

FLEG ADVISORY GROUP MEETING
Bangkok, Thailand
15 October 2004

1. Meeting Summary

This was the first stand-alone meeting of the Advisory Group to the Asian FLEG Task Force.¹ 32 individuals from 14 NGO's, two industry representatives, and observers from the World Bank, East Asia Program and World Bank Jakarta/FLEG Task Force secretariat participated in discussions. Wildaid from Thailand, Haribon Foundation from the Philippines and Forest Trends from the US were new observers/participants in the AG. The meeting was organized to take advantage of the presence of FLEG Advisory Group members attending CITES CoP while regional NGOs traveled to Bangkok to attend the meeting with support from World Bank Jakarta and EIA. The agenda of the AG meeting is included below as Annex 1. Apologies for inability to attend the meeting were received from WWF Indonesia, CIFOR and American Forest & Paper Association.

During the meeting, the FLEG AG participants reached a strong consensus regarding the need to push forward the formal FLEG political process in the East Asia and Pacific region.

The main goals of this day-long meeting were to;

- discuss and agree strategies to move the Asia FLEG process forward by reinvigorating the Advisory Group's work;
- to make plans to relaunch the Asia FLEG process by urging Asia FLEG Task Force governments to hold a meeting of the Task Force in early 2005.
- provide updates about what has happened in the Asian region and internationally since the last FLEG Task Force/Advisory Group meeting in January 2003
- introduce new AG participants and observers to Asia FLEG and FLEG-inspired actions.

The meeting began with brief introductions by participants and was followed by a more detailed account of what each organization has been doing on forest law enforcement and governance issues since January 2003 (see Annex 2 for summaries of those descriptions and Annex 3 for a participants list).

After updates on participants' activities and progress in other FLEG-inspired initiatives, the AG discussed illegal logging and timber trade issues then focused on steps the AG can take to energize the TF and the Asia FLEG political process.

¹ The FLEG AG welcomes participants from environmental groups and industry. FLEG AG participants should have relevant expertise on issues of illegal logging and/or the timber trade, a clear commitment to the FLEG Ministerial Bali Declaration and be willing to be actively and substantively engaged in the FLEG process. The functions of the AG include providing information to the FLEG Task Force (FLEG TF) and broadening participation in the process by liaising with other relevant stakeholders.

The Advisory Group participants also concentrated discussions on the advice that the Group should be providing to the Task Force and its member nations.

Participants expressed strong support to relaunch the Asia FLEG process and consolidate the work of the Task Force through well prepared Task Force and Advisory Group meetings in early 2005. Suggestions to structure the work of the Task Force and the Advisory Group by establishing steering committees for both were made. The need for adequate resources to allow the Task Force and Advisory Group work to go forward was also stressed.

2. KEY ADVISORY GROUP DECISIONS

The FLEG Advisory Group agreed to :

- Recommit to decisions made by the Advisory Group in January 2003, in particular to seek transparency of access to data to ensure information on legally authorized concessions, authorized cutting quotas, boundaries, legally authorized sawmills, etc are provided by Asian FLEG timber producing countries to provide a basis for ensuring accountability.
- Urge the Asian FLEG countries to convene a well prepared meeting of the Task Force to be held in early 2005;
- Review commitments of the Task Force made in the Bali Ministerial and individual nations progress to date;
- Promote restructuring of the Task Force, through creation of a steering committee comprised of several co-chairs from different nations - or a chair and deputy chairs -and create consistent participation by civil servant representatives from each country.
- Follow up on the agreement between the Indonesian Ministry of Forestry and the Philippines Department of Environment and Natural Resources that the Philippines Chair and potentially host the next Task Force meeting.
- Put pressure on Bali Declaration signatories such as China, the US and Japan to revitalize existing bilateral agreements to combat illegal logging.
- Write a letter to the Ministers of the Task Force countries to formally ask for provision of data identifying legally authorized timber concessions, their quotas, boundaries, legally authorized sawmills, production levels etc as specified above.
- Discuss creating a steering committee for the Advisory Group to formalize and structure the AG work.

- The Advisory Group should meet independently of the Task Force as necessary to reinvigorate the Asia FLEG process and ensure continued progress and proactive monitoring of actions by governments to realize the Bali 2001 commitments.

