



Sustainable Forest Management and Illegal Logging: A Canadian Perspective

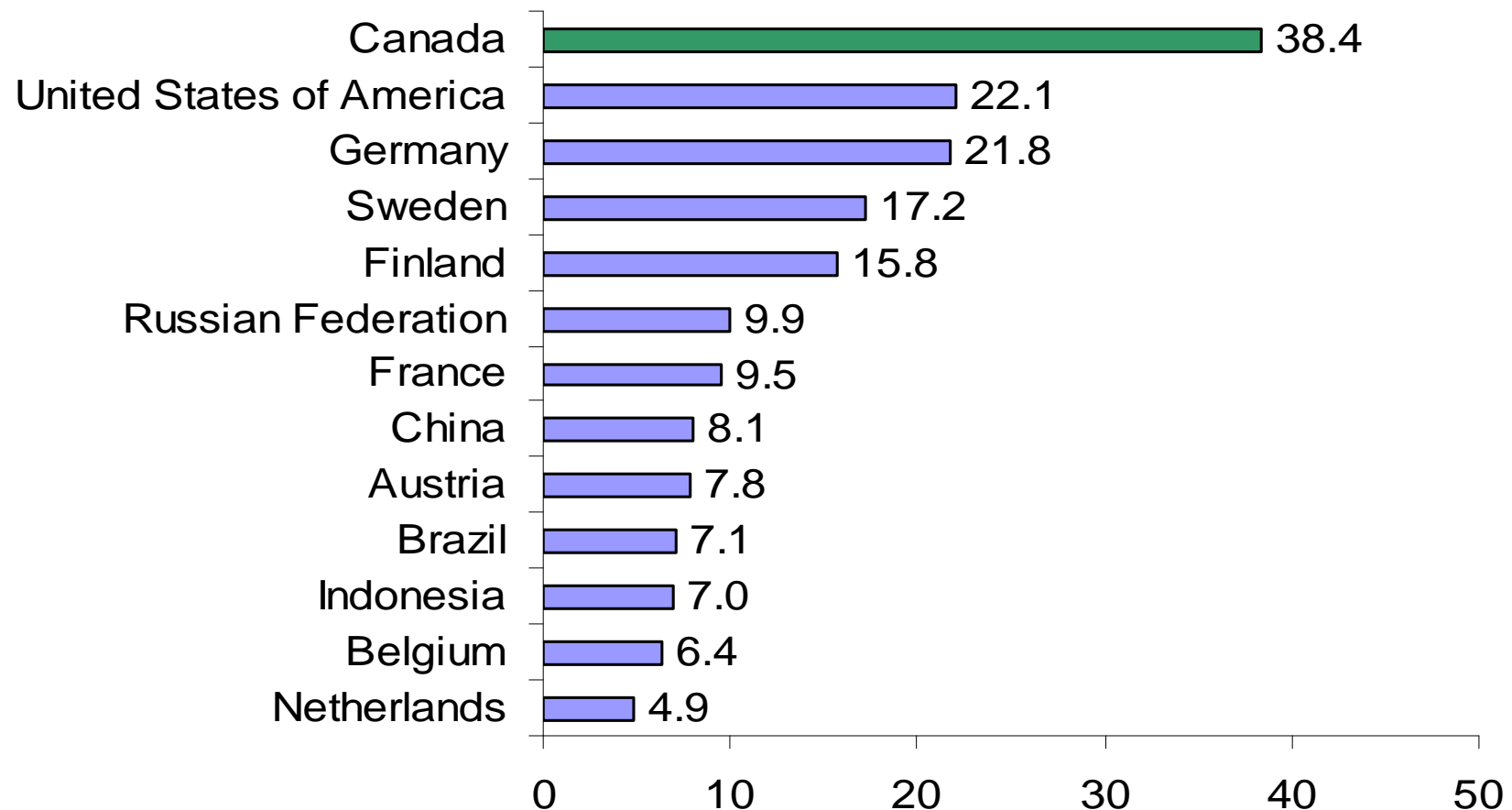
Illegal Logging Seminar
Yokohama, Japan
December 3-4, 2007

Forestry: Cornerstone of the Canadian Economic/Social Fabric

- Sales - \$81 billion
- 3% of GDP
- > 860,000 direct and indirect jobs
- > 300 dependent communities
- Leading employers of Aboriginal People

Leading Exporter of Forest Products

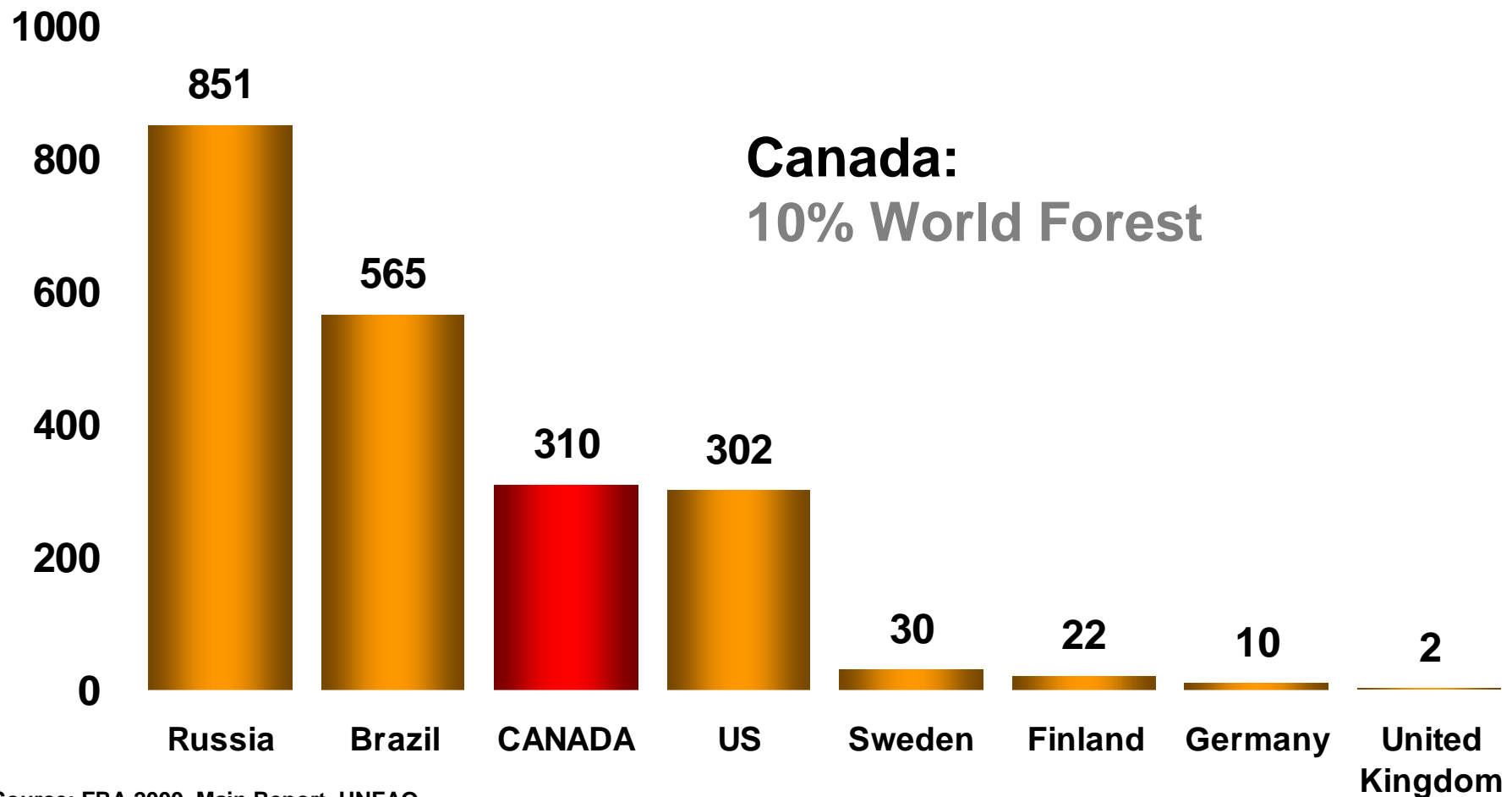
Forest Products Exports 2005 (CAN\$ Billions)



