



**MINISTRY OF AGRICULTURE  
AND RURAL DEVELOPMENT  
ROMANIA**



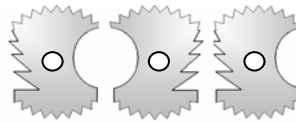
**MCPFE**  
Liaison Unit Oslo



**EUROPEAN  
FOREST INSTITUTE**



**WORLD BANK**



Expert Meeting on Forest Law Enforcement and Governance  
Progress and Lessons Learned  
Bucharest, 13-15 October, 2008

## FIRST DAY

### Opening of the meeting

Mr. Ciprian Pahontu, General Director within Ministry of Agriculture and Rural Development, welcomed the participants to the Expert Meeting on Forest Law Enforcement and Governance - Progress and Lessons Learned and introduced Mr. Dacian Ciolos, the minister of agriculture and rural development of Romania which addressed the welcome of the Government of Romania.

Then, Mr. C. Pahontu introduced Mr. Benoit Blarel, Country Manager and Resident Representative (The World bank), Mrs. Malgorzata Buszko-Briggs (MCPFE Liasion Unit Oslo) and Mr. Ralph Ridder (European Forest Institute) who provided their welcome addresses highlighting the importance of participatory process of elaboration and implementation of policies and practices aiming to ensure sustainable forest management, to combat illegal logging and associated timber trade, and wished a fruitful meeting.

Mr. Ciprian Pahontu introduced then the meeting agenda, working procedures and logistics.

### Session 1. FLEG – GENERAL APPROACH

Mr. Flip van Helden (European Commission, DG Environment) started the first session with two presentations regarding *Implementing the EU FLEGT Action Plan* and *Demand-side measures related to the EU FLEGT Action Plan*. There were underlined the aims of FLEGT Action Plan such as: take a step-wise approach towards sustainable forest management by applying existing legislation, provide guarantee of legality to EU consumers purchasing timber from partner countries, strengthen governance by enhancing forest sector transparency, participation and accountability and provide incentives to make such changes. The expected effects should focuses on requires all EU traders to use due diligence and prevent undercutting, provides an incentive to source imports from low risk rather than high risk suppliers, provides partner countries with an incentive to join FLEGT and generating a premium for legal timber.

Then, Mr. Alain Chaudron (French Presidency of EU) presented the considerations from the EU Presidency on FLEGT underlined the importance as the new legislative proposal on FLEGT to be adopted by the college of Commissioners on October the 15<sup>th</sup> based on the exercise of due diligence by operators.

Mr. Ralph Ridder (European Forest Institute) highlighted the role of European Forest Institute by offering support to the FLEGT Action Plan, such as providing information and decision support to maintain ecosystem services, enhance forest governance and mitigate climate change.

From the NGO's point of view on EU FLEGT Action Plan, Mr. George Dinicu highlighted the importance of legislation within EU as Private Sector Voluntary Schemes will never include all industry and standard of schemes vary greatly, Voluntary Partnership Agreements will not cover all products or all countries, give a (good and practical) example for other countries on how to engage in illegal logging.

## Session 2. ENA – FLEG

Mr. Arcadie Capcelea (World Bank) reported relevant outputs of the ENA-FLEG process in ENA countries and also he invited the representatives from ENA countries to give an overview of the processes in their countries.

Elena Kulikova (WWF – Russia) gave an update of a new Regional Program *Improving Forest Law Enforcement and Governance in the European Neighborhood Policy East Countries and Russia*. Implementation of the Program is led by the World Bank that works in partnership with the International Union for Conservation of Nature (IUCN) and the World Wide Fund for Nature (WWF) and the specific purpose of the program is *to put in place improved forest governance arrangements through the effective implementation of the main priorities set out in the ENA FLEG Ministerial Declaration, with the support of selected pilot activities and with the active involvement of governments, civil society and the private sector*.

Then, representatives of ENA countries (Serbia, Georgia, Kyrgyz Republic, Republic of Moldova, Russian Federation and Mongolia) present an update to their ongoing and planned activities and how these were linked to the objectives of ENA-FLEG process.

## SECOND DAY

### Session 3. Changing Institution, Commercial and Market Issues

The second day of the meeting started with presentation of SUMAL – a system for timber flow control and for tracking the wood provenience which was done by Mr. Istvan Toke, the Secretary of State within Ministry of Agriculture and Rural Development. The SUMAL could be an example for other countries in order to develop their own timber flow control.

Jyrki Salmi (INDUFOR) highlighted the role of National Actions Plans in order to Combat Illegal Logging and Other Forest Crimes. The objectives of the NAP process should be the follow ones: issues on forest law compliance and good governance in the sector are identified, root causes of illegal acts in the sector in the country are identified and understood, strategy and prioritized remedial actions are designed, proposal endorsed at high political level and all relevant stakeholders are informed.

Mr. Morton Thoro presented the *FLEG in CEEC – policy and practical experiences of Private Forest Owner Organisations* where he underlines the role of private forest owners a part of the solution, however they need to be included in the process to allow them to participate.

