REPORT ON THE 11th MONTRÉAL PROCESS TECHNICAL ADVISORY COMMITTEE MEETING, 18TH – 22ND AUGUST 2008, ROTORUA, NEW ZEALAND

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1. EXECUTIVE SUMMARY

The Montréal Process Technical Advisory Committee (TAC) met for the 11th time between the 18th and 22nd of August 2008 in Rotorua, New Zealand. Nine of the twelve member countries attended (Argentina, Australia, Canada, China, Japan, Mexico, New Zealand, Russia, USA) and apologies were received from Chile, Korea and Uruguay.

The meeting developed a set of technical notes associated with the revision of Criterion 7 indicators, which consisted of titles, rationales and approaches to measurement. These technical notes will be presented for discussion and adoption at the 19th Working Group meeting in Moscow, Russian Federation in November 2008.

The meeting also developed a plan for the production of the 2009 Overview report that considered possible content, format and the planning process required to enable the report to be launched at the World Forestry Congress in Argentina in October 2009. The plan will also be presented for discussion and adoption at the 19th Working Group meeting. It is proposed to focus the report on highlights from MP countries in the development and implementation of the C&I framework since the last overview report in 2003.

The support of New Zealand and Australia for hosting the meeting and Scion staff for organisational support is gratefully acknowledged.

The meeting noted the impending retirement of Mr Robert Hendricks of the US Forest Service and acknowledged the very significant leadership role he has played in the TAC as Convenor from 1996-2003 and within wider Montréal Process and C&I activities.

2. INTRODUCTION

At the 18th Montréal Process Working Group meeting in November 2007 in Buenos Aires, Argentina the Technical Advisory Committee was tasked to:

1) Develop a format and desired content and the specific steps to produce the 2009 Overview Report; and
2) Develop draft technical notes for Criterion 7.

They were directed to present their recommendations at the 19th Working Group meeting planned for November 2008 in Moscow, Russian Federation.

These two tasks were achieved during the 11th TAC meeting. The recommendations are outlined in the following section 3.

Draft Technical Notes were developed as a working document ahead of the meeting and based on input from countries following the 18th Working Group meeting in Buenos Aires, Argentina in November 2007. The TAC worked on this draft during the meeting. The aim of the meeting was to have a quick overview discussion followed by more thorough discussion of each of the indicators. By the end of the meeting all indicator titles and rationales had been thoroughly discussed and revised, with key points captured for the approaches to measurement.

The TAC developed the draft plan and recommendations for the Overview report through a series of small group brainstorming sessions to identify the possible content and approaches followed by further plenary discussion and refinement of thinking.

3. RECOMMENDATIONS TO WORKING GROUP
CIRCULATED BY LIAISON OFFICE 27TH AUGUST 2008

To: **the Montréal Process Working Group**

From: the TAC Convenor

Recommendations from the 11th Technical Advisory Committee meeting held in Rotorua New Zealand 18th-22nd August 2008
- o That the Working Group consider and approve the revised Criterion 7 indicators and technical notes at their 19th meeting in November 2008 (Appendix 1).
- o That the Working Group consider and approve the recommended format, content and specific steps for production of the 2009 Montréal Process Overview Report at their 19th meeting in November 2008 (Appendix 2).

The support of Australia both in providing assistance in meeting arrangements, and in providing a rapporteur is gratefully acknowledged, as is the input from Scion staff in Rotorua (Mary-Anne Gloyne) who provided administrative support for the meeting and its planning, and Andrew Dunningham and Greg Steward for field trip and other logistical arrangements.

Criterion 7 Technical Notes.
The Working Group tasked the TAC with developing the Technical Notes for the Criterion 7 Indicator set for consideration and approval at the 19th Working Group Meeting.

- Good progress was made with drafting the Technical Notes for the Criterion 7 indicator set.
    - o The titles, rationales and approaches to measurement were discussed and revised where appropriate for all indicators contained in the draft technical notes circulated to the TAC ahead of the meeting.
    - o The resulting indicators and notes were considered as a set to ensure consistency and coverage of the Criterion's scope
    - o The TAC's recommended technical notes for consideration by the Working Group are contained in Appendix 1.

- There were a number of key discussions and themes that arose during the meeting
    - o Coverage of the concept of institutional frameworks was seen as weak in the draft technical notes
    - o The concept of periodic review of legislation and policy was not well represented
    - o The emerging concept of enabling environments for investment
    - o Ensuring that indicators reflected the intent of criterion 7 (to provide transparency on legal, institutional, and economic frameworks and capacity that support sustainable management of forests) and complemented and supported indicators in other Criteria

- The need to ensure that indicators were broad enough to encompass all countries needs
- The need for consistency of terms e.g. Sustainable Management of Forests vs Sustainable Forest Management; indicators 'supporting' vs 'affecting' vs 'promoting' the Sustainable Management of Forests.

- These issues have been addressed in the technical notes:
  - The treatment of institutional frameworks has been strengthened through revisions to indicator 7.1.a
  - Periodic review of legislation and policy was incorporated within indicator 7.1.a, 7.1.b, 7.4.b and in the Chapeau to Criterion 7.
  - A new indicator covering enabling environments for investment was tabled by the USA. After discussion the TAC did not accept this proposed new indicator. The developing area was seen as very important however and very worthy of further discussion. The US undertook to develop a discussion paper on the concept. An enabling environment could be seen as a beneficial outcome of C7 as a whole so the concept was incorporated into the C7 chapeau, and also indicators 7.2.a and 7.5.a.
  - The view at the start of the meeting was that the intent was well covered by the working draft, with the noted gaps around the institutional framework. Indicators were revised in a number of instances to remove reference in the approaches to measurement to topics better covered in C1-6, e.g. mentions of levels of investment was covered in 6.2.b and was not appropriate in 7.4.b.
  - The revised indicator rationales were kept as brief as possible while remaining informative in line with the approach used in C1-6. This reflects the need to cater for the widely different environments member countries may be applying the indicators to. Additional detail and examples were included in the approaches to measurement where clarification was necessary and in some instances in the Chapeau where the information applied to multiple indicators e.g. the common phrase 'national and sub-national level'.
  - Formatting the Approaches to Measurement to be consistent with Criteria 1-6 technical notes will be the responsibility of the Convenor.
  - Consistency of phrasing was left to the TAC Convenor to review and adjust where appropriate to ensure the indicator set as a whole would be consistent across Criteria 1 to 7.

Development of a draft plan for the 2009 Montréal Process Overview report

- The Working Group tasked the TAC with developing a format, desired content, and specific steps to produce the Montréal Process 2009 Overview Report for consideration and approval at the 19th Working Group Meeting.
  - A proposal was developed by the TAC (Appendix 2).
  - Key issues considered included the expected audience, the focus, specific content and style, timelines, resource requirements and responsibilities

- The expected audience will be wide – national and international, industry, government, NGOs, education and research institutions, sectors other than forestry, other indicator processes, decision makers, media, public.
- The report should:
    o Introduce the Montréal Process
    o Focus on highlighting examples of progress and the use of the C&I framework. The report should be 'issues' or 'highlights' based and use case study examples from countries to demonstrate these highlights.
    o Use indicator data to support the case studies where appropriate
    o Have a very clear executive summary
    o Have a section on the future
- The report should be short (6-8 pages), clear, visually appealing, easy to read and concise, with a journalistic style
- Timing to produce the report will be short (see proposed timeline in plan), so the approach to content will have to be pragmatic.
- A drafting team should be established and work closely with the Liaison Office and this will require resources to cover time expended, countries should be responsible for making resources available to provide input to the report content
- Resources will also be required for production of the printed material. Resource requirements and responsibilities will need to be clearly defined and understood

Other TAC activity

- The TAC received updates on planning for the 19th Working Group meeting, planning for the 2009 World Forestry Congress, and each member country updated the meeting on progress since the 10th TAC meeting.
- The TAC considered possible future activities where it suggests it may be able to support the Working Group
    - Development of the overview report
    - A technically focussed activity at the World Forestry Conference
    - Development of capacity building activities

I am pleased to submit the proposed revised Criterion 7 Indicator set and the proposed plan for the overview report for consideration by the Working Group. Please note that more comprehensive documentation tabled or developed at the meeting will be available in due course, I am circulating this report immediately after the TAC meeting to maximise the time available to Working Group members to assess the recommendations ahead of discussions at the 19th Working Group meeting planned for Moscow, Russia in November.

