



## ILLEGAL FOREST CONVERSION IN THE MEKONG: POLICY IMPLICATIONS FOR LAND INVESTMENTS, CLIMATE, AND FOREST LEGALITY INITIATIVES

EXPERT WORKSHOP

July 21-23, 2014

**Novotel Vintage Park Resort**

Phuket, Thailand

It is increasingly clear that the most significant threat to the remaining forest in the Mekong region is conversion for commercial agriculture and infrastructure. Much of this conversion is also highly correlated with land rights abuses and recent Forest Trends research suggests that a substantial proportion of these lands, in some countries the majority, are being illegally deforested. Failure to comply with relevant laws can occur during the process of issuance of rights to convert forests, if permits or licenses are illegally issued, and in relation to environmental and social regulatory requirements for companies operating in the land use sectors.

While there is a growing understanding of national legal contexts for conversion, there has been very limited analysis of potential technical or political opportunities for leveraging credible legal compliance in land conversion and minimising the negative impacts of deforestation caused by illegal activities.

In many cases the resultant agricultural production is for export and 'conversion' timber is also entering into regional supply chains and, in many cases, ultimately being sold into environmentally and socially 'sensitive' markets such as Europe and the US. This scenario suggests a number of policy options for supporting the enforcement of relevant laws through standards in carbon finance, international trade, and voluntary private sector purchasing policies and investment standards; in some cases drawing on experiences in the timber sector.

This two and a half day workshop aims to bring together experts from five focal countries (Cambodia, Laos, Myanmar, Thailand and Viet Nam) and a range of relevant policy processes (REDD+, FLEGT, corporate responsibility) in each of the focal countries, to engender a regional discussion. Facilitation will emphasise regional policy synergies and key themes, with a focus on problem solving. Participation of local, national, and regional experts in REDD+, FLEGT, economic development, land use planning, FDI, poverty alleviation, and land rights/land use issues will be integral to a fruitful and results-oriented dialogue. Relevant international agencies from the forests, development and agricultural sectors will also be invited to participate.

It is hoped that the workshop will be part of an on-going process of building relationships between stakeholders operating in the REDD+ and FLEGT processes across the region, and exploring policy options for improving legal compliance and enforcement as, for example, Mekong countries establish VPA negotiations and implement REDD+ national strategies.

### *Objectives:*

- Disseminate new findings on the characteristics and extent of illegality in land conversion to relevant policy processes;
- Share information about tools and political opportunities for leveraging credible legal compliance in land conversion across the Mekong region;
- Begin to build a network of experts across countries and policy processes to identify and support synergies; and
- Identify opportunities to facilitate Ministerial level dialogue and advocacy

## Agenda

<b>DAY ONE: July 21, 2014</b>	
<b>Assessing the Scale and Characteristics of the Problem</b>	
9.30 – 10.15	<p><b>Opening Session: Welcome, objectives, participant introductions</b></p> <ul style="list-style-type: none"> <li>• Kerstin Canby, Forest Trends</li> <li>• Peter Feilberg, NEPCon</li> </ul>
10.15 – 11.45	<p><b>Session 1: Forest conversion – global and regional trends and defining illegality</b></p> <p>Questions:</p> <ol style="list-style-type: none"> <li>1. <i>How do global trends in the production, processing, and consumption of agro-commodities influence forest conversion in the Mekong?</i></li> <li>2. <i>What do we mean when we say forest conversion is “illegal”? How do we define a verifiable framework for legality in forest conversion?</i></li> <li>3. <i>How can illegality in the conversion process be reflected in the timber and agricultural products arising from it?</i></li> <li>4. <i>How can a concept of legality include factors that can enable responsible investment?</i></li> </ol> <p>Chair: Jade Saunders, Forest Trends</p> <p>Presentations:</p> <ul style="list-style-type: none"> <li>• Conversion trends in the Mekong and Southeast Asia: Production, consumption, export and import data – Keith Barney, Crawford School, Australia National University (ANU)</li> <li>• Defining illegality in land conversion – Clare Brogan, The IDL Group</li> <li>• Rights and tenure issues in land conversion – Bryson Ogden, Rights and Resources Initiative (RRI)</li> <li>• Illegality in forest conversion: A global perspective – Art Blundell, Natural Capital Advisors / Forest Trends</li> </ul> <p>Discussion</p>
11.45 – 12.00	Coffee
	<p><b>Session 2: Presentation of country studies on land conversion</b></p> <p><i>In this session, authors of five country case studies will present their research findings, followed by remarks from panel respondents and facilitated discussion, with clarifications, corrections, and recommendations to be reflected in final, published studies. Topics will include:</i></p> <ul style="list-style-type: none"> <li>• <i>Status of land conversion</i></li> <li>• <i>Legal and regulatory requirements</i></li> <li>• <i>Social and environmental impacts of illegal conversion</i></li> <li>• <i>Key government institutions</i></li> <li>• <i>Conversion timber assessments</i></li> <li>• <i>Agricultural production and end markets</i></li> </ul> <p>Chair: Kerstin Canby, Forest Trends</p>
12.00 – 12.45	Viet Nam: Quang Nguyen, Forest Trends

