

PART 1
Executive Summary

SESSION 1: A REVIEW OF FOREST MANAGEMENT IN INDONESIA AND THE PHILIPPINES

Chair : Dr. John Habba (LIPI)
Reporters : Dr. Thung Ju Lan (LIPI) and Mr. Kiyoshi Komatsu (IGES)

1. Dr. Masanobu Yamane, sub team leader / research fellow of IGES, presented research output on a structural analysis of forest loss in the Asia-Pacific region. His team targeted seven areas in Asia, all experiencing a rapid rate of forest loss, identifying four main causes: environmental, economic, livelihood and local conflicts. He described the main actors in forest loss as the local and national governments, foreign markets and local people (although mainly victims of other actors' actions). He concluded that the market force was profit-orientated, there was a forest utilization paradigm of timber exploitation for foreign exchange and a corrupted government along with lack of political will for forest conservation. Forest loss is caused by political disorder & economic difficulties while this political disorder & economic difficulties might be influenced by international factors. He recommended that local people be allowed to manage forest conservation based on the community forestry concept, participatory forest management be applied, a market-based measures on sustainable timber trade be introduced and a system of control and legal structures be put in place for forest management.
2. Dr. Ernesto S. Guiang, World Bank consultant from the Philippines, reviewed current forest management efforts in the Philippines. He mentioned the objectives of forest management through DENR as being to maintain and expand forest cover, provide social equity and the sustainable management of forest conservation. These are conducted through allocation of forest lands, issuance of resource use rights, classification of forest areas as alienable and disposable and issuance of environmental compliance certificates. The history of forests since the fifties and sixties to the present is that of considerable deforestation. Presently, there are 0,8 million hectares of old growth forests & 11,1 of secondary forest. Forest areas are inhabited by 24 million poor people and about 5 millions hectares of forest is classified as open access. He classified forest areas as: protected areas and forest reserves (managed by the government), timberland and civil/military reservations. He mentioned key forestry policies: Presidential Decree No. 705 of 1975, the 1987 Philippine Constitution, Executive Orders, Local Government Codes and Laws and the Indigenous People's Right Act, indicating an emergence of community-based forest management through recognition of individual occupant forest area tenure and the organization of communal tenure in open grasslands and marginal lands. He gives the challenges for the future to close open access forests and increase the urgency for local governments to develop plantations, thereby reducing dependency on natural forests for timber.
3. Ir. Bambang Riyanto, from the Ministry of Forest and Estate Crops, Indonesia, explained the policies and strategies for conservation of natural production forests in Indonesia. He outlined the present condition of forest land use with conservation forests at 21.5 million ha, protected forests at 33.0 million ha, production forest at 58,5 million ha and convertible forest at 8,1 million ha. He then went on to say that production in natural forests was

managed under the Indonesian Selective Cutting System (TPI) and then the Selective Cutting & Planting System (TPTI) through concession rights. He outlined the various regulations already in place in Indonesia for forest conservation and the problems faced in implementing them. Among some of the problems faced are low enforcement level and capacity due to vastness of area covered, the absence of community participation and short-term, profit-orientated industrial activities. He added that the economic crisis and local autonomy policy have and will force major restructuring of the forest management system. He suggested the following strategies for future improvements on the forest management system: (1) creating a new technical guideline for forest product utilization; (2) restructuring the forest concessions system; (3) changing the approach from timber-based management to resource-based management; (4) diversifying forest products for forest industries; (5) allowing local stakeholders to get involved in forest management (6) conducting research to improve the forest management system and (7) promoting SFM certificates.

SESSION 2: POLICY RECOMMENDATIONS FOR PARTICIPATORY FOREST MANAGEMENT IN INDONESIA AND THE PHILIPPINES

Chair : Dr. Thung Ju Lan (LIPI)
Reporter : Dr. Yasmin S. (LIPI) and Mr. Kimihiko Hyakumura (IGES)