An Immense Forested Landscape (Millions of hectares)

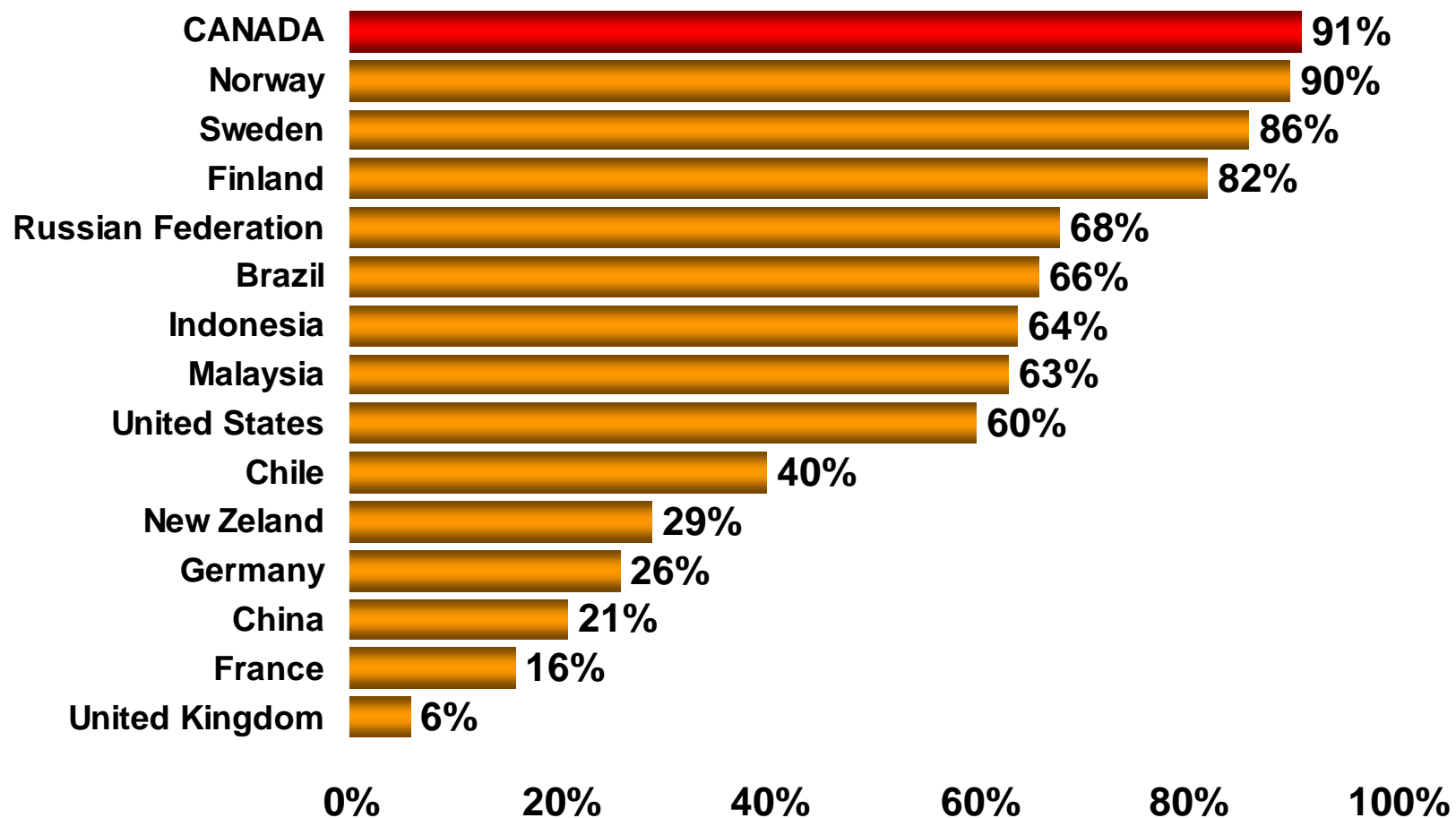
Forest Products
Association of Canada
fpac.ca

