

Global forests need global governance



A TROPICAL TIMBER ACCORD

**Q: How can we
help stop illegal
deforestation?**



TROPICAL TIMBER
ACCORD

A: Reward reform.

Tropical forests are in danger as never before. For the first time in human history, global forest cover has fallen below four billion hectares (Mongabay, 2019), and around 12% of global greenhouse emissions from human activity now result from tropical forest deforestation and degradation (World Bank, 2021).

So far global strategies to halt their loss and degradation have had limited impact. This paper is a **global call to action from the international forests and timber industry to COP26 to strengthen legal governance of forests and forest supply chains.**

As an industry, we have a unique perspective and a vital interest in tackling the threats faced by our tropical forests.

We are fully aware of the need to manage forests sustainably and to ensure a steady supply of forest materials, underpin forest-based livelihoods for Indigenous people and local communities, generating revenue for development and conserving habitats for biodiversity.

Strong legal governance in the forest and throughout international supply chains underpins all of these objectives.

As Trade Associations in both producer and consumer countries, we have come together to call for Governments to support and commit to:

- a new approach to promote strong forest law enforcement and trade policy worldwide
- measures to strengthen forest governance and support legal and sustainable forest industries
- take the first steps towards this new future for tropical forests at COP 26.

We are proposing a fresh approach, not simply to maintain forests, but to increase their environmental, social and economic value.

The Threat

The statistics tell their own story. Tropical forests are a vital natural resource, covering 6% of the Earth's land surface and accounting for 45% of all forest area (FAO 2020).

They are vital to life on earth, providing:

- the habitat for 80% of global terrestrial biodiversity
- livelihoods for over 1.6 billion people (WWF, n.d.; ICUCN, 2021), a fifth of the world's population
- An effective means for absorbing carbon dioxide from the atmosphere and storing more than 250 billion tons of carbon.

We all depend on tropical forests for regulating our climate, for our water supply and literally 'making the weather' (National Geographic, 2015; University of Leeds, 2020). Yet we continue to lose forests at a frightening rate.

The biggest threat to tropical forests comes from uncontrolled and often illegal conversion of forest land to other uses, particularly mining and agriculture. Clearance for farming is estimated to account for 80% of tropical deforestation. This is partly driven by social pressure, poverty and lack of economic opportunity or incentives for sustainable forest use. But, behind much of the conversion, lies criminality and corruption - or simply business seeing a better return from farms than forest.

Lack of effective governance has allowed a lucrative international trade in goods from illegally deforested areas. Companies that want to invest in verified sustainable production of timber and other forest products find themselves undercut, undermined and disincentivised by illegal operators.

Even forest maintenance and development policies such as UN REDD and REDD+ are undermined in their ambitions because, without strong governance mechanisms in place, there is no guarantee of permanence in the forest or landscape investments they make.

Building on previous initiatives

Policies on tropical forest conservation have been included in several international treaties on climate change. The International Tropical Timber Agreements (1983, 1994 and 2006) mandated the implementation of sustainable forest management in its tropical member countries where progress had been slower than expected.

The 2015 Paris Agreement required countries to reduce greenhouse gas emissions with many pledging to do this through increasing tree cover or protecting existing forests, yet deforestation has continued.

Much of the groundwork for a new approach was laid in the Forest Law Enforcement and Governance (FLEG) reforms launched at the FLEG Conferences of Bali, Yaoundé, and St Petersburg, and embedded in the EU's Forest Law Enforcement Governance and Trade Action Plan (FLEGT).

Implemented through Voluntary Partnership Agreements (VPAs) with tropical supplier countries, FLEGT



↑ Forest legality marking, Liberia
(c) euflegredd

was designed specifically to stop illegal logging and its associated trade, granting preferential access to EU and UK markets for FLEGT-licensed timber and wood products. Some of its elements are also being considered for legal and sustainable management of other commodity supply chains, which are currently implicated in illegal deforestation.

The impact has been very positive. However, the market leverage of the FLEGT policy framework is limited by the fact that it is recognised only by the EU and UK, when today other countries and regions, such as China, the US, Japan and the Middle East, are far bigger consumers of tropical timber products. Now, this policy looks set to be replaced, destabilising reforms that aim to incentivise sustainable management and leaving a global vacuum on forest governance where there should be leadership.

We're asking global leaders to work with us to provide that leadership.

Global Forests need Global Governance: a call to action

Now is the time to create a new global framework: **an overarching and incentivising international legal trade framework for tropical forest and forest product supply chain governance and management.**

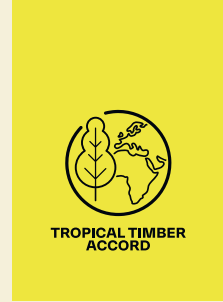
We need new policies that incentivise legal and governance reform to ensure long-term forest sustainability and growth. Countries putting those reforms in place should be rewarded with enhanced trade benefits, which would attract investment to industries and supply chains that depend on retaining forests as forest and constantly improving their value - notably timber production, but also a range of other environmentally positive goods and services.

This is the objective of our Tropical Timber Accord.