Dr Tim Payn
Convenor
Montréal Process Technical Advisory Committee
Monday, 25 August 2008

APPENDIX 1: CRITERION 7 TECHNICAL NOTES

Criterion 7:

> **Legal, institutional and economic framework for forest conservation and sustainable management**

**Technical Notes developed at 11th TAC Meeting
for consideration at the 19th Montréal Process
Working Group Meeting**

Criterion 7:   **Legal, institutional and economic framework for forest conservation and sustainable management**

Chapeau

Criterion 7 describes national and sub-national policy through its legal, economic and institutional frameworks for conserving and sustainably managing forests and thereby provides context for Criteria 1 – 6. A country's laws, policies, institutions and governance determine how forests are managed. The framework for good governance, including countries' laws policies and institutions, transparency, participatory processes, as well as the capacity of institutions to create knowledge, implement and enforce laws, develop and coordinate policies, and deliver programs and services, creates the environment essential to achieving the sustainable management of forests. Reporting against these indicators contributes to elevating public and political awareness of issues affecting forests and in the development of policies for the sustainable management of forests.

Indicator 7.1.a   Legislation and policy frameworks supporting the sustainable management of forests

Rationale

This indicator provides information on laws, regulations and national policy frameworks that affect forests and govern and guide their management. These frameworks set the context within which options for the sustainable management of forests can be determined.

Approaches to measurement

Relevant information can include lists and brief descriptions of national and sub-national legislation, regulations and national policies relating to the:

- Conservation and management of forests.
- Conservation of environmental, cultural, social or scientific values.
- Forest use and access.
- Conservation of forest habitats and species.
- Harvesting of wood and non-wood products.
- Protection and management of ecosystem services provided by forests.

Information can also include those laws and regulations which are not specifically directed to forests or forest management but can affect or influence forest management.

- e.g. energy, fisheries, water quality or fire Acts

Approaches to periodic review of legislation may provide useful information on the dynamics of the legal framework

Participation in international agreements such as links with WTO, CITES, CBD, UNFCCC, and other international agreements may also be included.

Countries will use appropriate terminology and depth of reporting for their own country

Countries may also wish to report on:

- Best practice codes and guidelines, concession/ resource management arrangements and logging bans.
- Laws and regulations relating to environmental and social impact assessments.
- Mitigation and compensatory measures.
- Penalties for non-compliance.

Legal mechanisms refers to all legislation including laws, decrees, edicts, regulations, statutes, codes and other terms used by countries to govern or manage forests.

Indicator 7.1.b   Cross sectoral policy and programme coordination

Rationale

This indicator provides information on the extent to which policies and programmes are coordinated across sectors to support the sustainable management of forests. Cross sectoral coordination of forest related policy and programme allows for improved sustainable management of forests, minimising adverse impacts and the ability to respond with other sectors to national and global issues.

Approaches to measurement

Useful information may include:

- Descriptions of policies and programmes that affect forests.
- Descriptions and examples of policy and programme integration and implementation to support sustainable forest management, for example land use, development, transportation, energy, trade and other areas.
- The number and/or area covered by integrated land use or other plans and programmes with clear sustainable forest management objectives.
- Descriptions of significant inter-agency working groups and task forces specifically designed to foster policy and programme integration.
- Descriptions of coordination both 'horizontally' e.g. across sectors or land uses, and 'vertically' e.g. between different layers of government.
- An identification of areas where coordination is lacking and where there may be an opportunity to support SFM through better coordination.
- Identification of relevant international coordination activities.
- Coordination activities that include government and non government agencies such as NGOs.
- The processes for periodic review of policies and programmes.

Some legal mechanisms may be detrimental to the sustainable management of forests and may be reported where relevant.

Indicator 7.2.a   Taxation and other economic strategies that affect the sustainable management of forests

<u>Rationale</u>

This indicator provides information on the economic environment that affects the sustainable management of forests. Economic measures influence forest management and Government policies and strategies on investment, taxation and trade can influence the level of long term investment in forestry.

<u>Approaches to measurement</u>

Useful information may include a description of:

- a description of the overall national economic environment[1]

- Economic measures used to conserve and manage forests appropriately or to expand or create new forests – these may include subsidies, incentives, tax policies, compensatory payments and/or other fiscal arrangements.

- The area of forest benefiting from economic mechanisms, incentives or other fiscal arrangements.

- Mechanisms for supporting or barriers/limitations to the development of SFM e.g. laws, policy conflicts, may be a disincentive.

- An overall description of enabling environments specific to SFM.

- This may include credits, subsidies.

Some economic measures may be detrimental to the sustainable management of forests and may be reported where relevant.

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[1] See definitions in glossary

Indicator 7.3.a   **Clarity and security of land and resource tenure and property rights**

Rationale

This indicator provides information on land, forest and resource tenure, laws and rights. Clarity and security of ownership and tenure and the assurance that these rights can be protected or disputed through due process are important prerequisites to the sustainable management of forests.

Approaches to measurement

Useful information may include:

- A compilation and description of laws, property rights, tenure arrangements including indigenous people's traditional and legal rights in relation to forests.
- The area and percentage area of forest by property rights and land tenure arrangements. An indication of the area of forest owned by public or private institutions or by indigenous communities may also be helpful.
- A description of Due Process mechanisms available to protect property rights and tenure arrangements. (add 'Due Process' to glossary)

Other data may include the area and percentage area of forest under a formal claim by indigenous and/or other communities.

Indicator 7.3.b   Enforcement of laws related to forests

<u>Rationale</u>

This indicator provides information on the extent to which forest-related laws and regulations are enforced. The enforcement of laws related to forests and forest products addresses illegal activities which threaten the sustainable management of forests.

<u>Approaches to measurement</u>

Useful information may include the:

- Number of forest-related law enforcement officials (wardens, guards, patrols) deployed in forests. Countries may wish to express this as a ratio (i.e. officials per hectare).
- Description of systems available that can support enforcement activities e.g. Aerial or ground based monitoring / surveillance techniques may be utilised as monitoring tools.
- Area covered by monitoring systems.
- Number of prosecutions and the number of convictions.
- Penalties and fines administered.
- Revenues recovered from illegal sales of wood and forest products.
- Area of forest determined to be in compliance with applicable laws and regulations.
- The degree of compliance with laws.
- Ecosystem services/ goods and services included?
- Link back to 7.1a and the ability to enforce laws.

Indicator 7.4.a   Programmes, services and other resources supporting the sustainable management of forests

Rationale

This indicator provides information on the capacity of both governmental and private organisations to deliver programmes and services, to maintain and develop infrastructure and to access the financial and human resources necessary to support the sustainable management of forests. The strength of forest related institutions, trained personnel and adequate onsite facilities and infrastructure are important to support sustainable management of forests.

Approaches to measurement

Useful information may include the:

- Public and private institutions and other agencies ability to deliver programmes and services – who's involved – a list of institutions.

