FOREST MATTERS
MAKE IT WORK!

E F I

Acknowledgement

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News from

Introduction

"Forest Matters" is firstly about matters on forestry from different perspectives (livelihoods, animals, archaeology, climate change, competing land uses and trade). We aim to give people's views about forestry in the Asian region and beyond, in a reader-friendly manner. We talk to people on the streets as well as with timber traders, conservationists, forestry experts, community leaders and researchers, about forests and forestry issues.

We will help you to find answers to questions you may have on the latest terminology and present hard facts that illuminate the latest trends in forestry issues and the timber trade. We unravel acronyms and statistics and explain policies you need to know about, as well as telling human stories.

We bring you articles about challenges and positive changes in the sector, which show that better forest govemance and corporate social responsibility, coupled with this realisation (that forest matters) will help us to leave a healthier legacy for our children and grandchildren.

We hope you enjoy the read and that you will be moved to make it work in your respective ways!

The EFI EU FLEGT Asia Team

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The In-depth story on

Expert views

Voices from the ground

People across Asia were asked what forests means to them, their grandparents and their children. You will find the answers from people from all walks of life throughout the magazine.

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Dear reader,

2011 was declared International Year of Forests by the United Nations, in order to raise awareness and strengthen sustainable management of the world's forests. This is not without reason.

Forests are an indispensible resource for people all over the world, with more than 1.6 billion people depending on them for their livelihoods.

However, illegal logging is having a devastating impact on some of the world's most valuable remaining forests and the people that live in them and rely on the resources they provide.

The European Union decided that it will not serve as a market for illegally logged wood and wood products and in 2003 the European Union came up with a plan to exclude illegal timber from markets, to improve the supply of legal timber and to increase the demand for responsible wood products.

The Government of Thailand is also well aware of the importance of the nation's forests and has undertaken steps to safeguard these valuable resources. Thailand has established 148 National Parks, and just over half of the country's 19 million hectares of forest is designated as conservation or protected forests, around a fifth of the total land area.

The European Union and the Government of Thailand are working closely together to ensure Thailand's forests can continue to support the people that depend on them now, and the generations to come.

This magazine tells the stories of the region's forests, what they mean to people all across Asia, what makes them so special and why it is so important that we keep them.

I hope you will enjoy the magazine!

Ambassador David Lipman
Head of Delegation of the European Union to Thailand

Forest Forever? Food vs fuel vs fibre…

Dr. Sten Nilsson, former Acting Director of The International Institute for Applied Systems Analysis (IIASA) in Vienna

With a population predicted to top 8.9 billion by 2050, rapidly rising living standards, agricultural exports worth around $19 billion dollars per year, and a significant portion of the world's stored forest carbon, Asia's policy makers face a serious challenge to satisfy a skyrocketing demand for land. To meet the challenge it is vital to adopt coherent national land-use policies, balancing the costs, benefits and opportunities of each type of use. Or, risk a more dire scenario where forests will be the first to suffer – encroached upon on one side by subsistence farming and on the other by swingeing conversion to inefficient commercial planting for food and biofuel crops.

We interviewed Dr. Sten Nilsson, former Acting Director of The International Institute for Applied Systems Analysis (IIASA) in Vienna, who has taken a look at the data, which will influence decision makers – Food, Fodder, Fuel or Fibre?

Forest Matters : What are the main trends in Asia in land use and conversion?
SN: Food, fuel and fibre are three important Fs generated from the land in the Asia region but there are two more to consider – fodder (animal feed) and, most recent to emerge, feedstock, by which I mean the raw material on which the bio-products industry is built. And of course land also supplies recreation, nature conservation, infrastructures, biodiversity, freshwater, stability of soil properties, sustainable bio-geochemical cycles, etc. Land use is the crucial link between human activities and nature.

In Asia a number of dominant trends are likely to become apparent in the period to 2050:
- Increased areas used for grazing and production of feedstock for a growing livestock industry as eating habits change
- Demand for food will outstrip available agricultural land based on current levels of productivity
- Increased conversion of forests for bio-energy production;
- Productive land increasingly used for infrastructure development
- Increasing urbanisation
- Major losses of crop lands in China and India due to techno-economic and environmental developments

Forest Matters : So looking at these trends, how has land use changed and what does the picture look like now?
SN: In order to look at the region in detail one can draw on land use data stretching back to 1961. In the data in question agriculture area includes arable land (land under temporary agriculture crops and temporary meadows and pastures), permanent crops like cacao and coffee, and permanent meadows and pastures.

If you look at the North East Asia region , rapid expansion took place between 1961 and the late 1980s,[1] following which there has been a slight contraction, indicating that the region has probably reached a limit for further extension. Forests account for 22% of total land area, an increase of 19% since 1961, attributed almost solely to reforestation activities in China.

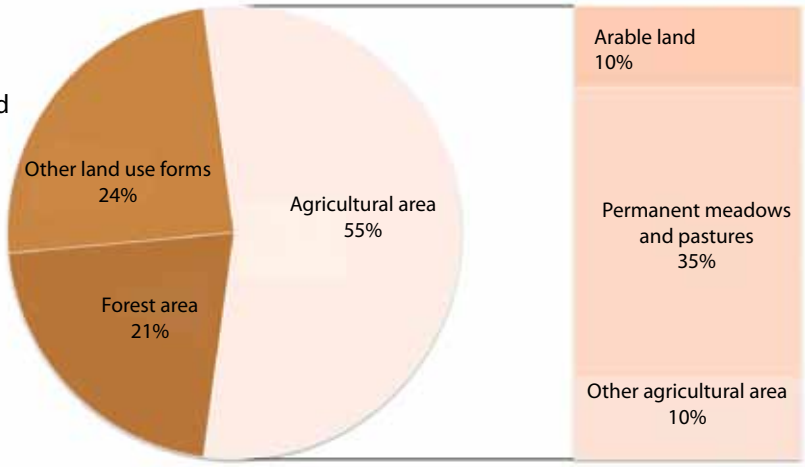


Fig 1. North East Asia, Land Allocation

1.The North East Asian region includes China, Democratic People's Republic of Korea, Mongolia and Republic of Korea

In the South Asia region [2] the agricultural area has been relatively stable since 1961 with a slight decline in recent years. Again, there seems to be limited possibilities for expansion of the agricultural area in the region. The forest is unchanged at 14% of total area, discounting the expansion in tree plantations, most of which are in India.

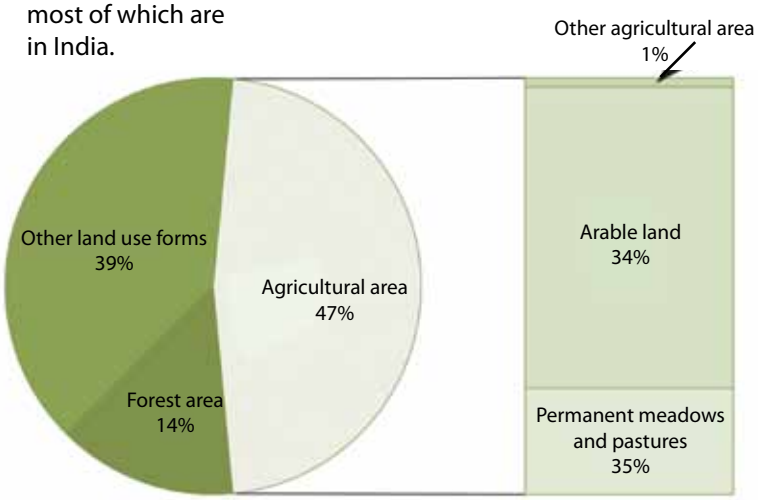


Fig 2. South Asia, Land Allocation

In South East Asia [3] the agricultural area has grown by almost 50% since 1961 and forest has seen a steady decline of 25% since 1990. The data for this region clearly illustrates a substantial change of land use achieved by clearing forests for mainly agriculture production.

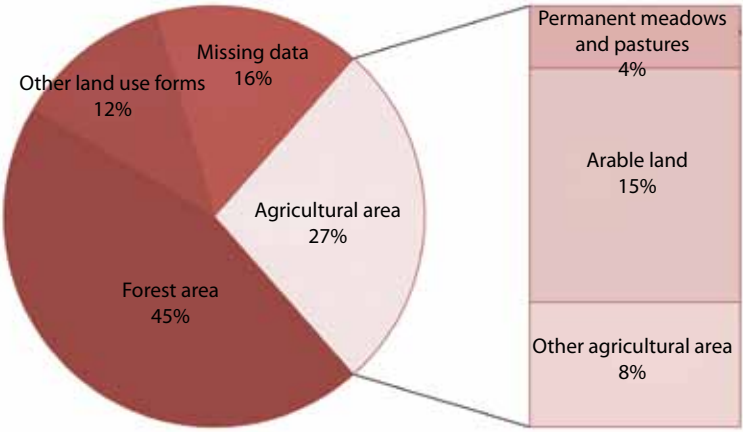


Fig 3. South East Asia, Land Allocation

M: Have all these countries had an increase in agricultural areas and how has that impacted forests?

SN: Overall there has been a substantial increase in agricultural area. The total agricultural area accounts for 825 million hectares today, about 66% of the total land area. But there are big variations between individual countries. Malaysia for example converted at an increasing rate until the late 1990s and today over 90% of its land is agricultural. There is a whole group of countries that have an increase of 50-60% - Bhutan, Cambodia, Laos, Philippines, Sri Lanka, Thailand and China, which increased rapidly until the late 1980s after which it stabilized. A second group, Indonesia, DPR Korea, Myanmar,Nepal, and Pakistan, have had increases of 15-25%. However, there are also countries that have not expanded their agricultural area at all - Afghanistan and India. And two countries have experienced a decline, namely Bangladesh and Mongolia.

The majority of countries have reduced their forest area in favour of agricultural uses, to the point where, across the group, forest accounts for only 35% of total land area. Since 1990 a large group of countries have deforested by between 20% and 35% - Afghanistan, Cambodia, Indonesia, DPR Korea, Myanmar, Nepal, Pakistan, Philippines and Sri Lanka. A less dramatic decline (0-15%) can be observed in Bangladesh, Laos, Malaysia, Mongolia and Thailand. By contrast with this trend China has demonstrated an impressive increase from nearly 12% to 18% , and slight increases can be noted in Bangladesh, Bhutan and India.

It should be remembered that a substantial decline of forest area also took place in the region before 1990 although data constraints make it hard to look at the full time period in detail.

The overall picture of forest conversion in Asia is that 12% is driven by shifting cultivation, 21% by intensification of agriculture in shifting cultivation areas, 16% by direct conversion of forests to small-scale agriculture, 25% by direct conversion to large-scale agriculture and the rest is a contribution by other factors.

FM: Is the increase in consumption and agricultural areas mainly driven by a growing population?

SN: Consumption in Asia is driven by population development but also economic growth, globalization, energy availability and security, intensity in agriculture, lifestyles, diets, climate change and efficiency of institutions.

If we look at the population of Asia as a whole during the period 1961 – 2009, it has more than doubled. South-Asia in particular will grow from 600 Million people in 1961 to 2.4 Billion people in 2050.

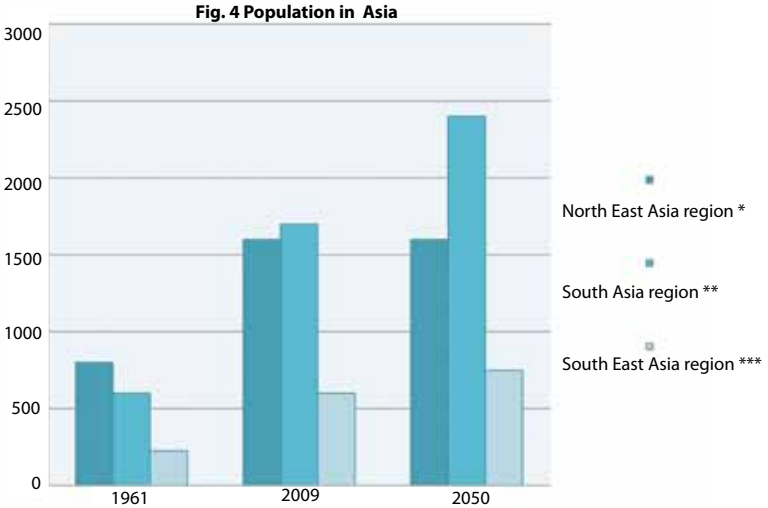
There are big differences in trends between individual countries though. In 2050 Afghanistan will have 2.5 times the population of today, Pakistan 1.75 times, Nepal 1.6 times, Cambodia, Laos and the Philippines 1.5 times each, and Bhutan and Malaysia 1.4 times. On the other hand there are some countries with hardly any population growth at all, notably China, DPR Korea, Sri Lanka and Thailand.

In conclusion, recent population growth has been rapid, but it is expected to slow. However that should not be interpreted as a sign that land use conflicts will reduce, as the impact of other factors is increasing rapidly.

FM: Which other factors do you think will particularly drive increased demands for land?

The level of economic growth and wealth-building in the Asia region and in other parts of the world will drive demand for a

Fig. 4 Population in Asia



2. The South Asia region include Afghanistan, Bangladesh, Bhutan, India, Iran, Maldives, Nepal, Pakistan and Sri Lanka
3. The South East Asia region includes Brunei, Cambodia, Christmas Islands, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste, Vietnam

number of key products and services which come from the land. Over the next four decades, average per capita income in developing countries is expected to increase by 4-5% per year. The developing country emerging middle class of around 2 billion people today consume an estimated US$ 7 trillion per year. In 2020 this is expected to have nearly trebled to US$ 20 trillion, substantially impacting on the pattern of their food consumption in particular.

In addition, food needs will be affected by wider socio-economic changes including urbanization and the employment of women, as well as changes in trade policies and market liberalization. In Asia per capita consumption is expected to increase as well as change, notably towards more meat, high fat, sugar and more processed food. Modelling suggests that by 2050 intake distribution will change across developing countries resulting in an increase of intake for products such as cereals, roots and tubers, sugar, vegetable oils, meat and milk and dairy products. As diets shift, demand for grain for animal feed will grow faster than the demand for grain for food, driving substantial conversion of both forest and arable land for grazing, feed-crop production, and waste disposal.

Numerous studies conclude that global food production must increase by 70 to 100% in the period 2000-2050. This will either have to come from a huge expansion in land allocation for agriculture, which will have negative impacts elsewhere, or from substantially increased yields. Commodity prices are increasing exponentially and are expected to remain high due to the major transformations expected in the region as a result of population growth, economic development, energy demand and scarcity, and natural resource constraints.

Landowners make decisions based on the likely economic return from their available options. Numerous analyses show that production of palm oil, soy, Jatropha, large-scale agriculture crops and meat have much higher rates of return than sustainable management of natural forests. The difference in present net value is often US$ 1500 – 2500 per hectare, and for large scale palm oil production can be as much as US$3400. Only forest plantations can compete with some of these alternatives and in the absence of any form of compensation for forests, rational landowners are very likely to convert their lands to produce these high value crops wherever possible. As Leisher notes, 'Poor people want biomass not biodiversity.'

FM: How do you think agricultural productivity will impact on future land use decisions in the region and globally?
SN: Globally the extent of agriculture land has increased by only 8% between 1967 and 2007 and is now around 4600 million hectares. During the same period, as illustrated above, the world had a population explosion. Thankfully the increased demand for food was met by productivity increases and the so-called Green Revolution, which sadly wasn't that green since it was mainly built on increased use of fossil fuels, chemicals, fertilisers, irrigation and mechanization. Many observers feel that limits have been reached in the potential of these technologies, demonstrated by a notable slowing in productivity increases during the last two decades.

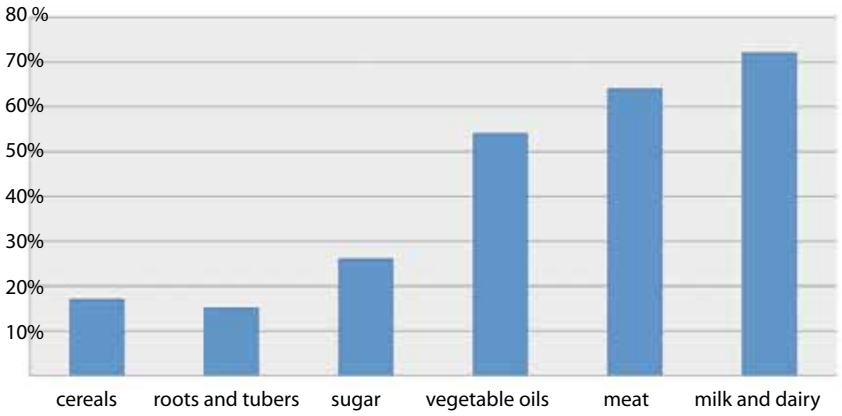


Fig. 5 Increase in product intake in 2050

As a result of these technologies, it appears that land quality is increasingly degraded although this is difficult to assess in detail. Steep lands in South East Asia and the South of China are thought to be particularly at risk of severe degradation. In addition soil erosion is increasing and is a major problem in West Asia with as much as one-third of the current agriculture land affected. Deficiency of plant nutrients in the soil is the most significant biophysical factor limiting crop production in the tropics, and 'nutrient mining' has taken place over huge areas.

The availability of water is also a serious issue. Irrigated land produces some 40% of the global farm output, however this extent of irrigation will not be possible in the future, especially in Asia, due to declining aquifers caused by overuse and climate change. Climate change already appears to be reducing agricultural output and this effect is expected to become more pronounced over time. In 2030 the likely crop reductions in China will be between 5 and 8.5%, in India between 7 and 9%, on average across other East Asian countries between 4.5 and 8.5%, and on average across other South Asian countries between 3 and 6.8%.

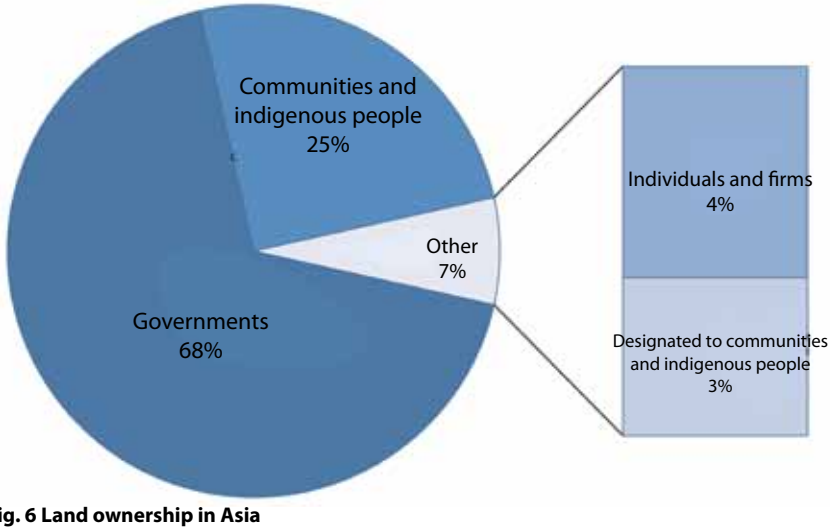


Fig. 6 Land ownership in Asia

This restriction in supply will inevitably impact on future prices of crops and agriculture products, with several recent studies showing a substantial increase in expected prices over time. In China in 2030 the domestic user price of different crops is expected to increase by between 85% and 175% relative to 2010 prices. For other East Asian countries the corresponding increase is between 60 and 120%. For India the range is 20 to 100% and other South Asian countries 20 to 80%. If they come to pass, these kinds of food price increases will have devastating consequences to poor people.

FM: What are the main land rights models in Asia, and how do they influence land use and conversion decisions?
SN: Tenure – the ownership and right to benefit from land - has a huge impact on land use decisions. Governments, the largest owners by far, tend to have a preference for large-scale allocations that are easy to administer. Unfortunately this comes along with the risk of inefficiency - in economic, environmental and social terms.

Individuals owning land or living on it generally have a much better knowledge base for allocating land to different uses in an efficient manner, as well as real incentives to do so. However, between 2002 and 2008 there was a substantial decline in the forest areas owned by private individuals and firms in Asia, and no increase in community-owned areas. A recent study proposes that the forest sector in Indonesia lost 25% of its economic value between 2004 and 2009, in large part because of unclear tenure and user rights of the forests, leading to poor governance and sub-optimal land use. This suggests that if efficiency is to be increased across large land areas, substantial tenure reforms will be necessary.

The Chinese Government has recognised this correlation and currently the largest tenure reform in history is taking place in China; affecting 100 million hectares of forests and 400 million land owners. (see page 29 for the full story)

FM: What are the main trends and scenarios for wood fibre production in the Asia region?
SN: The supply situation with respect to industrial wood fibre is very tight and will become ever tighter over time, which is of a major concern to the forest industry. The latest presented global outlook on industrial wood fibre has the time horizon of 2020 and demonstrates that there are only two regions with the potential to increase their harvest to the point where they have a surplus, namely Oceania and Latin America.

China has rapidly developed as the world's forestry workshop, and its 'wood balance' for 2020 shows a deficit of 150-200 million cubic metres. South East Asia generally is becoming a deficit region following the peak of plantation production in the 1990s. Now large areas are over-harvested and protection and conservation is increasing. It is difficult to establish a clear picture of the demand and supply situation for industrial fibre in 2020 for South East Asia, but an approximate calculation suggests a deficit of up to 50 million cubic metres. India is likely to be another deficit region by 2020 with a gap of at least 20 million cubic metres. In order to meet these needs one can estimate that around 25 million hectares of fast growing plantations will be required, and it is questionable whether the land is available.

FM: What are the potential land use scenarios for 2050 if current trends continue?
SN: Future land use patterns are much more difficult to make any concrete statements about than the past, as much of the relevant data and analyses are missing. However, what we know about 2050 is that in South Asia, cereal consumption for food and feed is expected to increase by 31%. In South East Asia the corresponding figure is 44%. To meet these demands, it will be necessary to improve yield, increase the total of cultivated land and import. When we add expected bio-fuel demands to the picture an additional 5% of cultivated land is needed by 2050, assuming all biofuels are produced from agricultural products.

