



G8 Action Programme on Forests



Final Report 2002



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G8 ACTION PROGRAMME ON FORESTS – FINAL REPORT

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Introduction

How countries manage, conserve and develop their forests has a major impact on global economic and social development and environmental integrity. For this reason, G8 members agreed at their 1997 Summit in Denver, USA, to launch an action programme on forests that would accelerate the global implementation of proposals for action contained in the then newly released report of the Intergovernmental Panel on Forests (IPF).¹ The G8 Action Programme on Forests, initiated in 1998, sought to complement the extensive range of actions being undertaken by the international community at that time and has evolved in tandem with various regional and international processes to which it lent its authority and enthusiasm. The Action Programme consisted of five issues of particular importance:

- monitoring and assessment;
- national forest programmes;
- protected areas;
- private sector; and
- illegal logging.

A first *Report on the Implementation of the Action Programme* was prepared for G8 Foreign Ministers, who met in Miyazaki, Japan, on July 13, 2000. During their meeting, they directed their forest experts to prepare a final report on the Action Programme. The mandate was also addressed by G8 Leaders at their Summit in Okinawa and included in their Communiqué, which stated:

“We fully endorse the conclusions of our Foreign Ministers regarding sustainable forest management. In this regard, we attach particular importance to projects that help indigenous and local communities practice sustainable forest management. We will also examine how best we can combat illegal logging, including export and procurement practices.”

Responding to this mandate, G8 members undertook to work in these five areas individually and collectively, both at home and abroad, including via their bilateral assistance programmes, hosting seminars and expert meetings, and participating in intergovernmental fora. This report documents the work undertaken on these topics, highlights accomplishments and presents challenges for the future.

The information contained herein, and in the accompanying document “*G8 Action Programme on Forests - Backgrounders*”, will be useful to G8 members and other interested parties in their

¹ The Panel and its successor, the Intergovernmental Forum on Forests, were established under the auspices of the UN Commission on Sustainable Development to nurture global consensus on a wide range of forest issues and to articulate and advance proposals for the management, conservation and sustainable development of forests.

preparation leading to the World Summit on Sustainable Development (WSSD), that will take place in Johannesburg, South Africa in August-September 2002.

General Accomplishments of the G8 Action Programme on Forests

Monitoring and Assessment

An area of significant progress during the existence of the G8 Action Programme on Forests has been the improvement in the ability to monitor and assess trends in forest conditions and forest management. The development and implementation of monitoring and assessment tools, including criteria and indicators capable of objectively measuring progress toward sustainable forest management (SFM), is an important foundation for domestic and international efforts to manage forests sustainably. In addition to their domestic work on criteria and indicators, G8 members collaborated through the *Pan-European Criteria and Indicators for Sustainable Forest Management of the Ministerial Conference on the Protection of Forests in Europe* and the *Montréal Process Working Group on Criteria and Indicators for the Conservation and Sustainable Management of Temperate and Boreal Forests* to develop mutually agreed frameworks for assessing progress toward SFM. At the broadest intergovernmental levels, G8 members contributed actively to the monitoring and assessment mandates of the United Nations Food and Agriculture Organization (FAO), the International Tropical Timber Organization (ITTO), the new United Nations Forum on Forests (UNFF) and the Convention on Biological Diversity (CBD).

G8 members also provided financial and technical assistance to developing countries, both bilaterally and through a variety of regional and international processes, to strengthen the capacity of interested partner countries to develop and apply criteria and indicators compatible with their local needs. This commitment and infusion from the national to the individual forest management unit-level is credited with leading improvements in SFM.

Since the launch of the Action Programme, G8 members have extensively supported and pressed for the broader effective use of remote sensing technologies, including satellite images, global information systems, global positioning systems and aerial photographs, in forest resource management. Working both bilaterally and multilaterally, they have significantly improved access to and use of remote sensing data and geographic information databases by developing nations. They worked with many developing countries to map forest cover and to analyze and integrate geospatial data into forest management. They also built capacity for on-the-ground monitoring by governments, indigenous and local communities and non-governmental organizations (NGOs). G8 support also facilitated the prediction, monitoring and control of forest fires as well as the detection of illegal logging in a number of these countries.