- Quality and quantity of on-site facilities, such as visitor centres, interpretative facilities, access roads and service and maintenance equipment.

- Description of the programmes focussed on the maintenance and enhancement of physical infrastructure (for example, transportation and access, on-site facilities, communication networks, monitoring capabilities and risk/hazard management). (Data in this bullet links to indicators in 6.2)

- Description of the need for investment associated with the state of physical infrastructure as determined by reviews and audits.

- Number of foresters, forest-related professionals and technicians (full or part time) by discipline and sector with forest-related university or technical qualifications.

- Number of trained forest workers and volunteers (full or part time) implementing or supporting forest management programmes.

- Number of government and private institutions with formal professional development programmes to maintain and/or enhance the skills of employees and the number of staff to complete professional development programmes per year.

- Number of forest-related training programmes for (full or part time) for personnel and volunteers.

- Size of membership of professional bodies or forest management related volunteer groups.

Indicator 7.4.b   Development and application of research and technologies for the sustainable management of forests

Rationale

This indicator provides information on the capacity to develop and incorporate new science, research and technologies into forest management. Continuous improvement in the depth and extent of knowledge and its application will help ensure advances in the sustainable management of forests.

Approaches to measurement

Useful data may include the:

- Number of full-time equivalents in forest science related research and development by discipline.
- Number of operational laboratories, research stations, experimental forests and long-term research/monitoring sites.
- Number of peer-reviewed papers published annually by discipline or research area.
- Area and percent of forests monitored using remote sensing techniques for scientific monitoring and other requirements.
- Area and percent of forests logged using state-of-the-art harvesting techniques, such as reduced impact logging equipment.
- Extent to which available other technologies are being applied and the effect of such applications.
- Countries may choose to report spread of activity by criterion.
- Data reported under this indicator is complementary with 6.2.b.
- This could include traditional knowledge, could include science disciplines and ""social sciences"", economic and others.
- Can include aspects of all criteria – 1 through 6.

Indicator 7.5.a   Partnerships to support the sustainable management of forests

Rationale

This indicator provides information on policies and programmes that encourage and support partnerships and their contribution. Partnerships can help create a shared purpose and are important tools for building capacity, leveraging financial, technical and human resources, strengthening political commitment and developing public support to advance the sustainable management of forests.

Approaches to Measurement

Useful information may include:

A description of programmes and policies that support the development of partnerships (see glossary)

- Number, type, area involved and level of funding derived from public-private sector partnerships.
- Number, type, area involved and level of funding derived from public sector partnerships.
- Number, type, area involved and level of funding derived from international partnerships (e.g. bilateral assistance, technical cooperation, collaborative research programs, "sister forest" programs).

Participation in international agreements such as links with WTO, Cites, CBD UNFCCC and other international agreements may also be included.

The nature and value of in-kind contributions to sustainable forest management programmes generated from partnerships may also need to be considered.

Glossary Item:

Partnerships.

- Partnerships may be informal or formal, and include many groups or agencies. A partnership will generally work together under either voluntary or legal structures to solve common problems, and will have shared objectives. They may result in mutual or complementary benefits. Philanthropic donations are not necessarily partnerships.

Indicator 7.5.b   Public participation and conflict resolution in forest-related decision making

Rationale

This indicator provides information on the processes that promote public participation in forest-related decision making, and reduce or resolve conflict amongst forest stakeholders. Public participation in decision making processes and conflict resolution efforts can lead to decisions that are widely accepted and result in better forest management.

Approaches to measurement

Useful information may include the:

- Number of citizens and/or groups engaged in public consultation processes.
- Number of public hearings/consultations held.
- Area/percent of forests under management plans developed with public involvement.
- Number and time taken to resolve conflicts and disputes.
- Number and scale of unresolved conflicts and disputes.
- Legal requirements and processes for public participation of proposed actions effecting forests.
- Solicitation of public comments.
- Number of public advisory boards or councils providing advise to forest related agencies at national and sub-national levels.
- Public participation can happen at all levels.
- Note this indicator links to 7.1.a.

A compilation and description of processes used to resolve disputes. Surveys addressing satisfaction with these processes may also be helpful and could be used to evaluate the effectiveness of public participation processes.

Indicator 7.5.c   Monitoring, assessment and reporting on progress towards sustainable management of forests

Rationale

This indicator provides information on the capacity to monitor, assess and report on forests. An open and transparent monitoring and reporting system that provides up to date and reliable forest related information are essential for informed decision making, and can elevate public and political awareness of issues affecting forests and assist the development of policies for the sustainable management of forests.

Approaches to measurement

Useful information may include the:

- Breadth of coverage and frequency of measurement of forest inventory, data collection processes and quality.
- Frequency, completeness and currency of forest assessments using the Montréal Process criteria and indicators.
- Frequency of dissemination of national and sub-national state of the forest reports
- Ability of the public to access relevant data.
- Contribution of indicators to the country.
- Mechanisms to promote monitoring.
- Capacity to implement activities.
- Availability of data – is may be part of the property right. Access may be restricted with only aggregated data available.
- Private owners also have data that may not be "available" but that they use for management .

Glossary Term:

Monitoring Assessment and Reporting (M.A.R) – still to do

APPENDIX 2: PROPOSED PLAN FOR DEVELOPMENT OF 2009 OVERVIEW REPORT

1. Proposed Overview Report Outline

Title
'Montréal Process 13 years on – some highlights' – title still to be decided

Exec Summary
Very clear and concise

Introduction
Who we are (use indicators to describe us e.g. area of forest represented), history, uniqueness, voluntary nature
Maybe a case study or two

Highlights (a highlight is an example where C&I has made a difference)
1. Common to multiple countries (3-4 one pagers, one highlight topic per page). General text introducing the highlight and overall impact of C&I, One or more case studies showing how C&I helped from individual countries.

2. Highlights specific to individual countries (1-2 one pagers).   Maybe multiple highlights on one page with individual country case studies

Future
Strategic Action Plan goals
Focus on using the Montréal Process to assist member countries in application of C&I frameworks

Links
Web sites, contacts etc

2. Specific Steps to Produce the 2009 Montréal Process 'Overview Report'

Date	Task	Responsible
August 2008 (11th TAC meeting)	• Development of proposed plan • Identification of possible 'highlights' for inclusion in OR	TAC
September 2008	Solicit feedback from Working Group members on their expectations for 2009 report[2]	TAC/LO
October 2008	Countries to provide their WG member with suggested list of possible highlights for discussion at 19th WG meeting[3]	TAC members/ Countries
September/October 2008	Refine detail of plan, develop options for page layouts, and circulate to WG 1 month prior to 19th meeting	TAC
November 2008 (19th WG meeting)	• TAC to present WG with a proposed structure, desired content, and specific steps for the 'Report' • WG to task TAC to prepare a draft report based on an agreed arrangement • Identify a drafting-group (DG) of WG and TAC members plus communications expert, to prepare the report	TAC Convenor/ WG
November 2008	Synthesis of set of highlights common to multiple countries, and set of country specific highlights, finalisation of report outline	DG
January 2009	Highlights and other material provided by countries	TAC members
March 2009	Meeting of Drafting Group	DG
April 2009	First Draft report provided to WG for Review	DG/LO
May 2009	Address WG response into a 2nd draft report	DG/TAC
June 2009	Final draft to WG for clearance	DG/LO
July 2009	Formal design and layout	DG/Contractor
July 2009	Final endorsement from WG of document ready to print	WG
August 2009	Final draft ready for printer	Contractor
September 2009	Printed reports in Argentina	LO
October 2009	Launch of Montréal Process 2009 'Overview Report'	WG

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[2] This will aid the TAC in developing the detailed plan to be presented at the 19th Working Group meeting. Working Group members will be asked to respond to three brief questions (i) How will the Working Group member use the report? (ii) What does each WG member wish to have included in the document to help them champion the role of the Montréal Process? (iii) What *doesn't* need to be included in the document?