This combination will outstrip the available cultivated land, meaning either that the production of cereals for food and feed will be reduced by 12%, or that unprotected grassland and woodlands will be converted.

Furthermore it is expected that China and India will have lost 15-20 million hectares of crop area each by 2050 due to urbanisation, infrastructure development, lost soil productivity, climate change and insufficient water resources. That represents 10% of the current Chinese crop area and 9% of the Indian area. Losses of this magnitude in the two largest economies in Asia will also drive substantial land use changes. These worrying projections are not only a concern for Asia, as they are the force behind the recent policies of "land grabbing" in Africa and other places. Unfortunately, it really isn't possible to go further in developing detailed scenarios based on existing analysis, but it is hard to imagine a positive story.

FM: What would the benefits of rational land use planning be and how might it be achieved in Asia?
SN: A balanced land use plan for individual countries or across the region would be positive for all, from landowner and producer to final consumers. Governments would also gain - higher incomes, better food security, better energy security, a sustainable forest sector, better mitigation of greenhouse gases and other environmental entities and better biodiversity protection.

There are several principles for successful land use policies and implementation. The first is to have integrated land-use planning encompassing all key options, recognising that by allocating land efficiently, the value of each option combined will be more than the sum of the individual options. This will require new thinking from policy makers, leaving behind old sector allegiances and competition.

The second will be the achievement of a significant boost to productivity within the constraints of the land already allocated to agriculture, or even less. This will free up land and the potential for increased production of new commodities without conflicts. The challenge for those hoping to improve agricultural production will be to sweep away failing agricultural policies, distorting subsidies and inefficient institutions, which have let the sector down in recent history.

Without such a revolution it is hard to see how Asia will meet the tremendous foreseen demands on production of food, energy, forest products and services and biomass for production of green products.

Vox Pop - Vietnam

Lê Thi Ngoc Anh, Factory Worker

1. What do forests mean to you?
Normally I care about forests. I pay attention to issues like global warming. I don't like illegal logging so I care about that as well.

2. What do you think it would mean to your grandparents?
My grandparents aren't interested in forests. They pay more attention to work and earning money.

3.What do you think forests will mean to your grandchildren when they grow up?
My grandchildren will probably pay more attention to forests. There are a lot activities to learn how to protect forests. Sustainability awareness is rising a lot in younger generations.

THAILAND'S EFFORTS TO MEET NEW MARKET REQUIREMENTS

By: Francesca Raimondi

Thailand is a regional forest products manufacturing hub that competes with countries such as China and Vietnam. Each year since 2006, Thailand has exported more than US$ 3 billion in forest products annually – even during the course of the economic downturn. This indicates that this is an important industry. Major destinations for Thailand's wood-based exports are diversified and include China, the EU, Japan, the USA, Vietnam and Malaysia.

However, a number of Thailand's main export destinations have started to work on legislation – or already have legislation in place – to close their doors to illegal wood. The combined export value of these markets with new requirements was more than US$ 1 billion in 2009, or one-third of Thailand's total forest product exports that year. In all these major markets, over the past ten years, there has been a rapid increase in demands for the proof of the legality or sustainability for their wood products – and this proof must be third-party verified. These new market changes are part of a larger world wide effort to stop the trade in illegal timber.

Thailand's Royal Forest Department is well aware of these new market requirements and as such, has started work to ensure that the successful exports of Thai wooden products will continue in the future. Forest Matters interviewed Deputy Director General of the Royal Forest Department, Mr. Prayut Lorsuwansiri in December 2011.

FM: Can you tell us what the main priorities of the Royal Forestry Department are and how the cooperation with the Forest Law Enforcement Governance and Trade (FLEGT) programme fits into them?

Mr. Lorsuwansiri: The main missions of the Royal Forest Department (RFD) include forest conservation, protection, rehabilitation, and forest management aspects concerning logging, gathering of wild forest materials, forest land utilization, and other areas touched by forestry and forest industry. All RFD actions are dictated by the relevant laws and regulations, within a strategy to reinforce public cooperation to increase the economical value of the country and develop people's quality of living. A number of other missions are identified by law, for example RFD's authorities, functions and competencies.

As the FLEGT programme aims to make contributions to legality, to the sustainable use of natural resources and sustainable development at the local and national levels by promoting good governance and law enforcement, it is clear that FLEGT is consistent with the missions of RFD. In particular with the responsibility of monitoring and controlling logging and forest industry trade in a legitimate process.

FM: Do you think the FLEGT process is important for Thailand?

Mr. Lorsuwansiri: The FLEGT process is very important for the country as it helps enhancing the stakeholders' understanding of the process and procedures of the EU timber regulation, which will come into force in March 2013. Moreover, it helps in the field of capacity building and awareness-raising for them to adapt to the new regulations in the near future.

As logging in natural forests is forbidden in Thailand, I expect FLEGT to stimulate the growth of private plantations, thus promoting reforestation by the private sector.

FM: Two areas of work have been jointly identified for this year: the analysis of Timber Flows in Thailand and a mapping of the stakeholders that will be relevant in case of an eventual Voluntary Partnership Agreement. Can you please comment on them?

Mr. Lorsuwansiri: As you know, the RFD is working on two studies with the support from EFI's EU FLEGT Asia Programme. The first study is the analysis of timber flows in Thailand. It is still a work in progress and a first draft report is expected in early 2012. The other study is the mapping of stakeholders affected by FLEGT. It has not yet started but the terms of reference have been agreed upon and Dr. Alex Hinrichs, Regional Advisor EFI's EU FLEGT Asia Support Programme, informed us that Dr.

Sureerat Lakanawichian, Executive Director of Forest Research and Community Center of Chiang Mai University will be the consultant in charge of it. The mapping exercise should start in the first quarter of 2012 with the cooperation and facilitation of RFD staff.

The analysis of timber flows is expected to provide a thorough understanding of the domestic and imported timber flows in Thailand. In addition, it will give a detailed description of the existing control system as implemented through the RFD and other agencies. This can help identifying what is consistent or inconsistent with the requirements of EU laws and regulations, and find possible gaps in domestic regulation as well.

The outcomes I mentioned will be presented to the public, especially to the stakeholders related to forestry sector, after the draft report has been verified by RFD. At this stage, the stakeholder's participation needs to cover all groups to ensure that the study is correctly completed and suitable for the country context. These two studies need to be carefully implemented; otherwise it may be a problem later.

FM: What are the specific challenges that Thailand faces, in your opinion, for the negotiation of the FLEGT Voluntary Partnership Agreement? And what are your expectations for future support by FLEGT Asia?

Mr. Lorsuwansiri: In my opinion, the major problem Thailand faces at the moment is a low level of awareness. Even though this important issue affects people and a wide range of stakeholders, there is only a small number of persons from the public and private sector, and even inside the RFD itself, who have the knowledge and understanding about what the FLEGT Voluntary Partnership Agreement negotiation actually is. But I admit that this process is difficult to understand in a short time. However, RFD has been supported by EFI's EU FLEGT Asia Programme for these studies and public hearings in the areas needed. Another challenge is the important presence in our market of imported wood.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As for future expectations of FLEGT ASIA support, we could suggest a contribution to enhance more cooperation and forest technical exchange within Asia, as it is important to establish the same standard of system for controlling illegal timber trade in the region. We have also several projects on going with ASEAN and it is important to ensure coordination with FLEGT.

FM: Finally, do you think it will be possible to effectively start negotiations in time to meet the March 2013 deadline affecting Thai exporters of wooden products?

Mr. Lorsuwansiri: With the floods of last year the Government's agenda has been packed by many unexpected and urgent matters. However, at present, RFD is working at full capacity to take the necessary steps for starting the negotiations within the set deadline, in order to prevent adverse effects on the Thai wooden product exporters and timber trade stakeholders of the country as a whole.

We must do it!


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A Beginners' Guide to Payments for Ecosystem Services – Generating income from standing forests?

Dr. Henry Scheyvens, Director, Natural Resources Management Group, and Dr. Enrique Ibarra Gene, Policy Researcher, Forest Conservation Project, of the Institute for Global Environmental Strategies

It is a tragic paradox that, while we all know that globally forests play a vital role in the systems that make our world viable, it is hard to make a financial case for protecting them because a standing forest generates no income. An urgent effort to reverse this disastrous irony is the driving force behind an innovative approach to financing sustainable forestry, known as "Payment for Ecosystems Services".
The concept isn't particularly new, but it has been given a dramatic new lease of life as the potential for forest carbon markets to facilitate significant reductions in greenhouse gas emissions has hit the headlines over the last couple of years in the form of a potential new UNFCCC mechanism known as 'REDD' – Reduced Emissions from avoided Deforestation and Degradation.

Given that climate change mitigation and adaption are two of the biggest challenges we face as a species, this link between forests and emissions has the potential to be a genuine game-changer, even if there are a million and one details to work out before the rubber hits the road…

In an attempt to get to the bottom of the payment for ecosystem services (PES) concept and the emergence of REDD as one form of it, FM talks to Dr. Henry Scheyvens, Director, Natural Resources Management Group, and Dr. Enrique Ibarra Gene, Policy Researcher, Forest Conservation Project, of the Institute for Global Environmental Strategies in Japan.

FM: So what are ecosystem services, how are they paid for and why?
IGES: Put simply, ecosystems services are "the benefits people obtain from ecosystems" and PES is the concept of having the people who benefit from the service pay others to provide the service. Natural forests provide a range of ecosystem services that are vital to human wellbeing. They provide supporting services – soil production and nutrient cycling; provisioning services – timber and non-timber products; regulating services – climate and hydrological regulation; and cultural services – cultural, religious, recreational and scientific values. Of these, climate regulation has the greatest potential for PES, though there is also large potential for water regulation PES, and there is now a wide range of mechanisms that could be used for biodiversity and landscape beauty PES.

The underlying principles of PES are that the payment is voluntary and conditional on the effective provision of the service. By which we mean, no service, no payment! The loss of ecosystem services through human activities has been explained in terms of a market failure. The market fails because ecosystem services users do not pay for the services and providers obtain no benefit, resulting in the over-use and under provision of the services. So if a forest protects a water table, but the people who rely on the water do not pay for that service, there is no incentive for the forest owner to keep the forest standing. Eventually the forest goes and likely so does the water. If it is possible to establish a mechanism that allows the people who use the water to pay the forest owner, there is an incentive for the forest owner to maintain the forest and the water resource.

FM: What is REDD+, how would it make payments for forest carbon a reality?
IGES: REDD+ is the name given to activities aimed at reducing global greenhouse gas (GHG) emissions from deforestation and forest degradation, as well as activities to conserve and enhance forest carbon stocks. At the moment Parties to the United Nations Framework Convention on Climate Change (UNFCCC) have yet to finalise a global REDD+ payment mechanism, so work is focusing on capacity building and improving forest governance, but in preparation for a potential market in forest carbon, some REDD+ pilots are testing the waters by selling 'offsets', essentially an exchange of emissions reductions in one place for another, on existing carbon markets. At the moment there are both voluntary and compliance markets – the former where buyers are motivated by

voluntary commitments such as corporate social responsibility programmes, the latter where they buy in order to comply with a legal requirement. In both cases the "product" sold is tonnes of carbon dioxide – CO2. In all eco system services, quantifying how much of the product should be paid for requires a baseline that the delivered result can be assessed against. This is especially important for REDD+, where the baseline is the change in forest carbon stocks in the most likely 'business as usual' scenario. So if a country is deforesting at 2% a year that is their baseline, and if they manage to reduce that to 1% per year, under a REDD+ mechanism they would be paid for the 1% difference.

In addition to climate change mitigation, it is anticipated that by protecting forests, REDD+ activities will also protect other forest values. Many investors believe that REDD+ could provide a form of offsets with unmatched environmental and biodiversity benefits, particularly since the UNFCCC agreed a detailed set of social and environmental safeguards in Cancún in 2010.

FM: What PES Pilots are running in Asia?
IGES: The number of REDD+ pilots in the region is the largest category and is growing rapidly. REDD+ activities are being implemented at a variety of scales from local through to district level. In Indonesia alone, by mid-2009 at least 17 pilots had progressed beyond the concept stage. The numbers of watershed PES are also increasing. Three examples help to illustrate the types of PES pilots in the region.

First: A collaboration between Australia and Indonesia to Reduce GHG Emissions
The Kalimantan Forest Carbon Partnership (KFCP), a demonstration activity in Central Kalimantan, Indonesia, is part of Australia's "International Forest Carbon Initiative" through which it has committed A$200 million to global efforts on REDD+. The demonstration activity centres on 120,000 hectares previously under the Mega Rice Project, which failed miserably in its efforts to convert the forested peat land to paddy fields. The KFCP will test a range of activities to reduce emissions from the area including damming the canals to rewet the peat, promoting natural regeneration in degraded forest areas, and managing fire and land use.

Second: Forest Protection by Households
Between 2000 and 2008 Lam Dong Province in Vietnam lost 4.74% of its natural forests. A PES pilot was launched to deliver hydrological regulation, soil conservation, protection against sedimentation of reservoirs, and biodiversity conservation. The sellers of the environmental services are about 3,900 households who are contracted to protect the forests, and state organisations that manage the contracts. The households receive 90% of the payment and the state organisations receive the rest. The buyers of the ecosystem services are nine ecotourism operators, two hydropower plants and two water supply companies.

Third: Payments to a Community for Reducing River Sedimentation
Under an action research programme managed by the World Agroforestry Centre, one community of Sumberjaya subdistrict, Indonesia, is receiving payment for its efforts to reduce sedimentation in the Way Besai catchment. The community is building check dams, drainage along pathways, terraces for their coffee farms and infiltration pits, and planting tree and grass strips, to reduce soil loss and increase infiltration. It is hoped that this pilot will provide a proven ecosystem service that can be offered to the local electric power company.

FM: What are the most established markets for ecosystem services?
As mentioned previously, both voluntary and compliance carbon markets are being used to trade forest carbon offsets. Voluntary markets include decentralised "over-the-counter" markets where buyers and sellers engage directly, through a broker or retail storefront, and formal exchanges, of which the Chicago Climate Exchange is the largest. With the introduction of REDD+ activities, forest offsets have become increasingly important for voluntary markets, accounting for nearly 30% of the total carbon credits traded in 2010. Compliance markets that allow forest sector offsets include the New Zealand Emissions Trading Scheme (NZ ETS), the Clean Development Mechanism of the Kyoto Protocol, Joint Implementation, and Kyoto Assigned Amount Units. NZ ETS serves as an important reference for how countries can encourage landowners to generate and trade avoided deforestation and reforestation credits through a practical, innovative design. It is important to note however, that the largest compliance market in the world, the European Union Emissions Trading Scheme (EU ETS) does not allow forest credits due to concerns about the methodology of, for example, verifying forest carbon stored over time. Biodiversity offset banking is an emerging field and examples can now be found in Victoria (BushBroker) and New South Wales (BioBanking), Australia. Developers who are unable to avoid environmental damage can purchase "ready-made" native vegetation offsets and under BioBanking even ecosystem and species specific offsets.

FM: In the established markets, who are 'sellers' and 'buyers' and how is the 'product' established/verified?
IGES: The sellers of ecosystems services are those who can ensure the delivery of the service. The buyers could either be the users or others acting on behalf of the users, such as government, an NGO or an international agency. In some cases verification is conducted by the buyers and in others by government agencies or third parties. For REDD+ projects, the sellers are the people who hold the rights or are assumed to hold these rights; in some countries legislation still needs to catch up with the concept of forest carbon. The buyers are organisations wanting to use


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offsetting to achieve their GHG emissions reduction targets, though REDD+ offsets could also be purchased by philanthropists wishing to have a positive climate impact or to drive up the value of other forest credits by taking some supply out of the market.

For REDD+, third party assessment is considered necessary to verify that the climate benefits are real. There are about 12 third party verification standards or combinations of standards that project buyers can choose from. The Voluntary Carbon Standard is the most desired carbon accounting standard, but there is also strong interest from buyers for non-climate benefits. The preferred option appears to be a combination of the Climate, Community and Biodiversity (CCB) standard, which aims to identify projects that have positive climate, community and biodiversity outcomes, and a carbon accounting standard.

FM: And what are the main lessons we should learn from existing projects?
IGES: Providing the right incentives to buyers and sellers is critical. For local communities, non-financial benefits could be more important than payments. The PES pilot in Sumberjaya emerged out of a wider initiative in the sub-district to reduce deforestation by offering farmers tenure rights if they commit to conserving natural forests and to using good farming practices. The farmers had in the past suffered forced eviction from the state-owned land they were cultivating, and thus highly value the tenure rights. On receiving these rights, one farmer exclaimed "Today is one of the most important days of my life. … Finally I got permission to stay on the land I have been farming". This demonstrates the importance of just one element of the improvements in forest governance that will be necessary to create an enabling environment for the sort of REDD+ activities, and ultimately payments, that many hope to see in the future.

To convince buyers to participate, accurate valuation of the service and trust that the service will be provided and maintained are important. When this trust is built, the buyers can become enthusiastic advocates for PES. The director of Dai Ninh Hydropower Plant is a strong supporter of the PES pilot in Lam Dong. He believes the pilot "will bring practical benefits for hydropower developers like us because the water regulation function of forest helps us increase electricity production, increase revenue and profit, and reduce damage to the plant's structures caused by big floods".

More general lessons are that PES is not a one-size-fits all instrument and its effectiveness is likely to improve as part of a mix of policy measures to address market failure, and that before PES can be mainstreamed, governments must lay the necessary foundations, including an enabling policy, collective institutions and transparent monitoring.

FM: OK, it sounds like a simple but wonderful concept with a lot of potential for saving forests.. but what are the challenges?
IGES: As providers of offsets, REDD+ projects face unique challenges. First, upfront costs are high, while the generation of credits (known as the Accounting Period) commonly spans several decades, meaning payment can take a very long time. Second, complex methodologies and heavy data requirements add to project costs and result in lengthy start up periods. Third, gaining consensus for REDD+ projects amongst many forest stakeholders – national and sub-national government departments, NGOs, private sector, local communities – can be a difficult process. Fourth, weak governance, manifested as weak law enforcement, lack of institutional transparency and accountability, and lack of cross-sectoral policy co-ordination, discourages investors.
While REDD+ activities can take place at project level, Parties to the UNFCCC have agreed that ultimately REDD+ impacts should be monitored at a national level. This decision is based on the concern that project-based REDD+ may merely result in the shifting of the source of emissions from one place to another – emissions displacement. So for example a 100-hectare area of forest could be saved from deforestation, but at the same time a similar sized area that was not under threat may suddenly be cut – meaning that the net impact is negligible. However, establishing a baseline and forest cover monitoring at national level is a huge undertaking for most developing countries and will require investment in research expertise and technology. Current progress suggests that this will take several years if not more. When forests are managed solely for carbon, there are risks to local communities and to biodiversity. Communities could be unfairly denied access to forests (a practice criticised as "fortress conservation") and their livelihoods compromised, and forests rich in biodiversity but low in biomass could be replaced with tree plantations, which have a higher climate/carbon value but lower biodiversity. Recognising these risks, REDD+ now includes a set of important environmental and social safeguards. Implementing these will be challenging but critical to providing equitable outcomes.

FM: So how could the PES concept, if mainstreamed, help overcome social and environmental problems in Asia?
IGES: Providing payments through PES to poor rural communities and coupling these with other benefits, especially secure tenure, could make a significant contribution to poverty reduction. Other benefits hinted at by pilots are greater community strength for negotiating with outsiders and a new image for the rural poor as valued service providers.
For ecosystem services, the most important benefits of REDD+ may be the governance reforms it could initiate, rather than the actual payments. Whether REDD+ is capable of creating political and financial incentives for these reforms will depend upon strategic commitment at the highest levels.


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First steps in piloting REDD+ social safeguards in Laos

Reaching communities through FPIC

"People living in our project areas should know how they will benefit and be able to give or withhold consent freely, without intimidation or force"

©GIZ

Author: Katharina Goetze, GIZ Laos

Over the coming months, the people of eight villages in Laos' Sayabouri Province will become the first in the country to formally give consent on whether or not to participate in a development project carried out in their areas. Consultations with villagers living close to the Lao-Thai border around the Nam Phui National Protected Area are currently being started by a Lao-German project – implemented by the Department of Forestry, GIZ and KfW – seeking to combat deforestation in the country.

"People living in our project areas should know how they will benefit and be able to give or withhold consent freely, without intimidation or force", says Thongsoune Bounphasaisol, the GIZ REDD+ National Coordinator. The project is piloting REDD+ (Reducing Emissions through avoided Deforestation and Forest Degradation) in Laos, a new financially-based approach which rewards local populations for keeping their forests intact. But since doing this could also affect their traditional livelihood systems, it is crucial to involve local communities from the start and seek their consent beforehand.

The consultation process, also known as FPIC (Free, Prior and Informed Consent), is the first of its kind in Laos. The lessons learned from it could lead the way for other development projects in the country as well as the wider region. "No organisation in Laos has ever formally attempted to apply the FPIC approach before this", says Richard Hackman, who is involved in implementing the human rights-based approach on behalf of the GIZ-Climate Protection through avoided Deforestation Project (CliPAD). "You could say the GIZ is a pioneering organisation."

Although the call for participatory approaches in development projects has become stronger over the last two decades, a formal, internationally sanctioned process had long been absent. It was only in 2007 when the United Nations Declaration of the Rights of Indigenous Peoples (UNDRIP) was adopted by the UN General Assembly that a framework was established for how to involve host communities in projects impacting the resources upon which they depend. Although not legally binding, Laos has supported this declaration.

While FPIC is a principle that is also relevant for other types of development projects and extractive private sector industries, it is especially relevant for REDD+ projects, which depend on the preservation of forests by the local population for their success. But critics warn that if carried out in the wrong way – i.e. without safeguards such as FPIC in place – REDD+ projects could also threaten rural communities whose livelihoods depend on the forest.

