

BRIDGEING THE GAPS



'Near Threatened'¹ African iroko used in the refurbishment of the footbridge over the Grand Canal, Tullamore, Ireland.

Supporting background to Just Forests' formal complaint to DG-Environment on the continued (and verifiable) use of Illegally-logged timber in Ireland originating in tropical and other regions outside the EU.

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Irish Woodworkers for Africa (T/A) Just Forests

www.justforests.org

¹ <http://www.iucnredlist.org/details/33903/0>

Introduction

For two decades Just Forests has endeavored to highlight the urgent need for Irish society to source their timber need from responsibly-managed forests worldwide. We have brought the matter of *'responsible timber sourcing'* to numerous government departments, state agencies, local authorities and professional bodies. We have also provided development education (DE) and education for sustainable development (ESD) to the Irish public and schools through our travelling exhibition –Wood of Life.

Ireland has a particular responsibility for deforestation and illegal logging. Economic development and consumption in this country is very much dependent upon natural resources from other parts of the world, in particular some of the poorest countries of Africa, Latin America and S.E. Asia. This is particularly true for timber. Most of the logging in tropical and boreal regions focuses on high-value trees that are exported for consumption in Europe and Asia.

While China's imports of tropical timber is skyrocketing, only half of it is actually consumed in China, the other half is re-exported to EU countries, like Ireland, and US markets in the form of wood products (plywood for hoarding, flooring, furniture, etc). As a global consumer, trade partner and investor, Ireland has an obligation to consider the impact of its policies and actions on sustainable development. It also has the responsibility to promote equity in the use of forest resources.

All observers are in agreement that China has become a major player in the international timber trade during recent years. EU imports of products from wood and paper from the People's Republic almost tripled between 2003 and 2006 (from 4 million m³ to 11.5 million m³). China itself imports the greater proportion of the wood used to manufacture these products from so-called high-risk regions such as the Far East of Russia, South-East Asia and Africa, with a high probability of illegal origin. China's imports of red canarium and bintangor tend to be supplied from Papua New Guinea (PNG) and therefore warrant classification as Illegal Timber (as per the advice of the UK's Timber Trade Federation and others).¹

China –like Ireland, is a signatory to CITES (the Convention on International Trade in Endangered Species of Fauna and Flora). It is Just Forests strong belief that both China and Ireland are grossly violating the spirit of CITES. While maybe staying within the 'legally established' parameters of the Convention, common sense and moral judgement would say that both countries are acting irresponsibly. Milieudefensie (Friends of the Earth, Netherlands) commissioned a report² in 2007, which explores the potential of CITES as a tool, to combat trade in either wood products which derive from unsustainably managed forests or illegal timber. In this regard we implore EU DG-Environment to use CITES as a means to stop this practice of timber species decline and make it an offence for Ireland and all EU member states to import illegal Timber.

EU FLEGT Action Plan

In 2003 the EU adopted an action plan to combat illegal logging and the associated trade (FLEGT –Forest Law Enforcement, Governance and Trade). Licensing regulations in the framework of Voluntary Partnership Agreements (VPAs) with producer countries seek to exclude illegal timber from being imported into the EU. Negotiations to reach these agreements are being undertaken or prepared with Indonesia and Malaysia as well as with a number of timber exporting countries in Africa. VPAs were recently signed with Ghana and Congo Brazzaville. However, the findings of Just Forests' research show that, even if all foreseen FLEGT partnerships are agreed and successfully implemented, more than 90% of the overall imports of illegally logged wood will still enter the EU.

This is due to a number of shortcomings in the regulation. No negotiations are planned with the most relevant producer and transit countries (e.g. Russia, Brazil, China, Eastern European countries) and many products that are manufactured from illegal wood are not covered by FLEGT regulation (e.g. furniture and other ready processed wood products or paper which account for a substantial proportion of some candidate countries' wood-based product exports to the EU).