	<p>Respondents:</p> <ul style="list-style-type: none"> <li>• Lan Thi Thu Nguyen, World Bank</li> <li>• Ngo Sy Hoai, Vietnam Wood Association</li> </ul>
12.45 – 13.45	<i>Lunch</i>
13.45 – 14.30	<p><i>Thailand:</i> Alexandra Banks, NEPCo</p> <p>Respondents:</p> <ul style="list-style-type: none"> <li>• Sapol Boonsermsuk, Royal Forest Department of Thailand</li> <li>• Somying Soontornwong, RECOFTC – The Center for People and Forests</li> </ul>
14.30 – 15.15	<p><i>Cambodia:</i> Koy Ra, Independent Consultant and Alexandra Banks, NEPCo</p> <p>Respondents:</p> <ul style="list-style-type: none"> <li>• Seng Maly, CLEC</li> <li>• Sarah Milne, Australia National University (ANU)</li> </ul>
15.15 – 15.30	<i>Coffee</i>
15.30 – 16.15	<p><i>Lao PDR:</i> Sidavone Chanthavong and Aidan Flanagan, Independent Consultants</p> <p>Respondents:</p> <ul style="list-style-type: none"> <li>• Hanna Saarinen, Land Issues Working Group (LIWG)</li> <li>• Thongphanh Ratanalangsy, DOFI, Lao PDR</li> <li>• Miles Kenney-Lazar, Ph.D. Candidate, Clark University</li> </ul>
16.15 – 17.00	<p><i>Myanmar:</i> Kevin Woods: Forest Trends / University of California-Berkeley</p> <p>Respondents:</p> <ul style="list-style-type: none"> <li>• Paul Sein Twa, Karen Social and Environmental Action Network (KESAN)</li> <li>• Salai Cung Lian Thawng, Pyoe Pin</li> </ul>
17.00 – 17.30	<p><b>Conclusion of Day One</b></p> <p>Jade Saunders, Forest Trends</p> <ul style="list-style-type: none"> <li>• Summary of country case studies</li> <li>• Next steps and preparation for Day Two</li> </ul>
<b>DAY TWO: July 22, 2014</b>	
<b><i>Policy Implications and Political Opportunities</i></b>	
9.30 – 10.45	<p><b>Session 3: Land conversion and implications for REDD+: Differentiating between legal and illegal drivers of deforestation</b></p> <p>Questions:</p> <ol style="list-style-type: none"> <li>1. <i>How does the current UNFCCC REDD+ framework, including safeguards and the Warsaw Framework on Finance, address legal and illegal/planned and unplanned drivers of deforestation? Can REDD be the right tool for this?</i></li> <li>2. <i>What are the challenges to operationalizing global commitments on forest law enforcement and legal conversion at the country level?</i></li> <li>3. <i>How best can REDD institutions encourage demand-side policies for commodities arising from conversion of forest land?</i></li> </ol>