3. Additional Discussions on Advisory Group Priorities

The last meeting of the FLEG TF and AG was held in January 2003. One of the outcomes of the meeting was a list of priority activities. Promoting transparency of access to logging and timber data was a key priority of the Advisory Group. FLEG member states were asked to provide data on the number and location of legally authorized logging concessions, their boundaries, quota allocations, legally authorized sawmills etc. This and other relevant timber data must be placed in the public domain preferably through a website.

3.1 Mario Boccucci of the World Bank Jakarta and Task Force Secretariat explained that the Bali Ministerial Declaration recognized the responsibilities of consuming and producing countries, emphasizes enforcement and governance issues, and sets up national and regional actions for planning and implementing

An initial checklist was sent to members of the Task Force to ascertain what datasets were available, but many members did not return the checklist to the Secretariat. The other key priorities identified at the January 2003 meeting were: understanding the timber supply and demand in the region, developing better regional strategy and creating greater regional enforcement collaboration.

The Ministry of Forestry in Indonesia made initial attempts to fulfill these initiatives but there has been little progress. At the January 2003 meeting the AG agreed to meet whenever the TF meets. The AG has now decided to convene independently of the TF, as necessary, to be more pro active in promoting the FLEG process.

3.2 Create a Participatory Steering Committee for the FLEG Task Force and Secretariat

Some participants raised the possibility of having the Task Force members take turns chairing the Task Force. The Philippines has offered, and Indonesia's Ministry of Forestry has agreed, that Philippines chair and potentially host the next Task Force meeting. The decision may require a formal note to be exchanged between the Foreign Ministries of the two countries to finalize the decision.

Participants also discussed the establishment of a steering committee for the Task Force. Kerstin Canby of Forest Trends suggested looking at Africa FLEG, where four African Ministers oversee the process. The concept of having several ministers

overseeing the process could be useful; if the job is shared among several countries, there would not be too much pressure or responsibility on one Task Force member, and the process would be less likely to be delayed due to political issues in one country.

3.3 Revitalize Task Force and Make it More Accountable

There was consensus that members of the AG will urge FLEG governments to make serious efforts to reactivate the TF and to step up progress to realize the Bali Ministerial commitments..

3.4 Call for Countries to Set Up another Task Force Meeting

It was agreed the Task Force should meet as early as possible in 2005 with an eye toward setting up a Ministerial meeting to consolidate decisions regarding increased regional enforcement cooperation and actions against illegal timber trade. Both the meeting and government participants must be well prepared to ensure substantive discussions and concrete progress.

It was also agreed that the next meeting should target committed participants from member countries. At the last three FLEG meetings, there were often different government representatives, which inhibited the development of FLEG. In order to make FLEG a more consistent political body, there should be consistency in having the same participants to the TF. Perhaps the East Asia-Pacific FLEG can look at the preparatory workshops held by Africa FLEG countries before their Ministerial. There could also be national "mini-FLEG" meetings implemented on a national level to educate government officials, raise awareness on the issue, and encourage action. Athena Ballesteros of Greenpeace suggested that the inclusion of one or two career or nonpolitical persons from the governments would also institutionalize FLEG and ensure consistency among participants in the TF.

3.5 Assess Past Efficacy of FLEG

Kevin Hill from Venturer suggested that the AG should compare countries' activities and identify those who have done good things and those who have not taken much action. This public assessment may provide the motivation for FLEG member states to do more. It was asked if there were any statistics on illegal timber trade that the AG could use to compare the rate of deforestation before and after the Bali Ministerial meeting in 2001.

3.6 Incorporate Local NGOs Into FLEG Process

Dorothy Tekwie of Greenpeace Australia-Pacific (Papua New Guinea) expressed concern over the absence of more national NGOs in the AG. It is important to have local NGOs represented in the FLEG process so that they can exert additional pressure on their respective governments. There was discussion at the last AG meeting about having national focal points for the FLEG AG. Corina Bernabe of the Haribon Foundation suggested that FLEG could also be used to revitalize campaigns against

illegal logging on a national level in countries where the issue has fallen off the political agenda.