National Forest Programmes

The concept of national forest programmes has evolved under a variety of names and intergovernmental processes for nearly 20 years. Today the term has become an important concept accepted worldwide with a broad scope for achieving SFM, in a manner that respects national sovereignty and is consonant with specific country conditions. National forest programmes serve as a basis for reviewing implementation of internationally agreed actions and close the gap between international agreements and operational forest management. Their objective is to establish a workable social and political framework for SFM. Such a framework can also serve as a basis for improving donor coordination and attracting development assistance and private investment, thereby increasing the effectiveness of public and private funding.

National forest programmes require broad inter-sectoral and participatory approaches at all stages, from policy formulation through strategic planning, implementation and evaluation. They must be congruent with a country's socio-economic, cultural, political and environmental situation and be integrated with wider national economic development plans and land use policies.

National forest programmes are now well advanced in G8 countries. They have become secure platforms for dialogue with other sectors of the economy and well-established coordinating instruments for stakeholder participation. Successive iterations of these programmes have lent credibility to national forest programmes in G8 countries. This positive experience has made G8 members proponents of such programmes and of their broadest possible adoption and implementation in other countries.

G8 members have consequently supported numerous national forest programme processes in developing countries. Forest-related development assistance by G8 members has increasingly focused on the formulation and implementation of national forest programmes. During the four-year Action Programme, G8 members financed numerous activities in support of national forest programmes all over the world. Through strategic partnerships and official development assistance, G8 members have helped accelerate reform processes in developing countries, building local capacity to integrate forest management with poverty alleviation and advancing country-specific approaches to SFM.

Some of the tangible results of national forest programmes include:

- new forestry policies and improved legislation;
- institutional reforms;
- enhanced donor co-ordination;
- facilitated implementation of internationally agreed actions;
- a redefinition of the role of the state in forestry development;
- the decentralization of forest management responsibilities;
- a transfer of authority to communities and local groups;
- greater transparency and participation in decision-making processes; and
- improved co-ordination and harmonization of actions.

Protected Areas

G8 members recognise that ecologically and geographically representative networks of protected forest areas are an important part of SFM. Through the Action Programme, G8 members contributed to a better understanding of protected area management, including classification systems, with a view to ensuring that the designation of forest protected areas both at home and abroad did not simply become a numbers game.

In the four years since the G8 Action Programme on Forests was launched, the concept of protected areas has evolved and matured. G8 members supported numerous initiatives that have contributed to a better understanding of what protected area status can and cannot accomplish and of how protected area policies can be refined to serve other important values such as maintaining ecosystem services and supporting sustainable livelihoods among forest dwellers and local communities.

Reflecting the global rise in the size and number of forests designated as protected areas, G8 members have increased their own systems of protected forest areas and facilitated the designation of new protected areas in developing countries, including the establishment of trans-boundary protected areas and the related and evolving concept of Peace Parks. They did so both directly, through bilateral technical and financial cooperation, and indirectly, through such intermediaries as the ITTO, the World Conservation Union (IUCN), the World Wildlife Fund (WWF), the United Nations Environmental Programme-World Conservation Monitoring Centre and the World Resources Institute. G8 members have also used bilateral debt relief and debt-for-nature swaps to encourage developing countries to enhance protection of biologically important areas.

Private Sector

Through private direct investment, monitoring and certification initiatives, policy research and advocacy, and socially responsible investment, private forest owners, industry associations, financial institutions, private think tanks, environmental NGOs and shareholders have begun to rival the influence of the public sector as promoters of SFM.

G8 members have facilitated, encouraged and welcomed the engagement of the private sector, including industry associations and private forest owners, in their work to address the implementation of SFM. Examples include:

- adoption of voluntary codes of conduct for forest management and trade in wood products;
- actions to stamp out illegal logging worldwide;
- commitment to eco-efficiency;
- encouragement to develop and promote corporate social responsibility.

G8 members have supported the involvement of indigenous and local communities in SFM, both domestically and internationally. Progress has been rapid in recent years and local communities are now actively engaged in nearly a quarter of forests in developing countries.