The *Metsaliitto Group approach to ensure the legality of wood supplies* was presented by Mr. Mikhail Tarasov, in order to provide an alternative way of tracking wood origin control.

The last presentation of the third session was done by Mr. Lars Laestadius (World resources Institute) who gave an overview on Impact of the Amended US Lacey Act on FLEG(T). The US Lacey prohibits all trade in plant and plant products (e.g., furniture, paper, or lumber) that are illegally sourced from any U.S. state or any foreign country, requires importers to declare the country of origin of harvest and species name of all plants contained in their products and establishes penalties for violation of the Act, including forfeiture of goods and vessels, fines and jail time.

#### Session 4. Working Groups

For the last session of the meeting, the participants were split in two working groups, one concerning ENA-FLEG Process: Issues of future country-level implementation which was lead by Mr. Arcadie Capcelea and the rapporteur was Elena Kulikova and the second working group, which concerns Relevance of EU-FLEGT issues and solutions for ENA FLEG countries, was lead by Ingwald Gschwandtl, while the rapporteur was Malgorzata Buszko Briggs.

#### Plenary session and wrap-up

The first working group outcomes were summarized as: main problems and obstacles in ENA-FLEG Development (improving legal framework, institutional framework, forest management and monitoring, social issues, ensuring participation of all stakeholders), ENA-FLEG Priority Activities, ENA-FLEG Best Practices, Mechanisms and Tools and ensuring synergies between ENA-FLEG and EU-FLEGT.

The second group outcomes were described as lessons learned from EU-FLEGT issues and their relevance for ENA FLEG countries. These could be described as: for some countries FLEG is first step to work towards sustainable forest management, private sector contribution and stakeholder involvement is critical for success in combating illegal logging, public-private partnerships should be encouraged, clear property and land tenure rights are prerequisite, more support to create forest owners organizations is needed in some countries, development of public procurement policies in the ENA/FLEG countries should be encouraged, public procurement policies should be

harmonized as much as possible in Europe, green public procurement policy should not single out one product such as wood, but capture a broader range of products, attention to EU green public procurement policies should be given, independent third party monitoring of implementation progress helps to increase transparency and credibility, information and data base systems particularly on trade could provide insights into trade flows, but might create bureaucracy and inconsistency with EU policies, FLEG NAPs should address the full complexity of issues, including property rights and local consumption, cost efficiency is important in all systems and activities related to FLEG and FLEGT and relevant for both, the industry as well as public administration, measures applied should be adequate to the size of the problem, risk assessment is key component of FLEGT and corruption and organized crimes cannot be solved by forest sector alone, broad cooperation needed.

Mr. Ciprian Pahontu, chair of the session, thank very much to all participants for the excellent meeting arrangements and closed the meeting.

## ***SUMMARY OF THE MAIN CONCLUSIONS FROM THE WORKING GROUPS***

According to the agenda of the meeting, the participants attended 2 working groups on the following topics:

1. ENA-FLEG Process: Issues of future country-level implementation
2. Relevance of EU-FLEGT issues and solutions for ENA FLEG countries

The main outcomes of the discussions during the working group sessions are summarized hereinafter.

### **1. Working Group on ENA-FLEG Process: Issues of future country-level implementation**

Chair: Mr. Arcadie Capcelea - The World Bank

Rapporteur: Ms. Elena Kulikova - WWF Russia.

#### **Improving legal framework**

- Definition of forest
- Definition of legality (mutually agreed legislation)
- Illegal Logging classification / identification
- Complicated legislation
- Formal incompliance of the NAP format with national legislation format
- Lack of political will
- Lack of ENA-FLEG related mechanisms at national level
- FLEG is not a priority at national level more at sectoral level, to be included in poverty strategies or more strategic programs
- Too many national strategies to be discussed
- Lack of official support of wood-tracking systems at governmental level

#### **Institutional framework**

- Underestimation of systematic corruption
- Focus on prosecution instead of positive incentives
- Lack of transparent approach
- Lack of funds
- SME uncontrolled trade

#### **Forest management and monitoring**

- Inadequate system of control
- Sustainable forest management – effectiveness/ raising support
- FM - Control functions - contradiction
- Conflict between nature conservation and economic interests

- Insignificant role of forests in national economy
- Weakness of institutions related to nature conservation

### **Social issues**

- Social problems, unemployment, poverty, firewood-energy

### **Ensuring participation of all stakeholders**

- Lack of representation of local population
- Different prospective: Gov, NGO - to find the balance
- Lack of active NGO-s in some countries (able to consider seriously forestry related issues)
- Lack of developed partnerships

### **Monitoring , information, reporting**

- Lack of open information on illegal logging
- Absence of information, consolidation/ coordination between related agencies involved + stakeholders
- Lack of information on FLEG as a process
- Lack of clear indicators for monitoring/evaluation

