

Forest Conservation Project

1. Overview of the project

1.1. Background/objectives

Forests in Asia play critical roles in accounting for most of the terrestrial plant biomass and in regulating global temperature by sequestering carbon. As a public good they contribute to stable, fertile landscapes for human settlement, provide numerous timber and non-timber resources, and are places of recreation. For indigenous peoples they are often places of important spiritual significance. However, the natural forests of Asia remain in a state of crisis, threatened by a complex array of forces that undermine their ability to fulfil vital ecological and societal functions.

Deforestation and forest degradation expanded at alarming rates, particularly from the 1950s onwards. Roughly six million hectares of the world's primary forests have been lost or degraded each year since 1990 and there is no indication of this rate slowing. FAO reported that the area of primary forest in Asia decreased at the rate of 1.5 million hectares per annum from 1990-2005. Deforestation in the biodiversity-rich, species diverse tropical forest ecosystems of Southeast Asia is particularly alarming averaging more than 2 per cent per year. From 1990-2005 the area of primary forest in Cambodia diminished by 58 per cent and in Indonesia by 31 per cent.

The broad objective of the Forest Conservation Project (FC) is to provide strategic policy options for achieving sustainable forest management, with a focus on the Asian region. To produce meaningful policy recommendations through its Third Phase research, FC focused on selected topics, while continuing to act as an observatory of regional trends in forest management.

The specific objectives of FC Third Phase research changed quite radically at the end of the first year (FY2004) of the Phase. Effectively, the objectives of FC as they presently stand were accepted by the President at the June Informal Board Meeting in 2005. Therefore, FC has had less than two years to achieve these objectives, despite the three-year span of the Third Phase. The reasons for this will be explained below.

In the Second Phase, FC undertook research employing the concept of participatory forest management. This focus was partly motivated by comments of Board members that research in Phase One was too broad in scope. Second Phase research was directed at developing guidelines for implementing participatory forest management strategies in three countries (Russia, Lao PDR and Indonesia). A peer review of the Second Phase found that "the FC Project was highly efficient but limited in effectiveness." For the Third Phase research the peer review recommended, *inter alia*, that: the guidelines should be reformulated; national and local forums should be more involved to increase ownership, and; that links should be developed with national policy processes in the target countries.

In its proposal for Third Phase research, FC intended to implement the guidelines developed in the Second Phase according to what it believed to be an original concept - "collaborative forest governance" – that it was developing. In addition, FC proposed undertaking commissioned studies of forest governance in 11 countries, particularly focusing on the issue of stakeholder collaboration.

The peer reviewers of the Second Phase assessed the original Third Phase proposal and reported a number of deficiencies at the Peer Review meeting in July 2004.

FC spent much of FY2004 (the first year of the Third Phase) revising the original research proposal, but was unsuccessful in this endeavour and was asked to reconsider the proposal by the President after the Informal Board meeting held in February 2005. Soon after, the two senior FC researchers (the Project Leader and the Principal Research Fellow) both resigned.

In order to produce substantial quality outputs during the remainder of the Third Phase, FC dedicated itself to producing an extensively revised proposal. The core concept of the earlier proposal (collaborative forest governance) and the original intention to revise and implement the Second Phase participatory forest management guidelines were dropped.

Under the revised proposal, FC adopted “From Destructive Forestry Practices to Sustainable Forest Management” as its theme for the Third Phase. This broad theme allowed FC to undertake focused research on several diverse new topics; namely, forest certification, plantation forestry, illegal logging and forest governance. These topics were chosen, not because they were of academic interest to individual researchers, but because they meet three criteria critical for strategic research: they are under-researched; they are areas of policy momentum (i.e. policymakers are likely to be receptive to informed policy suggestions by external organisations), and they are topics significant for forest conservation in Asia.

a. Forest Certification

Forest certification was created as an alternative to public policies that had failed to control illegal logging or check rates of forest loss and degradation, especially in the world’s tropical forests. It was developed as a market-based, voluntary instrument to identify products that have been sourced from forests managed according to a set of minimum standards.

Forest certification is a relatively new instrument to promote sustainable forest management, but it has rapidly gained a large and diverse group of supporters. Forest certification only commenced in the early 1990s, yet by 2005 over 176 million hectares of forest had been certified. The World Commission on Forests and Sustainable Development described forest certification as “perhaps the most powerful soft policy instrument to be designed and implemented outside government”.

However, forest certification has progressed slowly in developing countries and has been particularly difficult for their locally-based small forest enterprises to achieve. Only eight per cent of the total certified area of forests lie in developing countries, and only three per cent of all forest management certificates have been issued for tropical and subtropical broadleaf forests. If the current trends favouring forest certification in developed countries continue, then it could act as an informal trade barrier against wood products from developing countries. The fundamental research questions for FC Third Phase research on forest certification were: Can forest certification enhance forest conservation and management? Can forest certification create sustainable local livelihoods? Can forest certification contribute to the creation of a diversified and vibrant national wood-based industry?