"Most development projects are implemented top-down and ignore the voices of local and indigenous people. This then often leads to complaints from villagers later on, but not many organisations take

this into account", says Douangprachanh Champaphonevilay from the Lao Biodiversity Association (LBA), the civil society organisation carrying out the FPIC process.

He and his colleague Khampaseuth Cheutchingthao work as part of LBA's team of external facilitators who will conduct the consultations in the villages on behalf of CliPAD. "For FPIC to be meaningful it must be conducted by an independent organisation such as LBA. Since it is the Lao government together with GIZ who want to implement REDD+ activities in the area, it would not be appropriate for them to go to the villages themselves and carry out the process", Champaphonevilay says.

In the first phase, he adds, LBA will be visiting eight villages around the Nam Phui National Protected Area in Sayabouri Province. Altogether they will make four visits to each village, beginning with a meeting with the village committee. After this the team will hold information sessions for the village population, beginning by explaining climate change and the REDD+ approach, then discussing the villagers' rights and how to establish grievance and recourse mechanisms. Only after this process has been completed will they ask the villagers to give or withhold their consent on whether to begin cooperation with the project. During and at the end of the project planning stage consent will also be needed.

"In villages with three or four different ethnic groups and large populations we won't be able to talk to every person. On the other hand, we don't want to only speak to representatives such as village development or political committees, but really get as many people as possible involved", says Hackman.

The LBA team will be supported by a team of so-called internal community facilitators who are recruited from the villages and can support LBA through giving details of their community's customs and traditions as well as natural resource use, decision making and grievance mechanisms.

Making sure that there is a gender balance across the teams of facilitators as well as the villagers consulted is an important aspect of FPIC. Mr Bounthiang from the Lao Women's Union explains: "In Laos, it is mostly women who collect forest products – so they are the ones that will potentially be most affected by REDD+. Also, if women are involved in FPIC it is more likely to succeed because women are better at disseminating knowledge."

While the LBA team's work, with support from all sides, is off to a promising start, everyone agrees that with no precedent of FPIC in Laos, it is going to be a case of learning by doing. And even after the first villages have been consulted, there will still be a lot of work ahead of the team – namely the development of FPIC guidelines that can set an example for other projects in Laos. "The legal standing of FPIC in the country is still weak," Hackman adds. "If FPIC is supposed to be carried out on a bigger scale in the future and receive greater support, there will be a need for legal reform in this field."

But while many things are still unclear, there is also much cause for optimism. Since CliPAD is the first REDD+ project in Laos, it has the unique chance to act as a model for others. Bounphasaisol points out: "We are very lucky in this sense. We not only have the chance to pioneer REDD+ in the country, but to also introduce FPIC as a standard for other projects to come."

Interview with Oupakone Alounsavath, Director of the Planning Division, Lao Department of Forestry

Can you tell me a little bit about why the Lao government wants to conduct a Free, Prior and Informed Consent (FPIC) process and why it is important?
FPIC is linked to REDD+ (Reducing Emissions through Avoided Deforestation and Forest Degradation) and to the development of a voluntary carbon market. It is also mentioned by UNDRIP as a principle to involve local people in processes that affect their communities.

It is important, because if you are going to work with communities, you have to inform them and discuss with them beforehand. You have to get them involved and engaged in the new developments, otherwise the project will not succeed. If the community does not understand what is happening in their village, it is hard to get them to cooperate. If you talk about drivers of deforestation in REDD+, local people have to be involved – they spend all of their lives with the forest.

Who should be involved in the process?
Stakeholders are of course the government agencies, especially those responsible for community development, such as the Lao Front for National Construction or the Lao Women's Union. Also civil society needs to be involved and the local authorities in the provinces. Who the target group is, depends on the project and the area we are talking about. In some places we would work, for example, with village organisations, but also with other organisations on the district level.

How will Free, Prior and Informed Consent be implemented?
First of all, it is important that the work we do benefits the communities and that their rights are respected. The project should develop principles and then criteria and indicators to measure what has been achieved. This is something we need to think about. Of course, FPIC is a new approach for Laos and so we are learning by doing. But at the same time we shouldn't take risks. From my experience of working with communities, I know that we have to be sure about what we are doing before we inform the villagers.

What challenges do you think you might face?
One great challenge is the uncertainty that comes with trying out an approach for the first time. In particular, we have to think in more detail how we communicate FPIC and of course develop guidelines, procedures and outreach materials. The term "Free, Prior and Informed Consent" is difficult to translate literally into Lao – it might be better to adapt the meaning, but not translate the concept word for word. Also there are aspects of REDD+ that are difficult to convey to villagers, for example the idea of carbon emissions.

A regulatory framework for FPIC is still missing, although we are working on this. Also, there is always the question over how you make UNDRIP country-specific. We hope to integrate FPIC into existing regulations, if possible.

What do you hope to achieve with Free, Prior and Informed Consent?
FPIC is an important prerequisite for REDD+, but in a wider sense it can also contribute to achieving our goal of poverty alleviation. Apart from that, it also supports our forestry strategy. Land-use stabilisation in particular can be helped, if local people agree to protect the forests in their areas. My hope is that we can communicate the process in a way that makes sense to local people, because their lives depend on these natural resources.

Vox Pop - Laos

Buddhist monks from Laos

1. What do forests mean to you?
The forests are important to conserve all the life in the world, for humans the most important forest resource is the oxygen the trees produce. Besides that, forests can be so beautiful.

2. What do you think it would mean to your grandparents?
We think that our grandparents loved the forest as we did, but also used it for its resources. However, we don't think they damaged the forest.

3.What do you think forests will mean to your grandchildren ,when they grow up?

We learned from our parents and grandparents how to preserve and live with the forest, so it is our duty to give the same message to our children and grandchildren.

Name : Dr. Chen Xiaoqian
Occupation : Forest Policy Advisor in China / Associate Professor Beijng Forestry University School of Economics and Management
From: China

Describe your job?
I work for USAID's Responsible Asia Forestry and Trade (RAFT) program, which is designed to maintain and enhance the many benefits tropical forests provide. The RAFT program tries to transform the tropical timber trade by influencing the development and implementation of the public policies and corporate practices needed to improve forest management and bringing transparency to the timber trade in Asia, thereby reducing carbon dioxide emissions from deforestation and forest degradation. In China, the program is mainly trying to work with relevant government agencies to build up legal and institutional arrangements necessary to exclude illegally-sourced timber from the Chinese market and assist forestry businesses to improve their understanding of Chain of Custody management.

What is the most useful lesson you have learned in your job?
I learned that if we want to promote responsible forest management and trade, we need to work with partners, and throughout whole supply chain. We use existing networks and expertise to support efforts all along the global timber supply chain to encourage responsible forestry and trade.

What is your vision of the ultimate potential for your organisation?
I hope that the program will eventually be able to improve the sustainability of forest management on the ground in the targeted timber producing counties. RAFT has supported the independent third party certification of nearly 1.5 million hectares of tropical forest, with more than 4 million additional hectares on the way to getting certified. RAFT is also helping to secure livelihoods and protect traditional cultures, while ensuring that orang-utans and clouded leopards have a healthy patch of forest where they can safely increase their numbers.

RAFT has trained approximately 800 companies in six countries to comply with domestic laws and source timber that is legal in its country of origin, in order to maintain their market access in countries with legislation that prevents the import of illegal wood products. RAFT is also working directly with wood products manufacturers in China, Vietnam and Lao PDR to achieve Forest Stewardship Council chain of custody certification.

What do forests mean to you?
To me, forests are the habitat and home of the biodiversity of the earth and home of wild animals and plants. In addition, they are a renewable resource for humans as they supply economical, ecological and social benefits.

What is your vision for your country's forests in 2020?
I hope that the quality of forests will be improved by better implementation of SFM best practices on the ground. With these management standards, forests will be able to provide sustainable timber products to meet both domestic and international market demand, and clear timber legality verification systems will have been established. Finally, there will be strengthened international forest cooperation on forest and climate change(REDD+), SFM, legal timber trade etc.

Vox Pop - Cambodia

Mr. Chea, receptionist

1. What do forests mean to you?
Very important because deforestation will cause weather changes and influence the wildlife that depends on forests. Illegal logging will also cause mud floods.

2. What do you think it would mean to your grandparents?
I think my grandparents used the forest for its resources but did not harm the forest at all.

3.What do you think forests will mean to your grandchildren when they grow up?
Even though we don't know how to protect the forest, I will teach my children and grandchildren about the forest so they will do their best not to harm it.

It is estimated that Angkor was or with at least 1,000 square kilomet

A Fine Balance

Close to the city of Siem Reap in Cambodia, once hidden in dense forests, lies the majestic archaeological site of Angkor. The magnificent remains of the capitals of the Khmer Empire, which prospered from the 9th to the 15th century, now speak to the imagination of visitors that flock here in vast numbers. It is estimated that Angkor was once the largest preindustrial city in the world, with at least 1,000 square kilometres of buildings and up to one million people.

Today the city's glory has not been forgotten as the whole Angkor area is a UNESCO World Heritage Site and still home to millions of people. Since its inscription as a World Heritage Site in 1992, the site has been managed by the World Heritage Site Management Authority, which have found that ensuring the preservation of the ancient buildings, while looking after the surrounding forests and environment, as well as the people living in its vicinity, is a delicate puzzle.

nce the largest preindustrial city in the world, res of buildings and up to one million people.

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Nathan Wales is an environmental scientist from the University of Sydney who has studied the regulation of World Heritage Sites like Angkor and has explored how these regulations affect forest and landscape changes and local communities.

"The Angkor site has a tremendous value, commemorating the art and architecture of the Khmer culture of that period, as well as giving us a profound insight into the history of this region" Wales explains. "At the same time, this World Heritage site is surrounded by vegetation and forests that provide resources for the neighbouring communities. It is very interesting to see how the Management Authority tries to find a careful balance between the ruins, the environment and the people."

To assess the links, Wales used satellite imagery of the site to find areas of landscape change. With this information, he went out into the surrounding area to interview people in local communities and find out more about these changes. He focused particularly on the extent to which they were influenced by the regulations of the World Heritage Site and how they were experienced by the local communities.

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"I interviewed many people from different villages about their perception of change around their area. Sometimes it was hard to gauge, as the level of change they were talking about was too small to actually spot on a satellite." But there were some interesting findings, Wales explains. "The main temple areas, where amongst others Angkor Wat is located, are based in Zones 1 and 2. These are the areas that are the most stringently regulated by the Management Authority. When I spoke to the people that live in these areas, there was a mixed response as to how the World Heritage Site affected them."

The people that live in Zones 1 and 2 report that the site provides them with easier access to income opportunities. One villager explains "forest cover surrounding my village (located in core zone 1) has increased since the restrictions imposed by the management authority in 2000. Even though there is more restricted access to forest within the core zones we do not have to travel further now to access forest resources for daily use compared with the period prior to 2000." Other villagers indicated that they have food and souvenir stalls, work as guides, or work in construction of hotels in town. Besides that, the Management Authority employs a lot of local people in jobs such as security guarding at the temples, and as gardeners. They also feel that the World Heritage Site ensures that the area they feel very much connected to, is well managed and protected.

However, due to these same regulations, it's difficult for the local people in Zone 1 and 2 to make use of the forest resources. One villager explains "regulations introduced circa 2000 meant that removal of timber from nearby forests for housing was banned. Timber must now be bought from more remote areas which is expensive". "As a result, you see that in areas that are less regulated, such as Zone 5 there are more activities in the forest there" Wales says. "This is what I also noticed on the satellite imagery. There are quite a number of landscape changes in the areas which are less regulated by the Management Authority."

The balance between environment and people's needs is a delicate one, and archaeologists have recently uncovered evidence that this may have been a reason why Angkor was abandoned in the first half of the 15th century. They attribute Angkor's collapse to environmental problems caused by the increasing size of this colossal city. The city's boundaries expanded into forested areas, where vegetation was cut and the landscape re-engineered. This caused similar problems as we see around the world today, where over-population, deforestation and degradation of the land make places unliveable.

Looking at the history of this site, it's evident that World Heritage Regulations are key to providing precious sites around the world with the necessary protection for the generations to come. In order to maximise the protection and preservation they place strict constraints on the use of the site and any natural resources within in, such as forests. However, research such as Wales' has shown that this may have some unintended consequences for the areas that do not fall within these strictly regulated areas.

He concludes "in the case of Angkor, it would be good to include inputs from local villages in a comprehensive management plan for the forests in all zones. This way, a sustainable plan can be made for local villages to maintain access to the resources they need, without jeopardising the environment of the World Heritage Site. Because I think everyone agrees that this is a truly wonderful place and should be managed in such as way that it can be enjoyed by locals and visitors alike for the centuries to come."

Nathan Wales recently completed his PhD which combines quantitative remote sensing change detection and qualitative data in examining landscape change at the Angkor World Heritage Site.

The balance between environment and people's needs is a delicate one

"I think everyone agrees that this is a truly wonderful place and should be managed in such a way that it can be enjoyed by locals and visitors alike for the centuries to come."

The Tiger

An animal of the past?

The tiger is the world's biggest cat and is indigenous to most of eastern and southern Asia. Historically tigers lived in diverse habitats from West Asia to Siberia and on islands like Borneo and the Philippines. However, from the late 19th century the wild tiger population has crashed from 100,000 to a current estimate of 3200. One of the principal reasons for this tragic decline is a loss of habitat and subsequent human-tiger conflict. In less than 100 years the tiger's distribution has shrunk by 93% and the animal is now extinct in western Asia, Java and Bali. It is also suspected that the south China tiger does not exist in the wild anymore. Efforts to turn the trend around are beginning in Some areas such as the Kuiburi National Park in Thailand, but the challenge is substantial.

"Over centuries, a belief was formed that tiger parts have medicinal properties, regardless of the lack of scientific evidence, and there has been strong demand for tiger parts in traditional medicine ever since. This, combined with a voracious appetite for tiger skin, teeth, claws and meat, has led to widespread poaching."

This majestic cat is entrenched in local folklore and mythology and is the national animal of many Asian countries. The characteristics often ascribed to the tiger include courage, fierceness, nobility and strength. But it is these same characteristics that have contributed its rapid decline, as humans, in awe of this animal and everything it stands for, seek to take on its powers by killing and consuming it.

Recognising this crisis, governments and NGOs alike have tried to bring the decline to a halt. A number of countries have banned the use of tiger parts in pharmaceutical drugs and imposed domestic trade bans. Internationally, the trade in tiger parts has been made illegal under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). This multilateral treaty aims to ensure that international trade in wild animals and plants does not threaten their survival and has been signed by 175 countries.


© Choong Joon/WWF Greater Mekong

" If habitats keep shrinking, the plunging tiger population will mean that the powerful and beautiful Asian tiger will be a creature of the past"

But despite these efforts, the trend has continued and extinction in the wild is a looming possibility as habitats continue to disappear. "Tigers are highly dependent on a large habitat to survive" says Surasak Srirattanaporn, a tiger expert from WWF in Thailand. "The tigress has a territory of 70 square kilometres and a male of 200 square kilometres, even though this depends on prey density. They are mostly solitary animals and feed on large and medium sized prey, so you can imagine that a lot of space is needed for them to hunt and roam around without being disturbed."

The loss of habitat has caused tigers to live in fragmented patches and greatly reduced their home range and supply of food. It may have also restricted opportunities for mature breeding individuals, of which there are estimated to be only 2500 left in the wild, to meet each other for mating purposes. This decreases genetic diversity, which can affect the population's ability to respond to environmental changes and increase the risk of extinction substantially.

Another consequence of the loss of habitat is human-tiger conflict, particularly in rural communities. There are tragic reports across Asia of tigers killing livestock and attacking humans as they are pushed ever closer to inhabited areas in search of food. Unfortunately, when cases occur, the great cats are generally killed in retaliation or caught and sent to zoos. Fear of tigers and a lack of education in these largely rural communities have created a precarious situation for animals that have no choice but to venture beyond their remaining habitat in search of prey.

"Tigers are highly dependent on a large habitat to survive"

In light of this sad tale a four year research project has been undertaken in the Kuiburi National Park in Thailand, an important protected area complex that contains one of Thailand's fifteen remaining tiger populations. The project aims to study the availability of prey and engage local communities in lasting and effective protection of the remaining tigers, through education and outreach. The goal was to create partnerships and build capacity among the local people to take action for tiger recovery. The park staff were trained to perform these outreach activities.

Research has shown that remaining habitat is often closed canopy tropical evergreen forests, such as Kuiburi, which have low plant productivity at ground level due to the shady conditions, meaning that tiger prey is limited. In comparison to more open deciduous forests and grasslands, which are disappearing even more quickly, tigers need even larger areas to survive and, tragically, are more at risk of extinction in these dense forests.

"We trained a team of park rangers to conduct tiger-focused outreach and education in surrounding villages and towns. Together with them, we also designed and produced outreach materials" says Surasak. "With this we aim to increase awareness and understanding among local people in the surrounding villages, build local partnerships for tiger and prey recovery and reduce hunting in the park."

The efforts undertaken in the Kuiburi project and other initiatives by governments and NGOs such as WWF are essential for the survival of the wild cat that once roamed most of Asia. But if they fail and habitats keep shrinking, the plunging tiger population will mean that the powerful and beautiful Asian tiger will be a creature of the past.

For more information :

read WWF's study "Experimental approaches towards tiger recovery in Kuiburi National Park, Thailand"
and
WWF's "Tigers Alive Initiative brochure".

Vox Pop - Thailand

Pooh, Employee at a Jewellery shop

1. What do forests mean to you?
Useful, beautiful and health-giving – almost everything depends on the forest. It would be a huge waste if this beauty disappeared.

2. What do you think it would mean to your grandparents?
They only used the forest for its resources – the trees to build houses etc.

3.What do you think forests will mean to your grandchildren when they grow up?
We must teach children to take care of the forests from generation to generation.

Som, Maintenance worker of Lucky Buddha temple

1. What do forests mean to you?
Without forests there is no oxygen, which means life is not possible - everyone and everything dies.

2. What do you think it would mean to your grandparents?
I believe that they did not think about the conservation of the forest and just made a living out of the resources in the forest.

3.What do you think forests will mean to your grandchildren when they grow up?
I will do my utmost to teach my children and grandchildren to love the forest and to take care of it.

'REDD plus' can work, but only if the 'plus' means 'People'

By Dominic Elson

Deforestation, particularly from forests in developing countries, accounts for around 17% of global greenhouse gas (GHG) emissions, more than the global transportation sector and second only to the energy sector. The forestry sector was thus always going to be an important component of any global deal to constrain emissions, but it has become the most prominent sector. The United Nations Framework Convention on Climate Change (UNFCCC) meeting at Cancun in December 2010 established an incentive mechanism to reduce emissions from deforestation and forest degradation, conserve and enhance forest carbon stocks, and promote sustainable forest management. This scheme is known as 'REDD+'.

Forests were already useful for many things before their role in climate control became an issue. Forests support the livelihoods of 1.2 billion of the world's poorest people and are home to more than 50% of the world's species diversity. They provide a vast range of foods, animal fodder, fuel, building materials and medicines for the largely rural population, while protecting watersheds replenishing soil nutrients. Besides timber, many of the world's most valuable commodities come from forests: including major crops such as coffee and cocoa as well as specialist resins and aromatic roots.

If forests are so useful, one may wonder why they are under threat at all. So understanding the dynamics behind forest clearance and degradation is essential if REDD+ is to succeed. A simplified answer is that forest clearance is correlated with economic progress - as was the case in Europe and USA. As we recall from our history lessons: forests are cleared, timber sold, and the wealth used to 'improve' the land so that it may support crops or pasture. But analysis has shown that this correlation does not mean causation. There are many factors that drive economic growth and the formation of capital, and clearing forests may not always be the straight line route to riches. One does not have to look too hard to find evidence: Haiti is almost completely deforested yet unremittingly poor, meanwhile Vietnam has been growing its forest estate throughout its period of rapid economic growth. Indeed, in the 20 years to 2010, 59 countries actually expanded their forest estate, many of them developing countries.

Where deforestation is occurring, it is often because the political economy of that country is bound up in the capture of 'rents' from high value timber and the release of cheap land for plantations. In some cases, sudden rises in deforestation can be predicted based on election cycles, as politicians reward financial backers with forest clearance permits. Tackling this system when it is so institutionalised in certain countries will be a daunting challenge for REDD+. Perhaps the only sure way to succeed is to link payments to results (so a country will only get the payments if the forest estate has improved), but this is complicated to administer and delivers the cash only after the event. For many of the target countries, the money is needed up front if there is to be any chance of changing the system.

REDD + must be structured around the needs of rural communities and forest dwellers

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REDD+ is an unprecedented attempt to deliver 'payments for performance', combining carbon, biodiversity and poverty alleviation goals. Some are skeptical that any project that relies for its success on the intricate workings of social and political processes in developing countries can be wholly successful without having some unintended consequences along the way. There is a danger that in attempting to control the system, REDD+ will centralise power and threaten the recent progress that has been made in recognising the rights of local people over the forests they inhabit. This would be unfortunate, for it is now clear to some experts that for REDD+ to succeed at all, it must be structured around the needs of rural communities and forest dwellers.

Look after the people that look after the trees

When we talk of 'virgin forest' we imply the land is somehow unsullied, pure, a stranger to the human stain. But this is misleading. Forests - especially tropical forests - are human landscapes. They contain communities, boundaries, tribes, clans and households. They may not look like our fields and hedgerows, fences and walls, but most forests are in fact delineated in complex ways.

In the mosaic landscapes that encompass forests, people are engaged in a range of activities - such as agroforestry - that rely on a diverse and delicately balanced ecosystem. Some of these lands are deemed to be 'primary forest', and some are not thought to be forest at all, despite the presence of various types of trees and palms. The only way that REDD+ can be successful in regulating carbon emissions is by encompassing all these landscapes, and this requires an understanding of how people currently use them.

