



TRENDLINES

The Forest Trends Newsletter

June 16, 2004

Dear Friends,

It has been a busy beginning of 2004 here at Forest Trends! We have been involved in a number of exciting developments and have several interesting opportunities lined up for the upcoming months. I encourage you to read about the most important ones in this newsletter.

This April marked the 5th anniversary of Forest Trends. We celebrated with more than 75 guests here in Washington, D.C., all committed individuals who represent the diverse players critical to the success of the vision of forest conservation and poverty reduction through new ecosystem markets. Representatives from financial institutions, non-government organizations, the forestry industry, development and government agencies and forest communities helped us celebrate.

We'd like to thank all of you for being part of Forest Trends' success during our first five years. We look forward to growing with you over the coming years and achieving more important milestones together. As part of Forest Trends' development, we have launched a page on our web site that enables individuals to make contributions online. Please visit <http://www.forest-trends.org> and consider supporting us.

Best,

Michael Jenkins
President

INITIATIVES

Upcoming! Marketplace

A new initiative to be launched by our Katoomba Group, the Ecosystems Marketplace is a global information service that reports on developments in ecosystem service-based markets. It is the first marketplace facilitating conservation transactions between buyers and sellers of these services. The goal is to consolidate information on these new ecosystem markets into a single platform. This ecosystem marketplace is geared towards a broad audience of market participants, regulators, policy makers, NGOs, community groups and academic institutions. It will enable policy development based on experience, market facilitation based on increased transparency and predictable information flow, and the ability to leverage innovation internationally.

Request for Case Material on Payments to Communities for Ecosystem Services

In conjunction with this new undertaking, we are developing a set of case materials on payments for ecosystem services involving community sellers and/or buyers. These cases include specific information on transactions, operations and community involvement. If you have any relevant information on such material, please alert Mira Inbar at minbar@forest-trends.org and let us know if such material is confidential or if we may post it on our website.

Business Development Facility - Update

Forest Trends' Business Development Facility is set to launch its first couple of projects including one in Acre, Brazil and one in South Africa. The goal of the Facility is to assist forest owners in developing integrated sustainable forest management plans, including certification, to develop additional revenue streams from ecosystem services, non-timber forest products, value-added timber products and lesser-used species, and to assist in commercializing these where feasible.

In Brazil, the Facility is assessing options for developing carbon credits from biofuels, extracting and developing applications for essential oils, extracts and resins, and promoting lesser-used timber species. In Sabie, South Africa, the Facility is evaluating the potential for recreation and eco-tourism, carbon credits from biofuels, the reforestation of indigenous species for community use, and options for conservation/biodiversity credits for endangered species.

We are excited about these first two projects and anticipate adding additional projects soon. Please contact us if you see connections with your work.

Launching of Forest Trends Website in Chinese

We are excited to announce that relevant portions of our web site have been translated into Chinese. This reflects our increased work in this part of the world. For more information, please visit us at

<http://www.forest-trends.org/Language/Chinese%20Site/index.htm>

Finding Synergies among the Millennium Development Goals on Hunger, Poverty and Environment

As part of Forest Trends' efforts to support the Millennium Project, Sara Scherr led an initiative "Pursuing Rural Synergies to Meet the Millennium Development Goals." On January 29th, we brought together leaders of the Task Forces on Hunger, Poverty, Water and Sanitation, and Environmental Sustainability to develop recommendations for achieving the MDGs that will take advantage of cross-sectoral synergies, address dependencies and avoid conflicts. Information about the Millennium Project may be found at:

<http://www.unmillenniumproject.org/html/about.shtm>

Forest Trends Offsets Its Travel

In its work, Forest Trends promotes the development of financial instruments that encourage forest conservation and support global action to mitigate climate change. Forest Trends has already established a practice of paying to offset carbon emissions resulting from major Katoomba Group international conferences. Forest Trends staff members have also

been as strategic as possible in planning trips and finding alternative ways to interact with collaborators, but travel remains a key element of our work. Forest Trends will now offset emissions resulting from airline travel by investing in the voluntary carbon market. We will use Future Forests' emissions calculator (<http://www.futureforests.com>) and invest in rigorously monitored forest carbon and energy projects to make these offsets.

