countries; and
- the type of timber verification system (mandatory or voluntary) adopted will depend on conditions in each country.

Future Action

Group 1 concluded that countries in the Region should agree on the general principles (similar to the EU FLEGT/VPA) that will guide the definition of legality for each country.

GROUP 2

Advantages of Timber Legality Verification

Group 2 concluded that the advantages of timber legality systems include:

- transparency for all stakeholders;
- enhanced ability for producing countries to produce legal timber for the market;
- accountability of all stakeholders;
- enhanced ability to manage forests sustainably;
- effectiveness to all; and
- market access incentive to producers.

Disadvantages

The identified disadvantages include:

- the time-consuming nature of developing and implementing improved governance and legality verification tools and systems; and
- the costs associated in the process, particularly, third party certification systems.

Which system/Voluntary or Mandatory would be most effective?

Group 2 concluded that the advantages of voluntary systems (usually implemented at the company/enterprise level) include:

- ready availability of resources (provided by the company/enterprise) to develop and implement the system;
- they provide readily available monitoring, reporting and verification systems; and
- improve forest management.

Disadvantages

Disadvantages include:

- limited ability to effect cultural and behavioural change at the national level;
- in some cases, companies/enterprises do not own the land, and this could undermine their commitment to implement long term sustainable forest management regimes;
- companies/enterprises do not have the authority to issue legality license
- they only apply to the forests managed by a company/enterprise rather than all the forests and sources of timber and timber products in a country; and
- the systems can be costly to implement.

Mandatory systems

The advantages of mandatory systems (usually implemented at the national level) include:

- a single legality system in place at the national level which can be applied to all companies/enterprises;
- the development and implementation of the systems and tools also lead to the development of technical capacity in the country for legality verification;
- because it is implemented at the national level and under the authority of national governments, they can cover all forests and sources of timber and timber products in a country;
- involvement of stakeholders ensures transparency in participation and accountability;
- they can be more effective in addressing illegal forestry activities;
- they offer enhanced opportunity to create jobs in a country; and
- offer enhanced market access.

Disadvantages

The disadvantages include:

- the time consuming nature of the processes involved;
- the lack of resources in many countries to develop, implement and monitor these systems and tools; and
- the current lack of capacity in many countries in the Region to develop implement and monitor these systems and tools.

Future Action

- There should be standard policies and principles in the Region to guide the definition of legality for each country in relation to timber legality.
- The adverse environmental impacts/issues associated with timber production should be better communicated within the Region.
- There should be enhanced capacity building in improved forest law and governance, and systems and tools for verifying the legal origins of timber in the Region.
- Better networks should be developed for markets in the Region.
- There should be better information sharing among and between countries in the Region in relation to forest law and governance and legal timber.

GROUP 3

How timber verification affects forest governance and forest management?

Group 3 concluded that timber verification affects forest governance and forest management through:

- improving, strengthening and promoting the existing systems through third party monitoring bodies;
- the active participation and involvement of various stakeholders;
- eliminating all illegal timber from the market; and
- better forest governance and management.

Proposed possible future action for better Regional timber trade.

- There is need for political will and commitment to effect positive change.
- Governments should change their public procurement policies to only require timber products sourced legally and produced sustainably.
- There should be multilateral agreements or dialogue on legality and sustainability between producers and buyers in the Region.
- There should be premium or fair market price paid for legally sourced and sustainably produced timber and timber products in the Region.

Which verification system will better support legality and sustainability?

Mandatory (national Level – TLAS) systems will better support legality and sustainability because:

- only governments have the authority to make things happen;
- legality systems at the national level usually involve government to government commitment;
and
- governments have the authority to set targets for implementation and ensure they are met.

APPENDIX 5

FIELD TRIP REPORT

INTRODUCTION

Participants went on a four-day field trip as part of the APFNet Workshop on Enhancing Forest Governance for the Asia-Pacific Region in the Context of Timber Legality Verification, held from 2nd to 13th July in Kunming City, Yunnan Province, in China. The field trip to the Pu'er City region of Yunnan Province was from 8th to 11th July 2015 inclusive. All the participants to the Workshop from the eleven economies within the Asia-Pacific Region took part in the field trip.

BACKGROUND TO THE PU'ER CITY REGION

Pu'er City is situated in the Southwest region of Yunnan Province, and covers an area of 45,385 km². The District (Prefecture) covers nine counties and is the largest in Yunnan in terms of area. Figure 1 shows the location of the Pu'er City Region.

Pu'er City is 470 km south of Kunming City and the Prefecture borders Laos PDR and Vietnam to the Southeast, and adjoins Myanmar to the Southwest. The Prefecture shares an international border of 625 km with these countries.

The Lancang (Mekong) River, the Red River and the Nankang River flow through the region to the neighbouring countries. A significant segment of the famous historic Southern Silk Road traverses the Pu'er City region.