FC research on this topic was formulated after a literature review of the global trends in forest certification and a more focused review of certification models for small forest enterprises in developing countries of the Asia-Pacific region. Based on this review four innovative certification models were selected for in-depth analysis. The objective of the study was to extract lessons from

these models in order to propose strategies to overcome some of the constraints currently facing the effectiveness, sustainability and accessibility of certification for small forest enterprises. The four models selected for the study were:

Country	Certification Model
Indonesia	A national certification scheme for community-based forest management developed by the Indonesia Ecolabelling Institute and, for the first time, applied to two villages in Java in October 2004
PNG	The Indigenous Community Forest Group Scheme developed by the Foundation for People and Community Development in PNG
PNG	The Forest Management and Production Certification Service Ltd. established in PNG as a self-financing intermediary organisation to assist local small-scale timber producers
Lao PDR	The Sustainable Forestry and Rural Development Project in Lao PDR, which received group certification from the Forest Stewardship Council in FY2005.

b. Plantation Forestry

Planted forests currently comprise only about 5% of the world's forest area, but supply 35% of industrial logs. Further effort is needed to shift the main supply of lumber from natural forests to planted forests in order to reduce the stress on natural forests from excessive logging, to preserve their biodiversity and to mitigate climate change. 60% of the world's planted forests are now located in Asia. The rapid expansion of planted forest area in the region in recent years is due largely to large-scale forestation programmes, especially in China, Viet Nam and India. While the objectives of these programmes to restore degraded lands or provide lumber for industrial uses are commendable, they are troubled by a variety of issues. Foremost amongst these are social conflicts that arise when local people are denied access to land that they have traditionally used.

China, Viet Nam and Lao PDR, three former centrally-planned Asian economies, were the focus of FC research on plantation forestry. They were selected because their governments have made an expansion in plantations an important objective of their national forestry programmes for both economic and environmental objectives and they have sought to mobilise their populations for this purpose. They share similar governance contexts in that they are former centrally-planned economies that have introduced economic reforms based on free market principles and they have introduced decentralisation policies that are opening some new avenues for local people to engage in formal forestry. The country specific research was complemented with a broader survey of trends/challenges in plantation forestry in Asian countries. The three main study plantation programmes were:

Country	Programme
China	<i>Tui geng huan lin</i> Programme.
Viet Nam	Five Million Hectare Reforestation Programme
Lao PDR	ADB funded Industrial Tree Plantation Project

The objectives of the study were to 1) assess the features and trends of plantation forestry in Asia, 2) provide independent evaluations of the three case study plantations, 3) compare the results of the evaluations to extract shared lessons, and 4) to develop a model of community self-reliance at the study site in China.

c. Scoping study of illegal timber imports into Japan

During the 1990s an increasing number of studies pointed to illegal logging as a major cause of forest degradation. Illegal logging is considered widespread in many Asian developing countries that supply the international timber market. In addition to forest degradation, it is responsible for igniting local conflict, suppressing the market price for timber and reducing public revenue, and has been associated with money laundering, drug trafficking, corruption in the public sector and tax evasion.

FC chose to take up this difficult topic and to focus on Japan's responsibilities as the world's third largest forest products importer. The topic of illegal logging has generated a lot of interest and policy momentum in Japan. FC has sought to more effectively target policymakers by participating in government advisory committees (i.e. MOEJ Exploratory Committee on Illegal Logging Issues for the Preservation of Global Forests, MAFF Project to Promote a Comprehensive Response to Illegal Logging).

The objectives of the scoping study were to develop an overall understanding of the context of illegal wood product imports into Japan and possible countermeasures, and in collaboration with other institutions to identify specific topics for focused research in the Fourth Phase. These objectives were designed to build FC capacity in this field. More ambitious objectives to target policy processes were avoided because for half of FY2005 FC had only two fulltime researchers. FC was able to revise its objectives after a new fulltime researcher was recruited in December 2005 to work primarily on this topic.

As described, one objective of the scoping study was to select one or two topics for focused research in the Fourth Phase. FC decided to focus on 1) border control agencies and 2) public procurement policies. With a newly recruited researcher focusing on this issue, FC was able to take up the topic of public procurement as part of our Third Phase research. Initiating research on this topic was considered timely as Japan revised its procurement policy from April 2006 to favour legal and sustainable wood items. The objectives of this study are 1) to describe the reform of Japan's public procurement policy, 2) to undertake a preliminary assessment of the strengths and potential weaknesses of the revised policy, and 3) to recommend further steps for refining the policy. The major research question is: What would a robust and effective public procurement policy for Japan entail?

FC was contracted by the Japan Federation of Wood Industry Associations to undertake 12 country studies of forest regulatory frameworks and illegal logging by the end of FY2006 as part of the Ministry of Agriculture, Forestry and Fisheries project titled "Project to Promote a Comprehensive Response to Illegal Logging". Although this was not part of the revised Third Phase proposal, and considerably added to our workload at a critical period near the end of the research phase, FC accepted this work because it has a direct link with Japan's timber procurement policy reform process.

