



## **SUSTAINABLE FOREST MANAGEMENT AND SOME REALITIES ...**

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Mr. Chairman,

Distinguished participants of the General Assembly, ladies and gentlemen.

Forests and trees play a critical role in supporting the livelihoods of people, particularly the world's poor. Many of these people depend fully or in part on forest resources to meet daily subsistence needs. Sustainable forest management contributes to developing economies in a wide range of ways. It provides income, employment, food security and better housing where it is most needed, particularly for the poor who inhabit forest areas.

Finding ways to balance these human livelihood needs with sustainability of forest resources concerns is the very essence of sustainable forest management. It is our responsibility to ensure that the benefits that forests provide are reaped without endangering their long term sustainability. Sustainable forest management can be used to contribute to a more equitable distribution of wealth within the community.

### **UNFF is approaching a turning point**

The UNFF is facing a crucial year. At the fifth session, to take place in New York, in May 2005, the UNFF will review the effectiveness of the International Arrangement on Forests, review progress in implementation as well as consider future actions.

The UNFF Secretariat is preparing a Secretary General's Report on this matter. It will be considered by the member States, who will then make a decisive assessment of the International Arrangement on Forests against a set of criteria that they have already decided on in 2002. This will give a sense of how the Arrangement's constituencies see its effectiveness, and hopefully indicate a way forward.

An important event contributing to the review was the recent UNFF Ad hoc Expert Group meeting. Experts from all over the world, nominated by the member States, various stakeholders and CPF members participated in a very constructive discussion and succeeded in identifying a balanced range of options for the future International Arrangement on Forests for the consideration of UNFF next May. The results of this expert group meeting will be further followed-up by high-level representatives of the Regional Groups in New York, and through a country led initiative in support of UNFF, as announced by Mexico during the expert group meeting. This Country-led initiative will be held at the end of January 2005. I would strongly encourage all the Major Groups to participate in this important preparatory phase towards UNFF5 in May.

The Civil Society organizations and the Private Sector have a great potential to create a dramatic push toward a more effective and focused policy. The support and mobilization of this movement will be crucial to a strong outcome of UNFF5. Let me mention a few examples of how to pull together our wide array of supporting organizations which had previously, to some extent, had skeptical, opposed, or uninformed actors.

### **First, to provide existing supporters with tangible and focused requests**

Our network and your organizations have a tremendous amount of latent analytical and mobilization power. What they all need to achieve are clear objectives and measured outputs. In this first stage, we will ask all Major Groups to create a cohesive set of priorities for action and proposed goals and targets. A useful approach after that would be to bring such concise, simple and well defined potential outcomes of UNFF5 to the attention of your respective governments through direct contacts.

**Second, to extend a call for assistance to your contact points outside traditional linkages and linking them to ongoing efforts**

There are a large number of influential individuals and organizations that have, to date, been relatively inactive in the proceedings of UNFF. Reaching out with face-to-face meetings to explain the importance of UNFF5 would be important. As individuals and organizations come on board, they should, as soon as possible, be connected with on-going efforts at the national and sub-regional level.

**Third, to intensify efforts just before UNFF5**

In order to be most effective, efforts to identify achievable goals and targets should be brought together to, if possible, create one major group voice in anticipation of UNFF5. This could take shape in a Stakeholder Forum which we are organizing in NY at UN Headquarters from 12 to 13 May 2005. The first day of the Stakeholder Forum will consist of major group and regional caucuses sharing ideas and experiences. The second day will take the form of a plenary in which a common set of priorities for action could be discussed. The outcome will be a report of stakeholder views that will serve as an input to UNFF5 and could also serve as the basis for interaction with governments during the session.

The fifth session of the UNFF will include a high level ministerial segment that will include a dialogue with heads of CPF member organizations. The Bureau of UNFF, at its last meeting, decided to hold the Ministerial segment over two days, on the 25<sup>th</sup> and 26<sup>th</sup> of May 2005, the Wednesday and Thursday of the last week of the session. The high-level segment would address the UNFF's contribution to the preparation of the input of the Economic and Social Council to the high-level plenary meeting of the General Assembly on the review of the implementation of the

Millennium Declaration – looking specifically at the role of forests in meeting internationally agreed development goals including those contained in the United Nations Millennium Declaration. The ministers would also address the review and decide on future actions as regards the international arrangement of forests. The preliminary thinking is also to provide an opportunity for some more informal interaction between ministers, heads of organizations and high-level representatives of civil-society through high-level roundtables on some topical issues.

### **Common Criteria and Indicators**

The UNFF has had the privilege to invite representatives of the Criteria and Indicator Processes over the years and they are expected to attend the next session, too. The certification schemes could align themselves with these processes.

Common goals of sustainable forest management would provide ample opportunities to foster synergies between UNFF and forest certification bodies. There appear to be indications that the UNFF will continue work to ensure that all the values of forests and trees, the social, economic and environmental aspects are not overlooked in international policy discussions related to forests and the broader development agenda.

As you may remember, during UNFF 4, the 7 thematic elements drawn from Criteria and Indicators Processes, including the pan-European and the Montreal Process Criteria and Indicators, were acknowledged as a reference framework for sustainable forest management. Actually, the Secretariat of UNFF is presently working on a document to provide an overview of the progress towards sustainable forest management and intends to use the 7 thematic elements as a framework to produce the report. We will send you a copy of the concept of the study and we would appreciate your comments and your collaboration on reviewing the document when it will be drafted early next year.

### **The Intergovernmental process on forests is facing new challenges**

The United Nations Forum on Forests was established to serve as the key intergovernmental body for comprehensive, international forest policy formulation and implementation, and the alarming rate of deforestation and forest degradation in the tropics was the key the driver of the international debate on forests.

UNFF meets annually to address a number of issues of priority concern for the international forest community and to review progress in implementation of the IPF/IFF proposals for action. In UNFF we also view our mandate within the context of the broader discussions within the UN system as a whole, such as the policy decisions and targets manifested in the Plan of Implementation of the Johannesburg Summit and the Millennium Development Goals. There are more than 40 international organizations and many international agreements related to forests. No single institution or instrument has a mandate or the capacity to address all aspects of forest policy at all geographic levels.

As part of the international arrangement on forests, ECOSOC also invited the heads of relevant international organizations to form a Collaborative Partnership on Forests (CPF). It consists of fourteen members, that have the capacity, programmes and resources to support UNFF. It is an innovative arrangement to foster increased cooperation and coordination on forests. Collectively, building on the comparative advantage of its various members, the CPF members support the implementation of sustainable forest management worldwide.

While we do see progress towards sustainable forest management in some parts of the world, many challenges still exist, particularly in developing countries. The success of the international arrangement on forests will ultimately depend on joint action to mobilize political, financial, scientific and technical support for sustainable forest management.

Governments, intergovernmental organizations, private sector and Civil Society have critical roles to play, in order to ensure that deforestation and forest degradation are significantly reduced and that the products and services from forests benefit those people who depend on them the most.

**Some realities ...**

I hope that you will allow me to reiterate some of the real challenges, which I have already highlighted at your previous Assembly Session. Many of the challenges we are facing now were not originally in the core of the objectives of certification. Nor are they solely in the hands of the forest sector.

The realities of forest certification are, that:

- Certification is rapidly becoming a standard requirement for timber suppliers in boreal and temperate conditions
- It has become a success story in awareness building
- Only 10% of certified forests are located in the tropics, although demand exceeds supply of some tropical timber products. The question is: How does certification contribute to SFM if the great majority of certified forests are located in temperate and boreal zones?
- We are still facing uncertainty about the recognition of different schemes
- There is uncertainty about the size of the markets, and finally ...
- The question of sharing the costs and benefits of certification

Forest certification has many dimensions and many stakeholders with different interests:

- For industry and trade it provides an instrument for marketing and market access
- For buyers and consumers it provides information on the impacts of products they purchase
- For forest owners it is a tool for market access or market advantage
- For governments it represents a soft policy instrument to promote SFM
- For ENGOs it can be a means to influence management

- The costs of certification tend to be higher for primary producers than for processors, since processors gain from market access. If the winners are far from forests, how is certification contributing to sustainable development?

Some possible explanations for your further consideration:

- Inflexibility of standards concerns especially tropical forests. In most cases certification standards do not recognize successive steps towards SFM, but are focused on end-results. Would a stepwise certification be a solution?
- Incompatibility or even conflict between national laws and certification standards can be a problem;
- Certification can fail to take into account other land uses, such as agriculture, which may have significant impacts on forests. Efforts to sustain land use practices on a larger scale are not recognized. And certification does not adequately address the root causes of deforestation – nor does it aim to.

But - certification can greatly contribute to economically, socially and ecologically sustainable development in the developing countries also. Reported benefits of mutually reinforcing processes of certification and policy and institutional reforms:

- Certification can increase acceptance of community representatives in policy fora;
- It has raised awareness of the potential of SFM;
- Certification has advanced more participatory and decentralized forest policy processes;
- It has contributed to better policy definition;
- It can increase supply-chain transparency; and
- It can improve workers' rights, income and safety standards.

It is also obvious that further discussion is needed on:

- How to link policy reforms with certification standards and how to ensure that certification is not in conflict with e.g. community forestry, tenure of local communities and devolution.
- How to make sure that performance requirements are relevant and achievable in specific country conditions.
- What is the role of forest certification in tackling illegal logging, corruption and other governance and compliance problems?
- And how to meet certification standards in a constrained financial environment?
- How to make certification serve the necessary efforts towards cross-sectoral approaches to sustainable development, taking fully into account the linkages between sectors.

A big challenge is to create mechanisms for effectively verifying the legality of wood production and denying access to our markets of illegally sourced wood and wood products. Related concerns to be addressed include the financing of illegal operations and the laundering of proceeds from illicit extraction of forest resources and trade of forest products. Relevant concerns are also due diligence by financing institutions, public procurement and export credit agencies, as well as the promotion of the consumption of legally produced products.

Thank you Mr. Chairman, and thank you for your attention