[3] The TAC recognised the short timeframe available to produce the report, and as there was unanimous view that the report should present a number of highlights it was felt appropriate to start to compile these ahead of the Working Group meeting to build momentum.

3. Resources Required:

Item	Time/Cost (XX$)	Source
Staff time – drafting group	$XXXX	??
Design and layout costs	$XXXX	??
Printing Costs	$XXXX	??
Drafting Group meeting costs	$XXXX	??
Translation costs	$XXXX	??

4. SUPPORTING DOCUMENTATION

4.1 - AGENDA FOR 11TH TAC MEETING

Agenda

**11th Montréal Process Technical Advisory Committee
18th – 22nd August 2008
Matariki Room, Lakeside Novotel,
Rotorua, New Zealand**

Day	Time	Activity
Monday 18th	13:00	Welcome[4], Matariki Room
	14:00-15:00	Meeting Outline and organisation
	15:00-16:00	Update of C7 Indicator title revisions[5]
	18:00	Informal get together, drinks
Tuesday 19th	9:00 – 17:00	Technical Notes Development[6]
Wednesday 20th	9:00 – 16:30	Technical Notes Development
	18:00	Workshop Dinner and Cultural Event
Thursday 21st	9:00-17:00	Development of plan and recommendations for MP overview report[7]
Friday 22nd	8:30 – 17:00	Field Visit[8], Kaingaroa and Whirinaki Forests to view planatation and natural forest systems

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[4] Welcome will be by George Mutu a local Maori Kaumatua (or elder) and Douglas Macredie
Scion's Maori Innovation Manager. Informal dress is appropriate. Please assemble outside the
Matariki room at 1pm.
[5] Andrew Wilson, Australia will give an update on the small Group work on C7 title revisions. We will
use version 3 as circulated to the sub Group on 17th July as the basis for development of the
technical notes.
[6] Draft attached
[7] Some thoughts from USA attached
[8] Final Itinerary depends on the weather, and also on the TAC completing the work on the technical
notes and overview report planning

4.1.1 Working Draft of Technical Notes

Criterion 7:

Legal, institutional and economic framework for forest conservation and sustainable management

Technical Notes

Working Draft

August 2008

The indicator titles used here are 'Version 3' as circulated to the subgroup on 18th July 2008 and are a synthesis of a range of country inputs since the Working Group Meeting in Buenos Aires.

Tim Barnard has worked up this draft set of technical notes to support these revised indicator titles and to form the basis of discussions at the TAC meeting.

Criterion 7: **Legal, institutional and economic framework for forest conservation and sustainable management**

Revised indicator titles as circulated 18th July 2008[9]

7.1   Legal

Indicator 7.1.a   Legal mechanisms supporting the sustainable management of forests.

Indicator 7.1.b   Cross sectoral policy alignment and integration.

7.2   Fiscal

Indicator 7.2.a   Tax and other economic mechanisms to support the sustainable management of forests

7.3   Property Rights

Indicator 7.3.a   Certainty of land and resource tenure and property rights

Indicator 7.3.b   Enforcement of laws related to forests and forest products

7.4   Science and Technology Support

Indicator 7.4.a   Programmes, services and resources supporting the sustainable management of forests

Indicator 7.4.b   Research efforts and the application of new and improved technologies for the sustainable management of forests

7.5   Information/Participation

Indicator 7.5.a   Institutional arrangements that support partnerships to promote sustainable management of forests

Indicator 7.5.b   Public participation and conflict resolution in forest-related decision making

Indicator 7.5.c   Frequency and scope of forest monitoring, assessment, and reporting

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[9] Note these indicators have not received final Working Group sign off, but due to time constraints the TAC will take these as working titles for the meeting. It is likely in the Convenor's opinion that the intent of the indicators will not change, but that some wording refinements may still occur.

Preamble: *to come*

Indicator 7.1.a
Legal mechanisms supporting the sustainable management of forests

Rationale

This indicator provides information about domestic laws and regulations governing forest management, operations and forest use at national and sub-national levels. Laws and regulations guide agencies, institutions, communities and citizens toward actions that support the sustainable management of forests.

Approaches to measurement

Useful information may include lists and brief descriptions of national and sub-national legislation and regulations relating to the:

- Conservation and management of forests.
- Conservation of environmental, cultural, social or scientific values.
- Forest use and access.
- Conservation of forest habitats and species.
- Harvesting of wood and non-wood products.
- Protection and management of ecosystem services provided by forests.

Countries may also wish to report on:

- Best practice codes and guidelines, concession/ resource management arrangements and logging bans.
- Laws and regulations relating to environmental and social impact assessments.
- Mitigation and compensatory measures.
- Penalties for non-compliance.

Legal mechanisms refers to all legislation including laws, decrees, edicts, regulations, statutes, codes and other terms used by countries to govern or manage forests.

Some legal mechanisms may be harmful to the sustainable management of forests and may be reported where relevant.

Indicator 7.1.b
Cross sectoral policy alignment and integration

<u>Rationale</u>

This indicator provides information on the extent to which policies and programmes are coordinated across sectors at national and sub-national levels to support the sustainable management of forests.

<u>Approaches to measurement</u>

Useful information may include:

- Descriptions and examples of policy and programme integration and implementation to support sustainable forest management, for example land use, development, transportation, energy, trade and other areas.
- The number and/or area covered by integrated land use or other plans and programmes with clear sustainable forest management objectives.
- Descriptions of significant inter-agency working groups and task forces specifically designed to foster policy and programme integration.

Indicator 7.2.a
Tax and other economic mechanisms to support the sustainable management of forests

Rationale

This indicator provides information about economic mechanisms that are specifically designed to support the sustainable management of forests at national and sub-national levels. Economic measures may be used to encourage appropriate forest management, to increase the area of forest or to enable an environment that encourages investment.

Approaches to measurement

Useful information may include a description of:

- Economic measures used to conserve and manage forests appropriately or to expand or create new forests – these may include subsidies, incentives, tax policies, compensatory payments and/or other fiscal arrangements.
- The area of forest benefiting from economic mechanisms, incentives or other fiscal arrangements.

Some economic measures may be harmful to the sustainable management of forests and may be reported where relevant.

Indicator 7.3.a
Certainty of land and resource tenure and property rights

Rationale

This indicator provides information on forest-related property laws and rights. Certainty or security of ownership and tenure and the assurance that these rights can be protected or disputed through due process are important prerequisites to obtaining community support and engagement in the sustainable management of forests.

Approaches to measurement

Useful information may include:

- A compilation and description of laws, property rights, tenure arrangements including indigenous people's traditional and legal rights in relation to forests.
- The area and percentage area of forest by property rights and land tenure arrangements. An indication of the area of forest owned by public or private institutions or by indigenous communities may also be helpful.

Indicator 7.3.b
Enforcement of laws related to forests and forest products

<u>Rationale</u>

This indicator provides information on the enforcement of forest-related laws and regulations and the ability to control unsustainable forest management practices.

<u>Approaches to measurement</u>

Useful information may include the:

- Number of forest-related law enforcement officials (wardens, guards, patrols) deployed in forests. Countries may wish to express this as a ratio (i.e. officials per hectare).
- Area/percent of forest effectively monitored using ground based technologies and resources.
- Area/percent of forest covered by remote sensing.
- Number of prosecutions and the number of convictions.
- Penalties and fines administered.
- Revenues recovered from illegal sales of wood and forest products.
- Area of forest determined to be in compliance with applicable laws and regulations.

Indicator 7.4.a
Programmes, services and resources supporting the sustainable management of forests

Rationale

This indicator provides information on the capacity of institutions and other agencies to deliver programmes and services, to maintain and develop infrastructure and to access the financial and human resources necessary to support the sustainable management of forests.

Approaches to measurement

Useful information may include the:

- Quality and quantity of on-site facilities, such as visitor centres, interpretative facilities, access roads and service and maintenance equipment.

- Annual expenditure on the maintenance and enhancement of physical infrastructure (for example, transportation and access, on-site facilities, communication networks, monitoring capabilities and risk/hazard management).

- Estimates of annual expenditure compared to needed investment determined by reviews and audits of the state of physical infrastructure.

- Number of foresters, forest-related professionals and technicians (full or part time) by discipline and sector with forest-related university or technical qualifications.

- Number of trained forest workers and volunteers (full or part time) implementing or supporting forest management programmes.

- Number of government and private institutions with formal professional development programmes to maintain and/or enhance the skills of employees and the number of staff to complete professional development programmes per year.

- Number of forest-related training programmes for (full or part time) for personnel and volunteers.

- Size of membership of professional bodies or forest management related volunteer groups.

Indicator 7.4.b
Research efforts and the application of new and improved technologies for the sustainable management of forests

<u>Rationale</u>

This indicator provides information about forest-based research and the use of new technologies. Continuous improvement in the depth and extent of scientific knowledge and its application will help ensure advances in the sustainable management of forests.

<u>Approaches to measurement</u>

Useful data may include the:

- Number of full-time equivalents in forest science related research and development by discipline.
- Number of operational laboratories, research stations, experimental forests and long-term research/monitoring sites.
- Number of peer-reviewed papers published annually by discipline or research area.
- Annual expenditure on research and development.
- Area and percent of forests monitoring using remote sensing techniques.
- Area and percent of forests logged using state-of-the-art harvesting techniques, such as reduced impact logging equipment.
- Extent to which available other technologies are being applied and the effect of such applications.

Indicator 7.5.a
Institutional arrangements that support partnerships to promote [the] sustainable management of forests

Rationale

This indicator provides information on the use of partnerships to support the sustainable management of forests. Partnerships have a role to play in delivering shared objectives, adding value to public sector investment and as a demonstration of cross sector engagement.

Approaches to Measurement

Useful information may include the:

- Number, type, area involved and level of funding derived from public-private sector partnerships.
- Number, type, area involved and level of funding derived from public sector partnerships.
- Number, type, area involved and level of funding derived from international partnerships (e.g. bilateral assistance, technical cooperation, collaborative research programs, "sister forest" programs).

The nature and value of in-kind contributions to sustainable forest management programmes generated from partnerships may also need to be considered.

Indicator 7.5.b
Public participation and conflict resolution in forest-related decision making

Rationale

This indicator provides information on the extent of public participation in forest management, decision-making and the effectiveness of conflict resolution processes. The sustainable management of forests is reliant on public support which is best achieved through participation and engagement in decision-making and policy development.

Approaches to measurement

Useful information may include the:

- Number of citizens and/or groups engaged in public consultation processes.
- Number of public hearings/consultations held.
- Area/percent of forests under management plans developed with public involvement.
- Number and time taken to resolve conflicts and disputes.
- Number and scale of unresolved conflicts and disputes.

A compilation and description of processes used to resolve disputes. Surveys addressing satisfaction with these processes may also be helpful. Other data may include the area and percentage area of forest under a formal claim by indigenous and/or other communities.

Indicator 7.5.c
Frequency and scope of forest monitoring, assessment, and reporting

Rationale

This indicator provides information on the frequency and scope of forest monitoring and reporting at national and sub-national levels. The regular collection and dissemination of reliable data on forest conditions and recent trends is essential for forest-related management and policy processes and in monitoring progress toward the sustainable management of forests.

Approaches to measurement

Useful information may include the:

- Breadth of coverage and frequency of measurement of forest inventory.
- Frequency and completeness of national and sub-national forest assessments using the Montréal Process criteria and indicators.
- Frequency of dissemination of national and sub-national state of the forest reports
- Ability of the public to access relevant data.

4.1.2 USA Comments on Overview Report Planning

Thoughts on 2010 Overview Report
USA Delegation
25 June 2008

Timeframe:
- o Make available for 2009 World Forestry Congress, as well as 2010 International year of the Forests. This is a short timeframe to meet August 2009 deadline.
- o Sequencing may be – 2010 Overview Report released first, followed by 2010 Country Reports
- o How many countries will have data available on which indicators to meet a timeframe necessary to reach the 2009 World Forestry Congress deadline? (See attached spreadsheet)

Choice of Indicators:
- o Should show trends over time – Try to use the same indicators as 2003 Overview Report
- o Need universally reported indicators – Reported by all member countries
- o Chosen indicators should be using similar metrics – metrics that can be displayed together, without necessarily being the exact same metric.
- o Ensure at least one indicator is reported for each criterion – Therefore, a minimum of seven indicators should be reported in 2009 Overview Report
- o Consider reporting on "prime indicators" for today's issues, e.g. climate change or biodiversity targets.
- o Consider including some "outlier indicators" that highlight uniqueness, useful or other relevant data
- o Consider new or different indicators, in addition to the core being reported.

Nature of Report:
- o Report should be positive and uplifting – Show positive message of MPC&I and member country involvement
- o Report should provide a demonstration that a voluntary association of member countries can produce meaningful products, progress and information useful to a cross section of our society.
- o Highlight the broader progress in applying C&I beyond reporting of data
- o Point to the future, perhaps using the strategic action plan.

Components of Report:
- o Provide some commentary on how the 1st round of country reports were used. Present success stories.
- o Provide a useful self-evaluation of country reports

Some Don'ts:
- o Do not highlight the number of indicators each country has reported on. Some countries do not report on all indicators each time. No comparisons.
- o Be very caution of commentary that is pejorative or degrading

Possible Outline:

    a) Executive Summary (consider "booklet" text)
    b) Introduction (consider "booklet" text)
    c) Strategic Action Plan
    d) Next Steps
    e) List of Indicators Available
        ▪ Old Data
        ▪ New Data
        ▪ Metrics used

Cover & Format Considerations:

- Use cover flag concept, but updated
- Use pictures – more engaging document
- Catchy graphs are good
- Web posted information?
- Budget?

4.2 - CRITERION 7 TECHNICAL NOTES DEVELOPMENT

4.2.1 Approach

Draft Technical Notes were developed as a working document ahead of the meeting and based on input from countries following the 18th Working Group meeting in Buenos Aires, Argentina in November 2007.

The TAC worked on this draft during the meeting. The aim of the meeting was to have a quick overview discussion followed by more thorough discussion of each of the indicators. By the end of the meeting all indicator titles and rationales had been thoroughly discussed and revised, with key points captured for the approaches to measurement.

4.2.2 Daily progress of notes

As the TAC worked on development of the text a record of the development was maintained. This was finalised at the end of each day, then overnight the Convenor cleaned up the text to accept agreed changes which was then used for the next day's development. These files with track changes 'on' are available from the Convenor as changes would be lost when incorporating the text into this report.