### **ENA-FLEG priority activities**

At national level

- Coordination bodies (centers) on FLEG related issues
- Participatory approaches in forestry management
- Ensuring involvement of all relevant stakeholders
- Wood flow tracking
- “Balance method” of illegal logging assessment
- Trade system improvement
- Express methods of illegal logging identification
- Legal measures/ incentives
- Licensing of harvesting/ trade
- Harmonization of national legislative base with MCPFE, FLEG
- Improvement of planning/ control
- State incentives of green/ responsible procurement
- Ecological management
- Public awareness raising around FLEG (lobbying activities)
- Creation of positive cases in practice

### **ENA-FLEG Best practices, mechanisms and tools**

- Voluntary certification
- Public control in sphere of law enforcement and governance
- Alternative overview on law enforcement from public side
- Remote sensing and joint cooperation for purchasing of satellite images

- Easy access to remote sensing images
- Establishment of independent monitoring network
- Ensuring access to the best practice info
- International incentives: formulate a sort of guidelines for countries with minimum requirements for national legislation for further harmonization
- Inter-sectoral committees best practice
- Worst practice identification and overview
- Compile positive examples of forest use by local population
- Comparative analysis of transparent of forest sectors in different countries

### **ENA-FLEG performance indicators**

- Development and approval of NAP
- Strong public support (though the public opinion independent assessment)
- Effective coordination mechanism on place
- Information openness/ transparence, internet access
- Indexes of forest information on place
- Open information on activities related to FLEG (conferences, meetings)
- Number of amendments/ improved law
- Number of agencies involved in agencies policies
- Number of local communities which have included the participatory forest management in their strategies of development
- Dynamics of statistical data (volume of illegal logged wood, statistics of prosecution measures, etc)
- % of consumed legal wood in comparison with total consumption (wood based products)
- Acting systems of certification and licensing schemes in place
- Area of certified forests
- Improvement of forest ecosystems condition: forest area under forest management planning
- Institutions without conflict of interests
- Establish mechanism of punishments of forest crimes on place (fines)
- Range of prices decreasing – relevant to market prices in Europe
- Cross checking of statistics on illegal logging
- Open database on trade by trade of forest products
- Independent assessment of forest trade partners – procedures

### **Ensuring synergies between**

#### **ENA-FLEG AND EU FLEGT**

- Countries-participants of ENA FLEG can be considered as countries-participants of EU FLEGT
- Both - are steps of further development of national producers
- Awareness raising around both processes

- Clear information on forest resources requirements for both processes – EU FLEGT requires more detailed information
- Due diligence approach – ability to learn from each other
- Cooperation between FLEG countries (coalition) and EU FLEGT on possible approaches for common use

## **2. Working Group on Relevance of EU-FLEGT issues and solutions for ENA FLEG countries**

Chair: Ingwald Gschwandtl - Austria

Rapporteur: Malgorzata Buszko - Briggs LU Oslo

The group task was to discuss the EU FLEGT issues and solutions to the ENA/FLEG countries, in the context of relevance, solutions – experiences and expectations from the countries, and interrelations between both processes.

The participants firstly generally discussed commonalities, differences and complementarities between ENA FLEG and EU FLEGT:

- In terms of aims, both processes have some shared objectives.
- Differences relate mainly to the trade aspects as well as the geographical scope.
- FLEG in general, generates political awareness.
- FLEGT is different, more limited with geographical scope and to the targets with looking at products entering EU markets.
- EU FLEGT was to create mandatory legality licenses while ENA/FLEG has no prescriptions on how the legality will be assured.
- The tools to be used for FLEG implementation should be decided by countries on an individual bases, as the type of issues in the countries are different.
- At the moment none of the ENA/FLEG countries are the EU FLEGT partner country, however theoretically FLEG process can be a first step, before engaging in the FLEGT process with the EU, if countries wish so.
- While FLEG processes focus on activities in the countries, the EU FLEGT goes beyond and also tackles the relations between the EU and partner countries [stick and carrot approach]

### **General lessons learned:**

- for some countries FLEG is first step to work towards sustainable forest management
- private sector contribution and stakeholder involvement is critical for success in combating illegal logging
- public -private partnerships should be encouraged the participatory approach in the process for tackling illegal logging is crucial

- clear property and land tenure rights are prerequisite
- more support to create forest owners organizations is needed in some countries
- development of public procurement policies in the ENA/FLEG countries should be encouraged
- public procurement policies should be harmonized as much as possible in Europe and, in this context, due attention should be given to Communication of the EU on green public procurement policies of the EU.
- green public procurement policy should not single out one product such as wood, but capture a broader range of products
- independent third party monitoring of implementation progress helps to increase transparency and credibility
- information and data base systems, particularly on trade, could provide insights into trade flows, but might create bureaucracy and inconsistency with EU policies
- FLEG NAPs should address the full complexity of issues, including property rights and local consumption
- cost efficiency is important in all systems and activities related to FLEG and FLEGT and relevant for both, the industry as well as public administration
- measures applied should be adequate to the size of the problem, risk assessment is key component of FLEGT
- corruption and organized crimes cannot be solved by forest sector alone, broad cooperation is needed