

Forest Conservation Project Third Phase Proposal

Theme: From Destructive Forestry Practices to Sustainable Forest Management¹

Research Topics:

1. Making Certification Accessible to Communities and Smallholders
2. Involvement of Local People in Plantation Forestry

Scoping study: Curbing Illegal Timber Imports into Japan

June 2, 2005

Background

Despite widespread reform in forest legislation and management systems and progress in the development of criteria and indicators for sustainable forest management in Asia-Pacific countries, forests in the region remain under severe threat. This threat to the extent and quality of forest cover not only undermines the ability of forests to serve ecological functions, it also destroys local livelihoods, can have a detrimental impact on national development and impairs the broader social and environmental functions of forests.

We have undertaken a significant revision of our previous research proposal based on the recognition of several weaknesses in this proposal. In the remainder of the Third Phase, the Forest Conservation Project will focus its energies on two major topics and one scoping study under the theme 'From Destructive Forestry Practices to Sustainable Forest Management'.

The expression destructive forestry practices refers to the use of forest resources in such a way that significantly compromises the regenerative capacity of forests. Illegal logging, which has become a key factor in forest loss and degradation in the region, will be taken up by the Forest Conservation Project as a sub-theme through which to establish a new research agenda. The topic 'Making Certification Accessible to Communities and Smallholders' and the scoping study on 'Curbing Illegal Timber Imports into Japan' both address illegal logging.

Various estimates suggest that more than half of all logging in the Amazon Basin, Central Africa, Southeast Asia, the Russian Federation and some of the Baltic States is illegal. Importing countries also play an important role in the trade in illegal timber. At least one third of all timber imports by China and the G8 may be illegal at source. The G8 itself recognises that "illegal logging robs national and sub-national governments, forest owners and local communities of significant revenues and benefits, damages forest ecosystems, distorts timber trade markets and

¹ In this updated version of the proposal, we have attempted to better clarify the intended research that was presented in the earlier version of April 18, 2005.

forest resource assessments and acts as a disincentive to sustainable forest management”. Such consequences, combined with the scale and intensity of illegal logging, highlights the seriousness of this issue.

Sustainable forest management is a widely used concept that recognizes the multiple functions that forests serve, as well as their importance to present and future generations. To move from illegal logging and other destructive forestry practices towards sustainable forest management will require efforts from local through to international levels. Because of a broad movement towards decentralization of forest management and the adoption of legislation in many countries in the region to more actively promote community forestry, local actors have become increasingly significant in formal decisions regarding forest management. The Forest Conservation Project will therefore retain its focus on local level analysis in order to deliver policy options for sustainable forest management, while broadening our scope to examine international dimensions of forestry.

Research under the heading ‘Making Certification Accessible to Communities and Smallholders’ will examine recent innovations in forestry certification, focusing on small-scale producers. Certification is at the forefront of the international dialogue on illegal logging as governments cannot prohibit the import of illegal timber unless they can secure adequate supplies of legal timber. Certification is required to prove the legality of timber and wood products. Moreover, certification is expected to provide timber harvesters and processors with a premium price as an incentive to encourage better forest management.

The second topic, ‘Involvement of Local People in Plantation Forestry’, builds upon past and ongoing research of the FC Project to examine the trend towards greater plantation forestry in the region. Plantations are seen as playing a crucial role in meeting the increasing demand for supplies of legal timber and reducing destructive forestry practices by taking pressure off natural forests. Around 34 million hectares of new plantations were established in the 1990s and by 2001 the region accounted for 61 percent of global plantations. The total coverage of plantations in Asia continues to rise rapidly as many states are pursuing ambitious planting programs. Past and on-going research of the Forest Conservation Project reveals that unless thought is given to appropriate arrangements that engage local people in forestry, both the viability of the plantations themselves and the livelihood prospects of local people can be jeopardized.

Both major research topics address issues associated with the supply side of the timber and wood product trade. The proposed scoping study of illegal timber imports into Japan is based on the recognition that the demand side also requires urgent attention.

Topic 1: Making Certification Accessible to Communities and Smallholders

When governance is weak the range of actors involved in illegal logging can include the military, police, forestry agency officers and other power holders. Local people may be in no position to resist their demands. In other instances, communities themselves may engage in destructive forestry practices because of the limited opportunities available to them.

Alternatives are thus needed that enable local people to build decent livelihoods that do not undermine the resource base on which they depend. Certification offers the prospects of enabling local producers to gain a premium price for timber, while allowing forests to continue serving

their ecological, environmental, and social functions. The hopes for certification in advancing sustainable forest management have been high. Certification has been described by the WWF as “the most important initiative of the last decade to promote better forest management”.