	<p>Chair: Naomi Basik, Forest Trends</p> <p>Presentations:</p> <ul style="list-style-type: none"> <li>• Status of regional REDD+ processes – Ben Vickers, UN-REDD</li> <li>• Implications of Warsaw Framework and REDD+ safeguards for legal compliance in land conversion – Melissa Blue Sky, Center for International Environmental Law (CIEL)</li> </ul> <p>Discussion</p>
10.45 – 11.00	<i>Coffee</i>
11.00 – 12.15	<p><b>Session 3, Continued</b></p> <p>Presentations:</p> <ul style="list-style-type: none"> <li>• Land use in the UNFCCC Durban Platform: Options for addressing legality and governance – Kate Horner, Environmental Investigation Agency</li> <li>• How existing REDD strategies use available tools to address legal and illegal, planned and unplanned drivers of deforestation – Eve Richer, Forest Trends</li> </ul> <p>Discussion</p>
12.15 – 13.30	Lunch
13.30 – 15.00	<p><b>Session 4: Conversion timber and commodities: Implications for global supply chain initiatives</b></p> <p>Questions:</p> <ol style="list-style-type: none"> <li>1. <i>What are the policies for harnessing global supply chains for conversion timber, agricultural products, and extractives in support of legal forest conversion?</i></li> <li>2. <i>How best can nascent domestic FLEGT/VPA processes in the Mekong help to meet social and environmental priorities in the region? Which actors are key to creating dynamic and effective national processes, and what support do they need?</i></li> <li>3. <i>Given the relatively low level of trade in traditional forest products between the Mekong and EU, what are the political challenges and opportunities related to the inclusion of conversion timber or other commodities in VPAs?</i></li> </ol> <p>Chair: U Shwe Thein, Land Core Group-Myanmar</p> <p>Presentations:</p> <ul style="list-style-type: none"> <li>• Status of regional VPA negotiations – Andy Roby, DFID</li> <li>• Strengthening forest governance through defining ‘legality’: Ghana case study – Clare Brogan, The IDL Group</li> <li>• Lessons learned from the VPA definition of legality &amp; SVLK in Indonesia – Abu Meridian, Forest Watch Indonesia</li> <li>• Viet Nam’s FLEGT experience from a civil society perspective – Vu Thi Bich Hop, Centre for Sustainable Rural Development (SRD)</li> </ul> <p>Discussion</p>
15.00 – 15.15	<i>Coffee</i>
15.30 – 17.00	<p><b>Session 4 continued</b></p> <ul style="list-style-type: none"> <li>• Validating legal conversion timber supply chains – Peter Feilberg, NEPCo</li> <li>• Land Use Planning and legal verification of land conversion: Experiences from</li> </ul>

	<p>Indonesia – Moray McLeish, PricewaterhouseCoopers, Jakarta</p> <ul style="list-style-type: none"> <li>• Demand-side tools for addressing conversion timber from agro-commodities in the Mekong – Naomi Basik, Forest Trends</li> </ul> <p>Discussion</p>
<p><b>DAY THREE: July 23, 2014</b></p> <p><b>Corporate Responsibility in Land Conversion</b></p>	
9.00 – 10.45	<p><b>Session 5: Engendering corporate responsibility and accountability in land-based investments</b></p> <p><i>Questions:</i></p> <ol style="list-style-type: none"> <li>1. <i>What are the defining characteristics of companies converting forest land in the Mekong, and how are they financed?</i></li> <li>2. <i>What existing CSR and investor responsibility initiatives are effective in the Mekong land use sector? What are their key achievements and limitations?</i></li> <li>3. <i>Would clear, effectively implemented legal frameworks improve the business case for responsible corporate actors in the Mekong? What can companies do to support clarification and implementation of relevant laws?</i></li> <li>4. <i>How best can REDD+ and demand-side policy options support responsible companies and investors in forest conversion commodities – agriculture, extractives, timber, or carbon – that are up to international standards?</i></li> </ol> <p><i>Part I: Consumer-facing company accountability:</i></p> <p>Chair: Phuc Xuan To, Forest Trends</p> <p><i>Presentations:</i></p> <ul style="list-style-type: none"> <li>• Corporate accountability and land rights: Relevant international and regional instruments and their limits – Megan MacInnes, Global Witness</li> <li>• Regional corporate accountability: Rubber case study – Megan MacInnes, Global Witness</li> <li>• Corporate voluntary standards in land-based investment – Courtney Lowrance, Citi Institutional Clients Group</li> <li>• International corporate accountability: Sugar case study – Eang Vuthy, Equitable Cambodia</li> </ul> <p>Discussion</p>
10.45 – 11.00	<p><i>Coffee</i></p>
11.00 – 12.45	<p><b>Session 5, continued</b></p> <p><i>Part II: Investor accountability:</i></p> <p>Chair: James Tolisano, Wildlife Conservation Society</p> <p><i>Presentations:</i></p> <ul style="list-style-type: none"> <li>• Investment in the forestry, agribusiness, and extractive sectors: Country case studies – Bryson Ogden, RRI</li> <li>• Investor disclosure and spatial transparency: Bridging the accountability gap? – Mike Dwyer, CIFOR</li> <li>• Legal compliance in the Mekong agricultural sector: An investor perspective – John</li> </ul>

	McGinley, ANZ Discussion
12.45 – 13.00	<b>Conclusion of Expert Workshop</b> Jade Saunders and Kerstin Canby, Forest Trends
13.00 – 14.00	Lunch
14.00 – 16.00	<b>Informal Knowledge Exchange Meetings:</b> <ul style="list-style-type: none"> <li>• National CSOs (Mekong region)</li> <li>• International researchers</li> </ul>

With support from:



