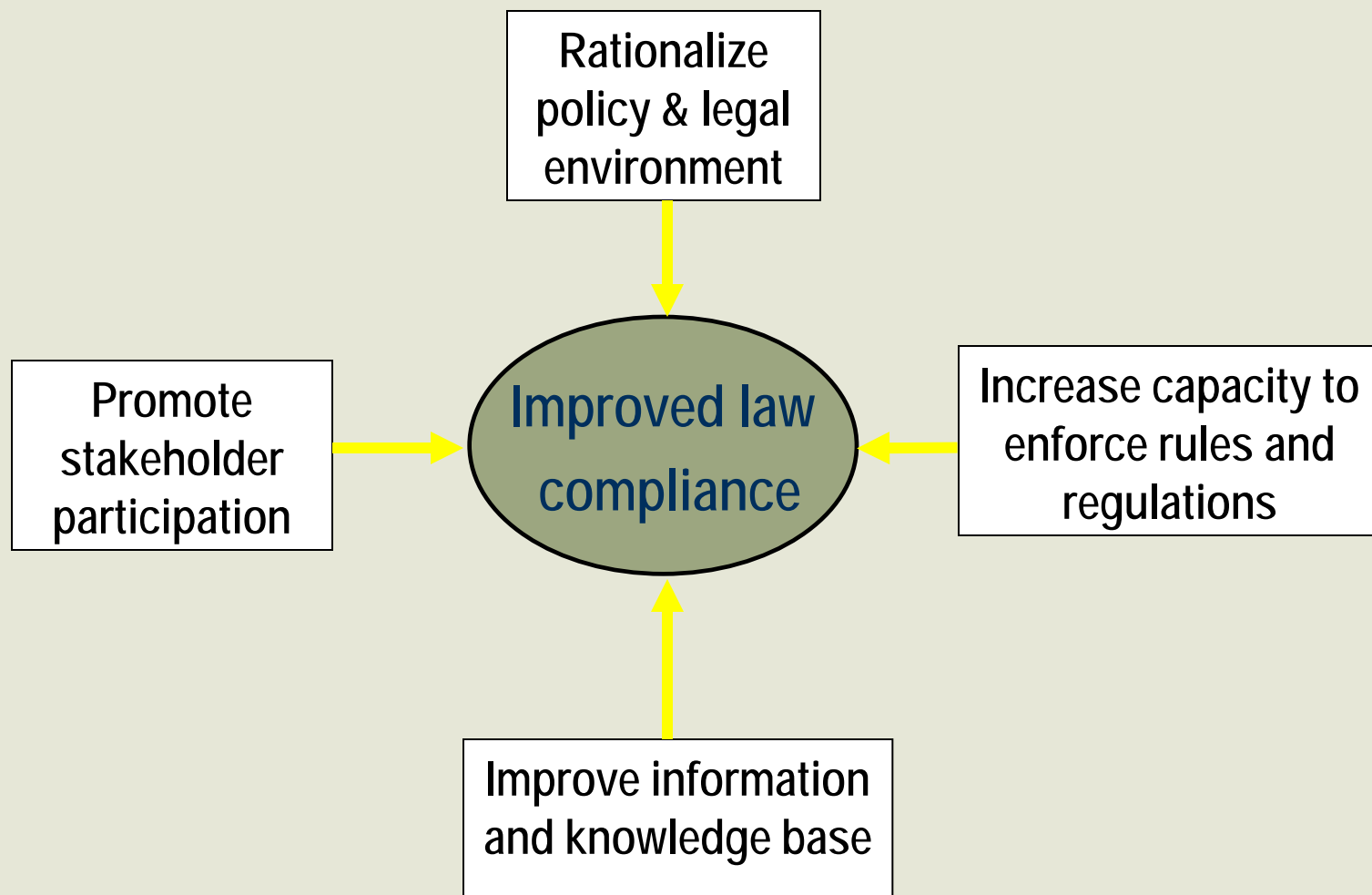# Improving law compliance in the tropical forest sector: tracking, certification and ITTO

INTERNATIONAL TROPICAL TIMBER ORGANIZATION

ITTO's APPROACH

Rationalizing Policy/Legal Environment

- Case studies on FLE/illegal trade in Peru, Malaysia, Honduras, Brazil, Ecuador, PNG found conflicting laws and/or incoherent policies

- Projects in several countries to assist in identifying underlying causes of illegality and drafting coherent, consistent, enforceable forest legislation

- Country diagnostic missions also identify problems, promote improved policies for FLE

- Program to improve implementation of CITES requirements for listed tropical timber species, ensure forest laws consistent with CITES

