1. What is the 'Code of practices'?

It depends.

Code definitions

- Basis of implementation
- Can be anything from a voluntary standard practices to a legal enforceable framework
- *Malaysia* –clear harvest guidelines already in place therefore no code needed?
- *Russia* – code is a legal framework but it is not enforced.
- *Indonesia* - Prescription or guidelines set for forest operations

Code definitions

- Identifies priorities of land use, recommended actions and process (how to) to meet the action.
- A code should have a clear objective and then the question is how much detail to put into the code?
- For Asia Pacific – keep at principles level
- For a small country it can be very specific (e.g. Fiji).
- *Vietnam* – it is a regulatory framework for forest harvesting. It is not the law, it should be able to be imposed at the operational level.

Code definitions

- ***Russia*** – National codes of practice will not work in big countries. There should be sub-national code of practice and companies should also have their own code of practice.

- ***Regional codes*** - What is to be done should be separated from the how to be done. Regional codes just deal with what is to be done.

1. What is the Code? - Summary

- It ranges from a voluntary guideline on what should be done at the regional level to national or sub national codes which contain various levels of specificity.

- To be effective the higher the specificity the higher the chances of success.

- The primary focus of our meeting is on the mechanisms for the implementation of the code – guidelines, laws and regulation and the possible connection to other policy instruments such as RIL, certification, forest management plans etc.

2a. How are the codes implemented?

It depends

2a. How are the codes implemented?

- Voluntary or mandatory?
- *TFF* – It depends on the country. It could be embedded in legal framework. Independent audits of the code. Ranges down to the guidelines.
- *Indonesia* – if guidelines the C and I can be helpful. Existing regulation 50cm diameter, if skidding improper no punishment. C & I are the framework under which audits are carried out. Independent auditors with final decision by government. This is mandatory

How are the codes implemented?

- Key: Voluntary or mandatory?
- *FAO* -Where voluntary try to use develop guideline which eventually will become more mandatory. Indonesia and Malaysia have guidelines. Fiji and Cambodia are legally binding Codes.
- *Myanmar* – Code developed not implemented yet. It will be in a legal framework. The forest entreprise and forestry department will be implemented agencies. The MOF hires contractors. Code has to complement existing forest laws. The code is a 'living' code.

How are the codes implemented?

- ***Vietnam** –* Some regulatory framework for forest harvesting already. They still do not have the penalties described yet in the regulations. There should also be incentive schemes to implement the regulation. Although a legal framework the challenge is how to make it practical.

How are the codes implemented?

- *Friends of the Earth* – Problem with large corporations. Russia has too many regulations - Code should be mandatory and binding, we can over-regulate but the challenge is how to implement in the field.

- In Japan the code is voluntary. Forest is family based and owners of forest do not violate the code.

How are the codes implemented?

- ***Russia*** (Friends of Siberian Forests)– Strict regulations in Russia but it is cheaper to bribe local authorities than follow regulation. It now intolerable levels. Doing something in the forest sector alone is not enough.

- ***FAO*** – Implementation issues are at the macro level. How to create compliance at the site level? There are trade based mechanisms, there initiative for codes of conduct for international companies, media pressure, pressure from ENGOs.   **We need to have an monitoring and compliance system**. We are talking about tools at two different levels?

How are the codes implemented?

- *Malaysia* – When it come to voluntary part, to get certification you have to practice RIL. They also have C & I which the forest operators. The forest is under state jurisdiction. Before a forest license to an operator all requirements. The supplementary information contains the major elements of the code.
 FAO How do you check compliance? -

How are the codes implemented?

- *Malaysia* – 300 ha in compartments. Loggers must have all operational procedures approved. If they violate they will be fined. The forestry department audits all compartments. They have pre and post inventory checks at the 10% level.
- *FAO* - What are the penalties?

How are the codes implemented?

- *Indonesia* - A problem if you only use a legal framework with high fines. The governments official becomes only policeman only and not advisors. Then the logging companies only meet minimum standards and are not involved in a learning process.

- TFF – In Indonesia, a code does not exist but it does have a legal framework with a monitoring procedure. However the Ministry now use a set of criteria and indicators? We do not know if it will be expensive? **Can government continue to afford to pay?**

How are the codes implemented?

- ***Philippines*** – Private sector - I do what I am told.