When we look at the forest - and landscapes with trees - as a place for people, we see abundant opportunities for improving livelihoods. For instance by building a viable enterprise sector, that allows rights-holders to exercise command over the natural resources in their domain in an equal partnership with capital investors, rather than as subordinate to outside interests. This approach will still satisfy our needs to constrain emissions. In fact, an extensive survey found that when local

people were granted greater autonomy over forest areas, combined with sustainable economic options, the carbon performance of those landscapes was greater than in areas controlled by governments, NGOs or donor projects.

The key factor that determines this success is land tenure reform. China and Vietnam have both experienced a significant expansion of their forest estates through granting property rights to local people, stimulating investment in tree planting and helping to restore local ecosystems. The evidence shows that where people obtain unambiguous, exercisable rights over forests, within the context of clear responsibilities, they feel empowered to invest their own labour, time and capital in improving the landscape to achieve long term goals. In most cases, this leads to land management that is more 'climate smart'; achieving multiple goals of economic, social and environmental sustainability.

Starting with the people, and the enterprises that they can form, is not only more satisfactory from a rights point of view, it is also a superior method in pragmatic economic terms. In short, it is more efficient. Investment in the holistic economy of forest landscapes could set the conditions for low carbon growth, for instance using renewable energy and low-carbon infrastructure. Investment in agricultural technology and addressing value chain constraints could raise yields, boost smallholder incomes and thus alleviate pressure on the forest frontier.

Many governments already see the benefits of tenure reform and a rights-based approach to the economics of landscape management. For instance, at a conference on tenure reform held in Indonesia in July 2011, Kuntoro Mangkusubroto, a senior government figure, declared that:

'At the utmost land and forest tenure reform is about increasing people's welfare and living standard, reducing poverty by providing jobs, and living in harmony with the environment'

The result of this people-based approach to REDD+ will be more equitable economic growth, whereby previously marginalised people become active citizens, with autonomy to conduct their own process of transition to the modern world at their own pace and on their own terms. Land reform has been proven to be the defining condition of countries that seek to become modern, wealthy, liberal democracies. Of course social and economic development is difficult, expensive and often has unforeseen outcomes. One should not underestimate the costs and complexity of managing the kind of political and institutional development that would be required for effective tenure reform. But REDD+ is going to involve significant expense on building institutions in any case, so why not build those institutions in a manner that most benefits human welfare, rather than becoming too fixated on technocratic projects that rely upon the counting of trees, carbon and money.

Further reading :

Gregersen, H., El Lakany, H., Bailey, L. and White, A. (2011) The Greener Side of REDD+, Rights and Resources Initiative, Washington DC

Elson, D. (2011) The Economic case for Tenure Reform in Indonesia's Forestry Sector, Rights and Resources Initiative, Washington DC

Name : Jirawat Tangkijngamwong
Occupation : President of Thai Timber Association (TTA), Secretary General of Thai Furniture Industries Association (TFA), Vice President of Council of Asia Furniture Associations (CAFA)
From: Thailand

Describe your organisation?
The main objective of the Thai Timber Association is liaison. We consider ourselves to be a link between the producers, the people from the forest, the saw mill and the final consumer. Because of that, we get everyone's perspectives. And since we are the only association involved in international timber, we try and work with the Royal Forest Department to come up with a long-term strategy. We don't only want to focus on today, but also the future. Some people like it, others don't. We feel it's not a choice; it's a road we will all have to follow. Not only Thailand, but other countries as well.

What is the most useful lesson you have learned in your job?
Each country has its own problems and a way of solving them. We try to come up with the best practices in Thailand. And being acquainted with many friends in the industry from many countries, gives me a clearer picture of the whole world, especially with regards to forests. This helps to come up with good solutions to the challenges we come across in Thailand.

What is your vision of the ultimate potential for your organisation?
I hope that Thailand will be able to find a solution that is best for everybody. I think that wood is the greenest option in comparison to other materials, such as plastic, etc. as long as you can ensure the legality of the timber. We know the world has a problem, and we have to solve the problem together. I hope there is a chance for suppliers and end-users to work together to ensure the sustainability of our materials and the business. Even though I represent the business sector, I have a background in Forest Management as well as design. This will hopefully give me a better perspective.

What do forests mean to you?
For us it's not just the source of raw materials, but also our home. I think we get benefits from the forest, but it's also our duty to take care of them.

What is your vision for your country's forests in 2020?
As Thailand is part of ASEAN, we are now trying to work as a group, as people in a community. There are areas where we can work together. Thailand will try to do the best we can in our jurisdiction, but along the line of the others in ASEAN. At the end of the day, we're the countries with tropical forest. It's our duty to make sure we do the right thing and tell others about it. And since EU FLEGT began to be involved, I have seen a new dynamism. A lot of people complain about its complexity, but the new mechanisms are driving the whole region to look into their policies and start thinking about changing for better. Whether you agree or not, it's simply the biggest drive I can see. For sure there will be change in 2013.

Working in a minefield

Bombs stopped falling on Laos decades ago, but the consequences are felt to this day. Laos is widely known as the most heavily bombed country in the world, an unenviable claim to fame contributed to by various conflicts, most notably the Vietnam War. During this war an estimated 270 million 'bombies',[1] the inappropriately cute Laotian term for cluster bomb sub-munitions, were dropped in an attempt to disrupt Communist supply routes running through the landlocked nation. Today, craters, no-growth zones, missile remains, cluster bombs, mortars and unexploded ordnance (UXO) can still be found throughout Laos. The presence of these UXO affects the daily lives of many people, especially those who work on the land and in Laos' relatively untouched forests. Now a partnership of Government, farmers and European company Stora Enso is tackling the problem as part of a new plantations programme.

Bualapha district in the Khammuane Province, Lao PDR is one of the poorest districts in the country, and with the provincial capital more than three hours away on a rough muddy road, livelihood opportunities are scarce. Agriculture accounts for about 30% of GDP and 75% of total employment in Laos. Longma is a poor farmer struggling to raise his family of six. He lives in a village called Nasomboun in the Bualapha district. "I have two small parcels of land where I can plant rice and grow vegetables," Longma explains. "I used to get 1,800 kilos of rice from the bigger parcel but my family is growing and I need my other piece of land to plant rice. 1,800 kilos is not even enough to feed my whole family for one year! With the vegetables I can sell, I only make less than 5,000,000kip (US$625) per year and that is really not enough for my family."

"The presence of these UXO affects the daily lives of many people"

Longma knows how dangerous planting in UXO contaminated land is – people in his village have been victims of the bombs and just last year the land beside his plot was cleared for development of district government offices, unearthing an intimidating pile of bombies, which suggested that his land was probably contaminated too. It is common for farmers to hit cluster munitions or other explosives with devastating consequences for their families, whose livelihoods depend on the people that work on the land.

"Agriculture accounts for about 30% of GDP and 75% of total employment in Laos."

The problem has long been recognised, and in 1996 the Lao government, with the support of the UNDP, UNICEF and other donors, established the Lao National Unexploded Ordnance Programme (UXO LAO), aiming to reduce the number of casualties caused by the bombs and increase the amount of land available for food production and industry. UXO LAO's teams are increasingly made up of local people and work in nine of the most UXO-impacted provinces in the country. "UXO Lao is the national UXO clearance operator. Our work in clearing cluster munitions and other UXO is essential. For every bomb destroyed or for every square meter cleared, people are able

1 Cluster ammunition is a type of weapon that consists of a canister designed to release a large number of smaller bombs, known as sub-munitions.


© Stora Enso

to farm their lands without risk and children are able to go to school without the danger of disturbing UXO." says Mr. Bounpone Sayasenh, UXO Lao's National Program Director. Last year Longma had an opportunity to attend a village meeting held by UXO Laos, at which he asked for their help. To his delight, his request was endorsed by the village and UXO Lao came the following year to clear his land.

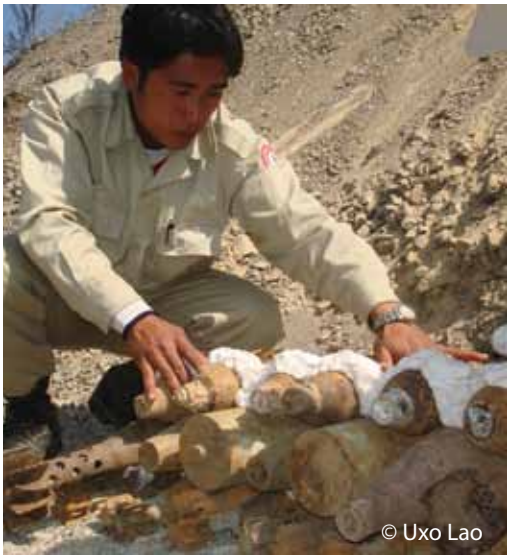
And it's not only the Government that is trying to provide a safer working environment for its people. A number of responsible companies have also taken up the challenge. Stora Enso is a Finnish company that manages 800 hectares of tree plantations in Laos, much of it on land that was once riddled with explosives. The company started its clearing activities in June 2007, mainly focused in the companies' plantations in Savannakhet province and Saravane province, which between them employ 90 people. "These explosives were a serious threat to our employees" explains Peter Fogde, Chief Operation Officer of Stora Enso in Laos. "So we decided to set up a programme to clear all the bombies and other explosives at the areas where we work. At the same time, we are helping communities that are among the poorest in Lao PDR and face significant development challenges including serious lack of food security, poor education, low literacy, poor maternal health, low cash incomes and few opportunities for income generation while facing serious problems with UXO. "

Stora Enso Laos came up with a model that lets the village identify land use types that are important to the village or that have high conservation value, which should be respected and preserved. As the company does not have management rights for any land outside its plantation, they have opted to encourage as much agroforestry production as possible, much of it out of land cleared of UXO. In addition, the trees in the plantation have more space between them than on normal plantations, which is used by the communities for agriculture. Fogde explains: "There is a serious rice deficiency in the area, so this increases food security for the villagers. And through cash crops, there is also income for the villagers. This way, we protect the villagers and enable them to plant agricultural crops, while we can still operate our business and provide safe employment for our staff."

A safe working environment, in this case provided by the Government as well as responsible companies, has made an enormous difference to some of the poorest people in Laos. Longma has now planted a third of the hectare that UXO Lao cleared for him and harvested an additional 1,050 kilos of rice in the last harvest, meaning his family will not go hungry this year. And even though many more UXOs will need to be cleared in this, one of the poorest nations in the region, he and others keep their spirits up. There is great hope that the next generation can work the land without fear of encountering explosives, and that children will grow up in a world where they can play freely, without fear of bombs.

For more information on this story you can visit the websites of:

Lao's National Unexploded Ordnance Programme
http://www.uxolao.gov.la/
UNDP Laos
http://www.undplao.org/about/contact.php
Stora Enso
http://www.storaenso.com/sales/fine-,paper/asia/laos/Pages/welcome-to-stora-enso-operations-in-laos.aspx


© Uxo Lao

Vox Pop - Vietnam

Do Thi Ngoc Chaim, Seller of fruits on a market

1. What do forests mean to you?
I do care about the forest but I'm too busy to do anything about it.

2. What do you think it would mean to your grandparents?
I actually don't know how my grandparents feel about forests. I think they don't care that much.

3.What do you think forests will mean to your grandchildren when they grow up?
I hope my grandchildren will protect forests, because it's good to care about them.

Vox Pop - Thailand

Patiwat Atirat, Hotel employee

1. What do forests mean to you?
I have a good feeling about forests. I care a lot about them.

2. What do you think it would mean to your grandparents?
My grandmother has a lot of respect for forests. I would like to be like her.

3.What do you think forests will mean to your grandchildren when they grow up?
My grandchildren will be city dwellers I expect, so I'm not sure how they will think of it.

Name : Dr. Freezailah bin Che Yeom
Occupation : Chairman, Malaysian Timber Certification Council (MTCC) and Advisor to the Ministry of Plantation Industries and Commodities in the EU/Malaysia FLEGT negotiations
From: Malaysia

Describe your job?
MTCC is the National Governing Body for the implementation of the Malaysian Timber Certification Scheme (MTCS). MTCC has overall responsibility for the MTCS to ensure its implementation according to international norms and principles in addition to its credibility and acceptance internationally. The MTCS has now been endorsed by the world's largest international body, the Programme for the Endorsement of Forest Certification (PEFC) As advisor to the Ministry of Plantation Industries and Commodities, Malaysia, I play an advisory role in the on-going negotiations to conclude the Voluntary Partnership Agreement within the framework of the EU FLEGT Action Plan.

What is the most useful lesson you have learned in your job?
Because of the many vital functions of forests, their care and protection is high on the international agenda. However, the sustainable management of forests, which embraces social, environmental and economic dimensions, especially of tropical forests, is very challenging. It needs strong institutions, skills and resources, both human and financial, which are all in short supply in developing countries.

On the long and difficult road to achieving sustainability, legality is strategic milestone. In this context, the EU FLEGT Voluntary Partnership Agreement, focusing on timber legality, can play a important catalytic role in contributing to sustainable forest management. Indeed, this initiative is a major breakthrough in international cooperation.

What is your vision of the ultimate potential for your organisation?
MTCC must continue to pursue its vision and mission for excellence in the certification of forests in Malaysia working closely and cooperatively with all its stakeholders. The basic foundation has been laid and it will continue to strengthen its system.

What do forests mean to you?
Our vital life support system is highly dependent on forests. Forests also enrich and sustain our lives in countless ways. A world without forests is therefore a world without future. Our civilisation is challenged. With wisdom, some sacrifices and greater international understanding and cooperation, we can be equal to the challenge of addressing this forest crisis.

What is your vision for your country's forests in 2020?
Malaysia's megabiodiverse forests are a precious national asset, vital to continued progress, development and prosperity of the country. Their care and protection is a sacred responsibility of all Malaysians. With greater awareness and a forest-loving society, hopefully within the next decade, all Permanent Reserved Forests in Malaysia will be certified for sustainability and timber products from other forest areas could be verified for legality. We can, and must achieve these goals.

Vox Pop -Malaysia

Amir, Medical student

1. What do forests mean to you?
The forest gives balance to the ecosystem. Besides that, it's a place for animals and a source of energy and other resources. They are important for humans as they provide a balance to all the new developments in this world. They also help protect the climate. Deforestation is impacting the climate, therefore it is important to preserve forests.

2. What do you think it would mean to your grandparents?
I think that the forests were very important to my ancestors. They may have depended more on them than I do, they may have lived close to them and used them as a source of food.

3.What do you think forests will mean to your grandchildren when they grow up?
Maybe my grandchildren will not see the importance of forests. The world is more and more moving towards a society that depends and thrives on technologies. Therefore it is possible that forests may not mean anything to them.

The initiative has been such a succe keen to expand.

Community Forestry Su

Something special is happening in South East Sulawesi. Community forestry, after many years of failing to meet its potential, seems to be coming good on the Indonesian island in partnership with a group of responsible European timber buyers known as The Forest Trust (TFT). So good in fact that around 196 farmers across 12 villages in the South Konawe district are profiting from membership of a cooperative which sells their FSC certified wood at as much as a 50% premium over the local market rate.

The story starts in 1969 when farmers were employed to work in state teak plantations and offered spare seeds for their personal use. The group nurtured seedlings and planted them on unused community land, thinking only of using the wood for their families and protecting their land and water. But in the late 1990s, as teak furniture prices rose, factories in Java started looking for new supplies and the possibility of some commercial harvesting was opened up, though the prices offered were always at rock bottom.

Then in 2003 the local NGO network JAUH helped villagers to establish a forest cooperative on their private lands, the Hutan Jaya Lestari Cooperative (KHJL). And when TFT timber buyers were looking for new partners outside Java in 2004, they came across the Cooperative and joined forces to work towards FSC certification.

uccess in Sulawesi

After a year of training, the group was certified in 2005 and it has recently passed its second main assessment audit, covering it until 2015. It now manages almost 750 hectares of its members' land.

"The cooperative members have worked incredibly hard but secure international market access and up front investment by TFT have really made the difference to this community effort" said Nawa Irianto, former manager of the TFT Teak Programme in Indonesia. "If more international buyers were willing to invest their time and resources in this kind of long term relationship, the international timber trade could be a motor for genuine sustainable development and poverty alleviation rather than being seen as the root of deforestation and corruption. And if timber harvested sustainably in planted community forest replaces unsustainable timber from natural forests, the overall pressure on forests will decrease. "

The group currently sells around 40m3 a month of squared teak logs to buyers from Java who visit regularly to negotiate price, quality and deadlines. But the hard work has not only been in the forest. Cooperatives are often viewed with suspicion by individual farmers in Indonesia because their finances aren't transparent, so the group worked to establish micro credit lines that pay farmers instantly for their logs and a conflict resolution scheme for any farmer who feels unfairly treated. They are also very open about the profit sharing agreement – farmers are paid a significant share of the sale price with the rest covering transport, fees, taxes, and the cooperative's surveillance and administrative costs. In the beginning, profits were also put into loan repayments to TFT, who provided the much needed up front investment for certification, and for provision of free seedlings to members.

"Farmers are paid a significant share of the sale price"

The initiative has been such a success that the cooperative is keen to expand. In 2009 the group got a license of community plantation forestry from the District Head of South Konawe Regent, which means an opportunity to develop and manage over 4600 hectares of State forest in the area - if they can interest investors in the venture. And if they can, that will be good news for the trees and the carbon stored in them as well as the communities, because so far, increased profits have not resulted in more logging, but rather an impressive focus on planting and conservation of the resource for the future. In addition, the group recently started to construct its own community sawmill, which will create new income opportunities at village level.

The only real cloud in the Sulawesi sky was the attitude of the local government at the beginning. Community forestry experts engaged in a comparison of a number of sites across Indonesia point to a series of fees levied on each shipment and a worrying tendency to delay shipments without explanation, which can compromise relationships with buyers. "Elsewhere in the country, in particular in Java, there is great Government support for community forestry initiatives, said Alexander Hinrichs, an international forestry expert working in Indonesia. "It is important for all actors in community forestry, i.e. farmers, supporters, buyers and government officials, to work closely together right from the start of a community forestry project. If all forest communities had this level of access to markets and finance as well as genuinely supportive local government it could revolutionise rural development in Indonesia, not to mention save a hell of a lot of greenhouse gas emissions."

Vox Pop - Indonesia

Nyoman Sunartana, Cook in a restaurant,

1. What do forests mean to you?
In Indonesia there is a rule that we all plant one plant. That is a very good initiative to protect against Global warming. We've all done it and we love green.
So not only for me personally but for whole my family and my friends, forest means a lot.

2. What do you think it would mean to your grandparents?
It is important for everybody in my family so it was also for my grandmother. In our family it's important that we tell each other to love the environment we live in.

3.What do you think forests will mean to your grandchildren when they grow up?
I want to plant a lot of trees for my children. The future for my children and the rest of my family is very important. Of course I'll tell them that. And make sure that they do care about forests as well.

Ketut Suma, Rents out bicycles,

1. What do forests mean to you?
Forest reminds me of water. It is the main source of water. In the village we have local police to protect the forests. They're called 'Pecallang'. I think they are very important and I'm very glad that they do this job.

2. What do you think it would mean to your grandparents?
My ancestors really appreciated the forests. We believe there's a special/ spiritual life in the forests. Our grandma always told us: 'Forests are very important'. So we protect the Forest. If we cut a tree than we plant more trees than were cut.

3.What do you think forests will mean to your grandchildren when they grow up?
As long as we tell our children how important the Forests are then they will think the same. I show my children (7 & 9 years old) many times how important forests are to a stable ecosystem. I show them our beautiful country and tell them to take a good care of it.

Indonesia partners with the EU to fight illegal logging

Indonesia, the fourth largest country in the world, is a land of extraordinary contrasts. From the hundreds of uninhabited palm-fringed islands to high-rise 24/7 Jakarta, it is a land where poverty and great riches sit side by side and around 238 million people, speaking more than 700 languages, work for unity in their diversity.

One of Indonesia's greatest assets is its forests, which have been exploited in a way that illustrates one national contrast perfectly. For an estimated 19.9 million poor rural Indonesians forests provide water, food, shelter and a livelihood, and for its rich urban elites they have been the raw material on which processing industries, such as plywood, pulp, paper and furniture - currently worth US$ 9billion per year in exports alone, were built on. Despite the wealth divide the old Javanese saying Wana Bakti (Forest Provides for the Nation) has never been truer.