FC also commissioned a postgraduate student in Japan, who is a Chinese public official, to undertake a field survey of imports of suspected illegal Russian timber and the actors involved, focusing on the role of Chinese loggers, merchants and manufacturers.

d. Forest Governance

The term 'governance' has become a central part of the parlance of development and conservation discourses. Kofi Annan, Secretary General of the United Nations, described good governance as "perhaps the single most important factor in eradicating poverty and promoting development". The concept of governance is particularly relevant for forests, which tend to be highly contested resources because of their economic value, their potential to influence political fortunes, their private and public benefits and because of contending stakeholder views of how they should be managed and who has the right to participate in decision-making.

Forest governance in Asia is in a state of transition. The elements of this transition include decentralisation/devolution, the promotion of community forestry, privatisation and land tenure reform. The transition offers new avenues for sustainable forest management, but also entails risks. It is particularly important for the rural poor.

The commissioned research on forest governance and collaboration in seven countries (originally eleven) was the only component of the original Third Phase research proposal that was retained. Recognised scholars were commissioned to write the individual country reports, which assess institutional, legislative and policy changes at the national and provincial levels, and attempt to illustrate collaborative arrangements of forest governance at the local level through case studies. The original objective of this study exercise was to enable FC researchers to develop expertise on forest governance policy in the region so that they will be able to: provide policy advice in the Asia-Pacific region, especially in relation to bottlenecks and their mitigation measures; draw on lessons learnt from both successful and unsuccessful examples of forest collaboration; employ the knowledge in formulating a collaborative forest governance strategy; and assist in applying the strategy and then assist the partner in integrating the strategy into the regular policy formulation process.

1.2. Methodology

a. Forest Certification

Methodologies employed included: semi-structured interviews with certified timber producers, other certified forest enterprises such as timber yards, support organisations, forestry agencies at both the provincial and national level, and scheme managers; monitoring of the process of certifying forests, and producing, processing and transporting the timber, and collection and analysis of secondary data. The analytical framework is available at

<http://www.iges.or.jp/en/fc/pdf/activity/certification.pdf>.

b. Plantation Forestry

Research on the Land Conversion Programme from Farmland to Forest in China (*Tui geng huan lin*) began with a survey of rural households in 2001. The FC study progressed to action research in one village (Gusheng-Cun village in Guiju province) to assess ways of building community self-reliance and interest in maintaining the plantations. FC began research on the Five Million Hectare Reforestation Programme in Viet Nam and ADB funded plantation programmes in Lao PDR in FY2005. Evaluations were undertaken using project documents and related material, interviews and field observation. Secondary data from governments and regional organisations and academic

papers were used for the regional review of recent trends and developments in plantation forestry. For analytical frameworks see

http://www.iges.or.jp/en/fc/pdf/activity/plantation_main.pdf,
http://www.iges.or.jp/en/fc/pdf/activity/plantation_china.pdf,
http://www.iges.or.jp/en/fc/pdf/activity/plantation_Laos.pdf.

c. Scoping study of illegal timber imports into Japan

Information gathering and analysis were based on a review of existing literature and secondary data, interviews with key informants from civil society groups, ministries, research institutions and the private sector, and interviews with policy makers, in Japan and in selected European countries (for the purpose of comparative analysis). The analytical framework covers a) a description of the policy reform and government efforts to strengthen the policy, b) a comparative analysis with procurement policies being developed by selected European countries, and c) consideration of forest management practices in producer countries and timber trade flows in the Asia-Pacific region.

d. Forest Governance

Commissioned research

2. Achievements

The activities and achievements listed below are separated according to activities conducted under the original proposal and the present proposal.

2.1. March 2004 – February 2005

The following outputs of the Second Phase were finalised: “Guidelines and Recommendations for Participatory, Sustainable Forest Use and Management”, “Indonesia Country Report 2004” and “Policy Trend Report 2004”. The local policy guidelines and village action guidelines for participatory forest management in Lao PDR were revised. Papers were presented at a number of workshops and staff acted as facilitators/moderators at two regional forums. FC co-organised and delivered presentations at the workshop “Bridging between research and practice: Towards the realisation of collaborative forest governance in West Kutai District, Indonesia” at the University of Tokyo.

2.2. March 2005 - present

a. Forest Certification

The intention was to evaluate four innovative certification models, but this was later reduced to three because the organisation implementing one of these models requested IGES delay its research. Collaborators were identified for each of the models and MOUs/contracts were concluded. Field research employing the methodologies described above was completed. The research reports for the individual models were drafted and compiled in a final output that includes comparative analysis. A policy brief on certification was published.