- ***FAO*** - Philippines is developing a code for a community based forest practices. It will be more small scale, labour intensive and animals use.

How are the codes implemented?

- *Laos* - Finished draft of code. We some regulation. Similar situation as Malaysia. The government give responsibilities to provinces. They must follow the Prime Minister's decree. The national code is under preparation and will be consistent with existing forest law.

How are the codes implemented?

- *Japan* – There is plenty of smallholders but there are national forest and prefecture forests. On the National forest there is a code, strictly. For the forest owners the cooperatives set some local guidelines. Following the codes varies with location. The code of local government is consistent with the code of the forest agency.

- On state land the code is mandatory and enforceable but on private land it is voluntary.

How are the codes implemented?

- *Indonesia* – In the company there are following the code with guidelines but there should be incentives and not just punishment. Otherwise they become afraid to ask for advise.

- *TFF and Friends of Earth.* What are the necessary incentives? –. One is security of tenure. If we implement high standards give us security. Now even though the licence is 20 years the government are taking the licence away when they want. E.g. With some silvicultural systems is 70 year license. Other incentives is to relieve some of the regulatory burden for good performers.

How are the codes implemented?

- ***Indonesia*** – There are additional incentives that can be in placed. There are different approaches to find other mechanisms that law, enforcement and penalties. The concept of partnership as in Tasmania is an excellent model. However in Indonesia there is always non-official rent collection and there is a lot of antagonism.

2a. Code implementation - Summary

- State versus private
- Mandatory versus voluntary

2b. How are the codes developed

It depends

How are the codes developed?

- *Myanmar* – After FAO model code 1996, AP Code 1998, then got assistance from FAO in 1998 to develop a National Code. Formed by Forest Department, Timber Enterprise, and Planning and Statistics Department. A code was developed by year 2000 . National code of forest practises in Mynanmar.

How are the codes developed?

- ***Russia***; There are many regional codes that are part of national legislation. Every 10 years they are improved. In eastern Siberia the last chance was in 1994, it is a process of continuous improvement. It is mostly written by scientist and it is approved by government. Process of National Russian Forest Code is now in parliament and the NGOs and scientists are involved in the approval process.

How are the codes developed?

- *Indonesia –* Code development is related to certification. Previously it was TPTI, an silvicultural system, was replaced by C and I.

- *Indonesia* (TFF). There was an attempt to take the Asia Pacific code but it was a 'cut and paste' effort and it was no related to technical practise. They would view the imposition of a CODE as negative.

- *FAO-* There are important processes in getting ownership of the code. It must be an open stakeholder process which will lead to greater success in implementation

How are the codes developed?

- ***Indonesia*** **– SK-** It is a letter that is the law (code?). It is a discussion in government with some private sector involvement.

- ***Indonesia*** (TFF). Indonesia has a very complex regulatory framework and this is an impediment to the implementation of a forest code. There was no meshing of existing laws.

How are the codes developed?

- *Malaysia –* If policy is a code, we have a national forestry act, a selective logging system, forest specification and forestry plans (10 and 5). A code of forest practice and inventory, forest harvesting guidelines - The forestry department developed the material.

- This is strictly for one region only

How are the codes developed?

- *FAO* - In general, Code development need to be an open process which allows for widespread ownership.
- *Sabah and Sarawak* do have something but we do not have details.

How are the codes developed?

<u>Laos</u>

- - #60. Feb 1980 re implementation of the forest activity.

- Feb 1986. Prohibition of timber cutting of some species.

- All documents prepared by Ministry of Forestry

- There are model SFM with pilot project in some provinces. (Laos-Swedish forestry programme)

How are the codes developed?

Laos

- – Kermekot project (Finnish government)

- Joint forest management – started to develop the code of timber harvesting and finished the final draft in 1997. The draft code has been prepared but not formally adopted.

- FAO- Code was developed in too much isolation. It did not involve a broad base of support

How are the codes developed?

Vietnam

- Does not have a code yet.

- There are many linked documents, forest sector strategy, forest law etc.

- All frameworks have to be approved by related Ministries.

How are the codes developed?

Japan

- Forest Agency has develop a National Code for public land.

- In Japan the process has a stakeholder process for the forest land – it focuses on the planning system which also includes the private land.

- Government prepares subsidies, tax incentives, machinery incentives etc.

How are the codes developed?

Vietnam

- In December they will finalize a workplan to develop a code.