Using the simplest of devices, e.g. milling a groove in a piece of wood, it is possible to re-declare sawnwood as 'profiled' wood and thereby circumvent FLEGT regulation.

Additional legislation needed: EU-wide ban on trading in illegal wood

While traceability systems to reduce illegal timber imports are already in place by some of the major forest industry companies in Europe, e.g. in Finland, additional legislation at EU level is urgently required to ensure that only wood and paper products from legal sources are traded – with an obligation to provide proof for processors as well as traders. This is the only way to exclude illegal timber sources with processing and import through transit countries and to stop commercial illegal logging in EU Member States. A legal origin is only a first step towards sustainable provenance from ecologically and socially responsible forestry management. Consumers and companies already have the option today of using the Forest Stewardship Council (FSC) certification, which guarantees both the legality and sustainability of products. Under its (very open ended) Forest Law Enforcement Governance and Trade initiative, the European Commission has started to negotiate bilateral voluntary partnership agreements “VPAs” with a handful of the countries which account for a substantial proportion of the EU’s imports of Illegal Timber.³ The legality licensing schemes which are being developed under this initiative could become models for other importing countries (and producer countries) to adopt – particularly if they are simple, have sustainability as their primary focus, and involve local stakeholders. More importantly, the initiative will encourage the laundering of Illegal timber through third countries – especially China - until such third countries also have comparable agreements with the EU.

Although research into additional legislative options has been carried out, there is little to show that any new legislation will follow. A variant on the USA’s Lacey Act seems to offer most potential. In the mean time, importers can import Illegal Timber almost without fear of conviction.⁴

Forest/Chain-of-Custody (CoC) Certification

Perhaps the best way at present to ensure that one’s timber purchases derive legally from sustainably managed forest is to ensure that they are credibly certified as such. In some countries, certification does not rely on improved governance, enhanced administrative capacity, new laws or law enforcement. It merely reflects sound long term management and compliance with relevant law. Elsewhere however, vested interests might be so powerful or the law might be so inequitable⁵ that establishing credible certification is problematic. Further, even the most established certification schemes are still evolving and are not immune from criticism.

Due Negligence - The case for stronger EU legislation on illegal timber⁶

Nearly five years after the launch of the Forest Law Enforcement Governance and Trade (FLEGT) Action Plan, the European Commission (EC) in October 2008 finally issued a proposal for a regulation “*laying down the obligations of operators who place timber and timber products on the market*”. Just Forests supports the Environmental Investigation Agency (EIA) belief and the strongly held belief of many other reputable international NGOs that, in its current form, the proposal is seriously flawed. It fails to prohibit the import and sale of illegally-logged timber, resulting in wood products made from stolen timber remaining available on the market.

Main Flaws at a Glance

1. Failure to prohibit illegal timber in the EU market.

Instead of prohibiting it, the EC proposal permits continued trade in illegally-logged wood within the EU market – failing to address the “*weak rules to prevent trade in illegally harvested timber*” cited in the proposal as the key driver for illegal logging.

2. Proposed due diligence systems are vague, limited in coverage, and lack common and dissuasive penalties.

- a) Uncertain legal obligations: the proposal fails to adequately define or lay down clear and common rules on systems and monitoring of “due diligence” that will be applied equally across member states.
- b) Limited company coverage: the due diligence systems proposed are restricted to only the first company to place timber on the EC market – effectively exempting the majority of the EU timber trade.
- c) No clear and common sanctions: the proposal fails to define any EU-wide deterrent penalties.

3. Unacceptable product exemptions and implementation delays.

The proposal exempts wood used for energy production and also states that the regulation will not be applied for a full two years following passage into law.