FC research has found that forest certification for small forest enterprises in developing countries of the Asia-Pacific region is characterised by:

- certification programmes in a small number of countries
- certification of both primary and planted forests
- low coverage of certified forest
- small numbers of producers
- low volumes of certified timber
- predominance of the Forest Stewardship Council group certification scheme
- strong support from donors, NGOs and some elements of the forest products industry
- difficulty of retaining certificates
- subsidisation by external financiers
- strong demand and high prices for certified high grade tropical timber varieties.

Barriers to forest certification for small forest enterprises in Asia include high average per hectare financial costs, a lack of government support services, the absence of certification from the national forest policies of some countries, inadequate enforcement of existing forest regulations, the complex ecosystems of tropical forests, the strict management and monitoring requirements, the complexity and length of the standards, and the fact that there is little connection between community lifestyles/capacity and the demands of international markets.

Some general recommendations drawn from our research are that:

- Further practical measures to reduce the costs of certification for small forest enterprises must be developed. For example, costs could be reduced by the global certification bodies facilitating the creation of nationally-based accreditation bodies and providing greater assistance for the establishment of globally endorsed national certification standards. Both options would remove the need for expensive overseas air travel and the high salaries that are paid to overseas consultants.
- For certification to succeed as an instrument of sustainable forest management governments in the region must play a strong supportive role. In developing countries of the Asia-Pacific region certification has been driven by local and international NGOs backed with funding from international donors, but their capacity is very limited. After over a decade of certification, the extent of forest certified in these countries remains very small. Governments could provide financial support to accelerate the further testing and development of the certification models that are currently being trialled. In those countries in which forest certification has proved a viable forest management option, governments should insert forest certification into their national forest policy. The provincial/district offices through their extension agents could provide technical and managerial training to forest enterprises to build their capacity to supply certified timber.
- Stepwise approaches for small forest enterprises could be developed. Stepwise certification has been proposed as a means of inducing producers to make gradual improvements in their harvesting practices. Stepwise approaches make certification more achievable through an assessment of how present practices differ from certification standards, the creation of a step-by-step system to improve forest management, and an independent means of verifying progress.
- Independent national support services could also be developed. A “group certificate” could be used by the national support organisation to certify individual forest management units

and timber yards across the country. This organisation could then pool the timber supply of individual small enterprises to meet large international orders.

Figure 1 provides a schematic of these recommendations.

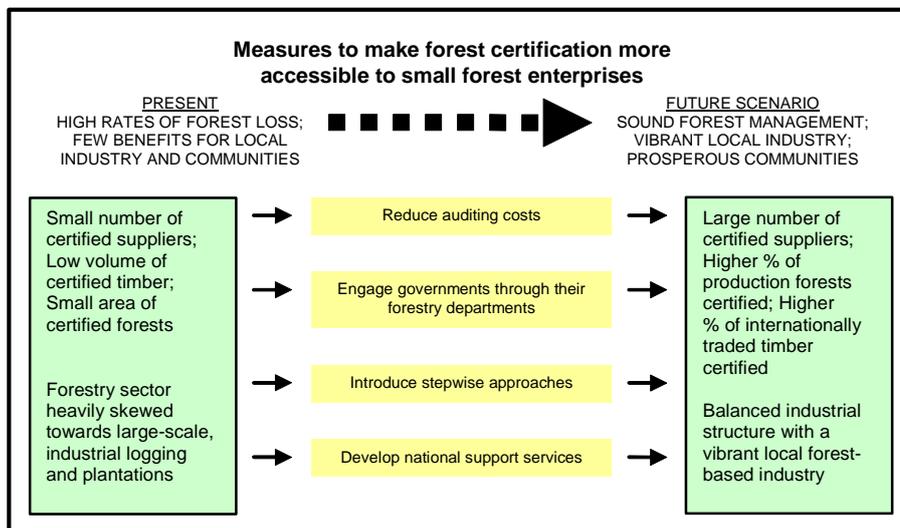


Figure 1. Measures to improve the accessibility of forest certification for small forest enterprises

b. Plantation Forestry

For the study in China a contract was completed with the farmers' association at the research site to enable action research to be conducted until the end of the Third Phase. The final research report was drafted. Several papers based on an analysis of previously collected data were published in Chinese and Japanese. For the FC studies in Lao PDR and Viet Nam, data gathering and analysis, including fieldwork, was completed and the final report is being drafted. A working paper of the regional review of trends in plantation forestry was drafted and a policy brief on this topic was submitted. One programme of "NHK Special" included a focus on *Tui geng huan lin* in China after the director read an academic paper by an FC researcher on this topic. The programme was designed using advice and information from interviews by NHK with the FC researcher.

The general observations and recommendations from our regional survey include the following.