CONVENINGS

Recent:

Workshop on Economic Incentives for Forest Landscape Restoration and Sustainable Forest Management (SFM) in Bogotá, Colombia

Some 140 participants representing local, regional and national governmental authorities, international organizations, conservation NGOs, bilateral donor agencies, academia and the private sector gathered in Bogotá, Colombia for a workshop co-sponsored by the Katoomba group, PROFOR (World Bank), and CI Colombia to review the Colombian Forest Law. The two major themes included incentives for sustainable forest management (SFM) and forest landscape restoration. Recommendations were shared with the Colombian government as input to the forest law reform process. For more information, visit <http://www.profor.info/colombia.htm>

Mexican Community Wood Products: Opportunities and Challenges

Forest Trends presented the findings of the first-ever market study for community forest products in five states in Mexico in January in the cities of Oaxaca and Chetumal, Mexico to over 300 participants including government officials, certifiers, NGOs and industry representatives. For a copy of the presentations (in English and Spanish) and working group discussions in Spanish, please contact Alejandra Martin at amartin@forest-trends.org

Latin American Forest Communities Merge Forces

Together with local partners, Forest Trends co-organized a series of workshops that seek to promote exchanges between forest communities in Latin America. The three-part process took place in Guatemala, Venezuela and Costa Rica in July 2003, as well as February and March of this year. Over 100 community leaders from Belize, Guatemala, Honduras, El Salvador, Panama, Costa Rica, Nicaragua, Mexico, Brazil, Bolivia, Peru, Ecuador, Colombia and Venezuela met to identify strategies for securing tenure, diversifying their resource base, commercializing their products and improving their standard of living through the sustainable use of their resources. For copies of the proceedings and presentations in Spanish, please contact Alejandra Martin at amartin@forest-trends.org

Upcoming Workshops and Conferences:

Conference on Forest Finance and Investment in China: Trends and Issues, September 22-23, Beijing

The conference will focus on China's financial architecture for forestry—public financing policies and mechanisms as well as international lessons on public subsidies for plantations and industry, the experiences of the private sector with subsidies and the emerging standards for due diligence practices used by private banks and investors. Speakers will include researchers as well as leaders in the Chinese banking sector, investment community and Chinese industry. The conference is co-sponsored with the Forest Economics and Development Research Center (FEDRC) of China's State Forestry Administration and CIFOR. For more information, please contact Xiufang Sun (xsun@forest-trends.org).

International Ecoagriculture Conference and Practitioners Fair, September 27 - October 1, Nairobi, Kenya

Ecoagriculture Partners, which Forest Trends has been hosting since last fall, is planning a conference that will play a catalytic role in encouraging the development and spread of ecoagriculture systems in both policy and practice. The purpose of the Conference and Practitioners Fair is to assess the state of “ecoaiculture” systems and practices and to develop a strategy for promoting and supporting ecoagriculture development around the world. For more information, please visit

<http://www.ecoaiculturepartners.org/Meetings/Nairobi04.htm#1.1>

Conference on Regional Forest Trade and Finance, October 7 - 8, Kuala Lumpur

This conference will focus on forest trade and finance trends in China and the East Asian region as well as other related critical issues including illegal logging, the due diligence requirements of investors and emerging markets for ecosystem services. It is co-sponsored with Tropbio and CIFOR. For more information, please contact Kerstin Canby (kcanby@forest-trends.org).

Unleashing the Potential: Forest Policy Reform for the Collective Forest sub-sector in China, October 18 - 19, Beijing

Co-organized by Forest Trends, the Chinese Agricultural University (CAU) and the FEDRC (Forest Economics and Development Research Center), this conference will feature the results of new analyses of key Chinese forest policies – including property rights reform, the logging ban, the harvesting quota, the ecological compensation fund and expansion of protected areas. For more information, please contact Anders West (awest@forest-trends.org).

Next Katoomba Group Conference, November 18 - 20, Bangkok, Thailand

Please mark your calendars now for our next Katoomba Group meeting in November 2004. It will take place in conjunction with the IUCN World Conservation Forum. We will be hosting a one-day Global Synthesis Workshop on November 19. A private Katoomba Group meeting will follow the conference.