Association des produits
forestiers du Canada
fpac.ca



Source: FRA 2000, Main Report, UNFAO

Today's forest as a % of Original Forest Area

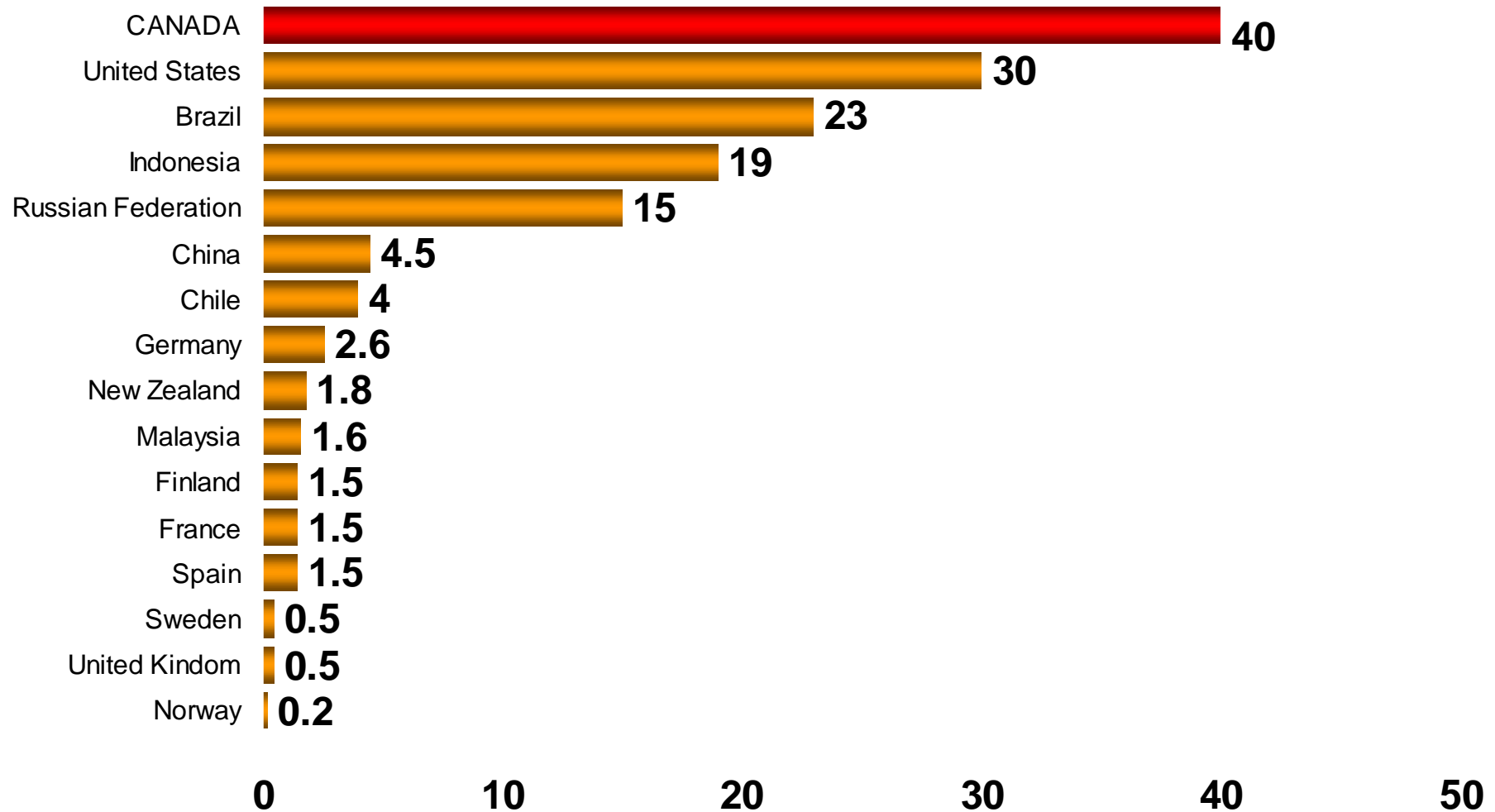


Source: Earth Trends 2001, World Resource Institute, Forests and Grasslands country reports

Protected Forest Area (million ha)

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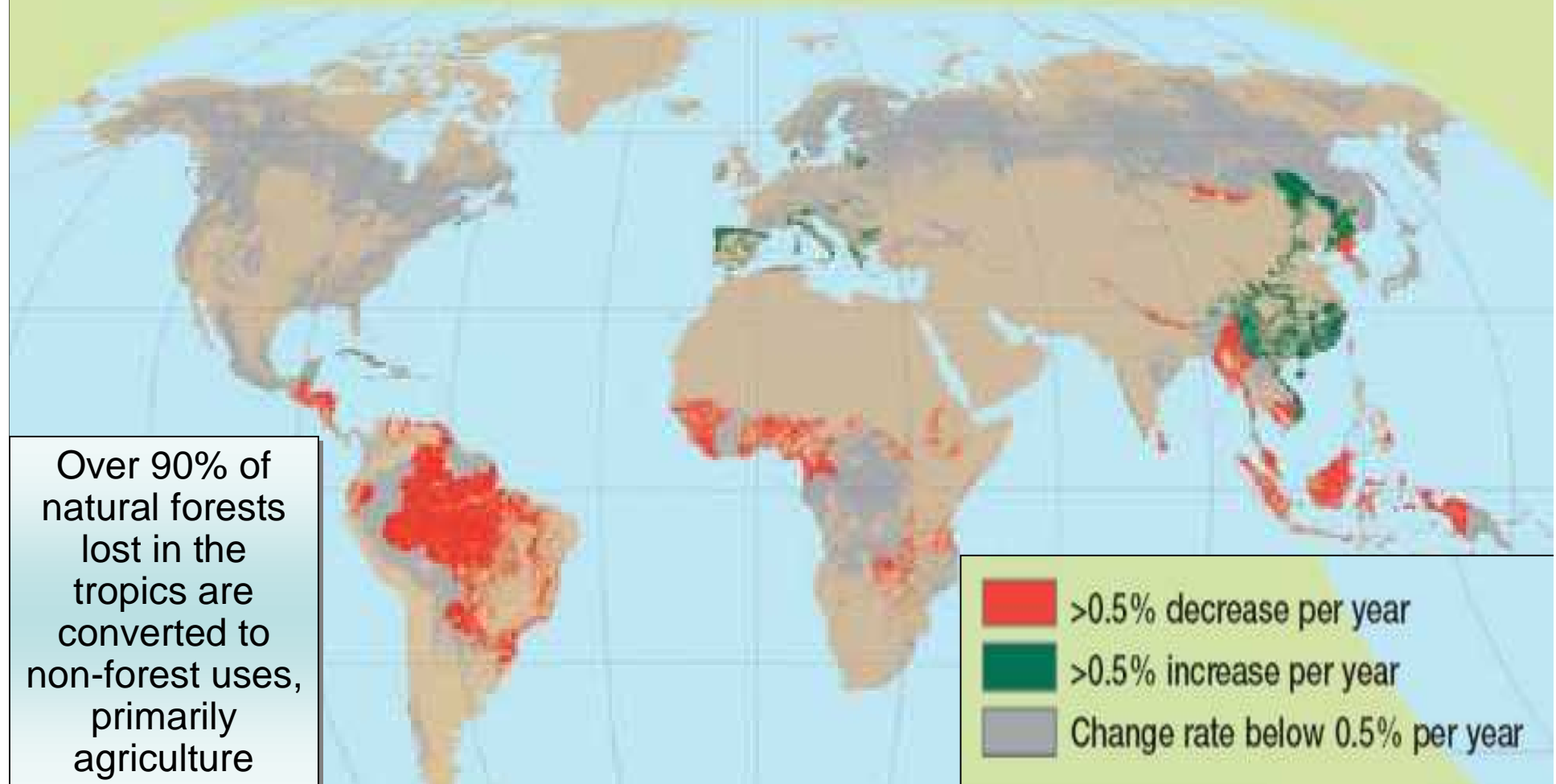
Association des produits
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Source: A Global Overview of Forest Conservation, WCMC, UNEP, CIFOR, 1997

