

Analytical Note

FLEG II: Progress under of the Country Workplan for the Russian Federation

Area 1: Improving the FLEG planning and monitoring at the national, local, and interagency levels

Activity 1.2.: Improving forest law enforcement and governance mechanisms

Objective 1.2.4: To improve response planning, implementation, interagency and intergovernmental collaboration to combat illegal forest uses

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EXECUTIVE SUMMARY

The principles, goals and objectives of the state concerning *forest use, protection, conservation and reproduction* as well as the respective implementation mechanisms are established in the State Policy Guidelines on the Use, Protection, Conservation and Reproduction of Forests in the Russian Federation until 2030 (the Guidelines). Improving forest law enforcement and governance is among focal points in the Guidelines. *The state considers international forest-related processes important for its development* and a prerequisite for stabilizing the global economy and maintaining the balance of the Earth's biosphere. Improving forest governance is a forest policy priority in the Russian Federation, which is fully consistent with the focus of the FLEG process and the FLEG II (ENPI East) Program. The FLEG process is integrated into the Guidelines. The FLEG II objectives help achieve the goals of the Guidelines.

The following provisions of the Guidelines form the basis for identifying the spheres of activity for FLEG II:

- *Improving wildfire management, forest pest and disease control as well as forest protection from other adverse factors and illegal logging;*
- *Human resource capacity building in the forest sector;*
- *Development of international cooperation and the negotiation process on forestry and forest industry;*
- *Creating an enabling environment for public participation in decision making on forest relations.*

Pursuant to a number of international agreements, the Russian Federation bears responsibility to the global community for the state of the biosphere, including forest ecosystems. As of today, there is no common international legal framework for forests, and therefore, it is not yet possible, by definition, to ensure harmonization (correlate national acts with the global community's legal acts to such extent that they become substantially consistent in content and focus). However, it does not mean that the Russian Federation should not implement international agreements on forests, especially in view of its commitments assumed under legally non-binding (soft law) agreements which also include "purely forest" acts.

Russia has undertaken to meet all provisions of the WTO agreements as of its accession. Transition periods have been granted only in a limited number of cases. In the forest sector, for instance, the WTO standards shall become fully operational only after a three year transition period. Therefore, the implications of WTO accession may be now estimated only on the basis of predictive expert assessments though it is necessary to note their contradictory nature.

Analysis of the implications of Russia's accession to WTO indicated that they should be evaluated using region- and goods-specific mathematical models based on the following information: product output in a region, in the country and all over the world; investment in product manufacturing; market trends and volume; demand and prices; competition; cross-sector relationships (equilibrium, gravity and other models).

The likelihood of receiving unreliable information increases drastically in the forest and wood processing industries as these sectors include both extractive and manufacturing components that may respond differently to price changes. At present, there is no well established methodology for such studies. Its development requires joint efforts by a team of experts: foreign trade lawyers, economists and entrepreneurs.

A survey on the implications of trade liberalization conducted among the participants of forest relations under FLEG II revealed a low level of awareness about changes in the trade regime and the absence of implication projections or mechanisms that may be used to adapt to WTO rules becoming effective.

It is necessary to form a legal basis for decision making and implementation of assumed commitments. A legal agreement on European forests shall be an important tool to address conflicts between different forest functions as well as conflicts related to forest goods and services. It shall facilitate cross-sector cooperation. It could include measures to improve compliance with forest legislation in order to eliminate illegal logging practices, and their negative impacts on the society, environment and markets. The legal agreement shall legitimize the pursuit of a consistent sustainable forest management policy as well as the use of unified international definitions relating to forests and sustainable forest management, including a system of harmonized monitoring, assessment and reporting on forests. The European legal agreement shall play an important role in the application of unified European standards to the international forest use regime. Besides, it shall facilitate a more efficient implementation of the FLEG objectives and identify direct and indirect drivers of global environmental concerns affecting European forests and forests in other regions (Doc 2/WG LBA/Rome/2010).