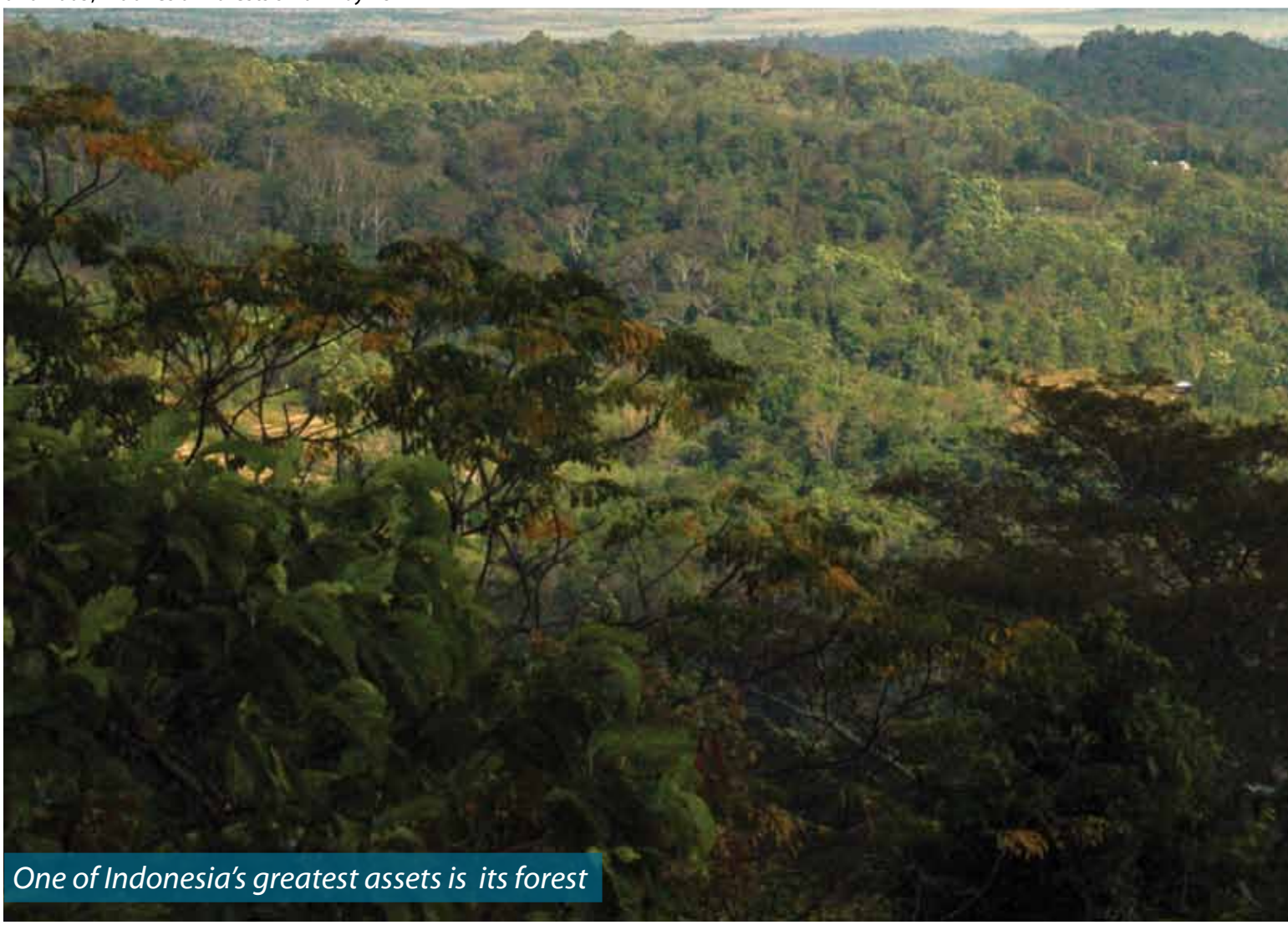
Now however, it seems that that bountiful forest resource is in crisis. Between 1990 and 2005, Indonesian forests shrank by 28 million hectares (69 million acres), almost the landmass of neighbouring Philippines. In less than 50 years, Indonesia has gone from being 82% forest to only 49%, leading to social problems, conflict, environmental degradation and lost economic opportunities on a massive scale.

"Forests provide water, food, shelter and a livelihood, for an estimated 19.9 million poor rural Indonesians"

And the destruction of these forests does not only constitute a potential disaster for Indonesians. Scientists say that when forests are destroyed, particularly those growing in peat, vast amounts of carbon are released into the atmosphere, contributing to man-made climate change. Despite its relatively low GDP per capita, Indonesia is considered the third biggest emitter of greenhouse gases in the world, thanks mainly to deforestation, much of which is illegal.

So in May this year Indonesia signed a timber trade deal with the European Union, which, once fully operational, will have a serious impact on the bottom line for illegal loggers. The "Voluntary Partnership Agreement" (VPA) signed by Zulkifli Hasan, Indonesia's minister of forestry and Karel De Gucht, EU trade commissioner, will track and monitor timber products from forest to export, to ensure they meet all relevant Indonesian laws and sustainability standards before they are allowed to leave the country.

The pact, which followed four years of negotiations, will cover all Indonesian timber products – a decision which was taken in light of new policies that require proof of legality for imports to the USA and other consumer nations (see Global trend - shutting the door on illegal wood, page 50). It is hoped that the national system will give Indonesian companies hoping to enter or expand in 'sensitive' markets a real competitive advantage.



One of Indonesia's greatest assets is its forest

"Not only is Indonesia the first Asian country to conclude VPA negotiations with the EU, it is also by far the largest timber exporter to enter into such an agreement," EU Trade Commissioner Karel de Gucht said. And it is the value of this trade to Europe, estimated at over US$ 1.2 billion in 2010, which is the key to Indonesia's commitment, because Indonesian timber has a reputation that is increasingly of concern to European importers, who are now facing the risk of prosecution for placing illegal timber on the EU market. (see Europe cleans up on its act on illegal timber, page 46). The EU legislation has been dismissed in some quarters as a protectionist measure, but Indonesian Forestry Minister Hasan Zulkifli applauded the move, saying that demand for cheap timber products from bargain-hunting consumers was one of the main reasons the country struggled to control what is known locally as the 'forest mafia'. It is no coincidence that Indonesia upped the pace of negotiations once the EU showed willingness to put its own house in order, and the national export tracking system is slated to be fully operational by January 2013, just in time for the legislation to take effect.

"Not only is Indonesia the first Asian country to conclude VPA negotiations with the EU, it is also by far the largest timber exporter to enter into such an agreement"

Future Challenges

Both the EU and Indonesia must now ratify the agreement, which is expected to take about nine months, but observers are keen to point out that even after four years of negotiation, the real work is just beginning. The main challenge for Indonesia is to roll out a credible system and make sure that companies that fail their audits are actually stopped from exporting. If they don't, it wouldn't be the first time that commitments have been made which have then fallen by the wayside once implementation is needed. Indonesian President Susilo Bambang Yudhoyono has vowed to get tough with the 'forest mafia' before, including dealing with corrupt forestry officials and military officers, but civil society watchdogs say progress has been patchy. This time it is hoped that the partnership between Indonesia and donors in Europe will provide a firm foundation for action.

The spectre of systemic corruption still haunts the progressive coalition of national government, responsible industry and civil society that has brought Indonesia to the table on this Agreement, but with import legislation spreading across consumer countries, they are optimistic. "Forests are important for so many Indonesians in so many ways, we need to get a handle on illegal logging and establish a sustainable future for them and keep markets open, to benefit the nation. The alternative is difficult to imagine" said Robianto Koestomo, Chairman of the Indonesian Exporters Association (GPEI) under the Indonesian Chamber of Commerce and Industry. "We have to make this system work, so we will!"

The EU is currently negotiating similar agreements with Malaysia and Vietnam in the Asia region.

The Story of Bukit Lawang

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That illegal logging has devastating effects on the environment and economies of nations around the globe goes without saying. But a story from the video "Voices of Change from the Forests of Indonesia" tells us exactly what the horrendous results were when the village of Bukit Lawang was struck by tragedy.

In 2003, in the middle of the night, Bukit Lawang completely disappeared. 400 houses, 3 mosques, 35 hotels and almost every other type of building in the village were destroyed. More than 200 people lost their lives.

"With the flood came thousands of timber logs which had been felled illegally"

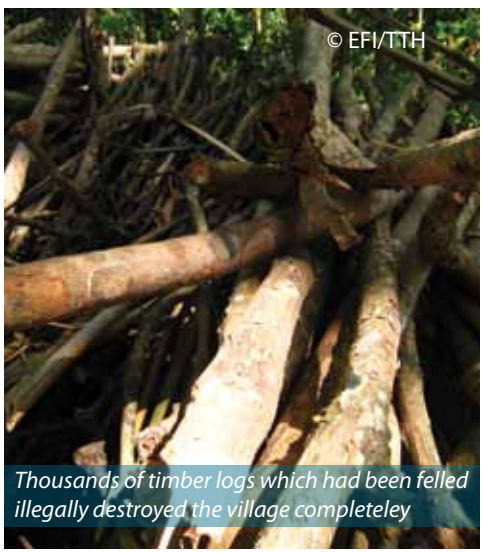
A few days of heavy rain had caused a flood that swept through the village over night, and with the flood came thousands of timber logs which had been felled illegally upstream and stored in an artificial dam. The flood, combined with the logs, destroyed everything in its path, causing a catastrophe in the village just a little way downstream.

"It was very dark and I could hear the cries for help." Said Rahmad Nasution, a survivor of the Bukit Lawang disaster. "I had no chance to save my family, my dearest ones, my child, my heir. I was not strong during that time… the day after, I found my sister, my wife's parents, then my wife… that is the unforgettable moment. It will be my wound… I thank God He gave me my life. I pray to Him for the people who died…"

The personal impact for many hundreds of people was clearly devastating, but some in the area point to a communal silver lining to this terrible cloud – with people in the area joining forces in volunteer ranger units aiming to stop illegal logging in their forests.

"The story of Bukit Lawang shows how illegal logging affects communities, not just economically but by putting them in extreme physical danger" says Minang from TELAPAK. "Now we have signed the VPA, we hope to work towards a future where illegal logging and its devastating effects will no longer endanger our nation's forests, wildlife or, most importantly, our people."

The film "Voices of Change from the Forests of Indonesia" and the "Story of Bukit Lawang" can be found on the website of Handcrafted Films: www.handcraftedfilms.net .



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Thousands of timber logs which had been felled illegally destroyed the village completeley

Greening the Blue Planet, one household at a time

The tiny speck in the Universe that we call home is also known as the blue planet, a pretty accurate description given that almost 70% of the Earth's surface is covered by water. Since most humans, as well as our fellow creatures, prefer terra firma beneath their feet, we are left with 30% to live on, even less when you rule out the inhospitable extremes. Finding a way of sharing out that land in a manner that is equitable and efficient is one of the major global challenges for our century (see article Forest Forever? Food vs fuel vs fibre, page 4). China is no exception to this rule with 1.3 billion citizens and a huge but highly variable territory, and recent studies of different land tenure policies in the country have thrown up some fascinating results.

China is the most populous country in the world and the second largest land mass in the world, after Russia. In 1949, under the lead of Communist Party of China, the People's Republic of China was established. A new Land Reform Law was soon put in place claiming all forests, barren mountains and barren land for the state.

Shortly after that the Great Leap Forward brought a rash of policies that transformed the individual ownership model in a process generally known as "Communisation". Small-scale cooperatives were organised into large-scale collectives, private production was outlawed, land and equipment were given to communes and farmers received an allocated output. The results were disastrous for the poverty-stricken population - food production declined significantly and forest cover also decreased threatening water resources and the loss of productive land to desertification.

As a result, a slow process of local de-collectivisation took place over the years with collectives redistributing land to their members and granting individual households long-term rights to use forest resources once more, culminating in an official policy shift in 2008. "Today, forests are at the forefront of environmental protection and livelihood improvement debates in developing countries, especially in China. It is widely accepted that different policies associated with forests and land have profound impacts on the livelihood of farmers" says Professor Liu Jinlong of the Renmin University in Beijing.

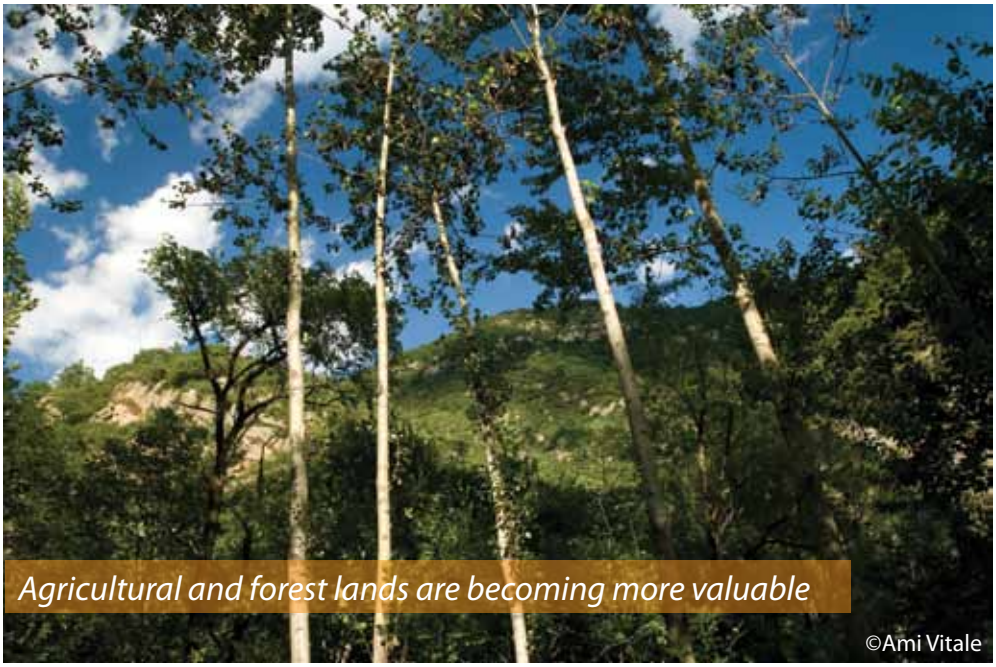
"China is the most populous country in the world and the second largest land mass in the world, after Russia"

Now recent research following this series of reversals has shown that when rights were shifted to households, the incomes of the farmers and reforestation increased and when they were shifted back to the collective, incomes from forestry diminished and reforestation stalled. Professor Xu Jintao of the Rights and Resources Initiative, a global coalition of organisations working to encourage forest land tenure and policy reforms, explains: "When we looked at the data it was great to see the impact of these relatively simple policy changes so clearly – farmers' income increased and forest cover improved almost immediately. Knowing this, China is now moving forward boldly, clarifying land rights in a way that will dramatically improve rural economies, reduce carbon emissions and allow local people to adapt to climate change. The new policies cover over 100 million hectares of forest and affected more than 400 million people."

The example in China is a heartening one but similar challenges are yet to be met in many other countries. The allocation and protection of land rights in the forest sector are global issues. The poorest people in many countries live in and around forests and are highly dependent on them for their livelihoods. Despite this, their rights are often unclear or unprotected in practice. It goes without saying that these groups are directly affected by issues such as illegal logging, deforestation and are becoming increasingly vulnerable to climate change. As agricultural and forestlands are becoming more valuable, these groups are also at risk of elite 'land grabs' where unscrupulous governments and investors ride roughshod over formal and informal traditional rights.

In China, the reforms have tackled these complex problems head on. Individual households in many places are now able to utilise their rights to the forest and, in addition, to inherit, mortgage and transfer forest land use right, all of which also appears to have reduced potential for local political conflict. So it seems that even though our home will always be the Blue Planet, by trusting our forests to the individuals that depend on them for their livelihood, in China at least, it might just become a little greener.

"After the farmers and communities got their own piece of land and have robust rights, they could do more with it, produce more and sell what's left over. It has helped many families and communities", explains Professor Liu Jinlong. However, as always, perfection is a little way off. "Even though the objectives of the reforms are good, it is still very important to empower the farmers by developing a fair, just and transparent legislative framework to protect farmer's rights. There are still cases on the ground where this is not the case and as a result, farmers are unlikely to benefit from the reforms."



Agricultural and forest lands are becoming more valuable

©Ami Vitale

Professor Xu Jintao adds "our analysis suggests that the reform process fell short of the emerging global standard of obtaining free, prior, and informed consent (FPIC) of households and communities before their land rights were altered. This is an important step and shows that even though China is a leading example, improvement is still possible."

For this article, the following resources were used :

- China's Forest Tenure Reforms : Impacts and implications for choice, conservation, and climate change by Jintao Xu, Andy White and Uma Lele
- Land Tenure Reform and Economic Development in China: Past Policies and Prospects for Additional Reform by Li Ping, J.D.

Vox Pop - China

Weina Wang, university lecturer

1. What do forests mean to you?
Forests mean life to me. They are the basis of life and home to spirituality. The value of forests cannot be measured by their market value. For example, the feeling of trekking on a tree-lined trail in the forest is much more enjoyable than walking among high-rise buildings made of steel and concrete.

2. What do you think it would mean to your grandparents?
My grandparents lived in Inner Mongolia, where there is endless grassland but no forests. Therefore, forests have probably always been far away for my grandparents.

3.What do you think forests will mean to your grandchildren when they grow up?
I hope that my children will live in a place where there is green coverage. Forests are tremendous resources that we should keep for the next generations as well.

Furniture company worker

1. What do forests mean to you?
Forests mean life. Their health is essential to the balance of earth ecosystem.

2. What do you think it would mean to your grandparents?
My grandparent's generation depended on forests for their livelihood.

3.What do you think forests will mean to your grandchildren when they grow up?
Forests will be valuable heritage we should leave to future generations.

Name : Dr. Le Khac Coi
Occupation : Director of CH8 Consultancy Ltd.
From: Hanoi, Vietnam

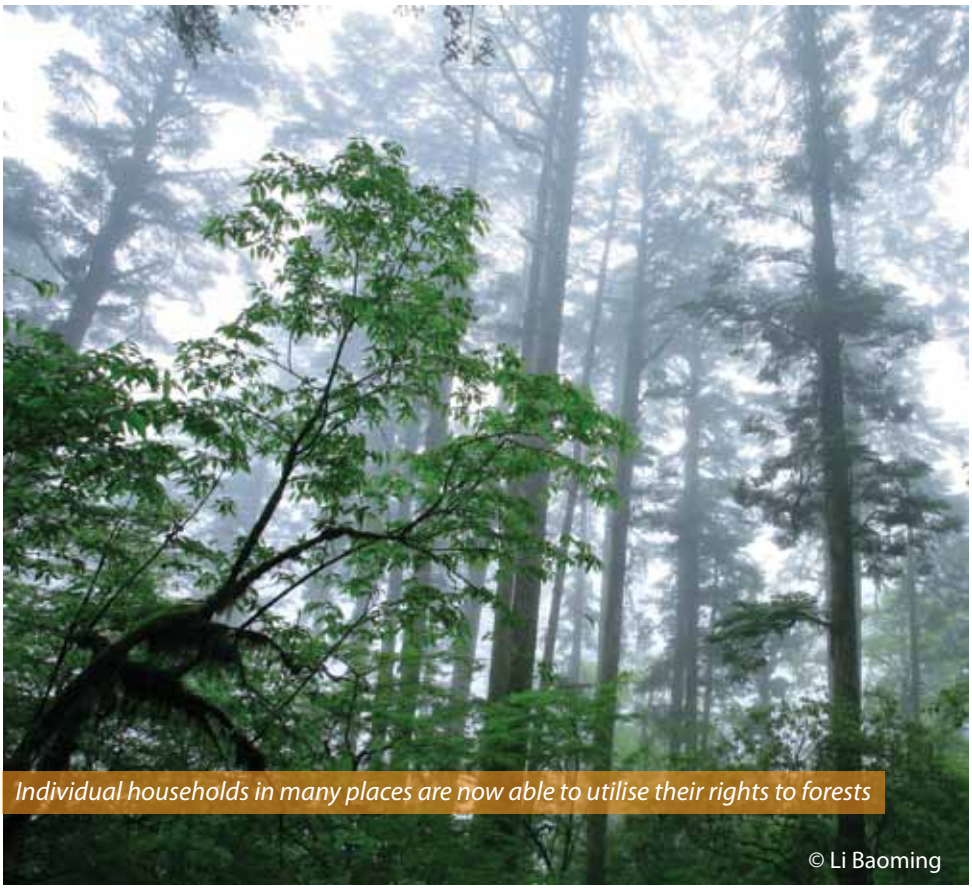
Describe your company?
CH8 Ltd. provides a wide range of consultancy and training services in the forestry sector. We have expertise in the economic, social and environmental aspects of sustainable forest management and the establishment of forest management and chain of custody systems in line with FSC Forest Management and FSC Chain of Custody standards. Furthermore, CH8 can provide information on local and international timber and timber products markets for dialogues on forestry, timber processing and trading.

What is the most useful lesson you have learned in your job?
Strong international cooperation can save the world's forests.

What is your vision of the ultimate potential for your company?
I think it is of utmost importance to strive for, and reach, sustainable development, especially in a sector as vulnerable as forestry.

What do forests mean to you?
Forests provide life on our planet. Without forests, out planet will die.

What is your vision for your country's forests in 2020?
The rate of global forest loss will decrease, more plantation forests will be established, illegal logging rates will decrease and more forest area will be certified. In Vietnam I think forest governance will improve, there will be less dependence by the wood processing industry on imported timber and the number of enterprises with a Chain of Custody certificate will exceed 500.



Individual households in many places are now able to utilise their rights to forests

© Li Baoming

Forest Governance in Asia: 10 Years after the Bali Declaration

The Bali Declaration can be credited with inspiring action by governments in Europe and the United States

By Kerstin Canby, Forest trends

Ten years ago, in September 2001, the Bali Declaration, which concluded the East Asia Forest Law Enforcement and Governance (FLEG) Ministerial Conference, was signed. Although a non-legally binding document, the Bali Declaration committed the countries represented there – both timber producing and consuming nations – to intensify national and international efforts to combat illegal logging and the trade in illegal wood products.

Considered a watershed event at the time, the Bali Declaration inspired further global initiatives around the world. Ministers in Africa, Europe and northern Asia signed similar declarations within the next four years, and there was a perceptible change in attitudes towards discussing sensitive topics related to illegal logging and corruption in many countries and international fora. "FLEG" work programs appeared at the World Bank, ASEAN and the International Timber Trade Organisation (ITTO) – organisations which had previously hesitated to address such contentious issues head on. Perhaps most importantly, by recognising the need for mutually-reinforcing actions from both producer and consumer nations, the Bali Declaration can be credited with inspiring action by governments in Europe and the United States – action that eventually led to the amendments to the US Lacey Act (2008), the EU's new Timber Regulation (2010), and the Australian Illegal Logging Bill, all of which introduce penalties for those caught engaging in the trade in illegally sourced wood products.

"There was a perceptible change in attitudes towards discussing sensitive topics related to illegal logging and corruption in many countries"

Since 2001 progress has been slow but there has been forward movement nonetheless. Improvement has been most marked in countries which have had dynamic governmental leadership, adequate civil society engagement and an industry which is able to respond quickly to shifts in demand for legally-sourced wood products from major markets in the United States, Europe and Japan. Across Asia, new regulations and policies related to logging and timber exports have been put in place to conserve existing natural forests and promote a shift towards participatory, sustainable forest management. Awareness of 'third party' independent verification and / or certification standards is high, especially in countries with large export-oriented industries selling to major 'big box' retailers such as Walmart, IKEA and Crate & Barrel, all of whom are increasingly requiring suppliers to provide documentary proof of the legal origin of their raw materials.