Solutions at a Glance

The proposed regulation should be amended, by:

- 1. Including a general prohibition on the placement of illegal timber in the EU market, with EU-wide sanctions for infringement.**
- 2. Strengthen the requirement for due diligence measures applicable to all EU companies in the supply chain**
- 3. Remove unjustified product category exemptions, and ensure the regulation applies from the date of final agreement by the Council of Ministers**

¹ Email from Globaltimber .org.uk -26/06/2009

² An assessment of tree species which warrant listing in CITES-Friends of the Earth – Netherlands – January 2007

³ Cameroon, Gabon, Ghana, Indonesia and Malaysia (– but not China, Russia or Brazil, which, together, probably supply the EU with a greater quantity of Illegal Timber).

⁴ http://www.illegal-logging.info/papers/RIIA_EU_control_of_imports.doc and

http://www.illegal-logging.info/papers/Illegal_logging_legal_opinion_March_06.doc

⁵ http://www.illegal-logging.info/papers/CIFOR_Justice_in_the_Forest.pdf

⁶ Due Negligence – An EIA Report - http://www.illegal-logging.info/item_single.php?item=document&item_id=702&approach_id=26

Example

A Greenpeace exposé of the use of Illegal Timber for a prestigious public building project highlighted the failure of the UK to implement its central government policy concerning the responsible procurement of wood-based products.ⁱ The UK's Timber Trade Federation has since advised its members against importing plywood from China if this is made even partly from species which are likely to have grown in either Papua New Guinea or the Solomon Islands.ⁱⁱ



photo credit: Tom Roche, Just Forests

Exhibit 3 Illegal Timber used during construction of civic offices in Ireland

The image opposite shows a pack of red canarium plywood supplied from China under the YiXing Lion-King brandⁱⁱⁱ for use during the recent construction of new civic offices in Mullingar, Ireland.^{iv}

Although a very small amount of red canarium plywood made in China is FSC-certified (as controlled wood)^v – at a price 20%-30% greater than the norm for such plywood normally, it is very unlikely that any of this would have been used in Mullingar without FSC paperwork or branding.

The continued importation of such plywood into the EU (notably bintangor and red canarium - which have subsequently been the subject of anti-dumping proposals)^{vi} indicates that due diligence is not being applied uniformly across the EU. This reinforces the need for the import of Illegal Timber to be made an offence.

See brief historic background and pictures of *other exhibits of illegal timber use in Ireland* in accompanying document – *A Timber Policy for Everyone* - Just Forests May 2009.

ⁱ "Alternatives to unsustainable plywood in the UK construction industry" Greenpeace (April 2008)

<http://www.greenpeace.org.uk/files/pdfs/forests/plywood-report-august08.pdf> §2 p5

"Repeat Offender: How Tony Blair's Government Continues To Trash The World's Rainforests" Greenpeace (July 2006)

<http://www.greenpeace.org.uk/files/pdfs/migrated/MultimediaFiles/Live/FullReport/7828.pdf> §§4 & 5 p3

ⁱⁱ <http://www.ttf.co.uk/news/releases/2006/june.asp>

The government of Papua New Guinea's own forestry review process concludes that the majority of the large logging operations which have been active during recent years cannot credibly be described as lawful – "Logging, Legality, and Livelihoods in Papua New Guinea: Synthesis of Official Assessments of the Large-Scale Logging Industry, Volume 1" Forest Trends (2006) <http://www.forest-trends.org/documents/publications/PNG%20Volume%201%20Final%20v2%20Feb%2016%202006.pdf> §2 p2

ⁱⁱⁱ <http://www.lionkingtimber.com/ejianjie.html> (as indicated by the corporate logo)