PUBLICATIONS

New Publication Released: A New Agenda for Forest Conservation and Poverty Reduction

“A New Agenda for Forest Conservation and Poverty Alleviation: Making Markets Work for Low-Income Producers” by Sara Scherr and Andy White of Forest Trends and David Kaimowitz of CIFOR, published in association with CIFOR and IUCN, lays out strategies to promote forest market development in ways that contribute to livelihoods and community development in low- and middle-income countries. Realizing that dominant forestry and forest conservation models fail to address the linkage of the world’s forests and the future of millions of the world’s poorest people, the authors offer a fundamental re-assessment of the role of forests in rural development and the role of local people in forest conservation. The book can be downloaded from the Forest Trends website at www.forest-trends.org and hard copies can be requested from Forest Trends (Anne Thiel at athiel@forest-trends.org), CIFOR (Nia Sabarniati at n.sabarniati@cgiar.org) or IUCN (Mette Bovenschulte at mee@hq.iucn.org).

Meeting China’s Growing Demand for Wood: New Reports on China’s Import Trends

Two new reports, “China’s Forest Product Import Trends 1997-2002” and “Meeting China’s Demand for Forest Products: An Overview” describe China’s import trends by product, by country of origin and by port of entry for the last 5 years. Co-produced by CIFOR and the Chinese Center for Agricultural Policy (CCAP), both papers are based on a thorough analysis of Chinese customs data. They are available at www.forest-trends.org/publications. This series, soon to be completed, presents analyses of Chinese demand for paper and paper products. It also includes analyses of export industry and trends in key countries supplying China, including Papua New Guinea, Burma, the Russian Far East, Indonesia and the Mekong region. These products are scheduled to be completed in June. For more information contact Jeannie Katsigris (jkatsigris@forest-trends.org).

Studies on Company-Community Agreements in Brazil and Mexico

Forest Trends recently completed two studies that characterize the nature of agreements between companies and communities in Brazil and Mexico and highlight successful cases. The Brazil study was presented at the Corporate Responsibility Panel during the Brazilian Certified Products Fair in São Paulo in April. The Mexican experience will be presented in June at a briefing for the National Forest Commission. For copies of the studies in English, please contact Alejandra Martin at amartin@forest-trends.org

Indigenous Forestry in Nicaragua

Forest Trends carried out an assessment of indigenous participation in commercial forestry markets in Nicaragua’s Northern Atlantic Autonomous region. The study will be translated into Spanish and disseminated to key informants and actors doing business in Nicaragua. The study is available at www.forest-trends.org/publications

New Publication in Certification Series: “Certification in Complex Socio-Political Settings”

A new publication in our series on forest certification has just been posted to our website. The paper is authored by Michael Richards and includes contributions from a number of other specialists from around the globe. It assesses the impacts, progress and problems of certification in complex governance and socio-political settings; reviews evolving and modified approaches to certification in complex settings; and makes recommendations about the future role of certification in these areas. The paper along with relevant country case studies can be downloaded at

<http://www.foresttrends.org/resources/pdf/Complex%20Settings.pdf>.

Strengthening Community Forestry Tenure: Two New Publications

Two new publications “A Place in the World: A Review of the Global Debate on Tenure Security” and “Deeper Roots: Strengthening Community Tenure Security and Community Livelihoods” produced by Forest Trends and published by the Ford Foundation are now available. “A Place in the World” is a literature review of the different arguments surrounding the debate of tenure security and “Deeper Roots” derives lessons from six case studies that examine different strategies employed to strengthen community rights. For hard copies contact Anne Thiel at athiel@forest-trends.org.

Forest Governance in Federal Systems

Forest Trends recently completed a new analysis “Forest Governance in Federal Systems: An Overview of Experiences and Implications for Decentralization.” The paper was prepared for the conference on forest decentralization held in Interlaken, Switzerland, April 26-29. It assesses the experiences of eight countries with federal systems including Australia, Canada, Brazil, India, Malaysia, Russia, Nigeria, and the USA as well as the experiences of the non-federal countries of Indonesia, Bolivia and Nepal, each of which has recently undertaken initiatives to decentralize governance. The draft version distributed at the conference is available on the conference website

http://www.cifor.cgiar.org/int_ref/events/swiss/papers.htm and a final version will be published in the coming months.

Scaling up Biodiversity

Michael Jenkins participated in the Aspen Institute Biodiversity Forum and presented the paper “Scaling up Biodiversity Protection: Potential Role and Challenges of Markets for Biodiversity Services.” It reviews new market solutions to biodiversity conservation, assesses the scale of market demand and proposes next steps for scaling up financial payments for biodiversity conservation. The paper, co-written by Sara Scherr and Mira Inbar, is available at www.forest-trends.org/publications and is scheduled to be published in the magazine *Environment*.

For more information about the magazine, please visit www.heldref.org.

The article will also be included in a book that the Aspen Institute will publish later this summer.