The total population of the Pu'er Municipality is 2.37 million, of which 1.44 million are ethnic minorities who account for 61% of the total. There are 36 ethnic minorities in the Prefecture, of which fourteen are indigenous inhabitants (including mainly the Hani, Yi, Dai, Lahu, Wa, Bulang and Yao people). It is an important production area for the renowned Pu'er Tea, and one of the largest tea production areas in China.

The Pu'er Municipality has an undulating physiography, with mountains occupying 98.3% of its landscape. Due to its proximity to the Tropic of Cancer, as well as the integrative impact of the physiognomy and varying elevation ranging from 376metres to 3,306 meters, the region has diverse and distinctive vertical climatic zones with rich faunal and floral species.

To protect the natural forest resources in the region, the Natural Forest Resources Protection Programme was implemented in 2000, to conserve and manage a total forest area of 8500 km², including 288 km² of reforestation. The Project has successfully increased forest cover in the region, and resulted in an estimated standing wood volume of 26 million cubic meters within a period of 10 years.

Since 2002, Pu'er City has reforested a total area of 1,155 km², including the conversion of 279 km² of agricultural land and afforestation of 720 km² of previously bare land. More than 78,000 households have participated in the programme. As a result of this programme, the region has increased its forest cover by 2%, reduced soil erosion and improved ecological conditions significantly.

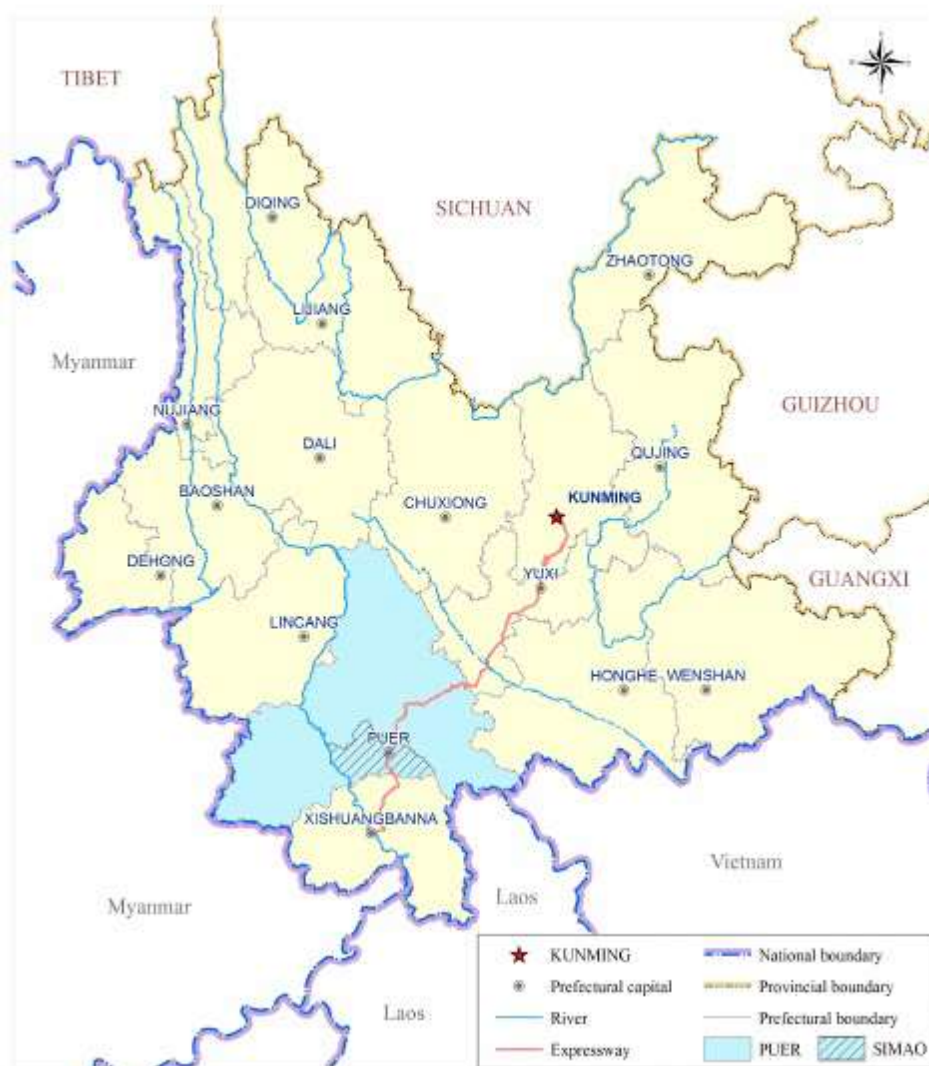


Figure 1: Location map of the Pu'er City Region.