- The diversity of approaches to planted forest establishment in Asia can broadly be classified according to five types: direct public management, mobilisation, commercial plantation, contract and local people-centred (see figure 2).
- In the direct public management type of forestation, the public administration or a public enterprise (such as a public company) establishes the planted forest on public land and is directly responsible for its management. State involvement is also a feature of the mobilisation type of forestation, which is characterised by environmental objectives, public financing based on national forest plans, and mobilisation of the rural population for forest establishment. In contrast to direct public management, local people share forest use and income rights, but their land-use rights are restricted. The commercial plantation type of forestation is characterised by industry and private enterprises directly managing privately-owned forest land or leased public land. To maximise economies of scale, the

plantations are usually large and local people are hired as labour. Contract type forestation is also driven by commercial motives. Under this type local people plant trees according to contracts signed with private or public enterprises. The land use and management rights are maintained by the local people. Under the people-centred forestation type, local people have both land-use and management rights and undertake forestry according to their own considerations. This forestation type can be for environmental and/or production oriented objectives, and is undertaken either by groups or individuals. Forestation subsidised by the government can occur under this category, as long as local people retain the authority to make management decisions according to their needs and aspirations.

- Each of these five forestation types can succeed from economic, social and environmental perspectives, but we have found that some are better suited to the social conditions commonly found in the rural sector of Asian developing countries than others. Under the direct public management type there is a high possibility that the traditional land-use rights of local people will not be respected. The commercial plantation type has also become highly contentious. Many examples of localised conflict in Asia that was incited by this forestation type can be cited. Mobilisation type approaches do not encourage enthusiasm amongst participating households for forestation because the government puts in place stringent measures to restrict land use by local people. This lack of enthusiasm is associated with insecure livelihoods which in turn comprise plantation sustainability.
- Recognition of the shortcomings of existing direct management, commercial plantation and mobilisation type approaches has resulted in a reform of forestation policy in some countries. In particular, problems with the commercial plantation type led to increased support for contract type forestation in India and Thailand. This approach provides for greater benefits to local people and recognises their land-use rights, while companies are still able to meet their lumber requirements. The contract type model requires careful planning including sufficient incentives for smallholders to participate and adequate institutional, technical and financial support for rural households.
- Despite the shortcomings of government-led plantation approaches in common Asian rural contexts, the government has a critical role to play in promoting forestation. However, to avoid undermining livelihood security and thereby compromising plantation sustainability, as is common with the mobilisation type approach, governments need to provide space for local people to have their needs reflected in plantation design, while continuing to provide technical, financial and other forms of assistance.
- Giving local people a central role in forestation is the key to reducing land conflicts, achieving greater equity and securing the sustainability of the planted forests. Creating space for local people to contribute to plantation design and management is important. For commercial forestation this can be achieved by moving from commercial plantation type to contract type models, and for environmental forestation this can be achieved by shifting from government-led to people-centred type forestation models.

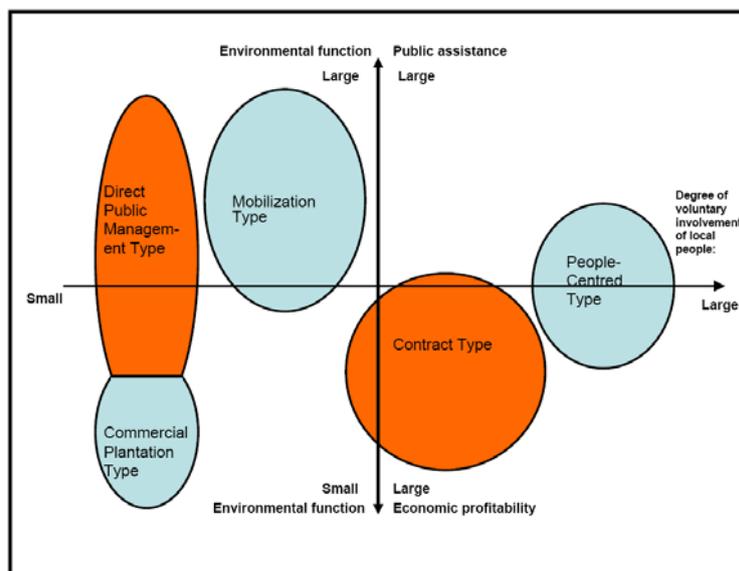


Figure 2. Forestation models in Asia

c. Scoping Study of Illegal Timber Imports into Japan

FC advised the Ministry of Foreign Affairs on the structure and content of the International Experts Meeting on Illegal Logging that was held in March 2007. FC made a presentation at this meeting that generated significant discussion and drafted the first version of the Chairpersons' Summary, which include a list of policy suggestions for ways forward. In 2006, FC organised a public seminar in Yokohama on illegal logging and communities. FC research on illegal logging was discussed in the October 2006 edition of *Ronza*, a monthly magazine published by Asahi Shimbun.