Certification was examined broadly in the First Phase of the Forest Conservation Project. The proposed research focuses on certification of small forestry enterprises, specifically community-based and smallholder forestry, as a means to conserve forest resources and improve livelihoods. Successful community/smallholder certification in the Asia-Pacific region is not common, but a number of recent innovations provide some cause for optimism.

Small forestry enterprises often find that certification is difficult for them to achieve because of management, financial and administrative hurdles. Recognizing the need for a certification system suitable for small-scale producers, the Forest Stewardship Council established the Small and Low Intensity Managed Forests (SLIMF) initiative, which became active from January 2004. The Indonesian Ecolabeling Institute (LEI) has also established a certification system specifically for community-based forest management. Two villages in central Java received certification for teak and mahogany forests on 22 October 2004. Innovative group certification models can be found in the Solomon Islands, while in Laos two provinces could soon receive certification for Village Forestry.

Research Outline

The small but diverse array of community/smallholder certification initiatives in Asia-Pacific countries provide a rich set of lessons for further innovations that will be required to make certification more accessible. This study proposes to survey existing community/smallholder certification initiatives in the region in order to identify these lessons.

The literature on certification includes case studies of individual community/smallholder certification programs, but as yet no effort has been made to compare their results. Moreover, as certification is a relatively new development in forest management, on-going monitoring and assessment of emerging schemes, such as the LEI and SLIMF initiatives, is required.

The proposed research would be initially based on a review of the existing literature on community/smallholder certification, with particular attention paid to Asia-Pacific case studies. Short periods of field work to evaluate the progress of new initiatives would be required.

Road Map

Part A: Literature review and document analysis (April 2005 - September 2005)

1. Review of community/smallholder certification schemes
2. Review and analysis of existing studies in the Asia-Pacific region

Part B: Field investigation (short-term field studies, May 2005 - August 2006)

3. Selection of certification programs in the region for field study
4. Evaluation of the selected programs using a common framework

Part C: Comparative analysis and recommendations (September 2006 - December 2006)

5. Comparative analysis of field studies
6. Recommendations for further innovations to make certification more accessible to small-scale producers

Outputs

- IGES Policy Brief on community/smallholder certification (2005)
- A single publication that presents a) an overview of community/smallholder certification, b) a framework for evaluation, c) the results of individual studies, and d) a comparative analysis including recommendations to improve the accessibility of certification (December 2006)

Topic 2. Involvement of Local People in Plantation Forestry

Planted forests are seen as having a critical role to play in forestry in the region. However, past and ongoing research by the Forest Conservation Project on individual reforestation and afforestation projects suggest that their potential for promoting sustainable forest management is sometimes impaired by a lack of local analysis. A consequence of not consulting with communities in the design and management of planted forests can be that they have little incentive to preserve forests. In some instances, local people may even seek to destroy plantations - burning of plantation forests by disgruntled local people has been acknowledged as one cause of the fires that ravaged Indonesia in 1998.

In China, the Forest Conservation Project has been conducting research on the 'Land Conversion Program from Cropland to Forest', the biggest plantation program in history. Nineteen million hectares were planted between 1999 - 2004. Despite this remarkable achievement, our research suggests that the sustainability of the program in some locations may be jeopardized by a failure to sufficiently consider the concerns of local families responsible for managing the planted forests. Moreover, potential benefits to households have been obstructed by regulations that were fashioned without seeking their input.

In Indonesia, our research on teak forests examines a very different setting but is reaching similar conclusions. Teak forests were first planted by the Dutch at the end of 19th century. The state-owned forestry enterprise PN Perhutani (later renamed Perum Perhutani) became responsible for the management of forests after Indonesia won independence. Illegal cutting became prominent from the 1960s, leading to the failure of the plantations. The situation changed in 2001 when a new forestry regulation provided incentives for local people to preserve the forests by allowing continuous intercropping, cultivation under trees, and benefit sharing from thinning and final cutting. Growing recognition by Perum Perhutani that collaboration with local people was vital to reduce illegal cutting led to in-depth discussions and improved relations with farmer groups.

The evolving social landscape of plantations in the region is thus rather mixed. In their rush to meet domestic timber needs and to supply international markets, forestry departments and industry in some countries are still failing to adequately consider local needs when designing plantation projects. The proposed research builds on past and ongoing research to examine a) how the concerns of local people should be assessed, and b) how legitimate claims and aspirations should be addressed in the design and management of plantations.

Research Outline

Research will be undertaken in four localities. Research will continue on the Land Conversion Program from Cropland to Forest in China. A short period of field work will be undertaken on

the teak plantations in Java to more completely assess the impacts of the new forestry regulations on forest conservation and local livelihoods.