Field Trip Sites

Participants visited the following sites:

- Tree plantation areas in Xiaohaijiang where they saw examples of new and well established Simao pine and eucalyptus plantations.
- Wei Guo plywood and medium density fibreboard (MDF) mill.
- A small scale saw mill.
- Sensheng Forestry Chemical factory where resin and turpentine are produced for both domestic use and export.
- Pu'er Huhai Wood processing factory where plywood is produced mainly for the domestic market.
- Pu'er Kanghe Wood Plastic Enterprise where wood-plastic composite products are produced.
- Tree harvesting ban demonstration site at Wanzhangshan Forest Farm.

- The Pu'er City Fine Variety Ecological Tea Garden and the Tea Research Institute.

Tree Plantations areas in Xiaoheijiang

Participants received presentations from the local forestry personnel on the community forestry model being adopted in the Pu'er City region. It involved a collaborative effort between the government and stakeholders (communities, local farmers, households and the commercial wood products sector).



Figure 2: Participants receiving a briefing from Mr Bi Hong Xing, President, Pu'er City Forestry Industry Association.

Pinus kesiya (Simao pine) and eucalyptus were the main species being planted in the area. Participants were informed that the local government supported the communities with land clearing and preparation, as well as seedlings and equipment for planting and harvesting. The overall survival rate was estimated at above 96% in the planting year, and above 86% in following years.

The plantations provided the feedstock for the wood-based industries in the region: sawmills and panel mills (plywood and MDF), as well as supplied raw resin for the factory that produced refined resin and turpentine.



Figure 3: *Pinus kesiya* (Simao pine) tapped for resin

Wei Guo plywood and medium density fibreboard (MDF) mill

Pinus kesiya (Simao pine) was the main species processed in this mill for the production of panel products (plywood and MDF).



Figure 4: Inside Wei Guo Plywood and MDF mill

A small scale saw mill

The visit to the small-scale community sawmill showcased both efficiency in the use of raw materials, as well as the integrated nature of forestry in the region, involving different scales of production. Participants were informed that the output from the community sawmills, which processed mainly *Pinus kesiya* (Simao pine), was used for furniture manufacturing.

Sensheng Forestry Chemical Factory

The factory refines pine resin produced from *Pinus kesiya* (Simao pine) plantations in the region, and also manufactures turpentine for both the domestic market and export.

Participants were informed that the wood products industry is an important economic sector in the region. It is nearly 30% of the region's economy. Between 2008 and 2012, the total output value of forestry increased from RMB 4.4 billion yuan to RMB12.3 billion yuan. The contribution of resin production was more than 1 billion yuan.



Figure 5: Inside the Sensheng Forestry Chemical factory

Wanzhangshan Forest Farm

Due to wet weather the previous day before the visit, participants were unable to walk through the demonstration forest. However, they were informed that the size of the demonstration was approximately 680 hectares. The area had been afforested with mixed fast-growing trees species commonly used in the region for timber production such as *Pinus kesiya* and birch (*Betula alnoides*). The Wanzhangshan Forest Farm demonstrates modern forestry practices and also technologies for more effective and stable timber production models. The reforestation model and techniques developed at the site have been introduced to communities and individual farmer households in the surrounding areas, and they have proved very popular and adopted widely.



Figure 6: Participants at the Wanzhangshan Forest Farm

Pu'er Kanghe Wood-Plastic Factory

The Pu'er Kanghe Wood-Plastic factory is as a private sector enterprise specialising in the development, production, selling, designing and installation of new wood-plastic composite products. The factory's outputs include a wide spectrum of high-quality products, ranging from building materials to furnishing materials, including outdoor decking, flooring, fencing and other structural profiles. The factory's products are used widely in decorative applications, construction of coastal roads, ports, park roads and chairs, swimming pools, squares, balconies, cabins, wooden pavilions, gallery frames, flower boxes and garbage bins.

Kanghe's products are environmentally friendly, recyclable and available in a wide range of colours. Other properties include:

- being waterproof;
- insect-resistant;
- durability;
- easy to clean and maintain;
- simple to install; and
- convenience in construction.



Figure 7: Inside Pu'er Kanghe Wood-Plastic Factory.

Pu'er Huhai Wood processing factory

The Pu'er Huhai Wood Processing mill uses eucalypts to manufacture plywood. Similar to Wei Guo, participants saw the high level of efficiency in the utilisation of raw material including wood waste in the manufacture of panel products. The wood waste that Pu'er Huhai is unable to utilise is sent to the nearby Pu'er Kanghe mill for the manufacture of its wood-plastic composites.



Figure 8: Participants at the Pu'er Huhai Wood Industry Factory.

The Pu'er City Fine Variety Ecological Tea Garden and the Tea Research Institute

Participants visited the surrounding tea plantations in the hills and then the Tea Research Institute where they received a briefing on the history of tea production in the area.