1. Dr. Deny Hidayati, researcher from LIPI, presented a current picture of participatory forest conservation, indicating that most conservation areas have not been surveyed or mapped and more than half of priority areas have not been clearly designed. She gave examples of national parks destroyed by logging and endangered species of flora and fauna. She explained that conservation was unsuccessful because of poor program designs, management, institutional capacities, dissemination of information and a lack of community support. She added that the top-down or bottom-up approaches to policy-making cause frustrations at the local level because of distortions or disappearances of proposals within the process. She recommended that the policy-making process be two-way, involving all stakeholders at every stage and level, paying particular attention to providing information to and opportunities for local communities to have a say in policy formation.
2. Prof. Makoto Inoue, sub-team leader of Participatory Forest Management, IGES / associate professor of the University of Tokyo, Japan,, presented policy recommendations for both Indonesia and the Philippines. He looked at the legal status of areas and the main actors in forest management for participatory management. He emphasized the need for local participation rather than public participation in forest management, aiming policy recommendations at local people, the governments, NGOs and international organizations. His team members conducted policy analysis and fields studies in East Kalimantan, Southeast Maluku and Central Java in Indonesia. He concluded that there are four forest management systems in Indonesia: community, individual, community-based and customary. He recommended that more efforts should be made to secure participation of local people, facilitate collective forest management by revising the community forest (*hutan kemasyarakatan*) program and facilitate individual or household-based forest management. In the Philippines, he conducted field research in Banawe and the northern Sierra Madre mountain region. His team members concluded that there are three types forest management systems: community-based forest management by indigenous communities and indigenous peoples or people's organizations, socialized industrial forest management and protected forest management by indigenous peoples or tenured migrants. His policy recommendations for the Philippines were to secure the participation of local people, facilitate collective forest management and facilitate individual-based forest management.
3. Prof. Hiroji Isozaki, leader, IGES Forest Conservation Project/ professor of Iwate University, Japan, discussed the differing international attitudes towards a new convention on forest management. There are those who emphasize implementation of existing treaties and those who point out the need for a new, all-encompassing

treaty. He questioned the possibility of drafting a comprehensive world treaty, considering the biological, social and cultural diversity between areas. Therefore, he suggested the use of the precautionary principle, which considers environmental, economic and social aspects for nature conservation, through an environmental impact assessment system. He emphasized the importance of public participation in forest management, categorizing 'public' into: general public, public affected or concerned, the local community and indigenous people. For indigenous and local communities, forest management becomes a human rights issue, due to their dependence on their surrounding environment for livelihood. The participation mentioned should be active, free and meaningful. He mentioned guidelines for people's participation based on the wetland convention that could be useful for forest issues.

4. Prof. Shin Nagata, sub-team leader of Timber Trade, IGES/professor of the University of Tokyo, Japan, presented their research on timber trade policies, looking at forest resource accounts, certification schemes, econometric analysis and the history of timber trade policies and finally, building a spatial equilibrium model. He stated that the importance of forest resource accounts was as a consistent framework from which to consider the relationships between the social economy and the natural environment. The difficulties in constructing the system in developing countries was caused by lack of environmental information, however he remained hopeful that forest accounts would help solve the problems of forest conservation. He outlined the reasoning for free trade in the US Trade Representative Report, including the small impact on the scale of total timber production, an increase in processed timber trade, a more efficient production, greater production from plantations and more income for developing countries. He questioned who would receive this money and how it would be used. He then commented on the assumptions and innocuous statements made within the report, indicating the defects and limitations of the equilibrium model. There is a need for different timber trade strategies for countries with little forest resources (Thailand and the Philippines) compared to those with abundant resources (Indonesia and PNG). He suggested that there should be promotion of domestic markets and domestic forest industries in order to provide economic incentives for planting and tending trees in the private sector. Thus trade restrictions are required for countries such as the Philippines. He concluded with his reasoning for trade restrictions instead of free trade: that monopolistic profit is the norm; it is an infant industry in most developing countries and therefore not yet competitive and there are environmental positive externalities derived from forests that are not taken into account by the market.