Naturally, a number of challenges that the Bali Declaration sought to meet, remain. Many countries struggle with limited resources -- both the financial means and the skilled staff required for effective policy implementation. Also, in some countries an absence of political will or the active cooperation of other government sectors such as finance, customs, judiciary, and autonomous anti-corruption commissions, mean that resource allocation and enforcement procedures remain untransparent and unaccountable to local populations, indicating that in some places pervasive governance problems, including corruption, persist.

Additionally, as we take stock of progress since Bali, new challenges have appeared on the horizon. The expansion of Asia's export-oriented wood products industry and unparalleled global demand for

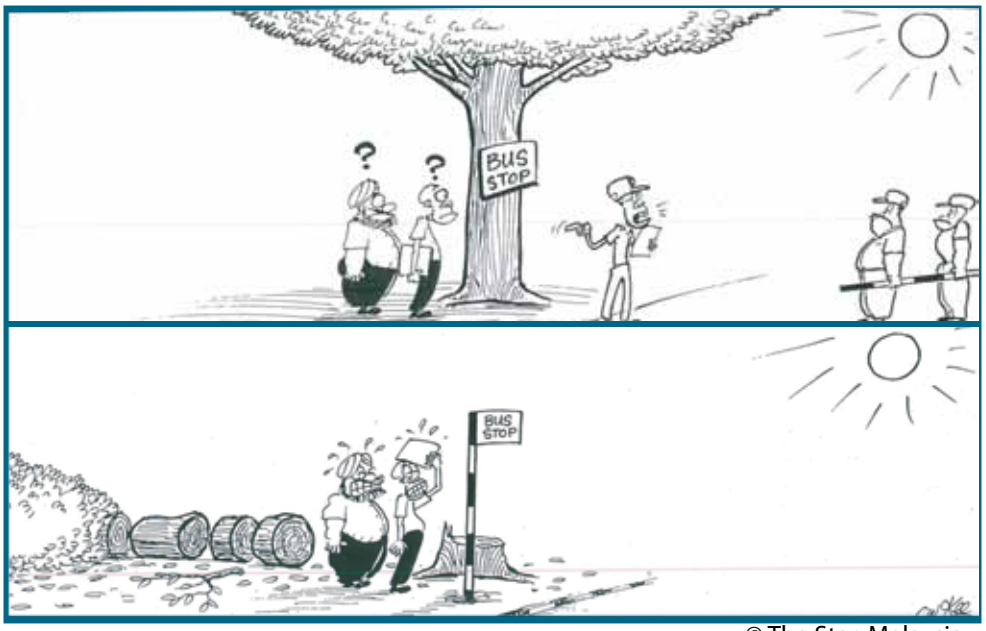
industrial crops has come at a time when there are also growing calls for Asia's forests to be set aside for conservation purposes, and for ecosystem services such as carbon sequestration and water provision. Competition for land – whether for food, fibre, fuel or ecosystem services – is intensifying across Asia, as it is the rest of the world (see article Forest Forever? Food vs fuel vs fibre, page 4) The pressure to ignore existing land rights is only likely to grow worldwide as this demand increases. Where land is at a premium, the allocation of land for economic land concessions (including plantations) has been raising questions about how local communities have been engaged in decision-making, whether processes for free and prior informed consent (FPIC) have been followed, and whether there are long-term benefits for these communities in the decisions taken.

Why Should Governments and Industry Care?

At the time of the Bali Declaration, it was estimated that the Government of Indonesia was losing US$600 million per year in foregone payments on stolen timber alone – four times the total amount of local and central governmental investment in the forest sector. The World Bank estimated that lost revenue from illegal operations cost governments worldwide US$10 billion per year, with the failure to collect appropriate royalties and taxes from legal operations costing another US$5 billion.

Not all illegal operations produce unsustainable results, but where illegal forestry activities are unchallenged, it is impossible to guarantee that forest ecosystems will continue to provide the raw materials critical to the financial stability of national industry and local livelihoods. For countries with valuable timber resources remaining, accessing investment in logging has never been a problem. However, ensuring adequate investment in sustainable forest management has been difficult. Legal operators prepared to invest in long-term, legal and sustainable operations tend to avoid weak governance environments – worried about the risk of political and economic instability, inefficiency and the likelihood of being undercut by illegal operators. While governments cannot change the geography or natural resource base of a country, they have significant influence over important investment climate factors such as the security of property rights, and the clarity and enforcement of laws and regulations.

How forest governance programs are designed and implemented also has huge impacts on rural communities. Although many local livelihoods rely on illegal wood, far greater numbers of forest-dependent will people suffer as their forest resources dwindle. Land use conflicts are on the rise across Asia. There is growing recognition of the need to clarify land ownership and traditional use rights in forest areas – a condition that, while not alone sufficient to ensure legal or sustainable management of the



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resources, is fundamental to ensuring a governance structure that is accepted by local stakeholders. Are the new laws and enforcement programs adequately recognizing the needs of rural households, or being pursued more vigorously and with less respect for due process and human rights when poor people are involved?

10 Years since Bali: What Has Changed?

Where progress has been made, contributing factors are usually linked to either dynamic national programs with strong governmental and industry leadership, and/or the burgeoning market demand for third party verified legal or sustainable wood products. Donor programs and bilateral dialogues such as the EU Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreements (VPAs) have been able to play a supportive and facilitating role as these transitions have taken place.

Changes in Demand for legally or sustainably harvested wood products

In four of Asia's major markets – the US, EU, Japan and Australia – the last decade has seen a rapid increase in the demand for products which meet varying environmental and social requirements. This is affecting many sectors: fisheries, palm oil, textiles and food, as well as the forest sector.

In wood product markets, buyers are increasingly requiring proof of legality or sustainability of raw materials – both for domestic production and imports – and this proof must be independently verified (see Box 1). The amended Lacey Act in the United States and the EU Timber Regulation have led retailers to recognise that demanding third party certified or verified legal products can help them to demonstrate due diligence in their sourcing and hopefully avoid prosecution or fines. In the US, 55% of retailers now consider it "essential" that producers be third party certified – up from 27% in 2007.

With a large proportion of wood products exported to the most environmentally-sensitive markets in the US and Europe and to a lesser extent Japan and Australia, Asia's manufacturing hubs in China, Vietnam, Indonesia, Thailand and Malaysia are potentially vulnerable to these market shifts. Alternatively, these industries can treat the new market conditions as an opportunity to expand market share, particularly in the plywood, wood furniture and wood flooring sectors.

Box 1. Evolution of European and US Market Demand for Verified Legal Wood Products

• **Retailer purchasing preferences:** The first major sign of changes in demand appeared more than fifteen years ago, with increased market preference for certified wood products, such as those labelled by the Forest Stewardship Council (FSC). Buyers from North America, Europe and Japan wanted to demonstrate corporate responsibility and minimize risks to their business (reputational risk, supply sustainability, and more recently, new risks of prosecution under the US Lacey Act or EU Timber Regulation). Major international companies such as WalMart or Carrefour now require suppliers to be able not only to document country of origin of timber sources, but also demonstrate sustainability through third party verification systems. The UK Timber Trade Federation, which represents around 80% of UK importers, established strict purchasing guidelines for all its members, which resulted in several contracts with Indonesian and Chinese suppliers being cancelled in the mid 2000s.

While the volumes of certified timber remain small and brought few premiums for sellers, certification did help a few forward-looking producers to establish a market niche – providing an opportunity to establish relationships with new buyers and expand market share.

• **European and Japanese public procurement policies:** By the mid 2000s, several European Member States and Japan were individually developing timber public procurement policies, which required third party evidence of legal compliance or sustainability. The UK, Denmark, The Netherlands, Germany, France and Belgium took early leads. It was estimated that central government contracts accounted for 15-25% of all timber products purchased in most EU Member States, and many local government authorities were also encouraged to follow the national government lead. Analysts also identified a dynamic market impact, as large companies preferred not to manage separate inventories and therefore committed to moving their whole supply chains over to compliant products, even if government contracts only represented a proportion of their business.

• **Amendments to the US Lacey Act (2008):** In 2008 the US Congress passed a new law making it unlawful to import, export, transport, sell, receive, acquire or purchase in interstate or foreign commerce, any plant taken or traded in violation of the laws of the US, a US State, or relevant foreign laws. The law includes requirements for a statement of origin and species as well as the concept of "due care" which is assessed during any prosecution to determine the degree of penalty . The level of penalty is potentially steep – with jail time, forfeiture of goods, or fines depending on degree to which the company or individual knew – or should have known – that it was handling illegal products.

• **EU Timber Regulation (2010):** The EU Parliament recently passed a law which prohibits the first placing of illegally harvested timber and products derived from such timber on the EU market. It requires all operators who first place timber products on the market to establish "due diligence" systems to minimise the risk of handling illegal timber. All operators (importers, traders, buyers, sellers) must know the country of origin of the wood in their products, species, details of supplier and information on compliance with national legislations ("illegality" is defined in relation to the laws of the country where the timber was harvested).

The EU, US, Japan, and other relatively environmentally sensitive markets in Australia and New Zealand, account for 50% of the world's net wood product imports. Yet only 8% of the world's globally-traded wood products are certified (FAO 2009) – indicating that those countries which are able to supply markets first with certified or verified legal product, are likely to gain a significant advantage.

Progress has been most marked in countries that have had dynamic governmental leadership and a private sector able to foresee and respond quickly to shifts in market demand from the United States, Europe and Japan. The Government of Indonesia, in particular, can be singled out as having moved from leadership at the Bali conference to actual change in both action and attitudes towards forest sector and land reform, civil society engagement and increasing enforcement actions. (see Indonesia partners with EU to fight illegal logging, page 26).

New regulations and policies related to logging and timber exports have been put in place to conserve existing natural forests

Across Asia, new regulations and policies related to logging and timber exports aim to conserve existing natural forests and promote a shift towards participatory, sustainable forest management. These are welcome developments; however there are still questions about whether the reforms will be implemented effectively. Despite virtually all Asian governments' official commitments to sustainable management of their forests, as codified in their laws and commitments to ITTO and other international criteria and indicators, many concerns remain regarding the management and governance of Asia's natural forests. Key issues include:

"Many Ministries of forestry, agriculture, justice and industry, as well as customs departments, are chronically underfunded and understaffed."

- Limited resources, power and political will: In less developed countries in Asia, despite relatively robust national laws regulating the forest sector, the lack of financial and staff resources, combined with the lack of political will to address issues related to illegal logging and corruption, are major impediments to successful implementation. Many Ministries of forestry, agriculture, justice and industry, as well as customs departments, are chronically underfunded and understaffed. Most have a limited ability to affect the decisions made by other more powerful government agencies, or address corruption at the highest levels of government or in decentralized provincial agencies.

- Difficulty defining and documenting "legality": Due to complex legal frameworks and permitting requirements in the forest sector, and overlaps or loopholes within them, it is not always clear whether logging is legal or illegal. Discretionary and special quota systems as well as different rules that apply to logging associated with infrastructure and agriculture development and mining, complicate attempts to define legality. Imported materials pose a special problem, with importing country governments and industry often even less clear about what constitutes legal compliance in the country of origin.

- Verification of Legality or Forest Certification in Asia is limited but has potential: National certification systems (e.g. the Malaysian Timber Certification Scheme), international standards such as the PEFC and FSC, and various proprietary legality standards are developing for natural forest areas as well as plantations (e.g., teak, pulpwood and rubber). In some countries such as China and Vietnam, the number of Chain of Custody (C0C) certificates issued has sky-rocketed in recent years, but this has not been matched by corresponding forest management certificates, with the risk that CoC certificates are used to cover non-certified products. Certification costs to date have often been subsidized by donors, although certification of larger areas of natural production forests, as well as plantation teak, eucalyptus and rubber (some of it smallholder-based) may reduce the need for this through economies of scale.

- Lack of Legality Assurance Systems: Even in China, where many stakeholders comment that Chinese laws are reasonably appropriate and adequately enforced, documentation of source of origin at district levels still poses difficulties for some manufacturers. This problem is compounded when the documentation needs to cover processed products made from imported raw materials. Several countries which are major suppliers to the manufacturing hubs of China, Vietnam, Thailand and Malaysia are considered medium- to high-risk[1] by market players in terms of the possibility of wood materials being illegally sourced. These include Myanmar, Papua New Guinea, Laos, Cambodia, Indonesia and several countries in Africa. Even in countries such as Thailand, Malaysia and China, which have relatively robust systems for tracking domestic timber, systems for verifying the legality of imported wood and tracking them within their manufacturing system are non-existent or left to individual firms.

- "Leakage effect" of domestic markets, particular in China: To date, a key driver towards verified trade in legal product has been the demand in European, North American and Japanese markets.

However, industries are increasingly recognising the emerging potential of Asia's domestic markets, which are less environmentally and socially demanding. In 2009 China was the only major global market posting positive increases in consumption. Regionally, the global recession strengthened China's trade relations with its Asian neighbours, particularly ASEAN when China's import markets remained relatively stable. China is expected to be the fastest-growing lumber producer, importer and consumer in the world, with annual increases in lumber consumption of 5.1 million cubic meters. Growth of a middle class in South East Asia, India and the Middle East is expected to see demand for consumer goods, including wood products, show similar increases. Progress in combating illegal logging and associated trade will be limited if verified legal and sustainable forest products are segregated for European and North American markets, while illegally sourced products are still

[1] "High-risk" is usually determined by market players, based on market perceptions of risk. These perceptions of risk are usually based on factors such as indicators of overall governance situation in a country (often tracked by international organizations such as Transparency International or the World Bank), recent reports on the forest governance situation in the country, producers' ability to demonstrate legality based on internationally accepted verification or certification processes, etc.

accepted by buyers and consumers in South and South-East Asia, Central Asia and the Middle East.

- Lack of clear land ownership and traditional use rights: Conflicts over land are a growing problem across many parts of Asia. There is growing recognition of the need to clarify land ownership and traditional use rights – a condition which, while not sufficient on its own to ensure legal or sustainable management of the resources, is fundamental to ensuring a governance structure that is accepted by local stakeholders. Even in China, where domestically-produced timber is considered generally low risk, questions arise about irregularities during land allocation processes in the burgeoning plantation sector. Clarifying land ownership and rights will be critical, not only for any efforts to assure retailers and others requiring credible evidence of legal supplies, but also for any payment distribution systems for national REDD+ programs and international investors complying with the Equator Principles or other standards for corporate responsibility (e.g. those for responsibly-sourced oil palm).

- Limited but growing room for civil society involvement: Countries like Indonesia have made significant strides in transparency and the inclusion of civil society organisations in national decision-making processes. The degree to which civil society organisations can help to improve the governance of land and forest resources varies between countries (and sometimes within countries). In many countries, the lack of independent domestic media stifles debate. Several countries in the region are just emerging from an era where voices of opposition have been suppressed. But today opportunities for public debate about land issues appear to be growing; examples include current policy dialogues on land governance occurring in Indonesia and the National Assembly of Laos. However, while a recent decree in Laos opened the door for domestic civil society groups to become involved in resource management issues, in neighboring Cambodia, new draft regulations will make it more difficult for civil society organisations to operate.

- Poor quality of data: In virtually all countries across Asia, missing or fragmented data inhibit our ability to understand the transformation of the forest sector and industry. Accurate harvesting figures are usually difficult to confirm and large discrepancies exist between the export and import data between countries. In Laos, for example, official quotas for national harvesting fell from 600,000 m3 to 150,000 m3 between 2003 and 2008/9. Yet mirror data from importing countries indicate Lao export volumes increased from 800,000 m3 to 1.1 million m3 per annum between 2001 and 2007.

Growing Demand for Land

In many Asian countries, one can see continued forest loss despite a decrease or even cessation of industrial-scale natural forest harvesting. Considerable foreign direct investment has moved into Asia's forest-land sector, in the form of agribusiness plantations (oil palm, rubber, pulp and agricultural staples). In many countries, the forest/land sector is in the midst of a transformation from the harvesting and export of unfinished or semi-finished natural forest products (especially logs and sawnwood), towards the establishment of commodified, intensively-managed industrial tree crop plantations and more highly capitalised forms of export-based agriculture and forestry production. This shift is being accompanied by the expansion of concessions for plantations, as well as in mining and hydropower projects. These large-scale agri-business projects play a significant role in the availability of wood from natural forests, but they are clearly not a sustainable source of wood. "Conversion timber" from these types of concessions is probably now the predominant source of timber in countries such as Laos, Myanmar and Cambodia and also important in Malaysia. In Indonesia a recent moratorium on new natural forest clearing for oil palm plantation, part of an agreement with Norway related to climate change payments, may result in a reduction in the volume of conversion timber.

The forest frontier areas where this land transformation is taking place is, in many countries including Laos and Cambodia, still highly unstable from a regulatory perspective, and many interests have been staking claims to land in a quasi-legal or even speculative manner. Some proposed development projects may never be implemented. In such cases, the land concession becomes a means to justify logging outside of national production areas or logging quota systems. Due process for the communities who have historically relied on these forest areas is often not followed. The social and ecological impacts of such projects have generated considerable concern and attention in recent years.

Addressing what some have coined "land grabbing" may be the biggest emerging challenge for those wishing to see Asia's natural forests managed sustainably. State institutions, in partnership with a number of international agencies, are currently moving to exert more coordinated and transparent authority over the land investment process. It will require a new level of cooperation across sectors, new actors, capacity building to transform the financial incentives and regional demand pressures necessary to accomplish this complex task.

Certification did help a few forward-looking producers to establish a market niche

2 The China – ASEAN free trade agreements became operational in 2010.

Name : Dr. Takeshi Toma
Occupation : Head of Partnership Promotion Office, Bureau of International Partnership,Forestry and Forest Products Research Institute (FFPRI)
From: Japan

Describe your job?
I work for the Forestry and Forest Products Research Institute in Japan. The main goal of the FFPRI is to contribute to sustainable development of the world's diverse forests, through research on forests, forestry and forest products. We contribute to the development of science and technology and the promotion of international cooperation.

What is the most useful lesson you have learned in your job?
In the late 1990s I learned that community involvement in forestry is incredibly important. I was doing research on forest rehabilitation in fire-prone areas and found that planting forests in these vulnerable areas without fire prevention measures is just burning money. With fire prevention measures and strong community involvement it is possible to turn these situations into success stories.

What is your vision of the ultimate potential for your organisation?
Good research, well disseminated and widely discussed, can help to address problems in and around forests.

What do forests mean to you?
Forests are vital to my life in many ways.

What is your vision for your country's forests in 2020?
I used to be a heavy smoker but I stopped a while ago. While I was smoking I received constant encouragement to stop smoking and was congratulated when I finally did. Now I don't smoke anymore, there are no congratulations or encouragements for me to continue not to smoke.

The same goes for forests. A country that has rapid deforestation and forest degradation may get more benefits from REDD than the countries that practice sustainable forest management. It looks unfair. But as non-smokers need support when they stop smoking, a country may need support to shift from destructive operations to sustainable management, at least in the beginning.

I have learnt that it is really hard to stop smoking. So it is better NOT to start smoking. I also know that rehabilitating degraded tropical forests is incredibly difficult and takes time. So it is better to avoid unnecessary forest degradation in a first place – and I hope that FLEGT can help to avoid unnecessary degradation.

The world's forests continue to decrease and I would like to contribute to the reduction of the dwindling in forest cover.

Vox Pop - China

Sales person

1. What do forests mean to you?
To me, forests are associated with green coverage in the city, purification of the air and environmental conservation.

2. What do you think it would mean to your grandparents?
My grandparent's generation didn't pay much attention to the value of forests.

3.What do you think forests will mean to your grandchildren when they grow up?
Forests will be the intangible capital we must protect for our next generations.

Street vendor

1. What do forests mean to you?
Forests add the colour green to our living environment and they purify the air.

2. What do you think it would mean to your grandparents?
My grandparent's generation harvest timber from the forest and sell it to get some money. They also use the timber to build houses.

3.What do you think forests will mean to your grandchildren when they grow up?
I think for our next generations, forests would be associated to life in a broader sense.

FLEGT – Saving For

A genuinely interesting new approach to protect

Even the most bureaucratic European will admit it's a terrible acronym. FLEGT. Say it and you sound like you have something stuck in your throat. And when you spell it out it's hardly poetry. Forest law enforcement, governance and trade - a civil servant shopping list. Do these things fit together? If so, how and why?

But the truth is that behind this rather unpromising moniker is a genuinely interesting new approach to protecting forests and the people and animals that live in them. Because for the first time, by linking forests with trade, the EU's FLEGT Action Plan recognised the responsibility of Europeans for the social and environmental impact of the products they consume.

In 2003 when it was published, the Action Plan set out a whole range of policy options, but since then the practical focus in Brussels has been on supporting easier trade in legal wood and making it harder for illegal

products to get to market. This has been achieved through new European legislation that requires all companies selling wood or wood products in the EU to make sure they are from a legal source, and a series of trade agreements that commit the EU and the countries that sign them to trading exclusively in legal wood. There are six Agreements now, the last of which was with Indonesia, the first Asian country to sign up.

"When I first heard about the FLEGT Action Plan I thought it was a really interesting, new approach that might just work where others had failed" says Andy Roby, FLEGT Facilitator in Jakarta, "For years I had been working on forestry projects which protected small areas but didn't make a dent on the mainstream. Irresponsible companies were cutting, selling and buying illegal wood all around us. Corruption flourished and the image of all tropical wood was tarnished, but no one was willing to talk about it because no one seemed to expect any better in developing countries. Now we are starting to see a real debate about how forests should be managed nationally, and Sovereign governments in the EU and partner countries taking responsibility for implementing their own laws. It means we can all stop patronizing each other and recognise that deforestation and the trade in wood or agricultural products are absolutely inseparable. This level of maturity in the debate around forests and trade is long overdue."