Figure 9: Pu'er Tea plantations in the background

Participants also tasted different types of tea (green, black and fermented) produced by the facility. They toured the facility, and saw how tea is manufactured from harvesting through to chopping and drying. Pu'er's tea production exemplified the sustainability approach to forest-based activities in the region.



Figure 10: Participants examining different types of tea at the Pu'er Tea Research Institute.

CONCLUSIONS AND PARTICIPANTS IMPRESSIONS

The field trip was useful because it provided practical examples and illustrations of the approaches being adopted in China to tackle deforestation and increase reforestation and afforestation to improve the livelihoods of forest-dependent communities. Several of the Chinese presenters had discussed some of these issues in their thematic presentations.

The participants from Sri Lanka observed that they would encourage their forestry department to re-introduce *Pinus keyisia* as plantations species.

Participants were impressed with the:

- land tenure reforms in the area, which had encouraged the involvement of stakeholders in the forest-based industry sector;
- the integrated nature of forest-based activities involving plantations (reforestation and afforestation) and processing (furniture and panel products manufacturing); and
- high level of efficiency, both in the production process, as well as in the use of raw materials including wood waste.

APPENDIX 6

WORKSHOP EVALUATION REPORT

APFNet's Workshop on Enhancing Forest Governance for Asia and the Pacific in the Context of Timber Legality Verification

Analysis of Evaluation Form

The APFNet's Workshop on Enhancing Forest Governance for Asia and the Pacific in the Context of Timber Legality Verification was holding in Kunming City of Yunnan Province, China from 2nd to 13th July 2015. This workshop was comprised of two major components – 6-day of indoor learning session and 4-day field sites visit in Pu'er city. The workshop has yield fruitful and outstanding outcomes. In the purpose of further improving APFNet's future session, evaluation forms were distributed to 15 participants from 10 economies, and 15 evaluation forms were received.

The key information in the evaluation form is summarized as below:

Evaluation Date: 12th July 2015.

1. Average rating (1-5)

Element	Average rating	Satisfaction (%)
Workshop Organization	4.5	90
Workshop Design	4.3	86
Workshop Instructors	4.5	90
Workshop Facilitator	5	100
Working Groups	4.6	92
Field Trip	4.2	84
Workshop Outputs	4.6	92

2. Among these ratings, three specific aspects with relatively lower rating were given:

- Workshop Design: The level of difficulty was appropriate.
- Field Trip: It was consistent with the topics of the workshop.
- Workshop Organization: The workshop lived up to my expectations.

3. The most three helpful sections and presentations in general

- Keynote lecture 2: Timber harvesting, trade and legality issue by Dr. Kwame Asumadu
- Keynote lecture 3: How to verify timber legality---legal systems and tools---Challenge of legal and policy systems by Mr. Xia Jun
- Keynote lecture 5: Improvement of forest governance by C.T.S. Nair

4. The presentations that are least valuable

Generally, participants think that all the courses are quite informative and valuable.

5. The comments of improvement on the workshop

- More time should be arranged for role-playing activity and group discussion.
- It is a great opportunity to learn more lessons from Indonesia.
- The group members should be changed day to day.
- More time should be scheduled for morning recap.

6. Other comments

- Using flipchart to record all discussion.

- Stone Forest should be arranged as the field trip.

In a summary, participants are quite satisfied with this workshop in all aspects, with an average rating of 4.53 and 92.0 percent of satisfaction in a total approximately. Nearly all keynote lectures are valuable and beneficial, and also field study is interesting and informative to the participants. Therefore, the July workshop has been achieved fruitfully and successfully.

Appendix 1:

No. of Participants	Organization	Design	Instructors	Facilitator	Working groups	Field trip	Workshop Outputs
1	4	3.6	4	5	4	3.6	4
2	5	5	5	5	5	4.3	5
3	4.8	4.4	5	5	5	5	5
4	5	4.6	5	5	5	4.6	5
5	4.6	4.2	4.2	5	4	3.3	4.6
6	3.8	4.2	4.2	5	4.5	4.3	4
7	5	4.6	5	5	4.5	3	5
8	4.4	4.2	4	5	4.7	4.6	4.3
9	5	5	4.2	5	5	4.6	5
10	4.6	4.6	5	5	5	4.6	5
11	4.2	4	4.7	5	4	5	4.6
12	4.4	3.8	4.7	5	4.7	4.3	5
13	4.2	4.2	4.5	5	4.7	4.6	4.3
14	4	4.2	4	5	4.2	4.3	4
15	4	4	4	5	4.7	3.6	4.3
Total	67	64.6	67.5	75	69	63.7	69.1
Average	4.5	4.3	4.5	5	4.6	4.2	4.6
Percentage	90%	86%	90%	100%	92%	84%	92%