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**“Key challenges to ensure environmental security and sustainable development in
the OSCE area: Land degradation, soil contamination and water management”**

Plenary Session III: Good Governance in Managing Natural Resources

Statement
by

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It is a pleasure for me, as Assistant Director-General of the FAO Forestry Department, to address an OSCE Forum for the first time. For the benefit of those not familiar with the Food and Agriculture Organization of the United Nations, allow me to briefly describe the FAO. FAO is the specialized agency within the UN tasked with helping to build a food-secure world for present and future generations. FAO supports its 189 member countries in strengthening their agriculture, forestry and fisheries sectors and fostering rural development in order to overcome poverty and hunger. It provides data and information on agriculture, forestry and fisheries, as well as on land and water issues; it also develops and assists with models, methods, concepts and definitions, provides capacity building, acts as a neutral forum for discussion and negotiation, and assists member countries upon demand in areas of its mandate.

Until now, there has been relatively little cooperation between OSCE and FAO in the field of forest management, but I believe we can find some synergies between our activities. First, let us consider the inter-relationship between good governance, sustainable resource management and security. I hope that you would agree with me that, for satisfactory outcomes, all three are necessary: good governance, combined with sustainable resource management, improves security, while bad governance or insecurity make it hard to manage resources sustainably. There are many tragic examples of situations where conflict and bad governance have damaged forest resources, for instance, presently in some African countries. Most recently, damage to forests have been caused by storms, as well as large scale diebacks, accompanied by insect calamities. According to the recently released 4th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), the increase in frequency and extent of this kind of damage is linked to climate change. Some forests, such as the contaminated forests in Ukraine and Belarus, require especially careful management and governance. In FAO, we are keenly aware of the importance of considering

governance and security when planning our activities. We also firmly believe that a sustainably managed forest sector makes a significant contribution to social, economic and environmental well-being. Conversely, unsustainable forest management, leading for instance to erosion, over-cutting and rural poverty, can threaten security, especially if combined with other manifestations of bad governance.

A particular form of bad governance linked to the forest sector is illegal logging and trade in forest products, or the lack of forest law compliance, which has been widely recognised as an important contributing factor to forest degradation and forest loss all over the world. Additionally, it is often connected with social insecurity. Illegal logging received special attention in the report of the first part of this forum. FAO, like all major forest agencies, is trying to address the issue of illegal logging and trade in forest products. The first step is to understand the causes, and in particular whether it is "poverty driven" or "profit driven", since the remedies will depend on the answer. There is a wide range of measures which may be appropriate according to the circumstances, including repressive measures, such as more forceful policing, and use of money-laundering laws, or trade measures ("certificates of legality", public procurement policies), but also community forest management, supply of alternative fuels to rural areas, or changes to laws and institutions.

There is now a well developed body of expertise on these matters, in FAO, ITTO, the World Bank, and a number of other agencies and NGOs. At the policy level, there has been a series of high level conferences on forest law enforcement and governance, most recently in St. Petersburg in December 2005. Countries which have an illegal logging problem are urged to draw up and implement strategies for reducing illegal logging. The EU has a policy on "FLEGT", Forest Law Enforcement, Governance and Trade, centred on voluntary partnerships between the EU and selected countries. FAO has published, jointly with ITTO, a study on "Best Practices for Improving Law Compliance in the Forest Sector", where much of the knowledge gained is synthesized and evaluated. Finally, it is important that policy on fighting illegal logging not be developed in isolation but as part of a national forest programme, which sets the broad lines of development of the sector, based on intensive analysis and participatory decision making.

However, despite this intense international activity, results have been limited, for lack of funds and, perhaps most importantly, lack of political will and understanding of the damage done to the social and economic fabric of countries by illegal logging. The recently concluded Non Legally Binding Instrument on all Types of Forest under the United Nations Forum on Forests highlights forest law compliance as one of the areas where action by countries is needed. FAO chairs the Collaborative Partnership on Forests (CPF), a group of fourteen international bodies, which jointly address the implementation of sustainable forest management - including forest law compliance - under the umbrella of the International Arrangement on Forests.

In the OSCE region, FAO is working at the regional level on forestry issues in close collaboration with our partners in countries, in the United Nations Economic Commission for Europe (UNECE) and the Ministerial Conference on the Protection of Forests in Europe (MCPFE), as well as with the EU, the OECD, and several bilateral agencies. I believe that OSCE has significant strengths in the governance field, as well as a strong network of national offices. I would be keen to learn where OSCE, in close collaboration with the other partners mentioned, can contribute to existing joint international efforts to strengthen the sustainable management of the region's forests, and to fight illegal logging. We are looking forward to exploring areas of potential collaboration with OSCE.