The Tropical Timber Accord - The Next Steps

Recognising that tropical forests are critical for global biodiversity, combatting climate change, and contributing to local and international economic development our Tropical Timber Accord calls for:

- **Effective governance and legal compliance** throughout the forest products supply chain in timber-producing and



→ Putera Parthama, Director General of Sustainable Forest Management at Indonesia's Ministry of Environment and Forestry and Charles-Michel Geurts, Deputy Head of Delegation at the EU Delegation to Indonesia and Brunei sign the formal decision on the date to start FLEGT licensing at the 5th Joint Implementation Committee Meeting (JIC) in 2016.
(c) EU FLEGT Facility



consuming countries and within international trade networks to deliver positive outcomes for the future of forests

- **National multi-stakeholder processes** that bring together government, civil society and the private sector in tropical forest countries to formulate national laws and standards, ensuring fairness and legitimacy, as well as credibility and enforceability
- **Incentivisation of effective tropical forest governance and responsible forest trade** by offering support and encouraging foreign direct investment in added-value tropical forest industries
- **International business and consumer markets to commit** to sourcing tropical forest products and material only from legal sources that ensure the sustainability of those resources into the future
- **Simplification, rationalisation and harmonisation of tropical forest legality and sustainability product standards and communication.** Today's multitude of different company and organisation-led schemes, eco-labels, compliance requirements, consumer market regulations and bilateral arrangements confuses consumers and significantly increase the cost of compliance for tropical producers.
- **The ambition and policies framed by Governments for ITTA and FLEG** to be refreshed and updated to frame a practically instructive international approach to address a critical

global problem.

We urge world leaders at COP26 to start the process toward creating the framework for development of this new international rules-based approach for the global tropical forest sector now.

This should be underpinned by practical guidance, informed by best practice and driven by tropical timber-producing countries themselves along with their key markets, such as the US, China, Japan, the Middle East, EU and UK.

This international framework would:

- Set **principles and processes** enshrined in national law by which future international trade could recognise, incentivise, and support strong governance and sustainable forestry
- Be based on and recognise each country's own **nationally determined norms and standards**, underpinned by independent verification

↓ Furniture production in Jakarta, Indonesia
(c) euflegtredd



Effective tropical timber trade governance spells environmental and economic benefit.

Where there is effective governance in place and the tropical forest, timber industries and trade are legally and sustainably managed they:

- Contribute significantly to supplier countries' GDP
- Deliver improved ecological outcomes within the forest
- Raise living standards and improve health among local populations
- Reduce bush-meat hunting and the illegal wildlife trade associated with illegal logging
- Help maintain and grow tree cover, underpinning the tropical forest's vital role in climate regulation and supporting biodiversity
- Are an enhanced investment opportunity.

- Define a process for these national rules-based systems to be **internationally recognised to ensure mutual recognition and encourage compliance**
- Encourage **consumer markets** to adopt policies and regulations that promote responsible consumption and trade with countries with strong forest governance and discourage trade from those which cannot demonstrate and verify good forest governance
- **Incentivise** countries to implement effective forest governance by giving their forest products industries preferential 'green lane' access to all global markets and trade, backed by **communications and promotion** throughout the supply chain
- Recognise the **importance of micro and small to medium-sized enterprises (MSMEs)**, as the

'backbone' of tropical producer countries' economies and industry through **international investment training and support.**

Such a global governance framework should be managed and administered by an international secretariat which would help producer countries to set and enforce national standards as well as help direct finance for countries to enact required reforms.

If we don't act now, the destruction and degradation of tropical forests will continue. But there is an alternative and it's set out above.

We, acting as trade associations representing thousands of businesses involved in tropical forest management and timber production, as well as global trade and importation in consumer countries, hereby call on global leaders at COP26 to work with us and support our campaign by committing to:

- Developing a new global rules-based framework for governance of the tropical forest sector and the supply chains it supports;
- Support a global secretariat to manage, administer and develop this global action plan.

We will launch the campaign at COP26. We need your support.



We the undersigned call on global leaders to take continued action toward achieving these aims, starting with an official debate at COP26.

Cameroon - Groupement de la Filiere Bois du Cameroun (GFBC)

Côte d'Ivoire - Syndicat des Producteurs Industriels du Bois (SPIB)

Democratic Republic of the Congo - Association Congolaise des Exploitants Gorestiers Artisanaux (ACEFA)

Gabon - Union of Forestry and Timber Industries of Gabon (UNIFA)

Ghana - Forest Industries Association of Ghana (FIAG)

Guyana - Forest Products Association of Guyana - Guyana Manufacturing and Services Association

Honduras - Honduran Woodworkers Association

Indonesia - Association of Indonesian Forest Concession Holders (APHI) - Communication Forum of Forestry Community (FKMPI) - Association of Furniture and Craft Industries (ASMINDO)

- Indonesian Wood Panel Association
Liberia - Liberia Timber Association (LibTA)

Malaysia - Sarawak Timber Association

- Malaysian Timber Council (MTC)

Republic of the Congo - Union Patronale et Interprofessionnelle du Congo (UNICONGO) - Association Technique Internationale des Bois Tropicaux - Congo (ATIBT)

Thailand - BNS Wood Industry Co. Ltd Thailand

Vietnam - VIFOREST

UK - Timber Trade Federation

China - China Timber & Wood Products Distribution Association (CTWPDA)

ATIBT - Association Technique Internationale des Bois Tropicaux (International Tropical Timber Technical Association)



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www.worldofwoodfestival.org/accord

APPENDIX - Biography:

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