New alliances between environmental NGOs, financial institutions, industry associations and private forest owners, are creating new momentum in favour of SFM. For example, they have established national, regional and international voluntary certification schemes that provide for third party audits and in some cases the labelling of products from sustainable sources. G8 members are encouraging such efforts and supporting the dialogue on mutual recognition of voluntary certification schemes.

Recognizing the potential of public-private sector partnerships, G8 members have joined forces with a wide range of private sector entities. Major initiatives of the G8 Action Programme on Forests included:

- private-public joint ventures;
- use of public-private funds;
- new investment fund options;
- restructuring of state-owned forests to achieve social and economic goals.

Responding to these private sector initiatives, G8 members encouraged voluntary certification schemes, supported the development and promotion of industry codes of conduct, and contributed financial and technical resources to indigenous business development initiatives and new models of local decision-making. They collaborated with associations of small producers of forest products, including co-operatives, and with major industry associations.

Meanwhile, G8 members have been encouraged by the development of a variety of financial instruments that are mobilizing investment in SFM. The globalization of capital, together with increasing investor demands for information about the social, ethical and environmental practices of businesses, has created a market for green savings plans, green credit unions and banks, SFM mutual funds and venture funds.

Illegal Logging

The G8 Action Programme on Forests has advanced understanding and political will to address the important issue of illegal logging, and in that context, forest law enforcement and governance. From near obscurity in the early 1990s, these issues have moved squarely into the international spotlight. Forest law enforcement and governance initiatives have become a new line item for financing by bilateral donors, as well as the World Bank, the ITTO, and other Collaborative Partnership on Forests members. Furthermore, activities to combat illegal logging are being incorporated in the work programmes of international bodies.

G8 members are developing a number of supply and demand side measures and have contributed to international arrangements aimed at eliminating international trade in illegally produced or exported timber.

On the demand side, G8 members are taking forward a range of measures, including:

- review of public procurement policies;
- improvements to the detection of imports from illegal sources to deny them access to domestic markets;

- development of market-based instruments and methods for identification and verification of legal compliance through timber tracking; and
- the promotion of work on labelling and certification of the origin of forest products.

On the supply side, they have supported policy, institutional and legislative reforms, industry regulation and law enforcement improvements in countries that produce and export forest products. Such activities included:

- development of independent monitoring and verification processes to track forest crimes;
- strengthening the capacity of government organizations and agencies to manage forests and control logging;
- provision of monitoring services to enable decision-makers and civil society to monitor concession policies; and
- provision of technical assistance to governments to enable them to reform forest legislation, concession and taxation policies in ways that create incentives for industry to comply with national forest laws.

In the intergovernmental arena, the ministerial declaration from the Forest Law Enforcement and Governance East Asia Ministerial Conference held in Bali, Indonesia in September 2001 represented a major advance in rallying commitment and support for actions to combat illegal logging. This historic declaration, which emphasized the need for effective cooperation at the sub-national, national, regional and international levels, was the first high-level political statement of its kind on illegal logging and associated trade, and corruption. Acknowledging their shared responsibility, countries that import forest products that originate from illegal activities agreed to work with producer countries to tackle this problem.

G8 members acknowledge that progress to date on forest law enforcement and governance is only the beginning. Illegal logging, associated trade and corruption are issues that will continue to be addressed in various international fora as a matter of priority.

Challenges for the Future

The G8 Action Programme on Forests has increased the political commitment to forests and advanced individual and collaborative action in monitoring and assessment, national forest programmes, protected areas, private sector initiatives and strategies to curb illegal logging.

While the Action Programme is formally ending, G8 forest experts see the benefit of continuing to meet informally and work together to advance priority forest issues. Moreover, they will continue to support the sustainable management of the world's forests through their active participation in the forest-related initiatives of various intergovernmental organizations. Forest experts recognise the need for new and innovative partnerships to address areas of the world with significant sustainable forest management challenges.

Forest-related issues will remain high on the domestic agendas of G8 members and should figure prominently in their development assistance programmes.

Forests require strong and continuing attention by governments in light of their important contribution to strategies to reduce poverty, provide sustainable livelihoods, and promote food security. To make sustainable management of the world's forests a reality, work needs to proceed not only through conventional political channels, but also with civil society, the private sector, indigenous and local communities and other interested parties.