- The proposed process is as follows: First they must review all related documents, find the gaps to be filled and the conflicts to avoid. Now they are setting up a drafting group – scientists etc. And then they will circulate to local groups. Then there was a consultation workshop. Then draft is revised and re-circulated. The final draft will then submitted to responsible organization for approval.

How are the codes developed? - Summary

No generic development process but….

- It must be an open stakeholder process
- If in the development of a code a 'cut and paste' is taken, chance are it will not work.

3. What are the strengths/problems

Indonesia

- Problems are internal – human resources, training, education, software, hardware
- External – price of products low and getting lower, cannot predict long term objectives.

What are the strengths/problems

- Russia
- The strong forest legislation.
- The Forest Service does not have capacity to follow legislation. Therefore laws are not enforceable
- Corruption is in all sectors
- Capacity building – lots of equipment is out of data
- Tenures are 1-3 years which are too short. In legislation it is possible to 49 years

What are the strengths/problems

- Malaysia
- Understaffing for compliance and enforcement
- Must change harvesting equipment.
- Strengths – work with research agencies, universities and industry to get advise. E.g. develop new techniques for RIL.

What are the strengths/problems

- Indonesia

- Strength - Skilled operators and staff

- RIL is active

- Problem – log price is very low. This means we get no monies for investment in equipment. Cost are also high.

What are the strengths/problems?

- TFF – We are losing focus. The strengths of a Code is that it creates a minimum standards against which a forest operation can be evaluated and to which an operation can be monitored.

- The problems are rationalizing conflicting legislations/regulations. There has to be a process of 'cleaning up'. Once this is done now you can create a code of harvesting. The code must recognize the technical limitation and the local conditions.

What are the strengths/problems?

- TFF – The problems with development and implementation of a Code are different

- Friends of Earth – To make codes implementable you need money. Timber is undervalued. Do we get concession to charge an higher price or do we levy an import duty? The environmental legislation in NA and Europe should lead to higher price. Producer countries should levy an export tax.

What are the strengths/problems?

Laos

- If cost is high and timber buyer only buys best logs this is a problem since the revenue from only the best logs does not cover all the costs. This is high-grading.

- The buyers do not pay the full costs.

What are the strengths/problems?

Vietnam

- Strength - a high political commitment to implement SFM codes

- Same problems and Indonesia and Laos

- Most serious problem is lack of capacity – human and financial resources

- Need effective tools at the field level, adequate incentives and ? Mechanism.

- They have good systematic regulatory framework but it is not practical.

- Poverty is a problem

What are the strengths/problems?

Myanmar

- Strengths – Code is not adopted widely but it does exist. There is a head of state commitment, (Senior General). 'If there are no forest then there is no environment and they will be no country.'

- There is lots of people participating in tree planting.

- Companies know they need to comply

- Sound forest policy with public awareness. There is a clear vision of what to do.

What are the strengths/problems?

 Myanmar

- Problems – Lack of clarification the responsibility of each organization involved.
- Higher authorities lack in-depth knowledge.
- Lack of training of forest workers
- Cost of implementation
- Needs rule set in contracts with incentives
- Illegal logging – eliminate in order to improve price.

What are the strengths/problems?

Japan

- Strength

- Cross sectoral issues.

- Harvesting does bring infrastructure. If used in a sustainable manner it can lead to sustainable utilization

What are the strengths/problems?

Nature Conservancy

- It does establish minimum standards and if developed correctly there must be wide public participation.

- One of the issue is high tariffs but they are a blunt instruments; its use will punish everyone. Instead consumer countries should provide bridge financing to support legitimate harvesting efforts (I.e.those who adopt useful harvesting codes). The signals are not in place to encourage producer countries to change harvesting practises.

3. What are the problems? Summary

Policy

- Lack of political commitment (Durst)
- Values of forest underestimated
- Conflicts in legislation
- Lack of bridge financing
- Poor corporate responsibility guidelines

3. What are the problems? Summary

Practice

- Costs of implementation are high
- Weak capacity
- Lack of education and awareness programs
- Lack of clarity as to what a 'code' is
- Lack of application of known cost effective techniques
- Need to improve on existing techniques (researchers' view)

3. What are the strengths? Summary

- They set a minimum standard.

They reflect a commitment of countries to SFM

They can reflect some level of consensus by stakeholders how harvesting should be conducted.