Virtually Zero Deforestation

Countries with high net change in forest area, 2000–2005



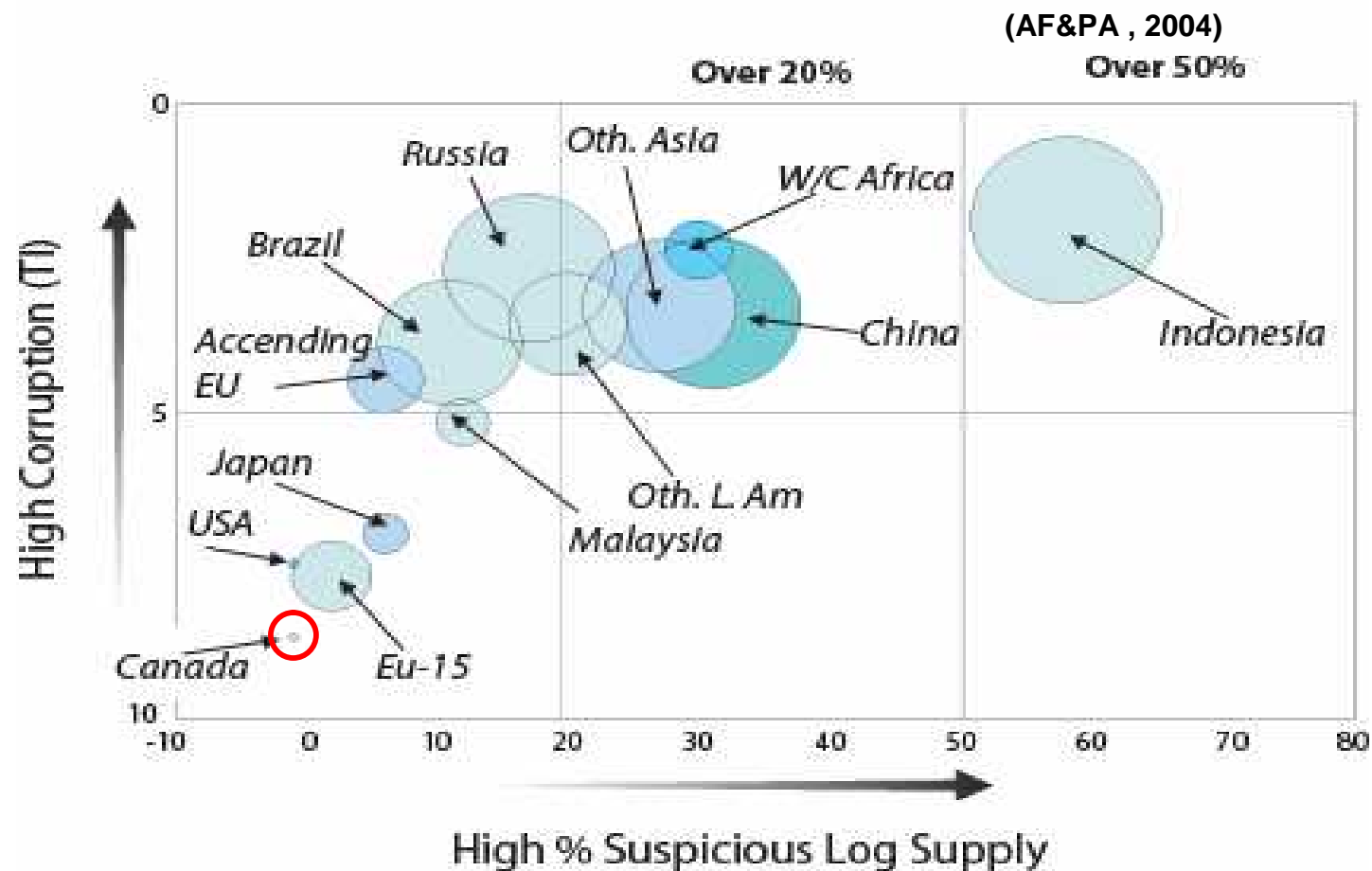


Legality/sustainability demand

- Increased corporate and social responsibility to procure wood products from legal and sustainable forests.
- Canada is at low/no risk status for illegal logging when compared globally but has a responsibility.

Illegal Logging

Corruption and Illegal Forest Activity



Note: Size of bubbles represents volume of suspect roundwood, including imports. Sources: Transparency International; WRI/SCA estimates of illegal logging, in American Forests & Paper Association 2004

Effective Prevention of Illegal Logging in Canada

1. Legislative Framework
2. Tenure System
3. Regulation
4. Compliance Enforcement
5. Certification (SFM & CoC)
6. Government and Corporate Policy



1. Legislative Framework

Federal Government Agencies and Acts

Legislation created by the Canadian Federal Government impacts forest management in Provinces

- ✓ *Fisheries Act* - Department of Fisheries and Oceans
- ✓ *Canadian Environmental Assessment Act* - Canadian Environmental Assessment Agency
- ✓ *Pest Control Products Act* - Health Canada
- ✓ *Navigable Waters Protection Act* - Transport Canada
- ✓ Canadian Forestry Services
- ✓ *Species at Risk Act* - Environment Canada

Federal / Provincial Structure

- The Canadian constitution delegates jurisdiction over natural resources to provinces
- Provincial legislation dictates:
 - Tenure arrangements
 - Environmental standards that apply to Crown lands



Provincial Acts – BC Example

Provincial legislation dictates tenure arrangements and environmental standards on public (Crown) land

- ✓ *Ministry of Forests and Range Act*
- ✓ *Forest Act*
- ✓ *Forest and Range Practices Act*
- ✓ *Land Act*
- ✓ *Range Act*
- ✓ *Water Act*
- ✓ *Wildfire Act*



BC Forest Act

Provides the authority for the allocation and administration of forest resources, primarily timber.

- ✓ Regulates rate of cutting
- ✓ Specifies forms and content of agreements
- ✓ Provides for basic tenure administration
- ✓ Basics for aspects of compliance and enforcement



BC Forest and Range Practices Act

Provides for the regulation of operational planning and practices.

- ✓ Establishes stewardship standards for forest and range practices
- ✓ Ensures that the legislated requirements for sustainable forest practices are followed
- ✓ Meets the requirements for higher level plan objectives established through strategic planning
- ✓ Carry out compliance and enforcement activities to ensure stewardship standards are met



2. Tenure System

Forest Use & Concessions: Tenure System

What are Tenures?

Mechanism by which government transfers specific rights to use Crown forest resources through:

- legislation – *Forest Act*
- regulation
- contracts
- policy

. . . and defines the licensee's obligations.

Tenure Administration

1. Administer licence
2. Approve Forest Stewardship Plan
3. Issue road permit
4. Issue cutting permit
5. Monitor Performance
6. Collect Revenue

Forest Use & Concessions:

Example: BC Tenure System

Tenures

Forest Licence	464
Timber Sale Licence	905
Timber Licence	552
Tree Farm Licence	33
Pulpwood Agreement	10
Woodlot Licence	827
Community Forest Agreement	18
Licence to Cut	3,398



3. Regulation

Canadian Forest Regulation

Objective: Sustainability

- Environmentally Responsible
- Socially Desirable
- Economically Viable





Forest Planning and Regulation

- Long term licenses
- 20-25 year forest management plans
- Rolling 5 year development plans and site specific annual operational plans
- Forest management plans subject to public review prior to approval
- *All harvested areas must, by law, be regenerated*



How do Canadian Regulations Compare?

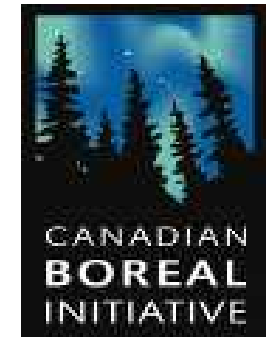
- Protected areas
- Species at Risk
- Certification
- Riparian Protection
- Clearcutting
- Road Construction
- Reforestation
- Allowable harvest

“ This Report demonstrates that the stringency of Canadian forestry regulations compare with the most stringent of policies elsewhere in the world. In most cases, Canadian policy and regulation is non-discretionary and involves specific requirements. Results of this study indicate that Canada is well positioned to begin much needed global efforts to address important problems concerning the world's forests ”

– Benjamin Cashore, Associate Professor,
Sustainable Forest Policy, School of Forestry
and Environmental Studies, Yale University

Current SFM Issues

- Boreal Conservation and Management
 - Conservation Planning Principles
 - Caribou Management
- Pine Beetle
 - Increased early detection and action
 - Monitor AAC to ensure timber supply
 - Provincial Response Team
 - Cold Winter Coming?
- Species at Risk Act





4. Compliance & Enforcement



Compliance & Enforcement

“Independent yet Integrated”

C&E is integrated into government activity, but maintains its ability to act independently.

