



# THE FORESTS DIALOGUE

## TFD STEERING COMMITTEE

**Mubariq Ahmad**  
World Wildlife Fund  
Indonesia

**Steve Bass**  
Department for International  
Development  
United Kingdom

**David Cassells**  
The World Bank  
United States

**James Griffiths**  
World Business Council for  
Sustainable Development  
Switzerland

**Claes Hall**  
Aracruz Celulose  
Brazil/Sweden

**Sharon Haines**  
International Paper  
United States

**Matti Karijula**  
Stora Enso  
Finland

**Tage Klingberg**  
University of Gävle  
Sweden

**Thor Lobben**  
Norske Skog  
Norway

**Stewart Maginnis**  
World Conservation Union  
(IUCN)  
Switzerland

**Cassie Phillips**  
Weyerhaeuser Company  
United States

**Per Rosenberg**  
Global Forest & Trade Network  
(WWF)  
Sweden

**Stephan Schenker**  
Private Forest Owner  
Austria

**Robert Simpson**  
American Forest Foundation  
United States

**Nigel Sizer**  
The Nature Conservancy  
Indonesia

**Roberto Smeraldi**  
Friends of the Earth - Brazil  
Brazil

**Manoel Sobral**  
International Tropical Timber  
Organization  
Japan

**William Street, Jr.**  
International Federation of  
Building and Woodworkers  
Switzerland

**Gudmund Vollbrecht**  
IKEA  
Switzerland

**Scott Wallinger, TFD Co-Leader**  
MeadWestvaco Corporation (Ret.)  
United States

**Justin Ward, TFD Co-Leader**  
Conservation International  
United States

**Amelia Wright**  
Maryland Private Forest Owner  
United States

**Alexey Yaroshenko**  
Greenpeace  
Russia

**Gary Dunning**  
Executive Director  
The Forests Dialogue

## TFD's Dialogue on Practical Actions to Combat Illegal Logging

7-10 March 2005 - Hong Kong, P.R. China

### Co-Chairs' Summary Report\*

Nigel Sizer, Cassie Phillips, Mubariq Ahmad

For the first time over 120 leaders from business, civil society and government have met to agree on concrete actions to combat illegal logging in Asia and around the world. **Companies and governments** agreed that they **each must take responsibility** to ensure that the wood and paper products they purchase are legal.

We all agreed that the highest priority is to ensure no wood is sourced illegally from **national parks** and reserves or **stolen from local communities and private landowners**. Such wood contributes to severe ecological harm, promotes social conflict, human rights abuses and violence, results in huge economic losses and slows the development of poor countries. Illegal wood also depresses the prices of wood and paper products harming companies that respect the law as well as undermining confidence in the industry.

We placed an emphasis on steps that business and civil society can take quickly to reduce illegal logging. Priority actions emerging from the Dialogue include the following:

1. Collaborate to **strengthen important existing alliances** to combat illegal logging, such as:
  - a. The Conservation International/American Forest and Paper Association Alliance to Combat Illegal Logging in Protected Areas.
  - b. The Global Forest and Trade Network led by WWF.
  - c. The World Business Council for Sustainable Development/WWF joint agenda to combat illegal logging.
2. Use experience gained from ongoing partnerships to **develop agreed, auditable, practical national legality standards** to accelerate progress toward similar standards in other countries with a high-risk of illegal logging.
3. **Create a simple, credible, independent and objective ratings system** that can be applied to identify high-risk countries and tree species. Such a system would help forest products companies, retailers and customers, as well as investors, creditors and insurers, to reduce the risk of

*\*This statement is the personal summary by the co-chairs and has not been agreed upon by all participants prior to distribution. A more detailed meeting summary will soon be available.*

supporting illegally sourced, harvested or traded forest products through their wood and paper buying and financial services. This could in turn lead to development of a ratings system for companies.

4. Encourage companies to **use innovative technology for wood tracking** and share best practices to improve their supply chain management, reduce costs, and assist them in ensuring that illegal sourced, harvested or traded wood does enter their supply chains.

Companies and non-governmental groups at the meeting included IKEA, Axel Springer Verlag, APRIL, International Paper, Weyerhaeuser, HSBC, ASRIA, Sumalindo, SGS, Stora Enso, Mondi, Tetra Pak, Nippon Paper, Oji Paper, The Nature Conservancy, WWF, World Business Council for Sustainable Development, Conservation International, Greenpeace, Environmental Investigation Agency, Friends of the Earth, Telapak, Tropical Forest Trust, WALHI, CIFOR, and the World Resources Institute.