FC research on illegal logging has mostly focused on the reform of Japan's timber procurement policy. Presentations on this topic were delivered at a variety of forums including the "8th Illegal Logging Update and Multi-stakeholder Consultation" at Chatham House in the UK and the "Forum on China and the Global Forest Product Trade: Trade of Legal and Sustainable Wood in China". The results of FC public procurement research have been compiled into one report. The observations and recommendations of this report include:

- Japan is the world's third largest wood importer and thus has a major responsibility to adopt measures that reduce the likelihood of illegal wood products entering its domestic market. The total timber demand in Japan is about 89,000,000 m³ annually, of which about 80% is imported. Japan is by far the largest consumer of tropical plywood, importing 4.6 million m³ in 2005 - 53% and 44% of Japan's plywood imports are sourced from Indonesia and Malaysia, respectively.
- Since the G8 Kyushu-Okinawa Summit in 2000 when the Japanese government was prompted by criticism from NGOs to raise the issue of illegal logging, it has repeatedly expressed its commitment to the task of tackling illegal logging and the resultant timber trade.
- While the financial and administrative support Japan has provided to various regional and international organisations certainly deserves recognition, hard policies are also required to stem the illegal harvesting of timber and the resultant trade. In Japan's Climate Change Initiative announced at the G8 Gleneagles Summit in July 2005, the government stated that Japan would take actions to tackle illegal logging through its procurement policy. Japan's

“Green Procurement Policy” was subsequently revised, coming into effect as of April 2006. In contrast to other actions taken by the Japanese government, the revised Green Procurement Policy could represent the first hard policy option the government has promoted to combat illegal logging.

- FC research concluded that a robust timber procurement policy in Japan would need to have at least the following essential elements:
 - i. applicability to apply to all types of forest products from all regions
 - ii. an effective system for verifying legal origin and legal ownership
 - iii. an effective system to verify legal compliance, including third party monitoring
 - iv. an effective system of segregated product management
 - v. an increasing focus on promoting sustainable forest management and timber production
 - vi. a definition of adequate criteria for assessing legality and sustainability
 - vii. a way to apply these to existing verification systems
 - viii. a means to be mandatory to the extent possible
 - ix. a means to target all levels of public administration
 - x. internal monitoring of the procurement agents’ familiarity with and adherence to the policy
 - xi. adequate institutional support for public procurement agents and their suppliers
 - xii. a structured, participatory and transparent revision procedure for regular improvement
- Presently, only the first element is fully met by Japan’s policy. The report includes options on how progress could be made with respect to the remaining elements. Among the most important recommendations are that the government should: 1) develop and publicise national definitions of legality with supplier countries, 2) assess existing documentation systems in supplier countries, according to a publicly available list of criteria, with respect to whether they provide assurance of legality and sustainability, 3) when these systems are inadequate, work with governments to develop credible verification systems, 4) assess forest certification schemes to determine their credibility, using a standard set of criteria, and publish the results, 5) develop criteria for legality and sustainability that would enable procurement agencies to conduct their own assessments of the timber/timber products to be procured, and 6) establish a service to provide expert guidance to procurement agencies and their suppliers.

Table 1 provides a comparison of public procurement policies in Japan and selected countries that are reforming their policies according to dates and instruments of enactment, binding effect on central/local authorities, and modalities for verifying legality/sustainability.

Table 1. Comparison of timber procurement policies between reforming countries

Countries (Policy covering all timber/! timber products unless specified)	Procurement policy enactment: date & instrument(s)	Binding on: 1. Central state authorities 2. Sub-national authorities	Government! criteria to evaluate schemes/evidence	Verification of evidence for legality/ sustainability of procured timber based on:			
				Forest certification schemes		Alternative modalities	Impartial monitoring
				Presently accept schemes	Prior & regular assessment		
Netherlands	February 1997 <i>Directive</i> (Since October 2005 due implementation of BRL <i>guideline</i>)	1. Compulsory 2. Recommended	✓	All schemes approved by <i>Keurhout</i> ; In future: BRL & BRL equivalent schemes	✓ (by <i>Keurhout</i> Foundation; Future: BRL Assessment Board)	-	-
Germany (Only tropical timber for construction)	1998 <i>Directive</i> (No specification included)	1. Compulsory, but small practical effect 2. No effect	No	Any "credible certification" of sustainable forest management	No	-	-
Denmark (Only tropical timber)	June 2003 Voluntary <i>guidelines</i> (presently revised)	1. Compulsory to develop own policy 2. Recommended	✓	Public buyers' individual decision, following voluntary guidelines! !	✓ (by: advisory steering committee)	- (Introduction planned)	-
UK	January 2004 <i>Advice note & guidelines</i> (by CPET)	1. Compulsory 2. Recommended	✓	FSC, PEFC, SFI, CSA; MTCC (only recognised for legality)	✓ (by CPET)	Evaluation of other evidence of legality/ sustainability	✓ (if concern)
France	April 2005 <i>Advice note & "notice of information" brochure</i>	1. Compulsory 2. Recommended	No	FSC, PEFC, CSA, SFI, MTCC, LEI, <i>Keurhout</i> , further schemes listed by ITTO	No	4 alternative modalities	✓
Belgium (Paper not covered)	March 2006 <i>Administrative circular</i>	1. Compulsory 2. Separate guidelines	✓	FSC, PEFC (+endorsed national schemes)	✓ (by <i>Expert Group</i>)	Evaluation of other evidence against government criteria	✓
Japan	April 2006 (implementation from October) <i>Guideline</i>	1. Compulsory 2. Efforts to adhere are expected	No	FSC, SGEC, PEFC (+ endorsed schemes), SFI, CSA, MTCC, LEI	No	2 alternative modalities	No