- **Independent:** acts on legal authority, unbiased and independent of irrelevant considerations
- **Integrated:** operates efficiently and communicates effectively with other program areas within the Ministry

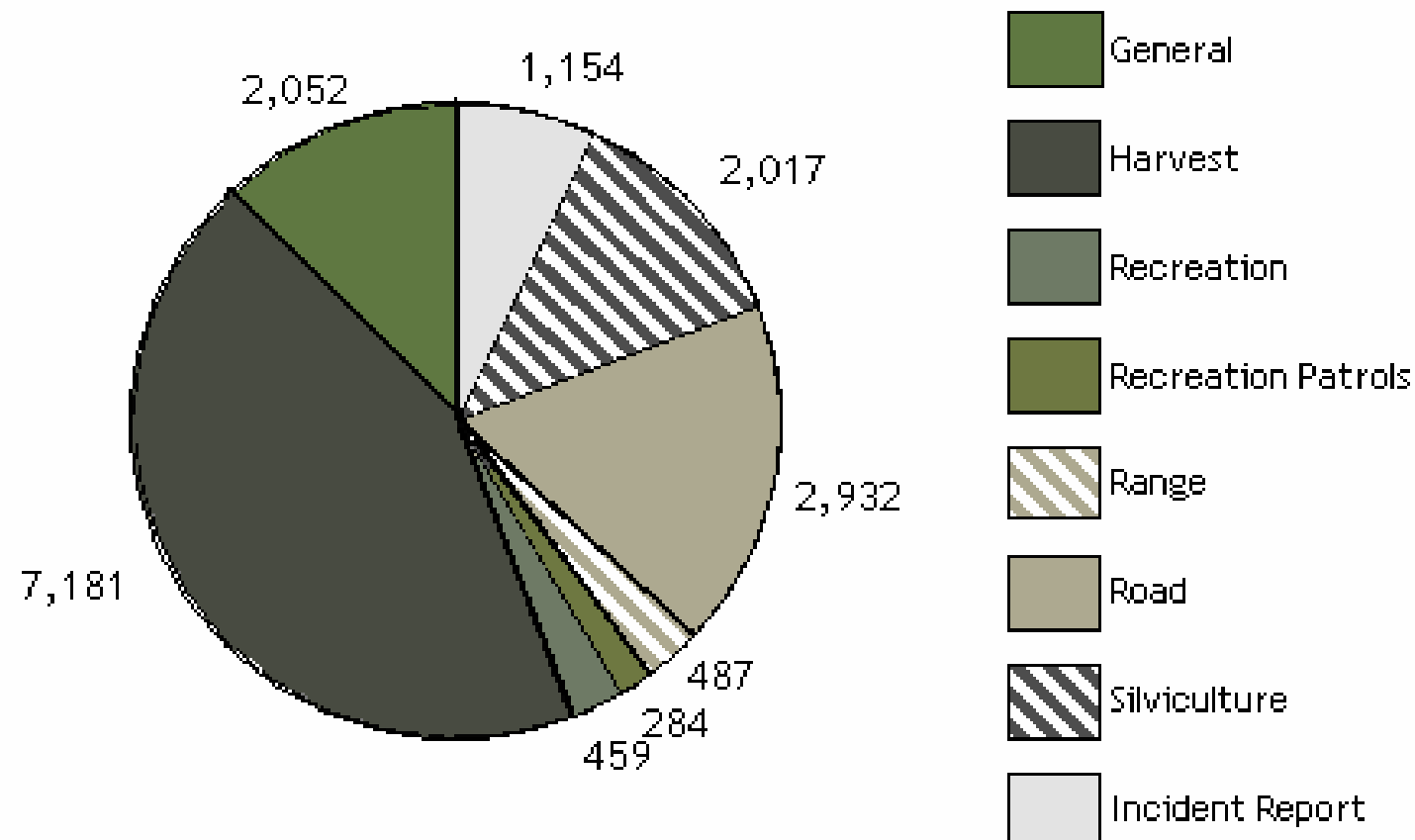
Compliance & Enforcement

- Enforce environmental standards under legislation;
- Conduct investigations where evidence of contravention;
- Enforce regulations to minimize fire, pests and unauthorized activities;
- Combat forest crimes that impact provincial revenues (theft, arson, mischief);
- Enforce revenue policies.



