

# Commercial Forestry in the Russian Far East: Opportunities for Sustainable Trade, Conservation, and Community Development

18 – 20 September 2001

Y u z h n o – S a k h a l i n s k, R u s s i a

*Co-hosted by:*

**FOREST TRENDS**

**SAKHALIN ENVIRONMENT WATCH**

**FAR EASTERN FORESTRY RESEARCH INSTITUTE**

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**SAKHALIN ADMINISTRATION, MINISTRY OF NATURAL RESOURCES**

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**THE WORLD BANK**

**INSTITUTE FOR GLOBAL ENVIRONMENTAL STRATEGIES**

**With the support of World Bank/WWF Alliance, Forest Trends, and the Trust for Mutual Understanding**

## **Purpose**

The purpose of the conference is to discuss market-based strategies to promote sustainable forest management and a sustainable forest industry in the Russian Far East and to catalyze connections between potential partners in sustainable commercial forestry. The conference will address critical issues facing the forestry sector in the Russian Far East, including: the status of timber trade between the Russian Far East, Japan and China; growing market opportunities offered by the international movement

for independent, third-party certification; the risks to industry and communities from unsustainable practices and illegal logging; and approaches to enhance the contribution of forestry to the economic development of local communities. The conference will be hosted by international and Russian Far East business leaders, non-governmental organizations, academic institutions and regional forest government agencies. The meeting will also build on develop the themes advanced at the conference in held Khabarovsk in September 2000 on sustainable forestry and the joint Russian – Chinese – North American conference in Chita, also September 2000 on combating illegal logging.

## **Background**

The forests of the Russian Far East are one of the world's most important areas of natural forests, an enormous carbon and biodiversity reservoir, and an important economic asset for many forest communities. Large expanses of unbroken forest house and protect numerous species whose continued existence is dependent on the natural forests, including the threatened Siberian Tiger. The carbon structure of these forests is a global concern: while the forests store large amounts of carbon in their soils and trees, recuperation of a significant portion of this storage through regrowth after release through logging and road-building would require at least a century. Maintaining this reservoir of forest carbon is a crucial part of combating climate change over the long-term.

However, these forests, the forest industry, and the associated communities are under threat from a number of sides. Government institutions that once regulated forestry have vast responsibilities with few budget resources. There is high and indiscriminate demand for forest products in neighboring countries, particularly Japan and China. (Russian exports of roundwood to China more than quadrupled from 1997 to 1999 and have increased since.) Illegal logging, estimated to represent somewhere between 25 and 50% of all logs exported, undermines incentives to invest in forest management and the sustainable development of communities and industry. The high perceived and actual risk for investments in the Russian Far East discourages the innovation that would improve forest management and lead to efficiency gains. And climate change itself threatens to worsen forest fires adding pressure on the forest resource base. At the same time, an inefficient industry and little local manufacturing mean there are few economic benefits from logging in RFE communities.

Overcoming these obstacles will require more active cooperation between sectors and an advance guard of entrepreneurs ready to take advantage of new opportunities to promote sustainable forestry.

## AGENDA

*18 September*

***Morning session: Global and Regional Forest, Resource and Economic Trends***

Session Chair: Tamara Rusina, Worldwide Fund for Nature

- 9:00 – 9:30                    **Welcome**  
Andy White, Forest Trends and Sakhalin Administration Representative
- 9:30 – 10:15                **“Overview of Trends and Forest Issues”**  
Alexander Sheingauz, Economic Research Institute and Andy White, Forest Trends
- 10:30 – 11:15              **“Citizen Forest Monitoring in the Russian Far East”**  
Anatoly Lebedev, Global Forest Watch
- 11:30 – 12:15              **“Forests, Forestry and Conservation on Sakhalin Island”**  
Dmitry Lisitsyn, Sakhalin Environment Watch
- 12:15 – 1:30                Lunch

***Afternoon session: Timber Markets and Sustainability***

Session Chair: Dmitry Efremov, Forestry Research Institute

- 1:30 – 2:15                    **Panel: “Supply and Demand Markets for Certified Products: An Overview”**  
  
Michael Northrop, Rockefeller Brothers’ Fund  
Catherine Mater, Mater Engineering
- 2:15 – 2:30                    **Questions and Discussion Period**
- 2:30 – 3:15                    **“Supply Forecasts for Timber from the Russian Far East”**  
Sten Nilsson, International Institute for Applied Systems Analysis
- 3:15 – 3:30                    Break
- 3:30 – 5:30                    **Panel: “The Future of Markets for Sustainable Forest Products”**  
Moderator: Michael Northrop, Rockefeller Brothers’ Fund
- North American Markets:**            Paul Fuge, Plaza Hardwoods, CFPC
- Japanese Markets:**                    Hiroaki Kakizawa, IGES  
Kenny Senju, Mitsubishi International
- Chinese Markets:**                      Changjin Sun, Chinese Academy of Sciences

*19 September*

***Morning Session: Innovations and Investment***

Session Chair: To be determined.

- 8:30 – 9:30                    **Panel: “Policy Innovations for Sustainable Forestry Globally and in Russia”**  
Moderator, Andrey Kushlin or Gerhard Dieterle, the World Bank  
  
Evgeniy Kuzmichev, Independent University of Environmental & Political Sciences  
Alexander Sheingauz, Economic Research Institute
- 9:30 – 10:00                **Questions and Discussion Period**
- 10:00 – 10:45              **“Efficiency Investment Opportunities that Promote Sustainable Forestry”**  
Catherine Mater, Mater Engineering
- 10:45 – 11:00              Break
- 11:00 – 11:45              **“Sustainable Forestry: First Principles”**  
Gary Bull, University of British Columbia
- 12:15 – 1:30                Lunch

***Afternoon Session I: Progress Towards Certification***

Session Chair: David Gordon, Pacific Environment

- 1:30 – 2:15                    **“The IKEA Approach to Promoting Well-Managed Forests”**  
Magnus Löfmark, Ikea
- 2:15 – 3:15                    **Panel: “Certification in the Russian Federation: How It Works”**  
Moderator: Volodya Chuprov, Chair, FSC Working Group, Russia  
  
Vyacheslav Tolmachev, Price Birch Ltd.  
Alexander Yakovlev, SGS Russia  
Andrey Zakharenkov, Forest Certification Center, Khabarovsk
- 3:15 – 3:30                    **Questions and Discussion Period**
- 3:30 – 3:45                    Break

***Afternoon Session II: Indigenous Forest Use***

Session Chair: Gary Bull, UBC

- 3:45 – 4:30                    **“The Iisaak Experiment: New Directions for Indigenous Forest Tenure”**  
Eric Schroff, Iisaak Forest Resources/Weyerhaeuser Corporation
- 4:30 – 5:00                    **“The Future of Indigenous Natural Resource Development in Russia”**  
Galina Volkova, Khabarovsk Association of Indigenous Peoples of the North

*20 September*

9:00 – 9:30                    **“The Road to Sustainable Forestry in the RFE, a Forest Industry Perspective”**  
Sergei Naumkin, Terneiles

9:30 – 10:15                **“Summing Up and Looking Forward: Key Challenges and Opportunities to  
Advance Sustainable Forestry in the Russian Far East”**  
Sergei Tsyplenkov, Greenpeace Russia

10:15 – 11:30              **Adoption of Resolution**  
Lena Mezhenyaya, Sakhalin Environment Watch

11:30 – 12:30              **Concluding Remarks**  
Andy White, Forest Trends, and Alexander Sheingauz, Economic Research Institute