Building Capacity for FLE

- 5 Best Practices workshops with FAO

- Large training programs to:
  - improve forest statistics
  - promote use of C&I and auditing framework

- Promoting phased approaches to certification

- Promoting NGO/civil society involvement in forest monitoring

- Encouraging countries to engage with international initiatives (eg FLEGT) and in bilateral discussions/agreements, share experiences

Improving Data and Knowledge

- Bi-weekly MIS provides price and trade info; Annual Review provides detailed information on trade flows

- Trade discrepancy studies and production/capacity comparisons

- Many reasons for non-matching trade flows, likelihood of illegality highest when they persist over a number of years across a range of trading partners/products; need for bilateral consultations

Improving Data and Knowledge

- Log tracking projects funded in Bolivia, Cameroon, Congo, Fiji, Gabon, Ghana, Guyana, Honduras, Indonesia, PNG, Peru, Thailand, more to come, "Tracking Sustainability" report published in 2012

- Worked with GFW/WRI to improve FLE and concession monitoring in CAR, Rep. Congo and DRC

- Projects using satellite imagery with GIS (containing details of approved concessions, roads, etc) to spot illegal forest clearing and track legal timber

Improving Data and Knowledge

Detection of forest clearing using IKONOS (4 m) and Landsat 5 (30 m) satellite data in Guyana

Promoting Stakeholder Involvement

- Civil Society – Private sector partnership grants to contribute to SFM and verifiable legality in Brazil, Cameroon, Indonesia, Panama, PNG and Peru

- International conferences arising from recommendations of TAG/CSAG Panel on Illegal Logging /Illegal Timber Trade:

  - Timber transport

  - Indigenous/community forestry

  - Tropical forest tenure

TFLET

- Tropical Forest Law Enforcement, Governance and Trade Thematic Program since 2008

- Rationalizes ITTO's work, provides new funding window, one of four thematic programs approved/funded under ITTA 2006

- Over $15 million distributed to over 50 projects in over 20 countries to date; main themes timber tracking and community empowerment

TFLET

Objectives:

- Strengthen forest law enforcement and governance through improved national policy and legal frameworks, stronger institutions, improved data and knowledge, strengthened partnerships and improved cooperation among civil society organizations and other stakeholders

- Improve transparency and effective management of supply chains and increased international trade in legally and sustainably produced tropical timber

- Improve capacity of community and small and medium-sized enterprises to implement and demonstrate that timber produced and traded comes from legal and sustainable sources
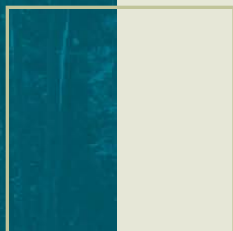
TFLET

Activites:

- Strengthening forest governance (45%)

- Support international trade in legal and sustainable timber (20%)

- Strengthen community and SME capacity (35%)

All to be implemented in liaison with partners

Certification and public procurement

- ITTO has assisted numerous countries to prepare for certification and/or to establish national certification schemes

- ITTO has also carried out numerous studies on the evolution of certification and public procurement policies

Tropical timber certification

- < 400 million ha certified world wide (< 10% of all forests)

- < 10% of all certified forests in tropics (< 2% of total tropical forests)

- ITTO studies have found that close to 10% of all tropical forests under SFM so potential for growth of certification in tropics

- Uncertainties over market acceptance and cost of tropical forest and chain of custody certification need to be addressed

Tropical timber certifiers (area)

- Total = under 40 million ha

- FSC (> half)
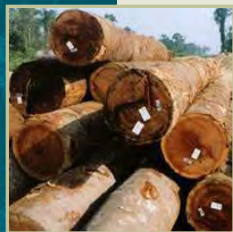
- MTCC (> 20%)

- LEI (< 10%)

- PEFC (< 10%)

Concerns, opportunities and challenges

- Increase share of certified timber from natural forests (especially under community management) in international trade by:

    - Making it profitable

    - Recognizing progress towards certification

- Harmonize requirements of public procurement schemes

- Promote regional processes (eg ATO, Tarapoto)

- Information on volumes and prices of certified timber urgently required for informed decision making and assessing policy impacts

Concerns, opportunities and challenges

- Social criteria (eg worker's rights) in procurement/certification schemes may be difficult to agree on/comply with

- Projects to improve forest management in the tropics (including those focusing on certification) should be given special consideration in procurement decisions and in decisions for REDD+ financing

- Procurement policies and certification schemes for non-timber products that impact forests?

Concerns, opportunities and challenges

At close to $US1000 per tonne for crude palm oil, Indonesia's 6 m ha earned over US$15 bn in 2012, more than double the value of all primary wood products exports from 120 m ha of forest; $2500/ha is 8-10 times revenue expected from SFM for timber

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