Compliance & Enforcement

Number of Inspections by Inspection Type



Ministry of Forests and Range - Compliance & Enforcement Program



Annual Report

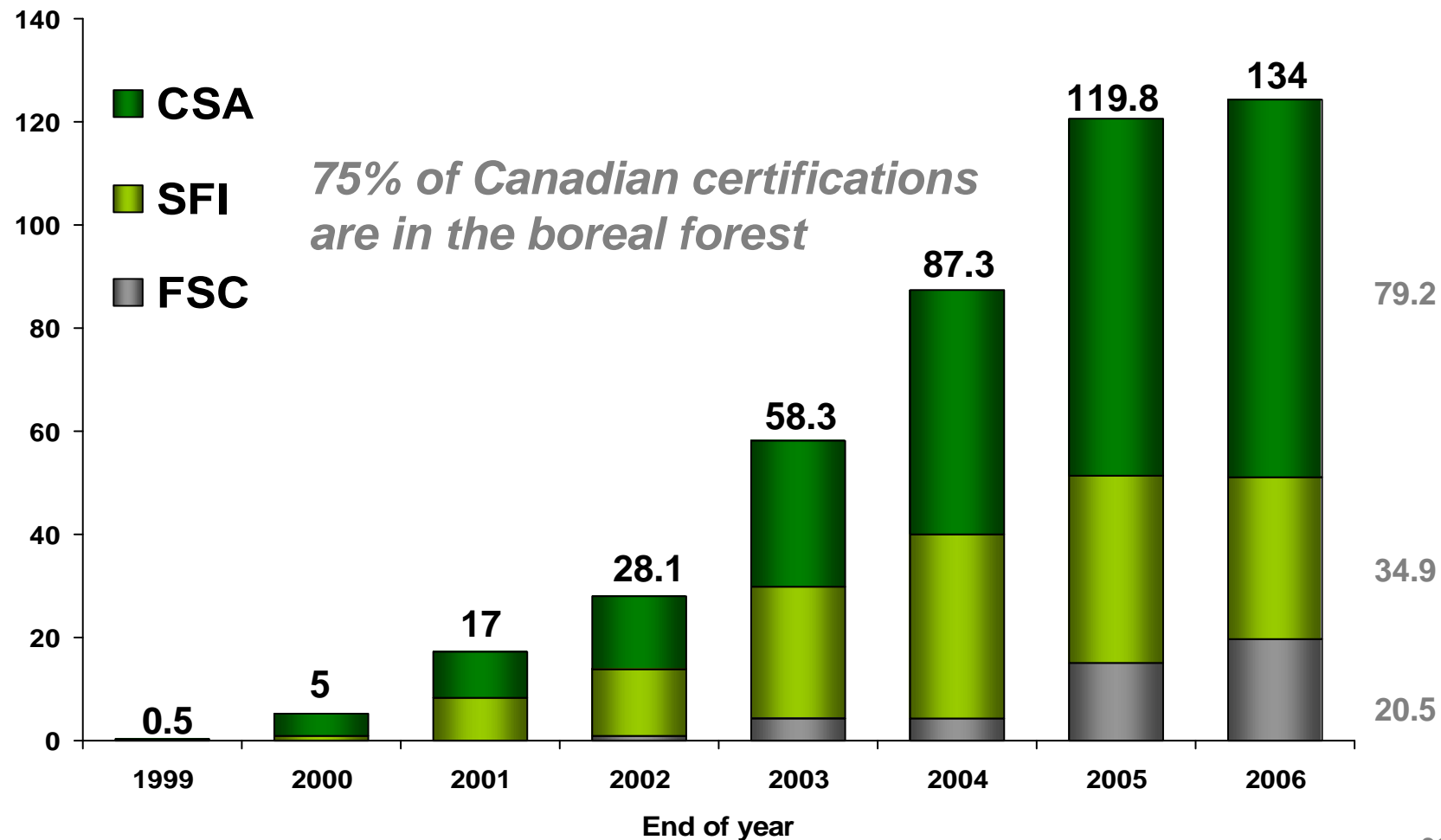
Year Ended March 31, 2006

Providing statistics of Compliance and Enforcement activities recorded by the Ministry of Forests and Range between April 01, 2005 and March 31, 2006

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5. Certification

SFM Certification in Canada 1999-2007 (millions of hectares)

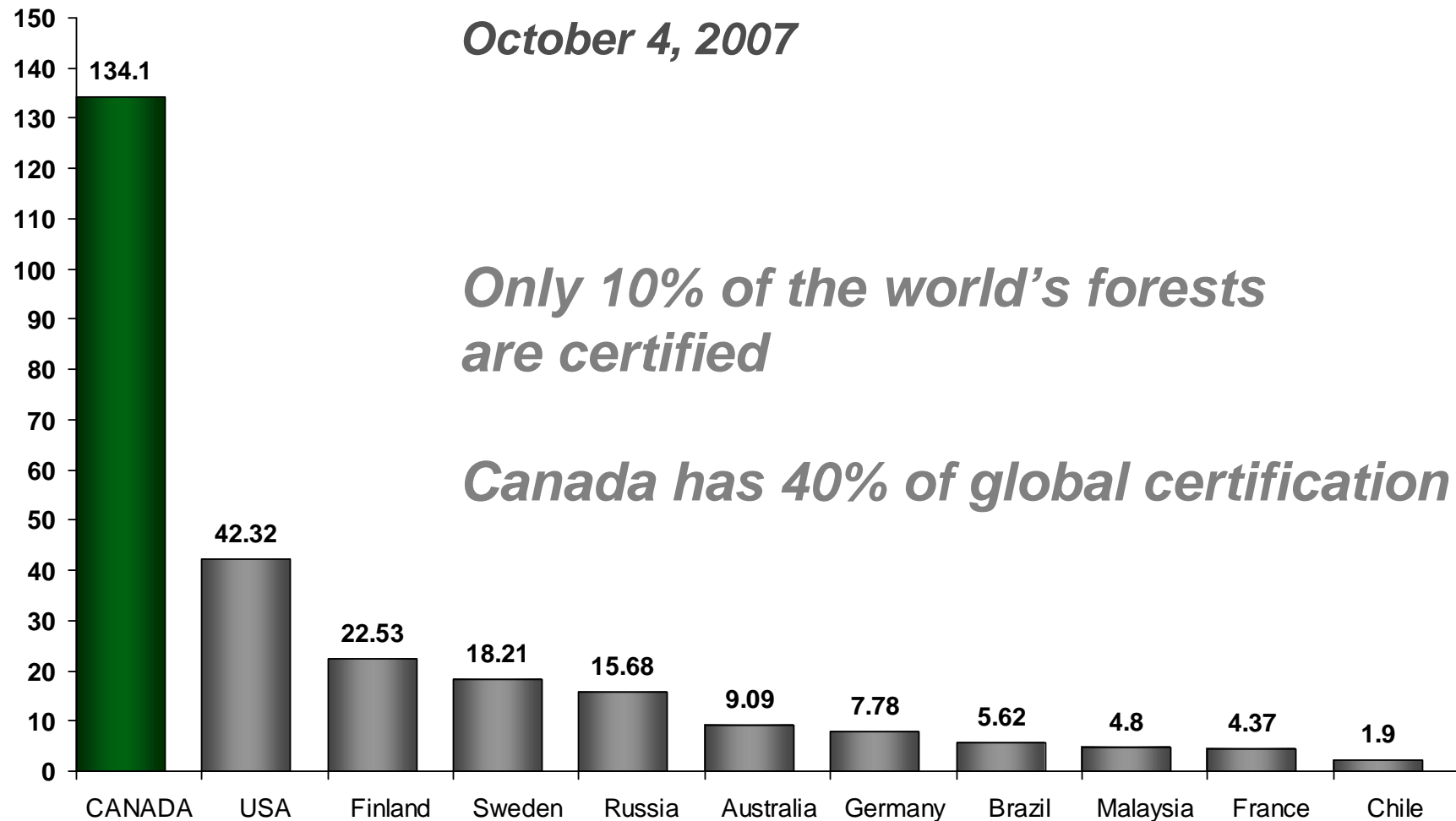


Canadian Certification in the Global Context

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Millions of hectares



Chain of Custody...

CSA, FSC, SFI, PEFC all have it

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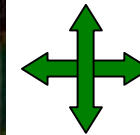
Certified Forest



Certified timber



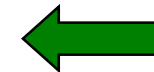
Certified Mill



Recycled Content



Certified Product



Certified Merchant



Product
Label

[illegible]

Matching Chain-Of-Custody Certifications with Labels

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- CSA certified forest + PEFC CoC =
 - SFI certified forest + PEFC CoC =
 - Any PEFC endorsed standard(s) + PEFC CoC =
-