Files:
- Criterion 7 version 3 technical notes end Tuesday 19th.doc
- Criterion 7 version 3 technical notes end Wednesday 20th.doc
- Criterion 7 version 3 technical notes end Wednesday 20th clean.doc
- Criterion 7 version 3 technical notes end Thursday 21st.doc
- Criterion 7 version 3 technical notes end Thursday 21st clean.doc
- Criterion 7 version 3 technical notes end Friday 22nd final.doc

4.2.3 Additional Indicator proposed by the USA

7.2.a bis Enabling environment for attracting investment in SFM

Rationale

This indicator provides information on a country's enabling environment for long–term investment in forest management and forest-based industries and communities. An open and stable investment climate, including clear and enforced environmental and labor regulations, access to international arbitration, non-discriminatory treatment of foreign investors, and the ability to move investment capital in and out of the country, is essential to attract domestic and foreign investment in the forest sector consistent with sustainable forest management and forest resource production.

Approaches to measurement

Relevant information includes:

- Description of [national?] macroeconomic policies and principles applied to domestic and foreign investment in forests and forest-based industries and communities (the "investment climate")
    - Applicable environmental and labor regulations
    - Procedures for contract resolution and dispute settlement
    - Provisions for access to international arbitration, including membership in internationally recognized dispute resolution bodies, such as the International Centre for Settlement of Investment Disputes (ICSID) and New York Conventions
    - Openness to foreign investment, i.e. requirements for foreign investors versus domestic investors
    - Limitations on transfers of investment-related capital in and out of the country
    - .Conditions and purposes allowing for expropriation
    - Intellectual property right protections
    - Other laws, measures or procedures governing investment/investors in the forest sector
- Proportion of domestic and foreign investment in forest sector
- Number and description of outstanding expropriation cases involving forest investors
- Number of investment contract disputes referred to international arbitration

4.3 - PAPER BY CUBBAGE et al: FOREST POLICY AND GOVERNANCE MATRIX
CIRCULATED FOR INFORMATION BY USA

Forest Policy and Governance Matrix

Proposed SFM Criterion 7- Indicators 48 to 67 Analysis Model and Approach

Frederick Cubbage, Steverson Moffat, and Kathleen McGinley[10]

3 August 2008

Fred Cubbage, Steverson Moffat, and colleagues will draw on a policy assessment approach to evaluating the Sustainable Forest Management (SFM) Criterion 7 based on a policy analysis framework crafted initially by Kathleen McGinley (2008). That initial framework will be adapted to provide a general analytical framework for assessing the status of SFM Indicators 48 to 67 for this research and application effort. The theoretical background and literature for this approach and its rationale are taken in large part from the PhD dissertation by McGinley (2008). The model proposed draws from that literature and a similar model employed by McGinley in her dissertation and a paper by Cubbage et al. (2007). Cubbage, Moffat, McGinley, and probably graduate students at NC State University will participate in this effort.

We will term this approach a **Forest Policy and Governance Matrix**. It is a means to simplify and classify the relevant policies and levels of governance that are addressed in Criterion 7 Indicators of SFM.

Criterion 7 Indicators in Brief

❑ Extent to Which the Legal Framework (laws, regulations, and guidelines) Supports the Conservation and Sustainable Management of Forests (Indicators 48 - 52)

48. Clarifies property rights, provides for appropriate land tenure arrangements, recognizes customary and traditional rights of indigenous peoples, and provides a means for resolving property disputes by due process.

49. Provides for periodic forest-related planning, assessment, and policy review that recognizes the range of forest values, including coordination with relevant sectors

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50. Provides opportunities for public participation in public policy and decisionmaking related to forests and public access to information

51. Encourages best practice codes for forests

52. Provides for the management of forests to conserve special environmental, cultural, social, and/or scientific values

❑ Extent to Which the Institutional Framework Supports the Conservation and Sustainable Management of Forests
   (Indicators 53 - 57)

53. Provide for public involvement activities and public education, awareness, and extension programs, and make available forest-related information

54. Undertake and implement periodic forest-related planning, assessment, and policy review, including cross-sectoral planning and coordination

55. Design and maintain human resource skills across relevant discipline

56. Develop and maintain efficient physical infrastructure to facilitate the supply of forest products and services and to support forest management

57. Enforces laws, regulations, and guidelines

❑ Extent to Which the Economic Framework (economic policies and measures) Supports the Conservation and Sustainable Management of Forests (Indicators 58 & 59)

58. Investment and taxation policies and a regulatory environment that recognizes the long-term nature of investments and permits the flow of capital in and out of the forest sector in response to market signals, nonmarket economic valuations, and public policy decisions in order to meet long-term demands for forest products and services

59. Nondiscriminatory trade policies for forest products

❑ Capacity to Measure and Monitor Changes in the Conservation and Sustainable Management of Forests (Indicators 60 - 62)

60. Availability and extent of up-to-date data, statistics, and other information

61. Scope, frequency, and statistical reliability of forest inventories, assessments, monitoring, and other relevant information

62. Compatibility with other countries in measuring, monitoring, and reporting on indicators

❑ Capacity to Conduct and Apply Research and Development Aimed at Improving Forest Management and Delivery of Forest Goods and Services (Indicators 63 - 67)

63. Development of scientific understanding of forest ecosystem characteristics and functions

64. Methods to integrate environmental and social costs and benefits into markets, public policies, and national accounting systems

65. New technologies and the capacity to assess the socioeconomic consequences associated with the introduction of new technologies

66. Enhancement of the ability to predict effects of human intervention on forests

67. Capacity to predict effects on forests of possible climate change

Theoretical Background

An understanding of the effectiveness of governmental forest regulation and non-state forest certification first requires knowledge of the policies themselves. Policy may be considered a purposive course of action or inaction that an actor or set of actors takes to deal with a problem (Anderson 1984, Hiedenheimer, Heclo, and Adams 1983). Policy statements are the formal written outputs of government or private decisions that express the means for implementing the policy goals. Laws and regulations are the first formal step to policy implementation. In this research, we will analyze how the Indicators in Criterion 7 are translated into action to achieve sustainable forest management.

Written policy is essentially made up by the structure of laws and their content. In order to analyze the written or stated forest policy content of laws, regulations, and certification standards, we will draw from theory and research on "smart regulation" (Gunningham, Grabosky, and Sinclair, 1998), forest regulatory "rigor" (Cashore and McDermott, 2004), analysis of policy instruments (Sterner, 2003, Cubbage et al., 2007), and nonstate governance in sustainable forestry (Cashore, Auld, and Newsom, 2004).

Our Model

Based on this literature, McGinley (2008) developed a model for analyzing the forest policy structure of government regulation and forest certification of prospective study countries in Latin America. This structure was modified for use in our analysis of Criterion 7 Indicators in the U.S. This included adding a component for the role of markets and market based policy instruments in setting institutional policy, per Sterner (2003) and Cubbage et al. (2007), and considering the role of scale or level of policy in determining SFM (Figure 1). This can be converted into a two-sided classification schema, which we will use to classify U.S. SFM institutions under Criterion 7 (Figure 2), and provide comparisons and a meaningful basis for the discussion of each Indicator. The even more detailed schema developed by Cubbage et al. (Figure 3) can be condensed to help place the Criterion 7 Indicators into the collapsed format indicated in Figure 2.

Analysis of the comprehensiveness of formal, written forest policy statements includes an analysis of policy content and policy structure. "*Policy content"* is the range of forest management issues that are addressed by forest policy (*e.g.,* legality of forest operations, conservation of forest biodiversity, mitigation measures, financial issues). "*Policy structure*" refers to the level of obligation on the part of individuals and organizations, or government compulsion (voluntary, mandatory) and the approach (prescriptive, process-based, performance-based) that the policy employs.