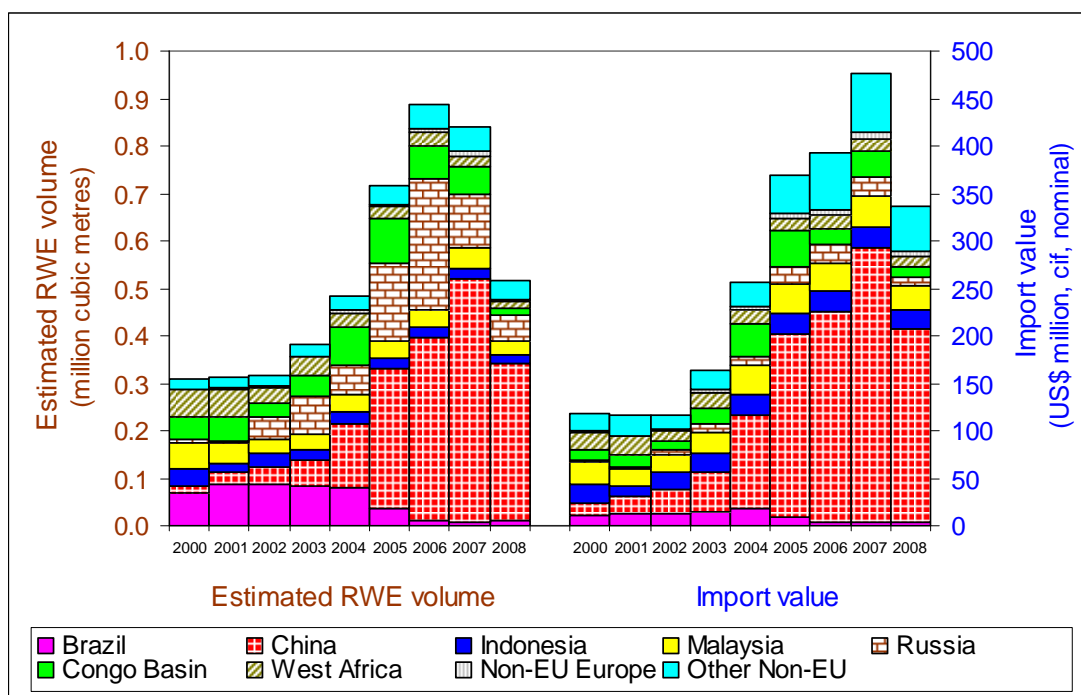
^{iv} http://www.justforests.org/whats_new.php

^v "UK market conditions for "legal" and "legal and sustainable" wood products" Forest Industries Intelligence (2007)

http://www.ttf.co.uk/TTF_market_report_Legal&Sustainable_07.pdf §3 p14

^{vi} "Tropical Timber Market Report" ITTO (1-15 September 2008) penultimate § left p13 and §1 right p10 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2006:291:0019:0020:EN:PDF> §1 right p1

Estimates of Ireland's direct imports of wood-based products from outside the EU



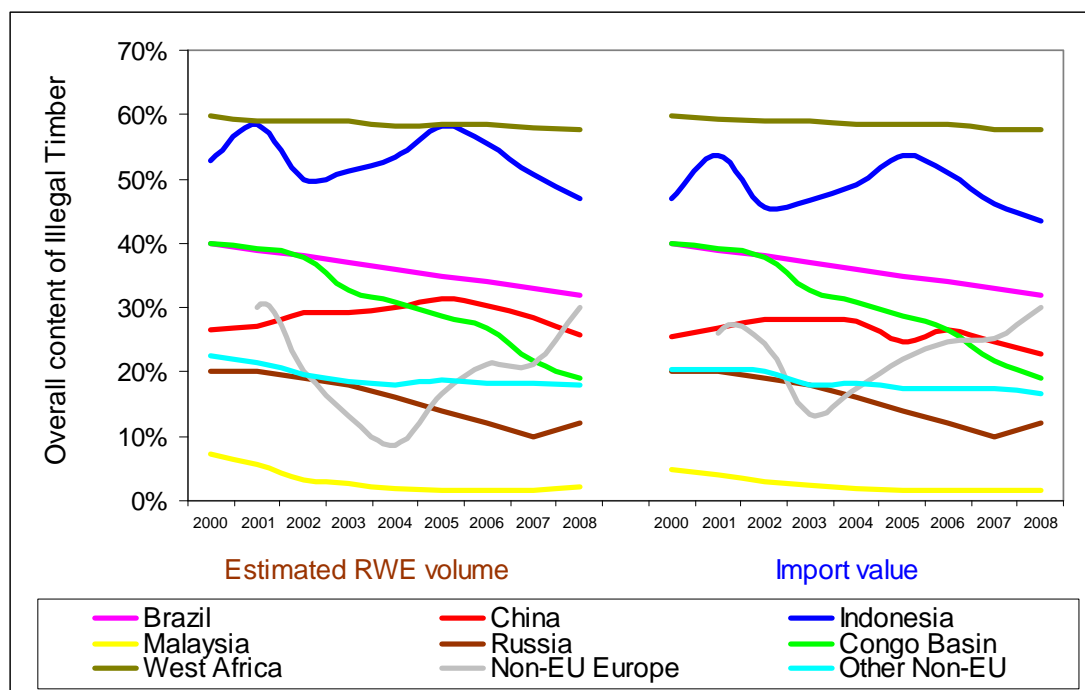
Ireland's imports of wood-based products from outside the EU expanded rapidly during mid-decade. Most of the increase was supplied from China and, to lesser extent, Russia. Imports from West Africa decreased and seem to have been replaced by imports from the Congo Basin. Imports from Indonesia and Malaysia changed little. Supplies from Brazil fell to almost zero.