3.7 Definition of Legality and Illegality

There was significant discussion regarding how to procedurally and substantively define legality. Some participants were concerned that there is not one accepted definition of what is legal or illegal. TNC has done work on developing a comprehensive definition, but it is complex and not yet finalized. Kevin Hill from Venturer suggested that the FLEG AG establish some bare minimum criteria for illegality, as this may be easier for reaching a consensus. TTF has divided TNC's definition into three steps of legality and is looking at different approaches to help companies go through those stages.

4. UPDATE ON ASIA FLEG INSPIRED INITIATIVES

The East Asia and Pacific FLEG has inspired other regional and bilateral initiatives against illegal logging and illegal timber trade. The EU's Forest Law Enforcement Governance and Trade (FLEGT) program, which is implementing a timber licensing scheme between the EU and producing countries, is one example of a FLEG-inspired initiative. In addition, several bilateral agreements combating the illegal timber trade have gained political support because of countries' commitments through FLEG. Other regional FLEG initiatives have also been developed since the East Asia Pacific FLEG Ministerial meeting; a Ministerial meeting of the Africa FLEG was held last year and a Russian/Eurasia FLEG is set to be established by the middle of 2005.

4.1 Indonesia's Uplisting of Ramin to CITES Appendix 2

The Indonesian initiative to uplist its populations of Ramin trees to Appendix 2 mobilized strong support from the international community within CITES and addressed issues of illegal logging, timber smuggling and the need to increase international enforcement cooperation. The proposal passed by consensus – the first time in the history of CITES that an Appendix 2 listing of a commercially traded tree species has ever gained unanimous support of the Parties.

An international effort to undertake ramin identification training by US authorities for Asian customs agencies was put together at the meeting with a view to gaining support from the ITTO.

4.2 Bilateral Agreements with Indonesia

Participants agreed that the Indonesia-UK MoU has been a worthwhile experience. Nigel Sizer from the Nature Conservancy stated that work on the Asian side of this MoU process has proven immensely valuable and should continue. It was agreed that those based in the EU should continue to push this initiative. Questions

were asked about whether the UK-Indonesia MoU resulted in less timber imports from Indonesia. Gunther Hentschel of the Timber Trade Federation (TTF) stated that imports have gone down slightly but there is not a concrete connection that the slight decrease is a result of the MoU. Phil Aikman from Greenpeace mentioned that some traders dropped Indonesia and are trying to source from nontropical regions. Some are also switching to China.

Participants discussed how the other bilateral agreements with Indonesia relate to each other and how effective these bilateral agreements could be in creating regional cooperation. It was agreed that the bilaterals give countries buy-in and lead signatories toward criteria for legality. Some of the MoUs have stagnated. The MoU with China, for example, has seen no substantive development since it was first signed. Japan's joint announcement with Indonesia also has seen little progress. It was agreed that the FLEG AG must decide how it can best create momentum to drive these bilateral agreements forward.

4.3 Malaysian Ban on Imports of Indonesian Logs and Squared off Flitches

Recent investigations by Telapak, EIA and Greenpeace show that the illegal smuggling of Indonesian logs is still ongoing into some areas of Malaysia. Since the trade is fluid, if one port is shut down the trade can move to another port. Participants talked about the recent Indonesian regulation that bans certain sawn timber exports. Tim Birch of Greenpeace International suggested that Indonesia should officially inform other countries of this regulation so that other countries can pass complementary laws as Malaysia has done in response to Indonesia's log/flitch export bans.

There is still an issue over the land border between Indonesia and Malaysia, where the Malaysians claim the wood is legal and the Indonesians say it is illegal. If the wood contains proper documentation (that is easily forged) Malaysia lets it in. Some participants have been to the area recently and witnessed a large amount of logs going from Indonesia to Malaysia. Another problem is that locally issued licenses might not be recognized as legal by the central Indonesian government.

4.4 The European Commission – European Union FLEGT Initiative

Julian Newman of EIA explained how, through the EC-EU Forest Law Enforcement Governance and Trade initiative, the EU aims to establish voluntary bilateral agreements with timber producing countries that would require a government license confirming the legality of timber exported to the EU nations. In July 2004, the EC proposed a council regulation that would allow the EC to negotiate and enact these agreements.