To succeed in addressing the crucial role of forests, G8 members need to deliver on international commitments and help in financing SFM. G8 members will continue to actively participate in strengthening the effectiveness of international forest-related agreements, organizations and fora, highlighting the significant contribution that the international arrangement on forests (as outlined in ECOSOC Resolution 2000/35) can make.

Forest law enforcement and governance have only just begun to be addressed as pivotal issues that provide part of the foundation for effective SFM. Illegal logging, associated trade and corruption are issues that must be addressed as a matter of priority by all countries and partners in all regions. There is a need to further explore the scope and nature of these issues, develop approaches to address them, including the domestic and international actions that need to be taken, and to sustain political will by demonstrating tangible results.

Leadership will be crucial to address the elimination of illegal logging and to explore ways to eliminate the export and import of illegally harvested timber and related products. In this regard, support for ongoing processes of forest law enforcement and governance are key.

Among the issues critical to these topics are:

- engagement of forest communities;
- a range of reforms (economic; land tenure; policy and legislation; customs and law enforcement);
- tracking and chain of custody;
- development of bilateral, inter- and intra-regional, and multilateral arrangements;
- capacity building and technology transfer.

An important impediment to public accountability and informed decision-making on forests has been the lack of publicly available information. Governments and private sector players need to work together to accurately assess and report on the state of the world's forests. Support for independent and on-the-ground monitoring, and capacity building in developing countries should be strengthened. The use of technologies such as remote sensing and geographic information systems should be continued and broadened as complementary tools for improving forest policy, inventory, field operations and law enforcement.

Although forest protected areas have significantly expanded in the last decade, much work remains to be done to achieve ecological and geographical representativeness, to improve their management in the broader ecosystem context, as well as to increase their contribution to local economies and human welfare. The designation and management of protected forest areas provide opportunities for public-private partnerships, and innovative ways to create these and to attract financing should be explored.

There is a real need to strengthen the development and implementation of national forest programmes domestically and through bilateral partnerships, as well as through increased support for international programs such as the FAO National Forest Programme Facility and the World Bank's Programme on Forests (PROFOR).

Private sector direct investment could be a key to more innovative and more sustainable forest policies and practices. In the months and years ahead, all parties concerned with the role of private sector investment and export credits will need to exchange views, monitor developments and develop further steps to help attract finance towards SFM.

Conclusion

Over the past four years, G8 forest experts have worked together to complement the extensive range of actions undertaken by other regional and international processes aimed at SFM. The diverse extent and nature of G8 members forest ecosystems, land ownership patterns, governance and regulatory systems, and terms of aid and international cooperation have contributed significantly to enhancing the understanding of implementing SFM worldwide. Further details on many of G8 initiatives addressing the five priority areas of the Action Programme are included in an accompanying document entitled "*G8 Action Programme on Forests – Backgrounders*".

G8 members continue to underscore the role that SFM plays in all countries to alleviate poverty, reduce land and resource degradation, improve food security as well as access to safe drinking water and affordable energy. WSSD provides an opportunity to strengthen political commitment to SFM and to promote international cooperation to this end.

Forest-related issues will remain a priority. G8 members will pursue means to deliver on international commitments and to address the challenges facing the world's forests.

Through active participation in forest-related initiatives of various intergovernmental organizations, G8 members will continue to promote partnerships among interested governments and stakeholders, including the private sector, indigenous and local communities and other interested parties.

Having completed the formal Action Programme, G8 forest experts will continue to meet informally in forest-related international fora and work together to advance priority forest issues. G8 members are committed to:

- Retain forest-related issues at a high level on the domestic and international agendas.
- Deliver on international commitments, such as the UNFF Plan of Action that addresses implementation of the IPF/IFF proposals for action, and the expanded programme of work on forest biological diversity of the CBD.
- Increase the level of financing for sustainable forest management from all sources.

- Combat illegal logging and the use of illegally harvested timber and related products. In this respect,
 - increase capacity building and technology transfer to address the elimination of illegal logging;
 - take actions to eliminate the export and import of illegally harvested timber and related products; and
 - support ongoing processes on forest law enforcement and governance.
- Emphasize the importance of forests in the context of WSSD and underscore the need for new and innovative partnerships to address some of the remaining areas of the world with significant forest management challenges.