

Russian Federation
Ministry of Natural Resources

**The 2005 Conference on
Europe / North Asia Forest Law Enforcement and Governance
Ministerial Process (ENA FLEG)**

CONCEPT NOTE

Moscow, 2004

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Preamble

FLEG is an English acronym standing for “Forest Law Enforcement and Governance” which is a political initiative launched by a number of countries to strengthen the forest law enforcement and governance process.

FLEG was developed and initiated in response to a significant growth of corruption and crime related to illegal logging and associated trade.

According to international organizations within the UN and EU systems, illegally logged tropical and boreal timber accounts for about 50% and 20%, respectively, of current timber imports into the EU. The share of illegally logged tropical timber in total wood supply to the global market is: up to 73% in Indonesia; up to 50% in Cameroon; and up to 80% in Brazil. As to the illegal boreal timber market, some environmental NGOs believe that it is created, first and foremost, by supplies from Russia and Estonia.

Today - both internationally, and in particular countries - there is the growing recognition of the need for joint efforts and shared responsibility of wood products consumers, exporters and importers towards combating illegal logging and associated trade.

Combating illegal logging in terms of FLEG, including the control of associated corruption, has been a standing item on the agenda of G7/G8 summits since 1997. The global nature of the illegal logging issue was already noted in the G8 Forest Action Plan adopted in 1998.

Russia shares the international community’s concern about the issue and attaches priority importance to the development and implementation of actions designed to enhance the control of illegal logging and illegal timber trade, as well as associated corruption.

In that context, it should be noted that Russia, which has almost ¼ of global forest resources, supported the EU initiative to draft a FLEGT Action Plan.

Preparations have begun for an international Ministerial Conference on Forest Law Enforcement, Governance and Trade in Europe and North Asia (ENA FLEG) to be held in Saint Petersburg in 2005.

The MNR hopes that all interested forest states in the region and worldwide would support and be closely involved in the preparation of the Conference.

Rationale

Russia’s geographic position and the global scale of its forests predetermine Russia’s key role in the ENA FLEG move to combat illegal logging, as well as associated crime, corruption and money laundering.

Available estimates of illegal logging in Russia require specification and clarification in terms of FLEG in view of the traditional orientation of Russia’s timber exports towards European and Asian markets.

Recognizing Russia’s global responsibility to preserve its forest values, the Government of

the Russian Federation formulated and has been consistently addressing the task of bringing the national forest legislation into compliance with the international principles of sustainable forest management.

Russia has always been consistent in its international environmental protection activity, particularly in meeting commitments under global agreements that most important to the humanity. Russia has complied with all recommendations formulated by the United Nations Conference on Environment and Development (Rio de Janeiro, 1992) and the World Summit on Sustainable Development (Johannesburg, 2002), and ratified the Conventions on Biological Diversity and Climate Change.

At present, Russia is implementing the Forestry Development Concept for 2003-2010 which was approved by Government Directive No. 69-r, dated January 18, 2003; the National Environmental Doctrine approved by Government Directive No. 1225-r, dated August 31, 2002; the Federal Targeted Program *Environment and Natural Resources in Russia* (2002-2010) approved by Government Resolution No. 860, dated December 7, 2001, which also includes a subprogram on forests; and the Federal Law on Environmental Protection No. 7-FZ, dated January 10, 2003. A new version of the national Forest Code has been drafted.

As shown by regional FLEG processes in Africa, Europe and East Asia, in order to understand how to combat illegal logging it is necessary, first and foremost, to conduct a realistic assessment of its latent mechanisms and causes. To that end, one should:

- Specify and assess the significance of key problem areas in illegal logging;
- Involve media, civil society, local community and broad public in combating illegal logging;
- Unite efforts of different sectors and develop their interaction in national forest policy-making;
- Maintain a balance between timber demand and supply at the so called sustainable forestry level;
- Try and use adequate market mechanisms, particularly in forest concession pricing;
- Improve forest legislation in a way that would allow law abuse prediction and prevention.

The review of FLEG-related issues indicates that, on the whole, both developed and developing economies have similar concerns about illegal logging, including associated illegal timber trade, transportation and processing. Moreover, all countries are willing to cooperate in that field because criminal forest sector has become the most significant alternative to sustainable forest management and the implementation of directives on forests and related issues (biodiversity, global climate management, trade liberalization, sustainable development, etc.) formulated by the United Nations, the UNCED (Rio de Janeiro, 1992), and the World Summit in Johannesburg (2002).

The elimination of illegal logging through FLEG will undoubtedly facilitate not only crime control in the forest sector, but also (and primarily) sustainable forest management. In view of the fact that combating crime related to illegal logging in any country is, first of all, an internal matter of that country, which requires efficient political decisions and a rather long period of time, it is essential to speed up the creation of an enabling environment for regional cooperation in timber trade monitoring. Such cooperation, in its turn, requires financial support from international donors to promote sustainable forest management and broad-scale

international collaboration.