The meeting heard repeatedly how weak governance, corruption, poor law enforcement, conflict, unclear property rights and low investment in training and management of public agencies severely hamper efforts to combat illegal logging. The meeting called on **Governments urgently to lead efforts** to address these failings.

Priority actions agreed to help build governmental leadership are the following:

1. The Forests Dialogue will send a small delegation of business and civil society leaders to **meet with Ministers** and other top officials in key capitals in Asia, Europe and beyond to share the results of this meeting and urge concerted effort.
2. Calls for action will be communicated at important upcoming intergovernmental meetings including the following:
  - a. **G8 meeting of ministers** of environment and development in England March 17-18.
  - b. **The United Nations Food and Agriculture Organization's Committee on Forestry** March 14-18.
  - c. **The United Nations Forum on Forests** in New York May 16-27.
  - d. The **G8 Heads of State Summit** in Scotland in June.
  - e. The **East Asia FLEG Task Force** meeting in September in Manila, and the North Asia and Russia FLEG Ministerial meeting in November in St. Petersburg.
3. Key government officials who participated in the dialogue called for **greater partnership with industry and civil society**. All governments present committed to follow up to strengthen such partnership soon.

Many participants applauded efforts by the European governments, United States, Japan and others to provide greater targeted development assistance to assist poorer countries with governance reform, training, law enforcement and other activities. Many also encouraged efforts by Europe to introduce **public procurement policies and voluntary partnerships** with exporting countries that will reduce the import into Europe of wood that may be illegal. We must all learn quickly from the valuable lessons that will surely emerge from these experiences over coming years.

Importantly, there was strong agreement that **law enforcement should be substantially strengthened in both exporting and importing countries**. Exporting countries should take urgent steps to enforce laws that protect forests of high value for conservation and to protect local communities from conflict created by illegal logging. Importing countries can do much more to use existing laws to prosecute those involved in the import and distribution of forest products that are illegal in origin. **Exemplary prosecutions** should be sought using laws to prevent money laundering, tax evasion, counterfeiting, smuggling, and false claims. Prosecution of large offenders, leaders of criminal syndicates and financiers of forest crime should be the highest priority in this much-needed **global crackdown on forest crime**. In addition, some participants urged the consumer countries to make it illegal to import wood products illegally sourced in the country of origin.

Governments represented at the meeting included the **Peoples Republic of China, Malaysia** (Sarawak and Peninsular Malaysia), **Japan, Indonesia, the Philippines, United States of America, United Kingdom, Sweden, Russia** and the **European Union**.

There was strong support for regional efforts to combat illegal logging, such as the Forest Law Enforcement and Governance initiatives and the Asia Forest Partnership. During the meeting officials from **China, Indonesia** and **Malaysia** agreed that they should work more closely together to reduce the trade in illegal wood between their countries.

### **Acknowledgements**

The co-chairs are extremely grateful to all who participated in the meeting for the time, energy and expressions of commitment to work together to combat forest crime.

TFD thanks the following for sponsorship of this meeting:

*Civil society:* The Nature Conservancy; WWF; Yale University

*Private Sector:* APRIL; American Forest and Paper Association; International Paper; World Business Council for Sustainable Development

*Governments/Intergovernmental:* Department for International Development, UK; International Tropical Timber Organization; Swedish International Development Agency; United States Agency for International Development

TFD thanks the following for serving as leaders in developing this meeting: Nigel Sizer-TNC, Cassie Phillips-Weyerhaeuser; Mubariq Ahmad-WWF Indonesia; James Griffiths-WBCSD; Hugh Speechly-DFID UK; Rod Taylor-WWF AsiaPacific; Bo Gohl-SIDA; Roberto Smeraldi-FOE Brazil. For Coordination: Judy Chau-TNC Hong Kong; Kate Fuller-TNC AsiaPacific; Sarah Price and Linda Kramme-Yale.

### **Further information**

**Nigel Sizer** - *The Nature Conservancy* Tel: +62-811-875-485; email: nsizer@tnc.org

**Gary Dunning** - *The Forests Dialogue* Tel: +1-203-432-5966; email: info@theforestsdialogue.org

For access to all of the presentations made at the meeting, list of participants, background reports and useful links please go to [www.theforestsdialogue.org](http://www.theforestsdialogue.org)