d. Survey of Trends in Forest Governance

FC received seven of the eleven country reports that were originally commissioned. The individual studies were drawn together under the heading “Transitions in Forest Governance”, with a focus on the decentralisation of forest management and formal community forestry. Shared observations and lessons from the individual country studies were explored in the introductory chapter. These included:

- The nationalisation of forests, the establishment of centralised forest administration structures, the focus of forest management on production and faith in the scientific forestry paradigm characterised forest management in the seven study countries (China, Viet Nam, India, Nepal, Cambodia, Thailand, Philippines) until recent decades. Production to supply domestic industries or to bring in foreign exchange was generally prioritised over other objectives of forest management. These policies were all oppositional to community participation in forest management.
- Wide-ranging decentralisation policies were introduced by all of the study countries, though significant variations exist in timing and form. In all seven countries decentralisation is incomplete when viewed from the perspectives of pluralism, subsidiarity, empowerment and social capital.
- The increase in the number of people participating in forestry and the area of forests managed by communities since decentralisation policies and community forestry programmes were introduced has been dramatic. Commonly, community forestry programmes are characterised by co-management involving the forest department and local communities, renewable long-term lease agreements that define management and use rights, and some form of benefit sharing between the state and communities. It is rare for the state to transfer land ownership to communities and property rights are usually restricted to the ownership of trees and forest products.
- As with decentralisation, the impacts of the community forestry programmes in the study countries have been mixed, but the country studies indicate that community forestry can deliver significant environmental, social and economic benefits.
- Further reform is needed to develop legal frameworks that institutionalise community forestry and provide communities with secure tenure. Unsecured access and use-rights discourage long-term community investment in forestry. There are many examples in which communities are given responsibilities for protecting forest resources, but insufficient use-rights to encourage their participation. There has been a reluctance to transfer the most valuable forest resources to communities.
- To promote community forestry, forest departments have generally preferred creating and implementing standardised organisational models for uniform application over utilising existing “natural” organisations. However, where effective local arrangements exist, community forestry regulations should be sufficiently flexible to take advantage of these.
- Communities may have insufficient social capital for equitable forest management as their existing decision-making processes may be undemocratic and may not lead to desirable outcomes for weaker social groups. If communities are treated as homogenous social units in the design of community forestry programmes, weaker social groups will benefit least, or worse, may suffer. Flexibility to use and build upon existing social arrangements is desirable, but controls are required to ensure that community forestry is equitable and sustainable.

e. Other

FC has a small number of research staff and therefore had to selectively target regional/international forums that it felt was worth participating in and promoting. Of these, FC has been heavily involved in the Asia Forest Partnership (AFP), a loose, voluntary association of government, intergovernmental and civil society organisations launched at the World Summit on Sustainable Development in 2002. FC involvement in the partnership has included presenting papers, acting as a *rapporteur* and facilitating annual partnership meetings. FC is a member of the Steering Committee and the AFP Evaluation Working Group, and was involved in the Ad Hoc Working Committee to Strengthen the Partnership. In 2006, FC accepted the position of Co-Chair and on 12-13 November 2006 hosted and chaired the first meeting of the AFP Evaluation Working Group, which is evaluating the AFP First Phase.

FC is participating in the East Asia Forest Law Enforcement and Governance (FLEG) process and was elected the focal point for civil society in Japan. FC is also assisting with the administration of the Fairwood Campaign, which endeavours to promote the use of legal and sustainable timber/wood products in Japan.

3. Self-evaluation

3.1. Relevance

As described above, the Third Phase proposal was radically revised after the February BOD meeting in 2005 and its two senior researchers resigned. To develop capacity to lead research on new topics requires a considerable investment in time. For FC this was accentuated by the fact that the research included localities/countries that were new to FC researchers and that trust-relationships had to be built with new counterpart institutions/individuals. Consequently, significant policy-targeted outputs will take some time to emerge.