SESSION 3: LOCAL EXPERIENCES IN INDONESIA

Chair : Dr. Raldi Koestoer (LIPI)

Reporters : Dr. Deni Hidayati (LIPI)

1. Mr. Matheus Pilin, from Program Pemberdayaan Sistem Hutan Kerakyatan Pancur Kasih, Indonesia, presented a paper based on experiences in West Kalimantan. He focuses on three points: the concept of *adat* (customary law controlled) areas, factors affecting the degradation of natural resources and the need for policy change and local community involvement in forest management. Mr. Pilin began by explaining traditional management of natural resources based on the concept of the *benua* area. The Dayaks have eight categories of land, including the *kampung lebang* (human settlements), *pekuburan* (burial areas), and mystical areas for praying, cultivation areas, old cultivated areas, *tembawang* areas, and gardens and primary forest. They utilize forest and land according to these categories in a sustainable manner. The Dayak have already established conservation area based on their traditional concepts, known as *Tanah kolak pusaka*. They have also developed concepts of sustainability, collectivity, bio-diversity, and subsistence and *adat* law. Mr. Pilin then discusses three major factors affecting the degradation of forest resources: (1) forest development, for example the government have allocated about 2.2 million hectares of forests for oil palm plantations in this province, (2) government policies that not only ignore but also negatively impact on local communities, and (3) the unbalanced institutional arrangements between the government and local institutions. Mr. Pilin closed his presentation by explaining the crucial need for policy change, particularly in the development of forest resources. For this, he has 5 recommendations: (1) strengthening local institution capacities, (2) implementation of community based forest management, (3) recognition of traditional and customary rules, (4) increased local institution authority on natural resource management and (5) supporting local institutions instead of creating new ones.
2. Mr. Ade Cahyat, from Pusat Hutan Kemasyarakatan, East Kalimantan, gave a presentation based on the experience in East Kalimantan. He stated that local communities have developed traditional resource and forest management techniques based on: (1) their norms, values and control of resources, (2) their knowledge, (3) their heritage and (4) their access to the forest, which is greater than that of the government. Mr. Cahyat emphasized that local forest management is already specifically adapted to the natural resources available. However, the government has not supported local communities in managing their surrounding resources so far. For example, rattan is a potential resource, but has not been fully utilized, mainly due limits in the community's access to market information. The government does not support the communities with such things as information on how to obtain a license for marketing rattan. It is therefore difficult for the community to gain optimum economic value from forest resources. He also explained that the communities do not have the power to control their own resources. Mr. Cahyat stressed that the government does not recognize local institutions, citing Act No.7, 1979 as an example of uniformity of all institutions throughout Indonesia. He emphasized that the government has power, in contrast to the communities - who are powerless. Many conflicts occur in the field, mainly

due to inappropriate decisions by the government concerning forest resource management. He then raised the challenge of how to create a link between the government and local institutions and how to differentiate government and community roles in forest management.

SESSION 4 : DISCUSSANTS' COMMENTS

Chair : Dr. Raldi Koestoer (LIPI)
Reporters : Dr. Thung Ju Lan (LIPI) and Mr. Kimihiko Hyakumura (IGES)

INDONESIA

1. Dr. RTM. Sutamihardja, from Bogor Agricultural Institute, Indonesia, made two points. One, that deforestation rate predictions by various institutions tend to differ, so it is difficult to create any definite policy based on such data. He gave an example of fire as a cause of deforestation, where the data ranged between 263.991 ha to almost 1 million ha. Which is to be believed? Two, that the design for Indonesia's green house gas emissions is made based on 1994 inventories of CO₂ uptake and emission from various energy resources whose data are invalid as they are too small. He added that the reforestation program is mainly unsuccessful.
2. Miss Mia Siscawati, from the Indonesian Institute for Forest and the Environment, Indonesia, stated that agents of deforestation & forest degradation as defined by Contreras (1998) are: logging companies, plantation companies, mining companies, large-scale agricultural and infrastructure projects, such as Memberamo Dam in West Papua, corrupt government and military authorities, export credit agencies who provide funding for industries, and foreign aid institutions. The direct causes of forest loss in Indonesia are: poor management, over-capacity of wood-based industries, conversion of natural forests, and forest fires. Underlying causes are: political/economic/development paradigms (equality and equity), the administrative system, land and resource tenure and policy interventions of various powerful groups, including Cendana (Suharto's family). She suggested political, social and cultural approaches, through seven actions aimed at opening up decision-making to the public and supporting traditional and local communities to participate in forest management. She proposed policy recommendations for participatory forest management that shift centralized forest management policies into community-based management systems and change the government's role from land manager into facilitator.