- FSC certified forest + FSC CoC =
-



- CSA certified forest + PEFC CoC =
-

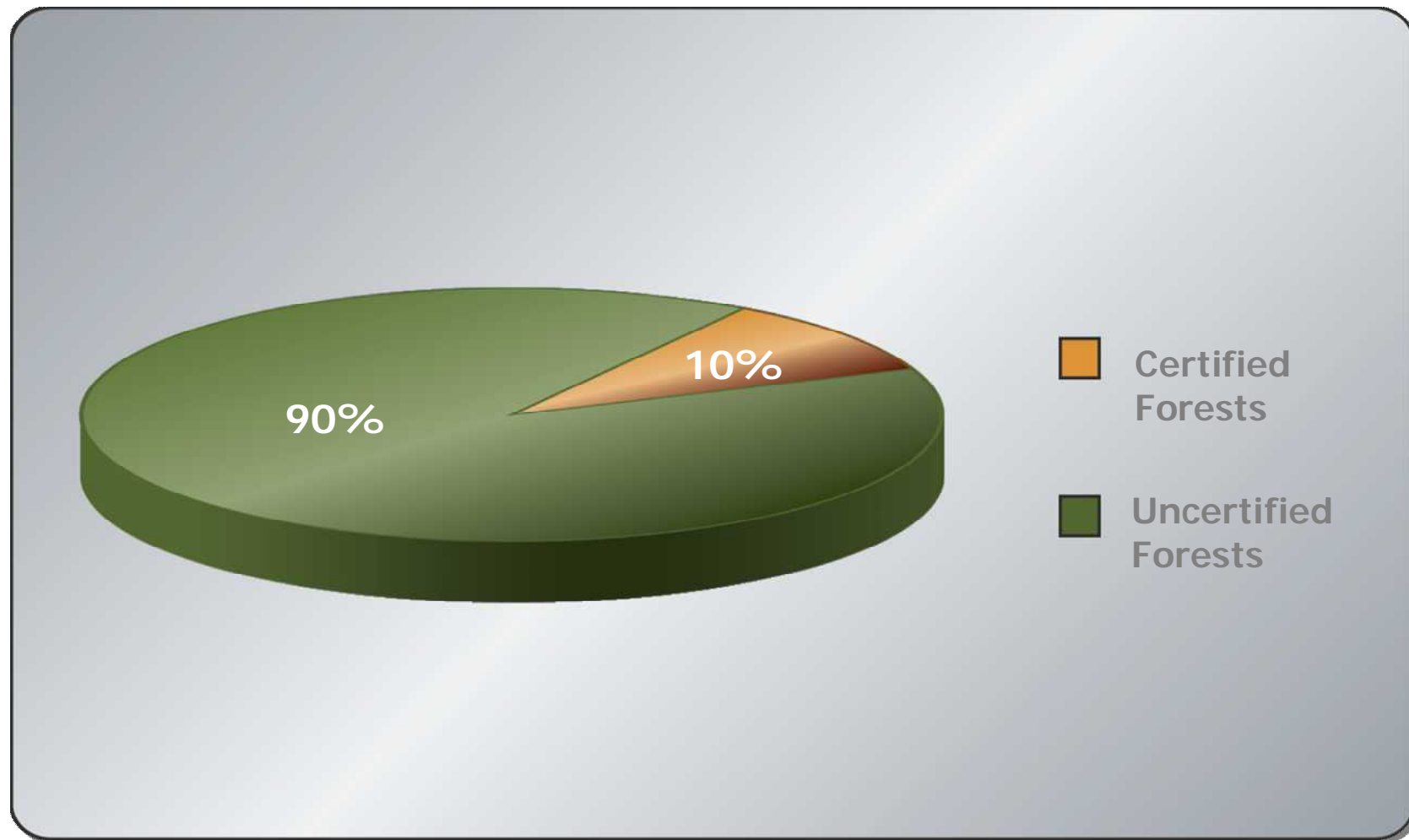


- SFI certified forest + SFI CoC =
- SFI certified forest + PEFC CoC =





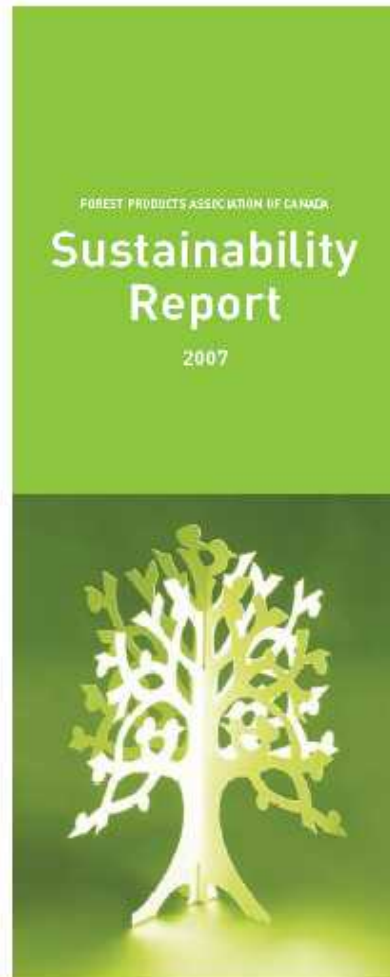
Area of Forest Certified Worldwide





6. Supporting Policy

FPAC Sustainability Initiative



FPAC Vision

A leader in advancing the global competitiveness and sustainable stewardship of the Canadian forest products industry.

FPAC Sustainability Statement

The Canadian forest products industry contributes to society's well-being through its products and activities - from forest to market. FPAC members are committed to a sustainable development path built on a profitable and competitive industry.

We will operate in a manner which is: Economically viable, Environmentally responsible, Socially desirable

Economic Viability

To maintain the profitability of our industry as the basis for sustainable development

- **Financial viability:** Ensure the profitability of our industry and its long-term economic viability.
- **Competitiveness:** Continuously improve the competitiveness of our industry within the global marketplace.
- **Customer focus:** Develop and deliver quality products and services to meet present customer and future market needs.

Environmental Responsibility

To ensure our activities are conducted in a sustainable manner that protects the environment

- **Environmental performance:** Comply with all applicable regulatory requirements and continuously improve the environmental performance of our operations.
- **Sustainable forest management:** Practice sustainable forest management in all our operations in accordance with recognized standards, and ensure wood supply is from legal sources.
- **Resource use:** Continuously improve the efficient use of natural resources, material, and energy.
- **Product Recycling:** Promote and continuously improve product recovery and re-use

Social Desirability

To conduct our business with integrity and reflect evolving societal values in our performance

- **Our employees and workplace safety:** Provide economic opportunities and a safe and productive work environment for our employees and contractors.
- **Community and stakeholder relations:** Engage our stakeholders in a proactive and transparent manner, and be respectful of their interests.
- **Relations with Aboriginal Peoples:** Be respectful of the economic and cultural interests of Aboriginal Peoples, and encourage their participation in the forest products industry.
- **Economic contribution:** Contribute to the economic and social well-being in communities where we operate, as well as regionally and nationally.



FPAC Commitments

Certification (2002)

- *All FPAC members with woodlands operations in Canada are committed **to achieve third-party sustainable forest management certification on those woodlands by December 31, 2006.***

Traceability (2006)

- *FPAC members commit **to tracing their fibre supplies back to the forest area of origin, by the end of 2008,** to assure customers that the wood fibre they are using comes from legal sources."*

Illegal Logging (2006)

- *..."**Purchasing and using wood coming only from legal sources,** and firmly condemning corruption and criminal activities related to illegal logging.*

New Allocation (2006)

- *Planning for **conservation of ecological and cultural values prior to new forest tenures** in unallocated part of Canada's boreal forest*

A Unique Climate Change Commitment

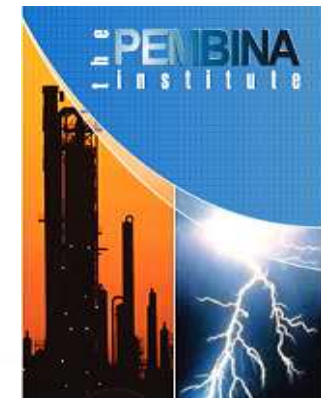
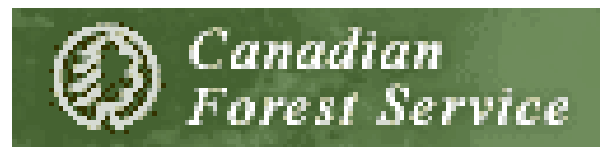
***“Forest Industry carbon-neutrality by 2015
without the purchase of carbon offset
credits”***

Joint FPAC/WWF Press Release

October 31st 2007



ncasi



Canadian Guarantee ?