FC research on forest certification was highly relevant to the international and regional dialogue on forests, though it did not focus on a specific policy process. The research was unique in its regional scope and its focus on innovative models for forest certification that are suited to the needs of small forest enterprises. This research will be extended in the Fourth Phase and our growing competency and recently forged relationships with practitioners and support organisations in developing countries will allow for policy targeting. Our research on forest plantations focused on former centrally-planned economies, which provided a unique theme. The massive scale of some of the planting programmes and their objectives of recovering degraded land and supplying burgeoning domestic industries, particularly in Viet Nam and China, made this research particularly relevant to the developmental needs of the target countries. FC Third Phase research on illegal logging was clearly policy relevant. IGES is the only institution we are aware of that is undertaking an independent assessment of Japan's public procurement policy. This research output targeted Japan's policymakers and should stimulate a healthy discussion. The comparative analysis with procurement policies of other importer countries allowed systematic identification of existing shortcomings and offered recommendations for strengthening Japan's policy. The results were directly fed into an international expert meeting on illegal logging organised by the Ministry of Foreign Affairs in March 2007. Our research on forest governance was not directed at a specific policy process but it will provide an important reference document for regional dialogue on transformations in forest governance, especially the linkages between decentralisation policies and formal community forestry programmes.

3.2. Effectiveness

It is impossible to determine the effectiveness of research outputs that have only recently been completed. The field surveys of forest certification models and their comparative analysis could provide impetus for a regional forum on certification for small forest enterprises. FC is investigating avenues for channelling its outputs on forest certification towards stimulating a regional dialogue and building commitment. FC research on public timber procurement policies has generated a lot of interest, as reflected in requests for presentations at international forums on this topic; however, it is not possible to comment on the effectiveness of FC research on this topic until we receive feedback on our report. The evaluation of plantation forestry in the former centrally-planned economies will require several more months to extract key messages.

The effect of FC research on plantations was most noticeable for action research conducted in Gusheng-Cun village of Guiju province, China that was designed to build village self-reliance as a means to enhance the sustainability of the afforestation programme. The action research recommended a more flexible policy to allow for agro-forestry. The provincial government now recognises the advantages of agro-forestry as practised by villagers and no longer strictly enforces regulations to prohibit such practices. The action research included an experimental micro finance programme that was successful in enabling borrowers to improve their income through rearing livestock, which resulted in a decrease in income inequality. Through the action research villagers established a multipurpose co-operative which is very active in marketing and innovatively introducing new crops, fruits and nuts trees. The activities of this voluntarily established co-operative encouraged local government officials to consider using this approach as a model for poverty reduction in upland communities in China.

3.3. Efficiency

The total budget expended by FC activities was small relative to most other Projects, in part because of the change in research focus during the Phase and, at times, a small number of staff. Funds were mainly spent on research in developing countries by FC researchers and commissioned studies and contract work by counterparts. IGES co-financed one workshop in FY2004 with the 21st Century Centre of Excellence (COE) Programme at the University of Tokyo. In FY2006, FC hosted the first meeting of the AFP Evaluation Working Group, but costs were mostly covered by MAFF, and organised and funded a public seminar on illegal logging and communities. After losing the two senior researchers in FY2005, all staff remained with the Project, indicating their commitment to complete Phase Three research.

4. Conclusions

Current FC staff were presented with a difficult challenge during the Third Phase when we were asked to significantly revise the proposed research after one year of the phase had already passed. With a timeframe of less than two years, a small number of staff and no senior researchers, FC embarked on an ambitious research programme that centred on several new topics. Heeding the advice of our peer reviewers on previous research, FC constructed stronger analytical frameworks for these new topics to ensure meaningful, focused outputs.

A shortcoming of earlier phases is that FC did not construct strong long-term working relationships with other regional/international institutions with complementary expertise to increase

the potency and exposure of its work. During the Third Phase FC invested a significant amount of time and energy into building strategic relationships in order to build future research into larger regional work programmes. This has involved collaborating with other institutions from the research formulation stage and seeking international funding, both which have required FC researchers to develop new skills. These efforts are reflected in the Fourth Phase research proposal, which builds on the content of Third Phase research and our new strategic partnerships.

Research on forest certification will be expanded in the Fourth Phase, including monitoring of the models evaluated in the Third Phase and the addition of new models as case studies. FC has discussed with conference organisers the possibility of coordinating a session on certification for community-based forest management at the planned Rights and Resources Initiative conference on Poverty Reduction and Forests to be held in September 2007. Research on public procurement will also be extended and further contract work on this topic under MAFF's Project to Promote a Comprehensive Response to Illegal Logging is expected. FC is developing research for the Fourth Phase with TRAFFIC International on building collaboration between border control agencies to promote the regional trade in sustainable wood. In the Fourth Phase FC will collaborate with its Fairwood Campaign partners under an ITTO project (Promoting and Creating Market Demand for Certified Tropical Wood and Verified Legal Tropical Wood, PD 391/06) that we successfully secured funding for. FC is also collaborating with the Regional Community Forestry Training Centre for Asia and the Pacific (RECOFTC) and the Indonesian Ministry of Forestry to develop action research to create alternative livelihoods in localities where poor people have resorted to illegal logging. Through these initiatives, during the Third Phase, FC has not only devoted itself to achieving its research objectives, but has also worked hard to develop policy-relevant research with our partners for the Fourth Phase.