THE PHILIPPINES:

1. Dr. Roperto P. Alonzo, from the University of the Philippines, commented that the various papers presented had mostly talked about local specifics. There are policies for various other fields and other factors that impinge on forestry policies, for example, population, transmigration and economic policies, not to mention the vast area (7000 island), cultural diversity, discontinuity of policies and quality of local governments (the percentage of highly educated government officials). He also suggested that there must be room to examine the community itself rather than community vs. outsiders scenarios, as community members are sometimes co-opted by outsiders (such as developers), the community's characteristics change over time and there are differences between communities. Another matter he thought should be considered was the rivalries between NGOs (there are thousands of NGOs in Philippines). He suggested that the SFM model observe various interests within different

communities and at different levels of administration and that indigenous laws should have more public pressure to be pushed through parliament. He concluded by saying that to change the policy-making system, we must prepare a draft that identifies all stakeholders and includes expected damages for the losers.

SESSION5 : GROUP DISCUSSIONS

GROUP A: INDONESIA

Moderator : Mr. Rinekso Soekmadi (Bogor Agricultural Institute)

Topic : Identifying causes of forest loss in Indonesia and determining policy recommendations as well as legal and administrative measures for participatory forest management and the timber trade.

1. Causes of Forest Loss

Key causes of Indonesian forest loss:

Direct causes:

- Promotion of forest conversion: HTI, agricultural development, mining, etc.
- Forest fires
- Expansion of slash and burn agriculture

Underlying causes:

- Market forces (timber) – modern technology
- Political/economic instabilities – the changes on local people orientation
- Economic/forest development policy (ex. Inappropriate land allocation policy)
- Insufficient legal/administration base

2. Policy Recommendations in terms of Participatory Forest Management

Local community participation in forest management, particularly conservation, faces several difficulties:

- a. A lack of direct benefits for local communities
- b. A lack of awareness concerning conservation and disorientation of the local government (case: West Kalimantan).
- c. Contradictions between conservation activities and the people's needs. Therefore, in defining 'conservation', we must consider the local perspective/meaning.

There are four main objectives for participatory forest management:

- a. Secure the participation of local people by
 - Securing long-term land ownership rights
 - Conservation education and awareness enhancing
 - Production/management sharing rather than benefit sharing
 - Creating mechanisms of control over resource use as common property
- b. Operationalize the management of adat* forest. Adat forest should be treated differently to other forests, based on recognition of traditional rights and clearly implemented in policies.
- c. Facilitate collective forest management by revising community forest program (HKM)
- d. Facilitate individual or household based forest management

Local people being those with the following two main characteristics:

- Dependency on natural resources from the forest
- Responsibility to the forest

* *Adat is traditional, customary laws*

3. Policy Recommendations for the Timber Trade

A brief introduction was provided concerning the experience of illegal logging in West Kalimantan.

- a. Recognition of indigenous laws and rights, because traditionally local people cut down trees for shifting cultivation and other purposes (housing). However, local people also carry out this activity on a commercial basis, because of competition with outsiders, so a balance must be found
- b. Increased protection of national parks to prevent illegal logging

4. Legal and Administrative Measures

- a. Adopt the criteria and indicators from ITTO as a guideline for sustainable forest management
- b. Considering the aspirations, suggestions and recommendations at the local level in government policy-making. Currently, Act No. 22/1999 gives management authority to the district level
- c. Improve implementation of participatory forest management, enforcing compliance with ratified international conventions
- d. Implement people's participation not only at the grass-roots level, but also at the decision-making level.

GROUP B: THE PHILIPPINES

Moderator : Dr. Juan M. Pulhin (University of the Philippines)

Topic : Identifying causes of forest loss in the Philippines and determining policy recommendations as well as legal and administrative measures for participatory forest management and the timber trade.

1. Causes of Forest Loss

Leading proximate causes of forest loss

- Export-oriented, unsustainable commercial logging
- Mining operations
- Forest Conversion
 - Agricultural expansion
 - Commercial ranching
- Upland farming
- Forest Fires
- Government Programs/Projects (eg. Dams, land for the landless, etc.)