Two additional plantations are being considered for study in Vietnam and Laos. In Vietnam, government plans to re-establish or rehabilitate five million hectares of forests by 2010. Due to the excessive speed of implementation, the project appears not to have sufficiently considered local livelihood needs, and may also have negative environmental impacts. In Laos, the Asian Development Bank is financing the 'Tree Plantation for Livelihood Improvement Project' in order to establish a 10,000ha plantation. Despite the project title, local livelihood concerns may not be receiving adequate attention. Monitoring of this project is needed to determine how local people are involved in the project, and whether this involvement contributes to sustainable forest management.

The results of each plantation study will be compared to produce broadly applicable recommendations. These recommendations will be compared with international guidelines for the sustainable management of planted forests.

Road Map

1. Literature review of recent developments in plantation forestry in the Asia-Pacific region (April – August 2005)
2. Review of previous research and continuation of on-going field research (April 2005 - May 2006)

China

- Evaluation of the pilot project conducted in Gusheng-Cun village of Guiju province (April - May 2005)
- Survey of existing literature regarding 'Land Conversion Program from Cropland to Forest' and other afforestation programs in China (May - July 2005)
- Field research in Guiju province to evaluate on-going project (November - December 2005)

Indonesia

- Evaluation of the current policy of Perum Perhutani with regards to the formation of self-reliant farmer groups and collaboration with outside stakeholders (April - August 2005)
- Short field visits to gather additional information on the progress of strengthening farmer groups (September 2005; 2006)

3. New research: Assessment of the Five million hectare reforestation program in Vietnam and the Tree Plantation for Livelihood Improvement Project in Laos (April 2005 - June 2006)

- Information gathering on reforestation programs in the two countries (ongoing)
- Review of existing documents of the study plantations in Vietnam and Laos (April - August 2005)
- Field assessments (short field visits, June 2005 - June 2006)

4. Individual reports, comparative study and policy recommendations (July 2006 - December 2006)

Outputs

- Policy Brief on planted forests in Asia (2005)
- A single publication that combines a review of trends in plantation forest in the region with policy recommendations drawn from the individual studies and a comparative analysis (December 2006).

Scoping Study: Curbing Illegal Timber Imports into Japan

Japan's role in global timber trade remains critical, despite China's rise as the world's largest importer of timber. Japan remains the world's largest importer of softwood logs, second only to China in imports of hardwood logs, and second only to the US in imports of lumber (sawn wood). One estimate suggests that 20 per cent of wood products imported into Japan comprise illegally harvested timber. Strong statements have been made by one Vice-Minister that Japan would lead the world in combating illegal timber imports. Such statements, combined with a desire in Japan that the country play a greater international leadership role, provides some cause for optimism that significant policy reform may be possible.

The scoping study seeks to provide insight into:

1. The forces and structures that obstruct policy and legislative reform to curb illegal logging
2. The actors and their strategic networks that comprise the driving forces for reform
3. Weaknesses in the system that allow illegal timber and wood products to enter Japan
4. Existing initiatives in Japan, both public and private sector, and their likelihood of influencing timber imports
5. Ideas for policy reform that can be drawn from countries that have more advanced policies to curb illegal logging
6. The potential/opportunities for Japan to be involved in a regional or international response to illegal logging

The scoping study has purposefully been framed very broadly, with the intention of identifying specific topics that may be taken up for more focused research. Information gathering and analysis will be based on a review of existing literature and public documents, interviews with key informants from civil society groups, ministries, research institutions and the private sector, and interviews with policy makers.

Possible Outputs: Policy Brief on illegal timber imports in Japan and the Asia Pacific region (FY2005); Discussion papers on appropriate policy responses to combat the import of illegal timber into Japan (December, 2005; December 2006).

Other Activities

The Forest Conservation Project is an active member of the Asia Forest Partnership (AFP), which provides a forum for us to collaborate with other research institutions and disseminate research findings. The Asia Forest Partnership is undertaking several work plans on illegal logging that the Forest Conservation Project could participate in. We are also a member of a task force to strengthen the AFP.

The Forest Conservation Project has commissioned studies on forest governance trends in a number of Asia-Pacific countries. The individual studies and a comparative analysis will be published in a single report by the end of FY2005.

The Forest Conservation Project has undertaken studies on protected areas and will continue to take advantage of opportunities to further its expertise in this field. Our study on protected areas shares with our present proposal on plantation forestry an interest in the relationship between forestry and local people.

Budgeting and Human Resources

In addition to the budget allocated by IGES, we will receive financial assistance (1.5 million yen for FY2005) under the Grant in Aid for Scientific Research Project, sponsored by the Government of Japan. This budget will be used to support IGES activities in Laos.

We will approach funding agencies and research institutions that may be willing to collaborate in our research program.

At present, the Forest Conservation Projected is staffed by three fulltime researchers, one part-time researcher and a project secretary.