Figure 1. Forest Policy and Governance matrix by Level of Discretion, Approach, and Geographic Scale

Level of Discretion		
Markets: Private Markets, Market Instruments	Discretionary / Voluntary Government Policy: Education, Technical Assistance, Research, Planning, Incentives	Non-Discretionary/ Mandatory Policy: Laws, Regulations, Rules, International Agreements
Approach: Individual or Firm Decisions Performance/Outcome-based Process-/Systems-based Prescriptive		
Scale: National State Regional Local		

Adapted from: Gunningham, Grabosky, and Sinclair 1998, Cashore and McDermott 2004, Cubbage et al. 2007, McGinley 2008

The model displayed in Figures 1 and 2 will be used in the analysis of this SFM Criterion to assess the written, stated forest institutions designed to achieve sustainable forest management. For Criterion 7, the scale of the institutional responses also is particularly relevant, since there is wide variation among the 50 U.S. states, not to mention the innumerable local government jurisdictions. Furthermore, many of our U.S. "policies" and institutions are actually determined by private markets, not government, so this must be considered as part of the analysis.   Thus there may be variation in the level of compulsion and the approach by state or locality. Figure 1 provides some means of characterizing this variation and the typical approaches used by level of scale. Figure 2 could then be used to operationalize this theory, and add specificity by the type of policy instrument employed, where the letter abbreviations could be placed in the relevant cells of the policy matrix.

Figure 2. Proposed Detailed Policy and Governance Matrix for SFM Criterion 7 Indicators by Level of Discretion, Approach, and Geographic Scale

Approach and Scale	Level of Discretion		
	Markets[a]	Discretionary Policy[b]	Non-Discretionary Policy[c]
Approach			
Individual or Organization Decisions			
Performance/Outcome Based			
Process/Systems Based			
Prescriptive			
Geographic Scale			
National			
State			
Regional			
Local			

[a] Free enterprise, private market allocation of forest resources (M), or market based instruments and payments, e.g. certification (C), cap-and-trade, e.g. wetlands banks, carbon, endangered species (T), conservation easement or transfer of development rights (D), or bioprospecting (P)
[b] Education (E), Technical Assistance (T), Research (R), Protection (P), Analysis and Planning (A); or incentives and subsidies (I)
[c] Laws (L), Regulations or Rules (R), International Agreements (I), Government Ownership or Production (G)

The general matrix that we have developed also corresponds well with the general qualitative indicators developed by the Ministerial Conference on the Protection of Forests in Europe (MCPFE; 2003). That process also will categorize forest policy instruments into three similar legal/regulatory, financial/economic, or informational classes. The MCPF schema will also identify the main policy area, objectives, and relevant institutions. We will not include all these factors in our policy and governance matrix somewhat to avoid more complexity. The purposes and implementing institutions should be considered in eventual forest policy decisions, but are needed less for U.S. Montréal Process Criterion 7 Indicators summary.

In our Forest Policy and Governance Matrix, a prescriptive policy identifies a preventive action or prescribes an approved technology to be used in a specific situation. It generally requires little interpretation on part of the duty holder, offers administrative simplicity and ease of enforcement, and is most appropriate for problems where effective solutions are known and where alternative courses of action are undesirable. However, a prescriptive policy may also inhibit innovation or discourage adaptive management.[11]

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[11] Example of non-discretionary prescriptive standard: Cutting intensity does not exceed 60% of the number of trees per species with a diameter at breast height greater than or equal to 60cm.

A process-based policy identifies a particular process or series of steps to be followed in pursuit of a management goal, such as sustainable forest management. It typically promotes a more proactive, holistic approach than prescriptive-based policies. Challenges associated with process-based policies include complicated oversight, compliance 'on-paper' rather than on the ground, and an over-reliance on management systems.[12]

Performance-based policy specifies the management outcome or level of performance that must be met, but does not prescribe the measures for attainment. It allows the duty holder to determine the means to comply, permits innovation, and accommodates changes in technology or organization. Performance-based policies do not specifically promote nor preclude continuous improvement, and enforcement may require intensive monitoring, analysis, and related resources (Gunningham, Grabosky, and Sinclair, 1998; Bluff and Gunningham, 2003).[13]

Markets or market instruments allocate many of the forest resources in the world, and are becoming increasingly popular for even public lands and more closely integrated into many public programs, spanning activities all the way from operational forestry to research. Thus an analysis of institutions to achieve multiple function SFM should more explicitly include such instruments. Cubbage et al. (2007) develop a policy framework (Figure 3) for such classifications from regulations to markets, which can be used to help inform this classification proposed here.

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[12] Example of Discretionary process-based: Measures should exist to control hunting, capture and collection of plant and animal species.
[13] Example of Non-discretionary performance-based: The rate of forest products harvested does not exceed the rate of resource growth.

Figure 3. Selected Policy Instruments for Multi-Functional Forestry (Cubbage et al. 2007)

Government Ownership and Planning	Government Regulation	Subsidies & Protection	Education & Research	Private Markets	Private/Public Project Financing	Private/Public Market Development
Land ownership	Best practices	Plantations	*Education*	*Land Ownership/ Management*	*Financing and grants*	Tradable development rights
National	Harvesting, roads	Timber stand improvement	Professional	Small private	International bank Loans	Conservation easements
Community	Illegal logging	Income tax reduction	Continuing	Industrial	Debt-for-nature swaps	Concession/ extraction quotas
Native/indigenous	Water quality and quantity	Property tax reduction	Public	Timber investment organizations	Venture capital funds	Tradable protection rights
Production	Wildlife, biodiversity	Forest industry & manufacturing	Landowner	Environmental organizations	National forestry funds	Water resource use charges
Timber products	Endangered species	Ecosystem management	Logger and worker	Cooperatives	Policy/business guarantees	Bioprospecting fees
Nontimber products	Landscape effects	Environmental services	*Research*	*Goods and Services*	Conservation trust funds	Payments for environmental services
Final products	Aesthetics	Fire protection	Federal	Products	Environmental protection funds	Payments for environmental degradation
Services &Amenities	Conversion	Insect & disease protection	State	Services	Securitization	Carbon offset payments
Recreation	Workers/safety/pay	Invasive species	Forestry schools	Amenities	Grants by philanthropies, NGOs	Clean Development Mechanism
Environmental Services	Community benefits/impacts	Trespass, theft, illegal logging	Other academic disciplines	*Financing*	*Joint management arrangements*	
International Fora and SFM Processes	International trade agreements	Forest law enforcement & governance	Private industry	Banks/loans/ credit	Contracting, leasing, joint	
SFM Criteria & Indicators			Nongovernment organizations	Foreign direct investment	Build Operate Transfer	
UN Forum on Forests				Forest certification	Build Own Operate	

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Application

We propose to use the simple classification scheme shown in Figure 2 to provide a uniform framework to discuss the each Indicators of SFM in Criterion 7. This approach will rely on existing data and information that is available and has been collected to date, but it will provide more structure and insight about its usefulness in measuring and monitoring SFM. The effectiveness of the C&I in achieving SFM does rely ultimately on normative measures about the effectiveness of policies an institutions. Our framework can enhance the rigor and clarity of this discussion and analysis, help clarify gaps and weaknesses in our institutions, and identify opportunities for improvement to achieve sustainable forest management.

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4.4 - DEVELOPMENT OF OVERVIEW REPORT PLAN

4.4.1 Approach

The TAC developed the draft plan and recommendations through a series of small group brainstorming sessions to identify the possible content and approaches followed by further plenary discussion and refinement of thinking. Findings are summarised in section 3. Rough working notes are captured below.

4.4.2 Working Notes

2009 Montréal Process Overview Report - Structure

- needs to be flashy, pithy, eye catching messages, display information to capture attention,

Audience
1. Those that fund the MP in the respective countries? National and sub-national policy makers and government decision makers funding the work of the Montréal Process.
2. Participants/stakeholders (national bodies, local authorities, companies or organisations who have adopted the C&I framework)
3. General public who don't have a prior knowledge of C&I.