Underlying causes

- Open access areas – tenure
- Failures of industrial plantations
- Demographic factors
- Delay in implementation of Agrarian reforms
- Misguided prioritization of DENR
- Deviant behavior of government officials/organizations concerned
- Poverty

2. Policy Recommendations in terms of Participatory Forest Management

- 1) Increase and sustain support for the implementation of existing participatory forest management policies

Support: a) Sustainable budget
b) Human resources
c) Organizational structure/capacity

Target: the Philippine government/DENR

LGUs

NGOs/Pos

Donor Agencies

1. Continuous advocacy for the elevation of EO 263 to legislative policy
2. Support implementations of IPR within CBFMAs, ancestral lands, through: IEC, training, surveys, budget

3. Policy Recommendations for the Timber Trade

1. Liberalize and promote domestic, inter-regional timber trade from sustainable sources
2. Set up a timber certification scheme from CBFMAs, CADCs and legitimate TLA holders.

4. Legal and Administrative Measures (forest conservation by means of local participation)

1. Compliance with existing International Instruments
2. Ensure local people's participation

Dispute settlement mechanisms – for future national and international agreements

PLENARY DISCUSSION ON INDONESIA

Presenter : Dr. Mr Rinekso Soekmadi (IPB)
Chair : Dr. John Haba (LIPI)
Reporters : Dr. Yasmin S. (LIPI)

Mr Rinekso Soekmadi, lecturer at IPB, Indonesia, outlined the draft report from the Indonesian group discussion.

1. Mr. Ade Cahyat, from Pusat Hutan Kerakyatan, East Kalimantan, wished to add 'the absence of power/authority' as a cause of forest loss. As local people have no authority/power in forest management, it is not clear who should be responsible. For example, in East Kalimantan the local government granted rights to local communities for wood collection and logging, but it is not clear who, within the community, benefits from these rights granted. The local government does not consider institutional problems within the communities. Mr. Herman Hidayat, researcher from LIPI, added that there are difficulties in rights granted to local people such as: sharing among local people, common property and boundary definitions. Mr. Takai Hideaki, assitant team leader of JICA, also mentioned that one more significant factor in forest degradation is migrant people who open up areas for their livelihood, such as for slash and burn cultivation.
2. Dr. Deny Hidayati, researcher from LIPI, commented that another underlying cause of forest loss mentioned should be weak law enforcement. Indonesia has many laws and regulations, but weak law enforcement, particularly in the timber trade. Dr. Yamane Masanobu, research fellow from IGES, added that one of the underlying causes, demographic casuese such as population growth is a significant factor. Not only in forest areas, but also population growth in Java.
3. Dr. Riwanto Tirtosudarmo, head of the Centre for Social and Cultural Studies-LIPI, pointed out that the political/economic instabilities factor is not quite correct because even in the stable economic situation we still face problems. It is more a problem of political structure. The political structure undermines local participation.
4. Dr. Ernesto S. Guiang, consultant for the World Bank, the Philippines, asked whether the Indonesian government gives tenure to indigenous people? In his opinion, tenure provides long term vested interest to indigenous people to manage their resources. Dr. Rinekso Soekmadi provided an explanation through a case in Lampung, where 300.000 hectares of degraded land is occupied by local people and the government only wants the function of the land (forest), not the ownership. Now the orientation shifts from ownership to function. There is no certainty of tenure and activities are mostly based on contracts.
5. Mr. Takai Hideaki commented that the diversity of local communities creates difficulties on the issue of participation. With the inclusion of migrant communities it becomes even more diverse, making it difficult to define participation of local communities. For example, there are three kinds of migrants in Jambi and no traditional democratic procedure to cope with this. Thus, supervision from a professional bureau should be provided. Policy recommendations should be aimed at the district level, not only the provincial/national level. Dr. Thung Ju Lan, researcher from LIPI, added that because the district level covers vast areas (35 villages), then people participation becomes a big question: which groups are involved? Thus, we should first identify the community groups, then create a network. Prof.

Inoue Makato, IGES visiting researcher, , suggested that both local and public spheres be involved. The first step focusing on local participation with local communities as the main concern. In the second step, public participation will be necessary where many more stakeholders are included. Dr. Salve B. Borlagdan, lecturer at Ateneo de Manila University, the Philippines, commented that in the Philippines, the term stakeholder participation is used, with different levels of dependency on the forest: primary, secondary, tertiary.