During 2007, the total RWE volume¹ decreased (but supplies from China continued to increase). The decline accelerated during 2008. China supplied roughly two thirds of the total during 2008.

The following charts concerning Illegal Timber are necessarily somewhat notional (i.e. reasonable but not necessarily robust).

¹Roundwood equivalent "RWE" volume is a measure of the volume of logs required to make a given quantity of wood-based product.

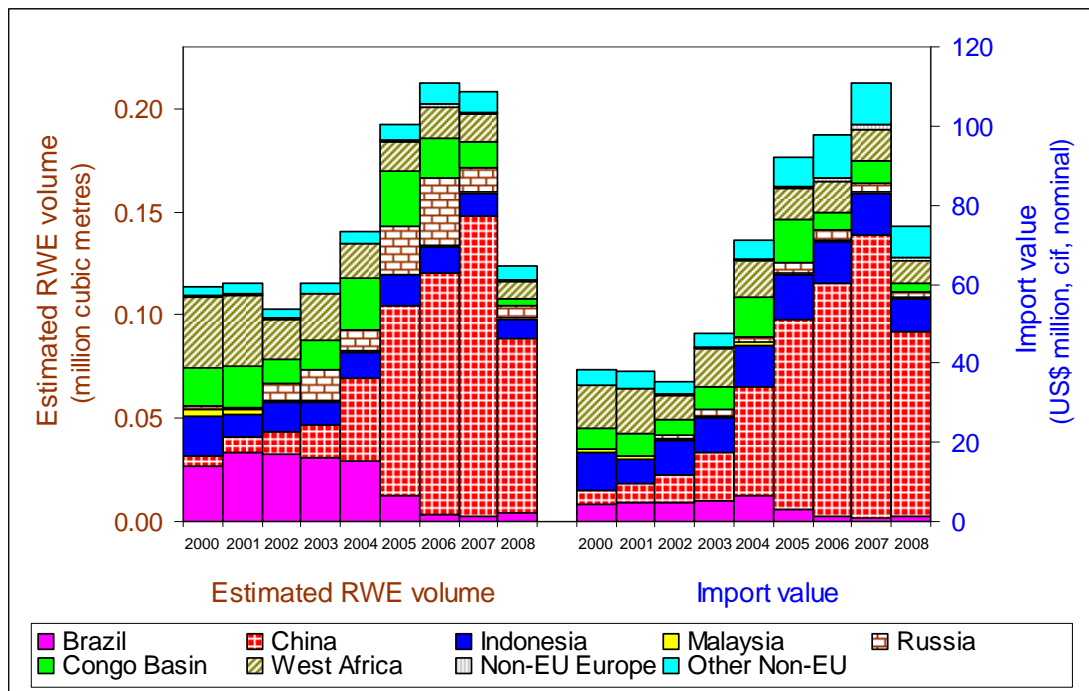
Estimates of the Illegal Timber content of Ireland's imports of wood-based products from outside the EU



The percentages assumed for 2000 are those which are suggested in a seminal study for the American Forest & Paper Association (<http://www.illegal-logging.info/uploads/afandpa.pdf>).