As illegal logging is widespread not only in developing but also in developed economies, and always leads to forest degradation, depletion and extermination, all countries are facing a common challenge of increasing and improving the manageability of forestry. Therefore, the fact that many countries – especially those rich in forests – have not completed or even initiated forestry reforms to ensure sustainable forest management rapidly undermines the role of forest management and legislation and results in the loss of basic conditions for corruption control in the forest sector.

Therefore, Eurasian regional FLEG process shall promote development of sustainable forest management, specify the rights and responsibilities of forest owners, including the State, simplify forest legislation, and make all forestry and forest sector activities more transparent for civil society and supervisory authorities many of which may be successfully replaced by market arrangements such as forest certification or codes of good forest management.

One should not underestimate the importance of general legal reforms and improvements and those relating to corruption control at the national and international levels, which affects the entire system of national and international legislation.

ENA FLEG strategy should include not only economic initiatives but also the development of an adequate public infrastructure, the implementation of requisite research, public awareness campaigns, and staff training. Besides, it is necessary to create conditions for an efficient use of tax revenues for sustainable development of the forest sector and, in particular, strive to focus forestry and forest sector reforms on compliance with law. It is only then that ENA FLEG would be able to address its tasks.

The ENA FLEG Ministerial Conference in Saint Petersburg shall identify and specify the relative roles of the governments, private sector and civil society in the FLEG process with the view to preventing, identifying and combating illegal logging and associated crime in the forest sector. Specific actions by each member of the triad will be largely dependent on national peculiarities, including national enforcement traditions.

Objective

To discuss the common platform of ENA FLEG development as regards the identification, tracing and legality of timber sources, as well as the cooperation of customs authorities and public enforcement institutes, including issues such as the financing of logistic and information support, forest industry involvement, trade policy, and relations with the World Trade Organization. All those measures shall reduce illegal logging and associated trade in Europe and North Asia within the framework of intergovernmental agreements.

Tasks

FLEG Arrangements and Technologies

To discuss arrangements and technologies for identifying the legality of timber sources, including remote sensing, tax revenue analysis, export data analysis, collection of information

from forest communities, collection of information from NGOs, etc.

To discuss arrangements and technologies for tracing the legality of timber sources, including chain of custody and the introduction of the best forest use technologies.

To discuss the possibility of using proven and mutually recognized arrangements within ENA FLEG to certify the legality of timber sources by timber producers and consumers.

To discuss the possibility of developing a global system of mutually recognized arrangements to certify the legality of timber sources (the issue requires an additional study as it is in a certain and quite serious contradiction with WTO principles).

To discuss arrangements for separating legal and illegal timber in trade flows without infringement of the principles of free trade, including:

- Enhanced customs control at the frontier;
- Modernization of existing customs control facilities;
- Further development and strengthening of international cooperation and information exchange on customs issues;
- Significant improvement of the current capacity of the customs authorities;
- Development of the customs legislation and mutual conformity of export/import requirements to timber and its products;
- Chain of custody at all stages.

International Dimension

To discuss the mechanisms of institutional cooperation, coordination of related forestry issues and compliance with the following international forestry, illegal logging and associated forest crime conventions signed and ratified by ENA countries (through the Secretariats of the conventions and resolutions of the conferences of the Contracting Parties):

- The Convention on International Trade in Endangered Species (CITES);
- The Convention on Wetlands of International Importance, especially as Waterfowl Habitat (the Ramsar Convention);
- The Convention Concerning the Protection of the World Cultural and Natural Heritage;
- The Convention on Long-Range Transboundary Air Pollution;
- The United Nations Convention to Combat Desertification;
- The United Nations Convention on Biological Diversity (UNCBD);
- United Nations Framework Convention on Climate Change (UNFCCC);
- The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

To discuss the format of ENA FLEG cooperation with the UN international structures such as:

- The United Nations Forum on Forests (UNFF);
- The United Nations Collaborative Partnership on Forests (UNCPF);
- The United Nations Food and Agriculture Organization (FAO);
- The United Nations Environment Program (UNEP);
- The Ministerial Conference on the Protection of Forests in Europe (MCPFE);
- The 1996 Lusaka Agreement on Cooperative Enforcement Operations Directed at Illegal Trade in Wild Fauna and Flora;

- The International Tropical Timber Organization (ITTO);
- The World Customs Organization (WCO),

as well as with global environmental NGOs, primarily the World Wildlife Fund (WWF) and the International Union for the Conservation of Nature and Natural Resources (IUCN).

To encourage the development and adoption of an international convention on forests.

To consider the inclusion of provisions on the prevention of illegal logging and associated trade in the list of criteria and indicators for sustainable forest management (the Montreal and Pan-European Processes).

To discuss and adopt the ENA FLEG Declaration at the Ministerial segment of the Conference.

National Dimension

To improve the institutional framework of forest governance and trade.

To strengthen the status of the State Forest Guard Service.

To improve interaction between law enforcement bodies and the State Forest Guard Service to preclude unauthorized forest cutting and logging.