There has also been action in European Member States, where governments have been using their own 'consumer power' to push their companies into buying more legal and sustainable products and encouraging corporate social responsibility on the issue. "We have reached the end of the line for people in rich countries wringing their hands and accusing forest countries of being unaccountable over deforestation without looking at the impact of their own consumption patterns and, inevitably, their imports of forest products." says Ivy Wong, WWF-Malaysia. "The new FLEGT legislation should mean that everyone buying wood in Europe is paying the real price of managing forests legally, while FLEGT Agreements will make sure that developing countries that wish to export timber aren't shut out of high value markets. As ever, the trick will be enforcing it all consistently over time, but we are hopeful!"

Vox Pop - China

Student

1. What do forests mean to you?
For me, forests relate to nature and freedom.

2. What do you think it would mean to your grandparents?
Our grandparent's generation was more intimate with forests as they lived closer to them and their livelihood depended on forest resources.

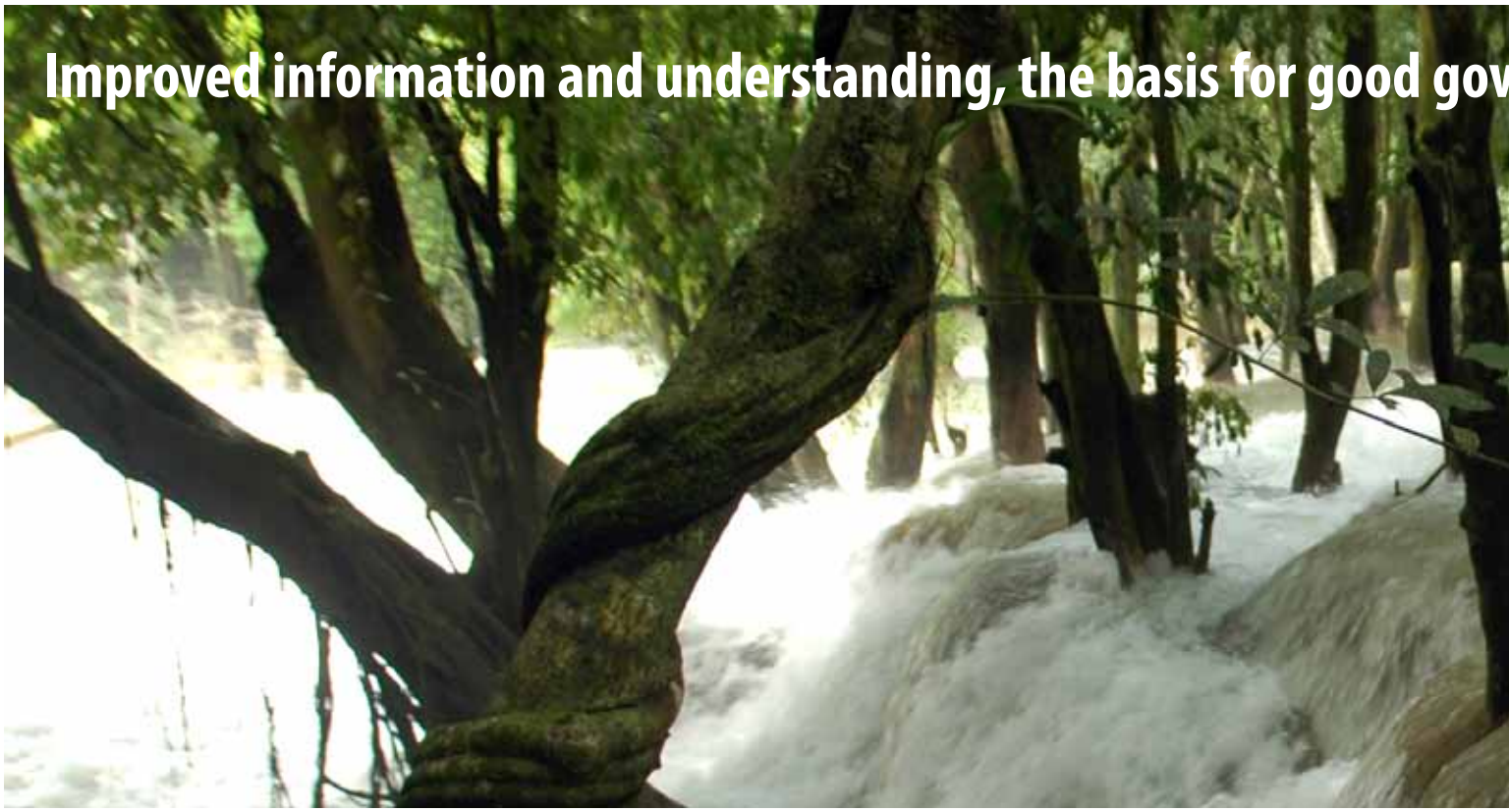
3.What do you think forests will mean to your grandchildren when they grow up?
Forests will be far away for the next generations and it will be a place that they yearn for.

"When I first heard about the FLEGT Action Plan I thought it was a really interesting, new approach that might just work where others had failed"

"Now we are starting to see a real debate about how forests should be managed nationally"

So it seems that FLEGT is about putting the pieces of the jigsaw together to protect forests and poor people through a genuine partnership. And no matter how terrible the name is, that shouldn't stick in anyone's throat.

Improved information and understanding, the basis for good gov



Authors: Bill Maynard & Dr. Alexander Hinrichs

Forests in Laos are not only a contributor to the country's beautiful landscapes, but play a key role in the nation's economy. Until recently, relatively low population density meant there was not a lot of pressure on land or natural resources in the country. However, Laos has started to develop rapidly and economic planning has lead to a large number of land use changes throughout the country. Activities such as mining, hydroelectric dams and reservoirs, plantation establishment and infrastructure development all put pressure on the nation's forest resources. These effects have not gone unnoticed. When the National Assembly established a hotline for people to call about issues they consider most important, forest protection was one of the three areas of concern raised by the public most often.

The Lao government has recognised this and over the last four years the government has developed a framework for implementing stronger forest governance. The process started in 2007 with the comprehensive review of the Forestry Law. As part of this process it was decided to divide the responsibilities in the forest sector, with planning and management on the one hand and governance and enforcement on the other. A new department, the Department of Forest Inspection (DOFI) was created within the Ministry of Agriculture and Forestry and many of the functions of the Department of Forestry (DOF) were transferred. This initiative was developed without external support and mainly driven by the internal demand within Laos for better control.

Roles and responsibilities of the different agencies involved in forestry are becoming more clearly defined. DOFI is recognised as the agency that has the independent oversight of the whole timber supply chain from the forest to the point of export, while other agencies have other specific responsibilities. Matters such as forest management, harvesting operations, the issuing harvest quotas and responsibilities within production forests are the responsibility of the Department of Forestry. Downstream processing and the allocation of licenses to buy logs is controlled by the Ministry of Industry and Commerce. In addition, the Department of Industry is in charge of processing and the Department of Import and Export (DIMEX) is in charge of export permits. Other relevant agencies include Customs, the Ministry of Finance and the Prime Minister's Office.

In July 2010, following initial meetings between the EU Delegation and representatives from the Ministry for Agriculture and Forestry (MAF) and the Ministry of Industry and Commerce (MoIC), a joint formal letter was sent by the Ministries to the EU asking for assistance in developing improved systems for timber legality and control that would meet the upcoming requirements of the European market. The following discussions regarding Forest Law Enforcement, Governance and Trade (FLEGT) also brought other topics to the light. Mr. Khamphout, the Deputy Director of DOFI and the chairman of the National FLEGT Focal Point stated that "the FLEGT process is ensuring that we identify all aspects of the timber trade supply chain, from the forest to the point of exports. We know there are many gaps in our systems but we need to clearly understand the process before we can start addressing them."

Laos has often been seen as the source of unregulated timber coming into the trade chain in the region. The trade statistics show there is discrepancy between the timber exported from Laos and timber from Laos being imported to neighbouring countries. However, there is a lack of hard evidence to answer questions on how accurate the different sources are or what causes the anomalies. "We recognise that there are problems in the data, but without first identifying where the problems are, it is very difficult to tackle them" says Mr. Khamphout.

vernance in Laos

With the help of the EFI's EU FLEGT Asia Support Programme some preparatory work is being undertaken and has concentrated on trying to identify solid trade data and gaps in timber control. A Scoping Baseline Study was conducted in 2010, and a specific Timber Flow Study identifying gaps in legality and control is currently implemented throughout the country. The combination of the two studies is helping the Lao government agencies to identify where they can concentrate their efforts. "Laos is working on a number of different issues relating to Forest Law Enforcement, we are working on the ground to check forest areas, the National Assembly is asking the Ministry of Agriculture and Forestry to undertake a review of the current Forest Law and we are involved in REDD as well. We need to be able to have the information to concentrate our limited resources" explains Mr. Khamphout.

The objective of EFI's EU FLEGT Asia Support Programme in Laos is to support the government in its decision-making on appropriate ways to strengthen timber legality and the potential benefits of entering into a partnership agreement on timber legality with the EU. Mr. Khamphout says "The information the project is providing is assisting us in the strategic thinking on Forest Law Enforcement which is a priority for the government." The programme was invited to present on FLEGT and its initial findings to the National Assembly in November 2011, and remains involved in follow-up discussions by all stakeholders concerned.

The increasing demand for improved forest governance is being driven by civil society in Laos as well as through market pressures. Government agencies and civil society are now working together in a time where there is a real desire for change. And by ensuring that this change is based on the best possible information and understanding about the sector, robust policies and procedures can be adopted.

How FLEGT and REDD+ can help address illegal logging? A case from Vietnam

To Xuan Phuc
Policy Analyst, Finance and Trade Program, Forest Trends, Vietnam
&
Wolfram Dressler
Social Anthropology, School of Social Sciences, University of Queensland, Australia

What is FLEGT?

Forest Law Enforcement, Governance, and Trade (or FLEGT) is an initiative of the European Union, established in 2003, aiming to promote the trade in legally-produced timber and remove illegal timber from the EU market. The EU FLEGT Action Plan includes a package of measures which target both consumers and producers of timber and wood products[1].

To a significant degree, activities developed by the EU to reduce illegal logging and the associated trade in illegal timber overlap with those being implemented under the newly-emerging REDD+ scheme.

EU Member States measures include:

- Encouragement for private sector adoption of purchasing policies to ensure only legal timber is bought
- Encouragement for EU member states to adopt public procurement policies that require verified legal timber for all relevant contracts
- Exclusion of domestic and imported illegal timber from the EU market through new EU Timber Regulations

For timber-supplying countries measures include:

- Technical and financial support for improved forest governance and capacity building for government and non-government actors
- Support for countries that wish to commit to credible legal and administrative systems to verify that timber is produced according to the national laws. This is done through a series of bilateral trade agreements with EU called voluntary partnership agreement (VPAs).

What is REDD+?

REDD+ refers to policy approaches and positive financial incentives to reduce emissions from deforestation and degradation and to support conservation of existing forest carbon stocks, sustainable forest management and enhancement of forest carbon stocks in developing countries.[2] About one fifth of global greenhouse gas comes from deforestation and forest degradation[3] therefore effective implementation of REDD+ will substantially contribute to the reduction of these emissions. REDD+ involves payments from developed countries to developing countries in exchange for reducing carbon emissions from the forest or increase carbon stocks (ibid.). To achieve reductions in emissions or increases in carbon stocks, developing countries must address the drivers of deforestation and forest degradation – one of the key issues addressed under FLEGT Action Plan. Vietnam is one of few countries in Southeast Asia that is now accommodating both FLEGT and REDD+ initiatives. By drawing on both initiatives the country is now exploring how to make the approaches work in tandem to tackle illegal logging and contribute to sustainable forest management.

Illegal logging in Vietnam at a glance

Illegal logging in Vietnam has been widespread. The number of violations of the forest protection law is high; sometimes involving severe violence against government forest guards. According to the Forest Protection Department, the actual volume of wood illegally logged is not known, however many believe that it is much larger than the amount confiscated[4], illustrated in part by the case study below.

A small-scaled illegal logging case

This story is about a low profile case involving household-based illegal logging. It describes actors involved in illegal logging practices and how these practices were linked to unclear property rights, unequal benefit distribution, collusion and corruption.

Actors involved in the case

The case involves villagers who were illegal woodcutters in a small Dao (ethnic minority) upland village called Ban Yen located in the north-west of Vietnam. In 1995 under the government forest land allocation program, forest near Ban Yen was allocated to households in the village for forest protection purposes. Wood cutting in the forest was considered an illegal act and banned. Despite the prohibition, villagers still cut trees in the forest to sell for cash. Timber logged in Ban Yen was brought to Huu Bang, a timber trad-

1. See more in the EFI's FLEGT-REDD linkages, Briefing note 1. January 2011.
2. FLEGT-REDD+ Linkages Briefing Note 2, January 2011.
3. UNREDD, Design of a REDD-compliant benefit distribution system for Vietnam. 2010.
4. Sikor, T., P.X. To. Illegal logging in Vietnam: lam tac (forest hijackers) in Practice and Talk. 0.1080/08941920903573057.

ing village in the lowland near Hanoi to be made into furniture for the domestic market. Dao villagers sold their wood in the lowland market through a timber trader who lived in a district town but moved to Ban Yen to accumulate timber from villagers and used his truck to transport the illegal timber from Ban Yen and other nearby villages to bring to Huu Bang and sell to wholesalers.

The transportation of timber from Ban Yen to Huu Bang had to pass a series of inspections conducted by various government agencies including village and commune officials whose mandate was to verify the origin of wood, and various fixed and mobile checkpoints. In total, more than 20 officials were mandated to oversee the logging, trading and transportation of these timber activities.

Small trees for big trees

Logging in the forest near Ban Yen was carried out in a way that was relatively harmful to the local forest environment – though nearly not as ecologically detrimental as clear-felling forest. To log and after that haul a stump from a big tree, villagers chopped down a dozen smaller trees and branches and small trees were left in the forest to rot. In other words, a "cut and run" method was used by villagers while logging. As time went by, big trees, especially those with high value were progressively depleted. As a result, villagers had to go deeper in the forest.

Unclear land tenure

Between 1950 and 1990 the Government of Vietnam nationalised all forest in the country and put it in the hands of state forest enterprises. During this period, state forestry agencies primarily focused on timber exploitation in order to generate national income and provide the raw materials for post-war reconstruction - forest protection was not on the agenda. As a result, forest in many areas became open access to anyone that wished to log. In principle, forest belonged to the state; in practice local people were free to exercise their customary practices in the forest. The result was excessive exploitation and a reduction in forest cover from more than 40% in the 1950s to less than 30% in the 1980s.

In response to this trend, the Government decided to shift the focus of the forestry sector from exploitation to processing and protection. One of the main mechanisms used to achieve this was a new forestland allocation policy. Under the policy, the Government took a large area of forestland which had been ineffectively managed by state forest enterprises and gave it to different forest user groups, including a large number of local households, for forest production and protection purposes. The Government hoped that giving land to different groups, particularly securing the rights of local households to the land, would help address the open access problem, contribute to more sustainable forest management and at the same time provide the upland poor with opportunities to improve their income through agroforestry activities.

In Ban Yen, forestland allocation started in 1995. The implementation of the policy, which provided villagers with clear rights to the land, did not help protect the forest near Ban Yen. These formal rights were not recognized by the villagers and they continued to exercise their customary practices in the forest. "Forests belong to the villagers" was a common expression of many villagers. The notion of the "forest belonging to the villagers" allows villagers to maintain logging practices in the forest regardless of the Government's prohibition on the logging. In the face of rapid expansion of domestic market for furniture and increasing local population, this notion produced a sort of competition among the villagers. This is well reflected in the words of a woodcutter: "if I don't get it [cut the tree] others will take it".

Skewed benefit distribution

Of the total benefits derived from illegal logging, villagers received 30%, the trader and wholesalers 31%, and officials 39%. However, villagers had to spend a lot more time and bear a lot more risks, including health risks (e.g., injuries associated with logging and hauling of logs) compared with other groups. On average, the return for a day's labour of a villager was a mere US$ 1.8 . The trader profited by substantially more than villagers - 9% of the total benefit – and was not exposed to the same kinds of risks. The wholesaler Huu Bang received double the profit of the trader – at 22% - for no risk at all. There were more than 20 officials involved in benefit distribution. Instead of exercising their duties as assigned by the Government, they provided safe passage, meaning protection from legal prosecution, for traders and received bribes in return. In total, they obtained 34% of the total benefits generated from the trade.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Back in Ban Yen, only the households with a strong labour force and water buffalos, usually the wealthier ones, were able to benefit from logging. Poor households who did not have such resources were excluded.
In general, villagers who did not have direct access to terminal markets benefited the least though they were the ones who were usually blamed for illegal activities in the forest. Traders, wholesalers and officials who had the power and resources to control the markets captured the most benefits.

Corruption

In principle, the systems controlling illegal logging practices exist in Vietnam, with officials at various levels being mandated to oversee and crackdown on illegal harvesting and trading activities on the ground. In practice, these systems did not work, mainly because of collusion between the traders and officials for personal gain. As the case shows, illegal logging practices were embedded in a wider political and economic network of transactions.

Discussion and Conclusion

Cracking down on illegal logging has been high on the Vietnamese Government agenda for years. However, the high number of violations reflects the limited effectiveness of existing measures. This case study reveals the negative impacts of illegal logging on forest as well as local livelihoods, particularly those of the poor. It also highlights that measures to tackle illegal logging that focus at the village level are not enough.

So how do FLEGT and REDD+, both active in Vietnam now, come together to help address illegal logging in the country?

FLEGT tackles illegal timber practices; REDD+ addresses drivers of forest loss, of which illegal logging is one of the most important in Vietnam. Both FLEGT and REDD+ promote improved forest governance and strengthen law enforcement on the ground. Devolving forest management power to local authorities and decentralising forest user rights to local households are expected to be an effective mechanism for addressing poor forest governance including illegal practices. As our case study has demonstrated, measures developed by FLEGT and REDD+ aiming to improve forest governance and addressing illegal logging in particular will not work if these initiatives are unable to create effective mechanisms for cracking down on the collusion and corruption associated with the timber trade.

Inclusive participation in forest use and management promoted by FLEGT and REDD+ may provide space for a partnership between the Government and non -governmental organizations and private sector for monitoring illegal practices on the ground. This partnership will be most effective if it can contribute to fighting collusion and corruption and addressing the skewed benefit distribution associated with the timber trade, as well as the thorny issue of unclear property rights.

REDD+ payments could be used to compensate those who have been involved in small-scale Illegal logging practices, such as those exercised by villagers in Ban Yen. Payment distribution should be designed in a way that includes marginalised villagers.

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Name : Wu Shengfu
Occupation : General Manager of Green Panel Corporation (GPC) & Director of Market Dept. of China National Forest Products Industry Association
From: China

Describe your company?
GPC is a private company working on certification on the woodworking industry. We also undertake study projects in the field.

What is the most useful lesson you have learned in your job?
I realised that one of the most important things is to enhance your field of knowledge. You need to know as much as you can about your field to be able to keep up and stay successful. Besides that, I think it's very important to have a good understanding of worldwide affairs. The timber trade is an international business so grasping what is happening in the world certainly gives you an advantage.

What is your vision of the ultimate potential for your organisation?
When it comes to my company, I feel that the work that we do needs to have benefits for the consumers, for the company itself but also for society and the environment. We cannot operate without taking these concepts into consideration, as we need to ensure a future where we can continue do work that we do. This means that we need to be accepted by society and that we need to manage our resources sustainably, so we can continue for the years to come.

What do forests mean to you?
To me, forests are a resource. They provide us with all kinds of raw materials that humans use on a daily basis. Besides that, they are a tremendous tool to capture carbon and provide us with oxygen. Finally, they are a great place to be in nature and to share that time with friends and family.

What is your vision for your country's forests in 2020?
I think we need to plant more forests to meet demands from industry as well as the general public to have a place to spend time in nature. To reserve the nature forest together with those have environmental impact. Besides that, I think we need to work towards more sustainable, environmentally-friendly practices in our lives.

Documenting traditional forest knowledge in Malaysia

Lush green forests cover almost 60% of the country

Malaysia has been blessed with a wide variety of natural resources ranging from vast offshore oil reserves to spices, marine life and lush green forests which cover almost 60% of the country and provide livelihoods for a significant proportion of the country's almost 29 million people. In fact around eleven percent of Malaysia's population are indigenous peoples – known as 'Orang Asli' in Peninsular Malaysia and 'natives' in East Malaysia – and a large number of them still live off and in the nation's forests. The amount of people involved as well as the size of the forest in question means that taking on board all of those views on how to manage them can be a daunting task.

Dr. Lim Hin Fui is an Environmental Sociologist working for the Forest Research Institute Malaysia (FRIM) and is one of the people who works closely with Orang Asli communities in Peninsular Malaysia. In 2007, together with Malaysia's Ministry of Natural Resources and Environment, he helped set up a project to map indigenous traditional knowledge and raise local awareness of forest issues among seven sub-ethnic groups of indigenous peoples in Peninsular Malaysia.

"Each workshop was attended by between 50 and 120 villagers and we discussed topics such as biodiversity, traditional knowledge and its importance to the local community, Malaysia and the world"

The project gathers information on the sustainable use of medicinal and aromatic plants by Malaysia's indigenous peoples and explores the potential for partnership between researchers and the Orang Asli.

"The groups we work with – the Semelai, Jahai, Temiar, Semai, Temuan, Jahut and Jakun – represent almost 40% of the indigenous sub-ethnic groups in Peninsular Malaysia" says Dr. Lim. "When we started working with them, the research team made several visits to each study site to meet community leaders and explain the project."

During these so-called 'Rapid Rural Appraisals' indigenous peoples' leaders were approached in their local anguage to assess the extent of their awareness of forestry issues and their willingness to participate in the project. Following this, workshops for villagers were held in the Orang Asli settlements.