6. Ms. Mia Siscawati, from the Indonesian Institute for Forests and the Environment, Indonesia, concluded by emphasizing that the term 'indigenous' is specific because indigenous people require special attention and affirmative action in order to attain equal positions with the rest of society.

PLENARY DISCUSSION ON THE PHILIPPINES

Presenter : Dr. Juan M. Pulhin (University of the Philippines)

Moderator : Dr. Salve B. Borlagdan (Ateneo de Manila University)

Reporters : Dr. Deny Hidayati (LIPI) and Mr. Kimihiko Hyakumura (IGES)

Dr. Juan M. Pulhin summarized the outputs of the Philippine group discussion that consisted of 4 topics: causes of forest loss in the Philippines, policy recommendations in terms of participatory forest management, the legal timber trade and legal and administrative measures.

1. Major causes of forest loss: (a) export-oriented unsustainable commercial logging, referring to legal and illegal logging, (b) mining operations' contributions to deforestation, (c) forest conversion relies on export orientation, particularly agricultural expansion in the southern area of the Philippines, such as pineapple and banana plantations and commercial ranching (close to 2 million hectares), (d) upland farming, especially related to subsistence farming and (e) large government programs such as programs for the landless.
2. Dr. Pulhin also explained that there are seven underlying causes of forest loss: (1) open access areas that cover 30 percent of total Philippine land area (around 10 million hectares), particularly upland farming, (2) various industrial plantations, one percent of the country timber demand is being supplied by plantations, (3) demographic factors, particularly related to increases in upland populations and large migrations to upland areas during the 1980s (as a result, upland population growth has increased to 2.8 - 3.4 percent compared with the national growth rate of about 2.3 - 2.5 percent), (4) a delay in the implementation of agrarian reform both in upland and lowland areas, (5) misguided DENR priorities and scope in terms of the budget and mining, (6) the deviant behavior of some government officials, especially related to the agencies concerned and (7) poverty (not really discussed, but it is important for the Philippine case).
3. There are three main policy recommendations related to participatory forest management: (a) promote participatory management in order to increase and sustain support for the implementation of existing participatory forest management, particularly support mechanisms such as (1) a sustainable budget, (2) human resources, (3) organizational structure capacity, not only bureaucratic but capacity building as well, (4) definition of the target groups, (b) continuous advocacy for the evaluation of EO263 to legislative policy, (c) support for the implementation of IPR within CBFMAs, ancestral lands, through a number of strategies such as training, surveys and budget allocation.
4. There are two policy recommendations on timber trade: (a) to liberalize and promote domestic, inter-regional timber trade from sustainable sources, particularly dealing with barriers to log transportation in terms of permits and (b) setting up timber certification schemes for CBFMAs, CADCs and legitimate TLA holders, particularly to ensure sustainability of resources. With the huge demand in the furniture industry, there is a strong need for certification.
5. Dr Pulhin also explained about three legal and administration measures: (a) compliance with existing international instrumentality, including forest conventions, bio-diversity conventions and the Philippine Agenda 21 (b) ensuring local people's participation and (3)

dispute settlement mechanisms - both national and international agreements (considering multi-stakeholders at various levels).

6. Then Dr. Pulhin summarized the outputs of informal discussions, including (1) enhancing the capability of communities for sustainability of their livelihood, as government programs do not encourage sustainable livelihood and (2) considering the policy process, the recommendations and critiques by key actors/stakeholders must be involved at various levels in order to ensure the concept of participatory forest management is implemented.

Comments from members of the group

1. Francis J. Victoria made several comments, that: (1) it is true that participatory management does exist, but it is not perfect; (2) mining operations interfere with effective forest management as there are overlapping claims over several areas such as mining and CBFMA's claims; (3) the political rhetoric concerning CBFAs started with the Aquino administration and continued by President Ramos, but there is still the question of tenure issues and legal rights left hanging; (4) the Philippines needs greater legal and administrative measures for violation of forest regulations. There are some moves to increase penalties, at least one major tool to reduce violations, and (5) to ensure local people's participation, there should be institutionalized free and prior knowledge policies for local communities. For example, if a mining corporation is about to enter ancestral lands, there should be more local people's participation in the redrafting of the policy.
2. Dr. Ernesto S. Guiang commented that environmental compliance certificates are not the issue with the IEC. The problem is the implementation of granting compliance certificates. There are no proactive efforts on the part of the government to monitor company compliance to what is stated in the environmental management certification.
3. Ms. Salve B. Borlagdan suggested that the Philippines make sure that implementation of CBFMs takes place and is conducted properly and effectively with the entire country involved in learning to implement CBFMs.
4. Dr. Ernesto S. Guiang closed the discussion with the comment that the Philippines has the written policies, but there is a large difference between the written policy and its implementation. So, closing the gap is the challenge.