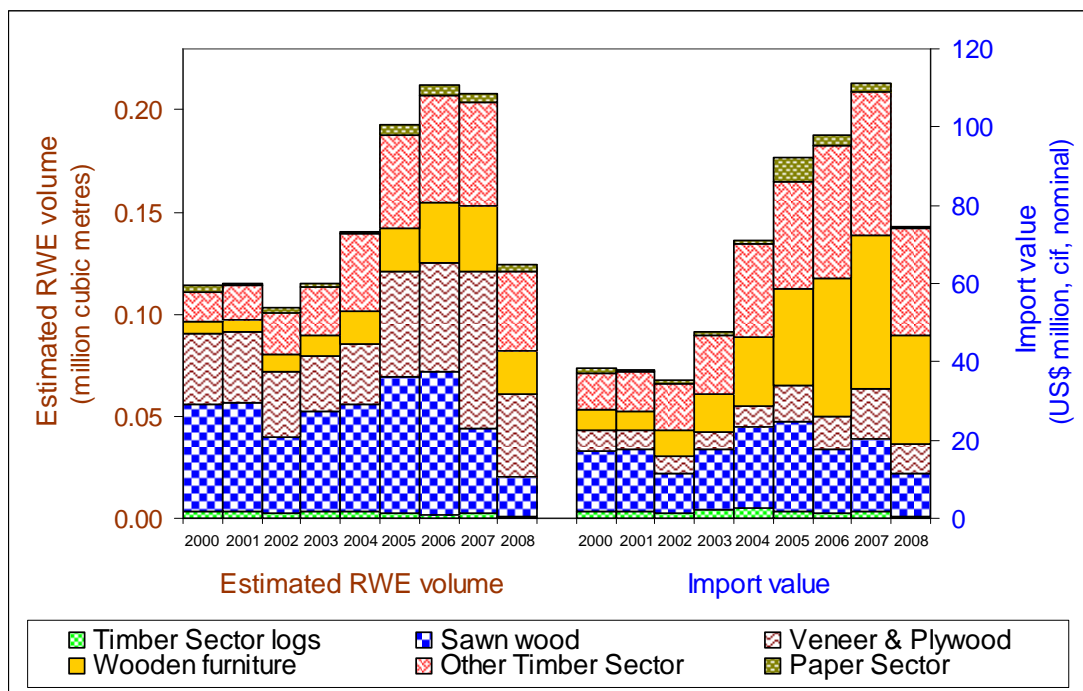
The trends since 2000 take into account changes in the range of products supplied from each country and, for each region, changes in the quantities supplied by each country. They also reflect changes in the choices which importers in Ireland probably made, changes in the availability of certified or legally verified products from each supplying country, and changes in the law and its application.

Estimates of Ireland's direct imports of Illegal Timber from outside the EU (by supplier)



The above chart indicates that China probably supplied much more Illegal Timber directly to Ireland than any other non-EU country did during 2008.

Estimates of Ireland's direct imports of Illegal Timber from outside the EU (by product)



Plywood is likely to have accounted for roughly one third of the Illegal Timber which Ireland imported directly from outside the EU during 2008. Sawnwood, joinery and furniture each probably accounted for a further 15%-20%.

China supplied almost all that plywood, most of that joinery (e.g. flooring) and half of that furniture. Most of these supplies from China will have been composites of wood grown in China (probably but not necessarily legally) and imported wood (probably illegal and used in the product's exterior). In addition to illegality in relation to such wood, there might also have been illegality during the manufacture and sale of the products.