What is the MP? Achieved a unique accomplishment.

What are we proud of?
- We are a voluntary group that has created a definition of SFM through C&I
- Dedicated commitment to the process and the journey

See section in 3rd draft of MP booklet – common understanding of SFM, sharing capacity and knowledge amongst member countries, shared language, holistic approach to forests,

Structure
1. Value
   a. Common interest is the responsibility for the sustainable management of the world's temperate and boreal forests
   b. Voluntary coalition of the willing of 12 countries who together represent x% of the boreal forests now have developed a framework to consistently monitor and report progress towards SFM. They come from a range of cultural backgrounds at differing stages of development in monitoring forests
   c. stronger relationships and shared experiences have led to a greater understanding of the member countries and their forest related issues
   d. created a momentum domestically and internationally, and an expectation
2. Success stories – conceptual development and implementation of the C&I framework (application and usefulness)
   a. for the Montréal Process as an institution
   b. Response from each country - a box of 2 or 3 paragraphs for each country. eg: where countries didn't have indicators in place before the MP; eg: C&I process internationally helped a country to work with their provincial governments by having a common language to communicate; relationships developed between countries with geographic synergies

       c.   Review and respond to the objectives identified in the 2003 Report

   3. Indicators – what is the role of this section in the report?
      a.   Comparative analysis
          i. continue the 2003 set of overview indicators OR
          ii. use a new set of indicators for the 2009 report (not appropriate to compare countries)
      b.   Identify a theme and draw on the relevant indicators, OR
      c.   Each country presents their good news story on a particular indicator, and identify one or more indicators where all countries can report.
   4. Trends of some indicators – where possible
   5. Progress
      a.   in the conversation and dialogue in SFM internationally and nationally
      b.   in the management of forests
   6. Future direction of the MP

- Succinct eye-catching glossy A4 hardcopy and poster for the World Forestry Congress, with a more detailed report available on the web
- Needs to be an immediate message that is relevant to all Ministers from all countries
- Information brochure to inform how the MP countries were progressing
- Build on what was done in 2003
- People in charge want to see what has improved as a result of the MP – each country could offer something by way of application and usefulness

- case studies could be included at various places throughout the report (flexibility)

Specific Steps to Produce the 2009 Montréal Process 'Overview Report'

Date	Task	Time needed
11th TAC	Decision by each country on which indicator they will contribute to the Overview Report	
November 2008	TAC to provide WG with a proposed structure, desired content, and specific steps for the 'Report'	
November 2008	WG to task TAC to prepare a draft report based on an agreed arrangement	
	Identify a drafting-group of WG and TAC members to prepare the report	
	Material provided by countries to describe success in their countries	
	Possible meeting of Drafting Group?	
	First Draft report provided to WG for Review	
	TAC to address WG response into a 2nd draft report	
June 2009	Final TAC draft to WG for clearance	4 weeks
	Formal design and layout	2 weeks
July 2009	Final endorsement from WG of document ready to print	(4 weeks)
August 2009	Final draft ready for printer (pr	
September 2009	Printed reports in Argentina	
October 2009	Launch of Montréal Process 2009 'Overview Report'	

Get feedback from Working Group members on what worked, what they need for their own decision making purposes, needs to have a succinct series of 3- 4 questions

Less focus on the indicator library and more on how it's useful
Communication on SFM, capacity building, climate change, links to other sectors
Case studies –
Overview Report – what do WG need?

>>>Blend Issues, indicator reporting, case studies
Use multiple indicators to paint picture on an issue area – illustrate the story with specific case studies where they are appropriate
Issues should be relevant to temperate and boreal forests
Role of framework in helping address issues
Differentiation of MP – show the contrinution.
The Montréal Process headline??
Demonstrating progress towards SFM – value case

Possible 'Issues' germane to temperate and boreal forests/MP
Carbon sequestration
Water
Capacity Building
Fire
Advances in C&I framework
Policy changes, Management changes

MP drives R&D investment
MP used to review forest processes
Development of coordination and common tool – capacity
Underpins forest certification
National convergence on definition of SFM based on C&I and certification
State of Forests reports as framework for reporting
Improved understanding of SFM – international standard within wider community –
increased participation, more focus on things like biodiversity
Better data better dialogue better decisions – C&I at local scales – manage
landscapes beyond administrative boundaries – common language across multiple
stakeholders – public private etc. Replicate across areas.
Dynamic tool for enhancing legal instruments – C&I can strengthen legislation –
allows development of new ideas and laws based on better understanding
Soil water and river impact!!! US and NZ common conclusions
Incorporation of C&I into thinking and decision making
Progress in idea dissemination, contributes to plicy and planning, tech contribution –
review traditional models and enhanced MAR. Contribution to cerification
Contribution to UNFF and 7TE
Get one point from each country
Think about the limitations on MP >> e.g. High level impact, relationship of other
agencies, --- is this a 'futures' section in report

Page on common topic with specific illustrative example
Page with multiple smaller highlights that may not be big and common
Canvas countries for highlights and then look for common threads

Mock up sample page

MP does two things
                    1. Reporting/Information provision
                    2. Conceptual thinking (framework) can affect policy etc

4.5 - MEMBER COUNTRY PROGRESS – BRIEF UPDATES

Argentina

Australia

Canada

China

Japan
- o Implemented the 2nd cycle of 5year-interval country-wide *Forest Resource Monitoring Survey* in Japan.
- o Preparing 3rd cycle of *the Survey* starting from 2009.
- o Conducted the 1st *C&I and Forest Certification Training Course* for developing countries in Japan.
- o Preparing *the 2nd Training Course* which will start in October this year.

Mexico

New Zealand

Russia
- o Translation (to Russian) and publication of the Montréal Process booklet
- o Translation (to Russian) "Technical notes on implementation of the Montréal Process criteria and indicators"
- o Publication of information articles about TKK MP and WG MP in periodicals
- o Preparation of the second national report

USA

The US has been actively working on the development of its draft 2010 National Report on Sustainable Forests. Criterion Leads are collecting and synthesizing data, and chapters are being drafted. Several indicator workshops have been initiated through the Roundtable on Sustainable Forets and its stakeholders. It is expected that the Draft 2010 Report will be released for public review and comment in December 2008.

The US Government announced the signing of a Policy Memorandum to guide development of "National Environmental Status and Trends Indicators" (NEST). The Administration is establishing an interagency Executive Management Team, to be lead for the first two years by the Forest Service (Richard Guldin). The first step will be to conduct a pilot project focused on water availability through a process including a national stakeholders' forum. A policy memo states that the goal is, "to develop and improve processes for the selection and development of NEST Indicators and to demonstrate the usefulness of such indicators. NEST Indicators are high quality statistical measures of a relatively few conditions of our Nation's environment and natural resources that are sufficiently important and cross-cutting to warrant the acquisition of data using measurement methods and statistical designs that are consistent across the entire country and repeated regularly over time."

Several states and local governments have integrated the use of the Montréal Process Criteria and indicators into their "Forest Reports". Two examples include the states of Oregon and Wisconsin. Oregon has produced its 2007 - 2009 Oregon Forests Report, and is actively engaging its Forestry Board to integrate additional indicators and data into the report. Wisconsin has developed the "Wisconsin Sustainability Framework". Wisconsin's Forest Sustainability Framework

(Framework) lays out a blueprint for gathering data to assess the sustainability of forests in Wisconsin and creates a common language and unbiased set of metrics to discuss sustainability.