To develop the National Forest Certification System based on efficient voluntary and mandatory certification subsystems.

To introduce (on a temporary basis) a system of round timber export quotas with due regard for the effective legislation.

To develop the National Forest Policy Concept of the Russian Federation.

Organizational Dimension

To discuss a tentative structure of the ENA FLEG Action Plan and the organizational terms of its development by countries that would participate in the ENA process on a voluntary basis.

To discuss basic FLEG-related terms and definitions to be used by ENA FLEG countries.

To discuss arrangements for identifying and quantifying illegal logging and associated trade in the ENA region.

To discuss ENA peculiarities that affect illegal logging and associated trade.

To discuss economic and legal arrangements to combat illegal logging and associated crime in the ENA forest sector.

Participants

Representatives of the ENA governments (Ministers of Forestry and equated officials responsible for forest management).

Representatives of international organizations within the UN system, as well as intergovernmental and regional organizations operating in the forestry, forest industry, timber processing, forest trade, and environmental protection sectors.

Representatives of environmental NGOs interested in promoting FLEG actions against illegal logging.

Representatives of international, intergovernmental, regional and national research and design institutions operating in the forestry, forest industry, timber processing, and forest trade sectors.

Organizational Arrangements to Prepare and Hold the Conference

Organizational arrangements to prepare the Conference are as follows:

- The International Steering Committee (ISC) (in process of agreeing);
- The National Organizing Committee (NOC) (in process of agreeing);
- The Secretariat (Task Force) (in process of agreeing).

Practical steps to prepare and hold the Conference will be taken by the Secretariat which shall:

- Open the Conference website and post information thereon;
- Mail materials and invitations;
- As requested by the International Coordinating Council, prepare orders for invited reports and speakers;
- Organize simultaneous and consecutive interpretation into the UN official languages as required by the nationality of the participants;
- Issue and disseminate proceedings of the Conference and the Ministerial Declaration.

Format

It is expected that the Conference will be held in a standard format of plenary sessions and working group meetings pursuant to the Conference Program approved by the ISC.

Final Documents

The ENA FLEG Declaration.

The ENA FLEG Action Plan.

Resolutions on the key issues to be discussed at the 2005 Conference (terms and definitions;

arrangements for identifying and quantifying illegal logging and associated trade; economic and legal arrangements to combat illegal logging).

Calendar Schedule of Preparation Activities

October – November 2004

Dissemination of the first Conference Announcement (describing the outcomes of the Scoping meeting held on May 18, 2004 and inviting expressions of interest in the preparation of and participation in the Conference).

Preliminary approval of the Conference management bodies (the International Steering Committee (ISC) and the Secretariat); and formal approval of the National Organizing Committee.

Identification of key stakeholders in the governmental and private sectors and civil society.

December 2004

A video conference with the ISC candidate members.

Location: Moscow (World Bank Resident Mission) – December 21.

Objective: To agree financial issues and the time of the first ISC meeting

Preparation of the RF Government's Ordinance on Preparation and delivery of the Conference, agreed with interested ministries and agencies.

January 2005

Dissemination of official Letter of invitation to ISC.

Joint Meeting of Interagency working group and Experts' group

Location: MNR, Moscow.

Objective: Discussion of coordination / sharing responsibilities regarding practical actions on preparation of the first ISC's face-to-face meeting.

Development of action plan at national level in the framework of Intergovernmental ENA FLEG process, inc. elaboration of mechanisms for interaction "State-Civil Society-Business".

Ensuring coordination of interested stakeholders participation in various international meetings, and also in ongoing and scheduled events/arrangements of RF MNR and Federal Forestry Agency related to illegal logging issues.

Drafting, no objection and approval of the list of key presentations' topics and the names of invited keynote speakers pursuant to the approved Conference Program.

February – March 2005

Holding the first ISC's meeting (the week starting February 21, Moscow).

Location: MNR, Moscow.

Objective: To approve the ISC composition and working procedures; agree the list and broad topics and coordinate the implementation of analytical work to be conducted at the preparatory stage of the Conference; agree the sources and tentative amount of funds required to prepare and hold the Conference, including possible organizational fees; agree and approve the Conference emblem, name, objectives, tasks, and dates of Preparatory and Ministerial Conferences.

April –May 2005

Dissemination of official Letters of Invitation to the Preparatory Conference.
Drafting of the Ministerial Declaration and Action Plan by ISC.

June – August 2005

The Preparatory Conference (June 5-10, 2005)

Location: Vyborg, Lenigradskaya oblast, Russia .

Objective: Development of basic Conference Documents Drafts (Declaration, Action Plan)

Dissemination of official letters of invitation to Ministerial Conference

September-October 2005

Processing of submitted summary presentations by the Conference participants and posting them to the MNR website.

Conference promotion in Russian media.

November 2005

The Ministerial Conference.

Location: Saint Petersburg (Mining University)

October – December 2005

Broad coverage of the Ministerial Conference outcomes by media.

Practical actions to implement the Conference recommendations.