European environmental groups are pushing for the FLEGT initiative to go further - to prohibit the import of illegally produce timber into EU nations. The Royal Institute of International Affairs (RIIA) is producing a paper on options for enacting such new laws. The UK is active in this process as its own market is small and the entire EU market should take action against illegal timber imports.

4.5 US-Singapore Memorandum of Intent to Cooperate on Environmental Matters

The US-Singapore Memorandum of Intent (MoI) was signed with the US-Singapore free trade agreement in May 2003. Allan Thornton and Juge Gregg from EIA explained that the MoI and the free trade agreement are important because the agreement is the first US free trade agreement in Southeast Asia and will act as a template for future agreements. The free trade agreement will increase trade flows, and thus may increase the amount of illegal timber flowing into the US via Singapore. It is important to have a corresponding environmental agreement to prevent more illegal timber from entering the US.

The MoI remains only an expression of intent, and although elements of a plan of action may be under discussion, little progress has been made. It is important that any subsequent plan of action contains strong agreements on the timber trade and sets a strong example for the region. An EIA/Telapak report released in May 2003 reveals that Singapore's lack of oversight in its ports has allowed several million dollars of illegal ramin to enter the US. There was agreement that both signatories of the agreement should take action to combat this illegal trade.

4.6 The US President's Initiative Against Illegal Logging

Although the United States has made a public political commitment to combat illegal logging, there has been relatively little action in the region on this initiative. It has been difficult to secure funding for certain projects that fall under the PIAIL remit, perhaps because of pressure from trade interest groups. The US authorities should be urged to take meaningful and proactive action to close the US marketplace to illegally produced timber imports. The US can play a pivotal role on international timber trade issues. Juge Gregg from EIA highlighted US support for the ramin uplisting at the recent CITES CoP. US companies also helped to convince the US to support the ramin uplisting, as several companies, at the urging of NGOs, wrote to the US delegation asking them to support the uplisting.

4.7 The Asia Forest Partnership (AFP)

Nigel Sizer from TNC described AFP as a regional partnership with three main priority issues: illegal logging, reforestation and forest fires. AFP is broader than FLEG in that more nations from the East Asian region take part. AFP addresses forest fires and rehabilitation of forests but intends to focus more on illegal logging issues in future. The AFP is beneficial because it is a more informal process than FLEG and is a useful outreach mechanism to countries and groups that might be less willing to commit to formal political dialogue. Japan, for example, is actively involved in the AFP, and the AFP may be a way to coax them to become more active and committed to FLEG and Japan's bilateral agreement with Indonesia.

4.8 Trinational Task Force on Ramin

Yayat Afianto from Telapak explained that representatives from Singapore, Malaysia and Indonesia held a meeting of the Trinational Task Force 3 weeks ago. The next meeting will be in Jakarta next month. There is concern that the task force is not transparent because of very limited NGO participation at the first meeting. This Task Force is still significant, however, because it is the first time that these countries have worked together on this issue. Allan Thornton from EIA expressed hope that the process will become more transparent and will grow to include other countries, such as China.

4.9 ASEAN

ASEAN is also taking steps to address the issue of illegal logging. Asian senior officers on Forestry met in Brunei last year and discussed illegal logging. After this meeting, they recommended that ASEAN develop a work plan to look at illegal logging. In August, Sweden held a technical workshop in Indonesia that produced a set of recommendations on projects ASEAN could sponsor on illegal logging. Those recommendations will be discussed at next year's meeting, and then may be discussed at a Ministries of Agriculture meeting. The Ministries of Agriculture meeting could then ask the ASEAN Secretariat to create a work plan. Nigel Sizer of TNC explained that there are not high expectations for this to happen in the short term, but it is another option to keep in mind.

4.10 Proposed World Bank Workshops

Bill Magrath, attending as an observer of the World Bank East Asia Program, informed the AG that WB will host a number of workshops in the next few months on issues related to FLEG priorities. These will be good opportunities for governments and NGOs to network and informally discuss FLEG.

5. CLOSING REMARKS

There was insufficient time to conclude all ongoing discussions. By the end of the meeting however, there was strong consensus to reinvigorate the Asia FLEG process and to proactively engage with the Task Force nations to recreate its political direction and momentum. The Advisory Group agreed to contact FLEG member states to hold them accountable to their political commitments to take action as stated in the Bali Ministerial Declaration.