"Each workshop was attended by between 50 and 120 villagers and we discussed topics such as biodiversity, traditional knowledge and its importance to the local community, Malaysia and the world" says Dr. Lim. "We also explained more about FRIM's traditional knowledge project and our database of medicinal and aromatic plants that are used by the communities." "Involving the local communities in these workshops has definitely changed attitudes. The villagers are much more keen to conserve and develop existing traditional knowledge now they understand its value and how easily it can be lost" says Norya bin Abas, leader of Semelai Tribe and Chairman of the Semelai Traditional Knowledge Committee.

However, to ensure that the Orang Asli communities know what they are getting into, it was FRIM's duty to explain the process and procedures of the project at community level. Peninsular Malaysia's forests are under a forest certification scheme, which protects the traditional knowledge of the Orang Asli. This means that the Orang Asli have the right to detailed project information and fair compensation for any commercial exploitation of their knowledge or products. On this basis the vast majority of households consented to participate and took part in training programmes aimed at helping them document their knowledge and nurture specimen plants.

"The indigenous community had to give their consent for this project to proceed. For this purpose, special village committees were formed in a number of the communities. With the help of these committees, as well as local leaders in the other communities the project was explained at household level and the support of households was sought through these committees and leaders" explains Dr. Lim. Consequently, a majority of the households has given their consent for the project, ranging from 71% of Semai households to 95% of Jahai/ Temiar households.

The project has already yielded some positive results with communities reporting new skills and an increased interest in documenting their knowledge for the benefit of future generations. "And if our knowledge of medicinal and aromatic plants leads to proto-type products for future commercialisation," says Norya bin Abas "we will be very happy to share the profits!"

Dr. Lim is also happy with the results so far. "We have made tremendous progress and learned a lot from the indigenous communities. At the same time, this exercise has also truly empowered them to value and document their everyday knowledge. We hope to continue our work with these communities and I think this shows that close cooperation with indigenous communities is the future – it has proven to be beneficial for both parties."

"The indigenous community had to give their consent for this project to proceed. For this purpose, special village committees were formed in a number of the communities. With the help of these committees, as well as local leaders in the other communities the project was explained at household level and the support of households was sought through these committees and leaders"

Illegal Logging Rates Dented

The production of illegal timber worldwide has declined by 22% since 2002.

In a rare piece of good news, The Royal Institute of International Affairs in London, also known as Chatham House, recently launched a report showing that the global attack on illegal logging is working – estimating that the production of illegal timber worldwide has declined by 22% since 2002. The study looked at twelve producer, processing and consumer countries, and came to the conclusion that the actions taken over the last decade have been extensive and, notably, have had a considerable impact on a previously negative trend.

According to Chatham House's analysis, illegal logging is down by between 50 and 75% in Cameroon, the Brazilian Amazon and Indonesia, while imports of illegally-sourced wood to the seven consumer and processing countries studied are down 30% from their peak in 2004.

As a result up to 17 million hectares of forest have been safeguarded and 1.2 billion tonnes of carbon dioxide emissions avoided. Alternatively, if the trees were legally logged, the report concluded that the countries concerned could have enjoyed additional revenues of US$6.5 billion.

The study included detailed case studies of four countries in Asia – Indonesia, Malaysia, China and Vietnam – as well as a number of important export markets for Asian timber and forest products.

Indonesia…

…saw the greatest improvement in Asia, with illegal harvesting falling by 75% since its peak in 2000 and substantial crackdowns in 2005-6 resulting in seizures of large volumes of illegal wood. Despite this, the picture still isn't entirely rosy, with around 40% of timber production still considered illegal and a concern that arrests rarely result in prosecution for illegal loggers.

However Indonesia has also recently concluded negotiation on a FLEGT Voluntary Partnership Agreement (see page 26) with the EU, which will support continued improvement.

Malaysia…

… had 14-25% of its production identified as illegal, the lowest of all the producer countries surveyed. It was also the cream of the crop when it came to government

and policy effectiveness. However it seems that the private sector in the country is split down the middle. On one hand half of the forest is certified as legal or sustainable and audits of legal-origin wood are increasing rapidly, while on the other, evidence suggests that the majority of illegal wood in the country comes from licensed companies cutting illegally within their own licensed harvesting areas.

China…

…Is the biggest improver in reducing high-risk imports, with volumes down 16% from their peak, but is nevertheless still the largest global buyer of illegal wood - as an estimated 20% of its imports. In the private sector the picture is similarly bleak. A few companies have invested in cleaning up their supply chains but it appears that the majority are focused on competing for markets solely on price. What progress has been made is in Government implementation of international agreements to cut illegal wood out of trade, particularly with Myanmar.

" Up to 17 million hectares of forest have been safeguarded and 1.2 billion tonnes of carbon dioxide emissions avoided "

Vietnam…

…was the only country where the level of illegal wood in trade has yet to decline – in fact imports trebled between 2000 and 2007 as a result of rapid GDP growth. Less prohibited timber from Indonesia was offset by wood from Laos, Cambodia and Myanmar, with 17% of imports now estimated to be illegal. The report states that the Government response has been relatively poor but private sector investment in cleaning up supply chains is on the increase as customers in the EU and US have started asking difficult questions.

To complete the picture, the report notes that illegal harvesting and processing are not the whole of the problem. Illegal consumption is equally important, and in 2008 companies in the five consumer countries surveyed bought around 8.4 billion dollars of illegal timber and wood products, much to the horror of environmental groups and many individual consumers. In response to this a variety of laws and regulations designed to restrict market access for illegal wood are being implemented in the EU and USA. "The most important next step is for Japan and China to implement the kind of legislation that the US has and the EU is in the process of implementing," said Sam Lawson, author of the study. "If they did so, that would mean all the biggest markets in the world have been shut to illegal timber." It's not going to happen immediately, but if and when it does, there is no doubt that that level of market shift would really change the profit incentive for illegal loggers, with potentially profound consequences for the world's forests.

In Banteang, South Sulawesi logging operations had a negative impact on environmental and social conditions until capacity building work helped curtail conflict and provide legal recognition for the community.

Mediation brings result as land conflicts increase across Asia

By: Toon De Bruyn [1]

The world's most rapidly urbanizing continent, Asia, has also become an active theater of conflict over land and forests, affecting millions of people and vast areas of forest. Historic pressures on land have created a situation where it is increasingly difficult to manage natural resources without managing conflict. While globally, the push for social and environmental safeguards aimed at reforming the trade of forest products is growing, its impacts have yet to make a difference where conflicts are concerned. This is against a background of increased conflict and its impacts:

- Three-quarters of Asia's forests are affected by violent conflict
- Nearly half of the 236 land conflicts recorded in 2009 in Cambodia, escalated to violence
- Between 12 and 20 million Indonesians face forest conflict on a daily basis
- It is estimated that in the 1990s between US$330 to 500 million in revenues from timber helped indirectly in financing conflict in Southeast Asia.

Stories of fear and anxiety, of communities rendered helpless by powerful land developers, protected area agencies and timber concessions, are the everyday reality of escalating conflicts throughout the region. In an effort to meet the development needs of a burgeoning, and increasingly affluent population, all too often Caesar's dogma of divide and rule is used, when only the interests of specific members of a community are promoted. Through their role and their far reaching decision making powers, governments play a key role in managing aspirations. Unfortunately, they are regularly mistrusted and feared by local people for siding with more powerful actors, and for the use of coercion and violence. Additionally, conflict often exacts high economic, environmental and social costs, which may never be recovered.

Conflict is predominantly caused by unclear and unjust tenure arrangements resulting in multiple and competing claims over forests and forestland. Other common causes of conflict include poor coordination amongst state agencies and policies prioritizing global and national interests over the interests, needs, values and aspirations of local people.

How can such seemingly intractable problems be resolved?

Conflicts are never resolved overnight and some remain only partially addressed. Fortunately there is a growing body of knowledge on how to deal effectively with forest conflict.

"I remember the day I was clearing a swidden field for paddy cultivation. I was in constant fear and paranoia. Suddenly, I saw the forestry officer approaching me. In panic, I ran as fast as I could. While running for my life, I had to silence my two beloved dogs that were barking and running away with me by beating them on the head – to death – in fear that their barking would lead the national park officer to successfully locate and arrest me."

From an interview with a farmer affected by conflict in Asia

In the experience of RECOFTC – The Center for People and Forests, immediate steps in dealing with often violent conflict include: early consultation with local people when changing their traditional use of land; coordination between government agencies so differing requirements do not create problems; promotion of co-management arrangements in which there is general agreement on a strategy to fairly share management responsibilities and, importantly, encouraging governments to remain neutral, responsible and fair in conflicts between local communities and companies.

1. toon.debruyn@recoftc..org

RECOFTC - The Center for People and Forests, is committed to reducing the incidence and negative impacts of natural resource conflict in the region and to tackle the root causes of conflict. In recent years, RECOFTC has directly trained more than a hundred people who are actively involved in conflict management. Their reach is many times bigger. They include all types of stakeholders, from field based NGO staff and industry representatives to national level government staff from Southeast Asia and beyond.

Strengthening mediation [2] skills among different stakeholders and, ensuring there is local capacity to manage conflicts, is a crucial long term strategy to deal with ever increasing arguments over forests and land. Therefore, capacity building must include more than specialized training programs. It must cover a suite of activities including the training of trainers, on the job coaching and reflection with peers through networks and learning exchanges. Ultimately, this contributes to the strengthening of organizations and institutions, and shows a more effective handling of conflict on the ground.

Because conflict and conflict management are often sensitive, specialized skills are needed. Accessing and handling information, dealing with different people and power relations, developing trusts, envisioning alternative solutions as well as defusing tense situations are but a few of the critical interpersonal skills a competent mediator should possess.

Whereas the aim of capacity building is, firstly, to increase awareness, it is also expected that as people better understand the causes of conflicts, their impacts and the options to deal with them, they become more capable, recognize signs of emerging or escalating conflicts and take timely measures to address them. We might, then, begin to see a reversal in the worrying trend of increasing conflict.

2. Mediation is a form of third party intervention in which a mediator facilitates conflict management, but does not have the authority to impose a solution.
3. RAFT Program: The Responsible Asia Forestry and Trade Program: www.responsibleasia.org

Agung Wiyono, a 39- year-old staff member of The Forest Trust (TFT) in Indonesia describes his experience as an alumnus of RECOFTC and as a conflict mediation practitioner: "When I started my professional career some 20 years ago, I soon realized that every forest management program had dozens of conflicts that were suppressed by a repressive regime. When land was claimed back by district governments to end the initial period of euphoria following the toppling of Soeharto's regime, these conflicts burst into the open, leading to violence, threats and loss of life. I confronted such a conflict when the decision was taken by the government to establish a provincial park— Taman Hutan Raya- on land that was being claimed by communities."

"Thanks to a systematic and intensive capacity building program, provided by RECOFTC and the RAFT program , I started to see the chain of events that led to conflict. As my understanding grew, I became more confident in my role: I learned and developed an understanding of new concepts and processes and was given opportunities to share, practice and learn from others. Perhaps this was the most important thing: the realization that I was not the only one passionate about trying to move beyond the conflict and towards strengthened collaboration."

"As time went by, my organization and I became more reputed and we increasingly got more work assisting public and private companies, which on the one hand is an indication that there are more conflicts, but on the other, also, that there is a growing awareness amongst different parties. We are helping small and big companies to establish conflict management systems, and supporting them in their process of transforming conflict within their concessions / plantations through mediation services, training and the development of social and environmental safeguards. Increasingly, we are also providing capacity building to local organizations and to individuals."

Over the past 20 years, RECOFTC has provided training to thousands of partners at all levels of government and civil society to raise awareness on the drivers of conflict and positive approaches to defusing them. As an international organization focusing on capacity building and knowledge management, RECOFTC delivers capacity building trainings and services across the region, addressing needs for forest policy and governance, the establishment and development of community forestry, livelihood development and, increasingly, engages in climate change related programs. It reaches the whole spectrum of forest sector stakeholders: governments, NGO's, academia, industries and other international and local organizations.

For more information on our work in conflict management please visit www.recoftc.org

How to support mediation processes?

- Expand the knowledge base on forest conflict;
- Accumulate and disseminate best practices
- Establish learning processes, and support networks for sharing and learning
- Promote partnerships through co-management
- Raise the awareness of the general public through the media and civil society


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Many companies agree that getting illegal wood out of the markets is an important first step to protect natural forests.

Europe cleans up its act on illegal timber

Over the years, responsible timber traders in Europe have increasingly moved towards more accountable purchasing policies of their timber, often signing up for national voluntary schemes, such as the UK Timber Trade Federation's Responsible Purchasing Policy. Companies that sign up generally have to get information about sourcing from their suppliers and try to rule out high-risk products over time. Even though the process may not always be straightforward initially, it has helped many of the traders to work with their most reliable suppliers and to increase low risk and certified purchases.

Now a new piece of EU legislation means that their commitment will start to really pay off, because from March 2013 the rules of the game for selling timber in the EU are about to change. The details are inevitably complex in a Union which comprises 27 different legal systems, but the idea is simple – to shut the door on imports of illegal timber and to make sure that European producers are also acting within the law. The framework for these new requirements is set out in the European Union's 'Timber Regulation' (previously known as the Due Diligence Regulation, or DDR), which came into effect in December 2010.

Specifically the Regulation prohibits the first placing of illegal wood and wood products on the market; applied to both EU timber and imported timber. In addition EU operators placing wood and wood products for the first time on the EU market will be required to demonstrate that they have exercised "due diligence" in ensuring the legality of the products traded. Other traders in the EU supply chain will need to keep records of their suppliers and customers to allow for traceability of products up to their first placing on the EU market.

Performing voluntary due diligence by collecting reliable information throughout the supply chain has not, however, been entirely simple for some companies. These companies have indicated that it is a challenge to get good quality information from others in the supply chain, especially ones that operate in countries where due diligence is not widely practiced. In theory however, the new legislation will put pressure on companies that aren't doing the right thing and with proper enforcement of the regulation and appropriate penalties in place, many believe it will be beneficial for responsible timber trading companies.

The Timber Regulation is the latest piece of legislation introduced as part of the European Union's Action Plan for FLEGT (Forest Law Enforcement, Governance and Trade). The Plan, introduced in 2003, is designed to encourage legal and sustainable management of forests around the world.

The new legislation is part of an increasingly powerful global trend of markets closing the door to illegally and unsustainably harvested timber.

The trend is obviously aimed at improving the standards of the worst players but it is not, however, entirely without risk even for responsible companies. Some have noted that FLEGT has placed a responsibility on timber importers to invest in their suppliers companies without any guarantee that the supplier won't just change tack and sell elsewhere if the price increases. However, with these new requirements in Europe and the USA there is going to be a lot of new demand for verified legal timber.

Many companies agree that getting illegal wood out of the markets is an important first step to protect natural forests. Adapting to these new requirements may not be easy initially, but given the regulation's focus on transparent and accountable operations, responsible timber traders may well be the first ones to benefit from this regulation.

Maintaining Access to the EU Market

The EU Timber Regulation is tough on the trade in illegal timber, but at the same time Europe has reached out to ensure that operators that play by the rules maintain their market access. This means that:

- There is no absolute legality standard to follow; legality standards are set by producer countries themselves.
- Besides that, the EU has provided advance information on the Regula tion and listens to difficulties encoun tered by producing countries.
- The EU also allows countries to work with negotiated solutions through Voluntary Partnership Agreements (VPA).
- In addition, the EU provides financial support to countries to establish trace ability and management systems, which will ensure that their companies are compliant with the EU Timber Regu lation.
- And finally, the regulation is not only applicable to timber that is imported into the EU, but also includes timber produced within the European Union.

All this is done to promote the trade in legal timber products and to ensure that illegally produced products are not sold in the EU.

Global trend – shutting the door on illegal wood

Europe is not alone in attempting to reduce access to markets for illegal wood. In fact the USA has already implemented its own legislation to protect the world's forests by creating civil and criminal penalties for a number of violations, most notably the trade in wood or products that have been illegally harvested, transported or sold in their country of origin.

The penalties were established by amending the long-standing, and highly effective, Lacey Act, which was originally designed to stop the inter-State trade in poached wildlife. The amendment defined illegal wood products by referring to laws relating to theft, logging in protected areas or without authorization, payment of taxes and fees, and transport regulations. It also established a requirement for an import declaration, which covers the scientific name of any species used, the country of harvest, the quantity and measure, and the value of the shipment.

The fundamental difference between Lacey and the EU Timber Regulation is that in the USA it is up to the private sector to comply as it sees fit. In other words, a company is not required to match any one standard of legality documentation or due diligence — and, conversely, no document alone is a 100% guarantee of legality. This puts the legal responsibility onto importers to really understand the source of the products they buy.

Following hot on the heels of the US and EU is Australia, which is in the process of passing an Illegal Logging Prohibition Bill that has similar characteristics to both the Lacey Act and the EU Timber Regulation. The exact details are still being worked out but an early draft Bill follows a Government commitment to ban the importation and trade of illegally procured timber and wood products and establish requirements for importers to demonstrate due diligence. Suggested additions at the Senate Committee stage include the creation of an import declaration requirement, proactive monitoring and 'spot check' audits and an explicit requirement for more consistency with the US and EU laws.

Elsewhere in the Asia-Pacific region, the Government of New Zealand has reported that it is considering implementing parallel legislation once the Australian Bill has passed, but for the moment it has supported the creation of a voluntary code of conduct based on an agreement between importers and NGOs in the country. It has also established a public procurement policy, which requires certified legal and sustainable wood products for Government contracts.

Although Japan has no import legislation and has not shown interest in developing any, it also has a Government 'Green' Procurement Policy, which requires wood for public contracts to be certified, imported under a Japanese Import Federation Code of Conduct or covered by an individual company procedure that ensures its legality.

While none of the mechanisms described above is beyond criticism in their own country, each of these initiatives is the result of an impressive union of Government, industry and civil society. On their own they are all positive steps towards greater global forest protection, and together, analysts agree, they are significantly more than the sum of their parts. Increasingly companies and individuals involved in illegal logging or the sale of illegal products will find that their opportunities for profit are narrowing and the potential for fines and even prison sentences is growing. It is clear already that the way for a company to get ahead is by cleaning up their supply chains sooner rather than later.

Global trend –shutting the door on illegal wood

About the Responsible Asia Forestry and Trade Program

Responsible Asia Forestry and Trade (RAFT) is a five-year program funded by USAID's Regional Development Mission for Asia (RDMA) from 2006-2011.

RAFT influences the development and implementation of the public policies and corporate practices needed to improve forest management and bring transparency to the timber trade in Asia, thereby reducing carbon dioxide emissions from deforestation and forest degradation. We do this by: Working as a Partnership. RAFT amplifies the impact of existing networks, expertise and resources by strategically bringing together partners working toward a common set of goals.

Working Across the Supply Chain. RAFT supports and aligns efforts all along the global timber supply chain that are needed to encourage and put into practice responsible forestry and trade.

Connecting Policy and Practice. RAFT informs policy-making processes with experiences from the ground, and translates good policies in good practices through training and demonstration of sustainable forestry and supply chain management techniques.

Together RAFT partners have helped bring nearly 1.3 million hectares of tropical forest under FSC certification, with another 2 million on the way. When the program started in 2006, RAFT partners were working with a total of 5 timber concessions. Today that number has grown to 59. RAFT is managed by The Nature Conservancy and implemented in partnership with IUCN, RECOFTC – The Center for People and Forests, The Forest Trust (TFT), the Tropical Forest Foundation (TFF), TRAFFIC – the Wildlife Trade Monitoring Network and WWF's Global Forest & Trade Network (GFTN). In addition to these key implementing partners, RAFT works with government, industry, inter-governmental organizations and academic institutions from across the region and beyond.

RAFT works in eight countries in the Asia Pacific region: Cambodia, China, Indonesia, Lao PDR, Malaysia, Papua New Guinea, Thailand and Vietnam.

www.responsibleasia.org.

Jargon Buster

Biodiversity	The diversity of plant and animal life in a particular habitat or in the world as a whole.
Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)	An international commitment made by 175 of the world's Governments, which aims to ensure that international trade in specimens of wild animals and plants does not threaten their survival. CITES currently covers more than 33,000 species of animals and plants.
Deforestation	The clearance of naturally occurring forests by logging and burning.
Due diligence	Taking all reasonable steps to ensure that one's timber supply is from legal sources, for example ensuring access to information on the origin and supply chain.
European Commission	The executive body of the European Union. The body is responsible for proposing legislation, implementing decisions, upholding the Union's treaties and the general day-to-day running of the Union.
European Union (EU)	An economic and political union of 27 member states in Europe.
EU TImber Regulation	An EU-wide Regulation which will prohibit the first placing of illegally harvested timber and products derived from such timber on the EU market, coming into force on 3 March 2013.
Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan	A plan published by the EU, which sets out a range of measures available to the EU and its Member States to tackle illegal logging in the world's forests.
Public Procurement	The process used by governments, regional and local public authorities to obtain goods and services with taxpayer's money.
Stakeholder	A person, group or organization that will directly or indirectly affect, or be affected by, actions and policies.
Supply chain	A system of organizations, people, technology, activities, information and resources involved in moving a product or service from supplier to customer.
TLAS, Timber Legality Assurance System / Timber tracking	The procedures that aim to ensure that all timber sector companies operate under licence, are in compliance with relevant legislation and that no export trade in timber is allowed without appropriate registration and issuance of export licenses.
Reducing Emissions from Deforestation and Forest Degradation (REDD)	A set of activities by the UNFCCC, forest-rich countries and donors, designed to create and utilise financial incentives to reduce the emissions of greenhouse gases from deforestation and forest degradation.
Sustainable Forest Management (SFM)	The stewardship and use of forests and forest lands in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfil, now and in the future, relevant ecological, economic and social functions, at local, national, and global levels, and that does not cause damage to other ecosystems.
Voluntary Partnership Agreement (VPA)	Bilateral agreements between the European Union and timber exporting countries, which aim to guarantee that the wood exported to the EU is from legal sources and to support partner countries in improving their own regulation and governance of the forest sector

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