- All harvested forests are **promptly regenerated** and do not contribute to deforestation
- Forest practices are **third party independently certified** to the highest international standards
- **Conservation planning** precedes new harvesting
- Companies are committed to **protect wildlife and biodiversity**
- Wood/fibre from **illegal logging is prohibited**
- Suppliers use all available **recycled content**
- Companies have **reduced GHG emissions** and improved **water quality**
- **Environmental practices** are transparent and **reported publicly**

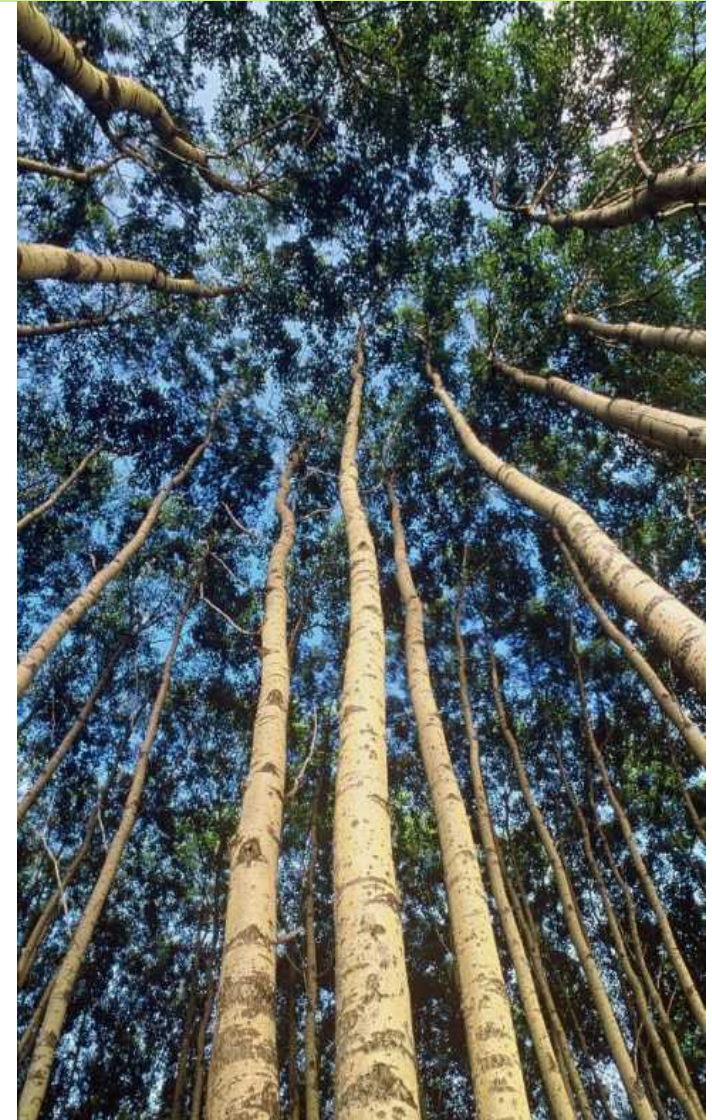


Legality and Sustainability Assurances

*Legislation
Tenure
Regulation
Enforcement
Certification
Supporting Policy*

=

Legality and Sustainability in Canada





Moving Forward

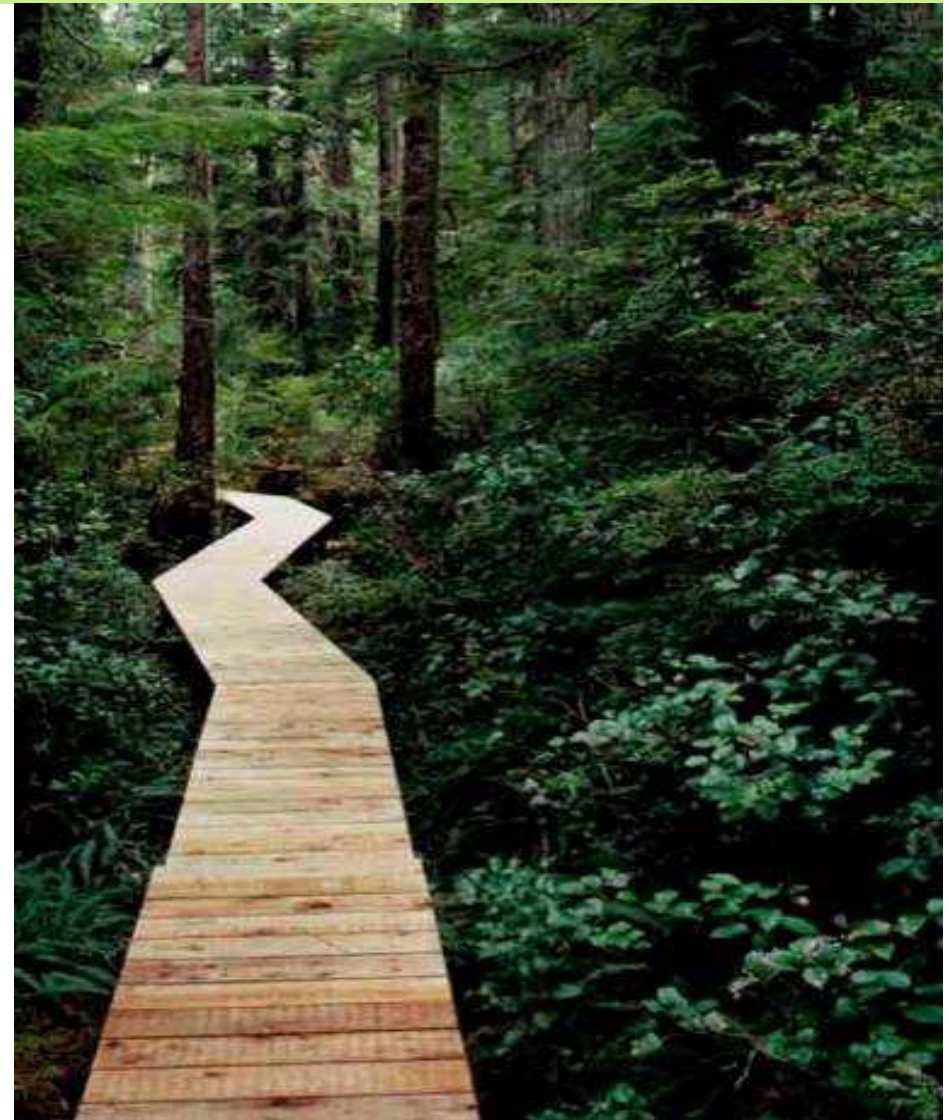
SUSTAINABILITY

COMPETITIVENESS

SOCIAL LICENCE

PARTNERSHIP

PROACTIVE



Information Centre

Customer Web Page: www.fpac.ca
www.canadawood.jp

Fact Sheets on Key Issues

- Air Quality
- Boreal Forest
- Certification
- Climate Change
- Green Procurement/Financing
- Harvesting Methods
- Illegal Logging
- Old Growth
- Recycling
- Water Quality
- Woodland Caribou

Publications

- Customer Newsletter
- Buyers Guides (Wood & Paper)



FPAC Members

Canfor Pulp Limited Partnership