CONCLUSIVE DISCUSSION:

Chair : Dr. John Haba (LIPI)
Reporter : Dr. Deni Hidayati (LIPI)

1. Mr. Herman Hidayat (Center for Social and Cultural Studies) questioned the criteria for liberalization and promotion of the timber trade in developing countries, particularly concerning local and national government policies. He gave an example of Sanggau, West Kalimantan, where illegal cutting and smuggling from this area to Serawak, Malaysia occurs on a large scale, but the police are unable to prevent this. In this case, how do you liberalize the timber trade? Mr. Yuichi Sato (JICA) explained that it is a case of strengthening sustainable resources rather than unsustainable resources such as illegal logging. We can never completely stop the transport of illegal logs to other areas. But, if it is sustainable, it will be transported freely throughout the country. Both liberalization and regulation are important.
2. Dr. Raldi Koestoer mentioned that the tollgates for the timber trade in the Philippines attracts corruption and so maybe the certification scheme would also attract corruption. Mr. Raldi suggested looking at monitoring or evaluating systems. Dr. Ernesto S. Guiang explained that it is really part of the international certification procedure. The Philippines has a large furniture industry, exporting 95% of its products to Europe and the US and the biggest problem now is using internationally certified wood from sustainably managed forests. In the Philippines, the only source of wood from natural forests are the CBFMs and six timber license agreements. So, if the CBFMs are certified as sources of sustainably managed forests, they could then supply furniture-makers with the raw materials, selling the produce to Europe and the US. Dr. Salve B. Borlagdan added that the forest certification scheme is basically aimed at export-oriented wood industries.
3. Mr. Harry Susanto asked how the Philippines could differentiate between community-based forest management and indigenous people? Dr. Ernesto S. Guiang answered that there is no difference, only with tenure. The tenure for community-based management is mostly given to organized upland communities. In terms of harvesting, indigenous people can access all resources, but the community can only access forest resources.
4. Dr. Sutamiharja mentioned the ITTO Bali meeting and the tasks to begin in the year 2000. There are two types: one related to the environment, regarding certification of sustainable forest management and the other, eco-labeling. Dr. Ernesto S. Guiang admitted that the Philippines is under less pressure than Indonesia. The Philippines only has 6 timber license agreements, producing 0.5 million m³ of wood from natural forests. Indonesia has industries that are so large they feed the export market. Ms Mia Siscawati made several points on the ITTO, including that: (1) the ITTO produced a non-legally binding agreement for sustainable forest management, including Indonesia, the Philippines and other ASEAN countries. In order to implement the agreement, the Indonesian government has produced the Ministerial Decree for Sustainable Forest Management, compulsory throughout the country; (2) the issue of forest certification came up as a tool to convince people to trade in wood from sustainable resources. There was a debate as to whether the certification should be compulsory or voluntary. There is no government role in the certification process as the forest council is the accreditation body; (3) forest certification is still in the preliminary

stage. Although forest certification has been used in Indonesia for seven years, there is still debate about what kinds of certification should be implemented. Indonesia faces a very difficult situation because it does not wish to repeat the experience of AMDAL and (4) certification is not only for timber export but also a tool to bring about public participation, because of international and domestic demand. Dr. Ernesto S. Guiang added that certification is not a self-serving process; it is voluntary and market driven.

5. Ms Mia Siscawati, from the Indonesian Institute for Forests and the Environment, asked for clarification of free and prior consent systems in the Philippines with regards to ancestral traditions of forest communities. Mr. Francis I Victoria explained that free and prior consent systems are used in the context of ancestral lands of indigenous cultural communities or indigenous people as these communities are usually in forest areas. This type of system can be implemented in forest areas and genuinely adapted and practiced through informing the communities and requiring their consent before anything is carried out in their area.