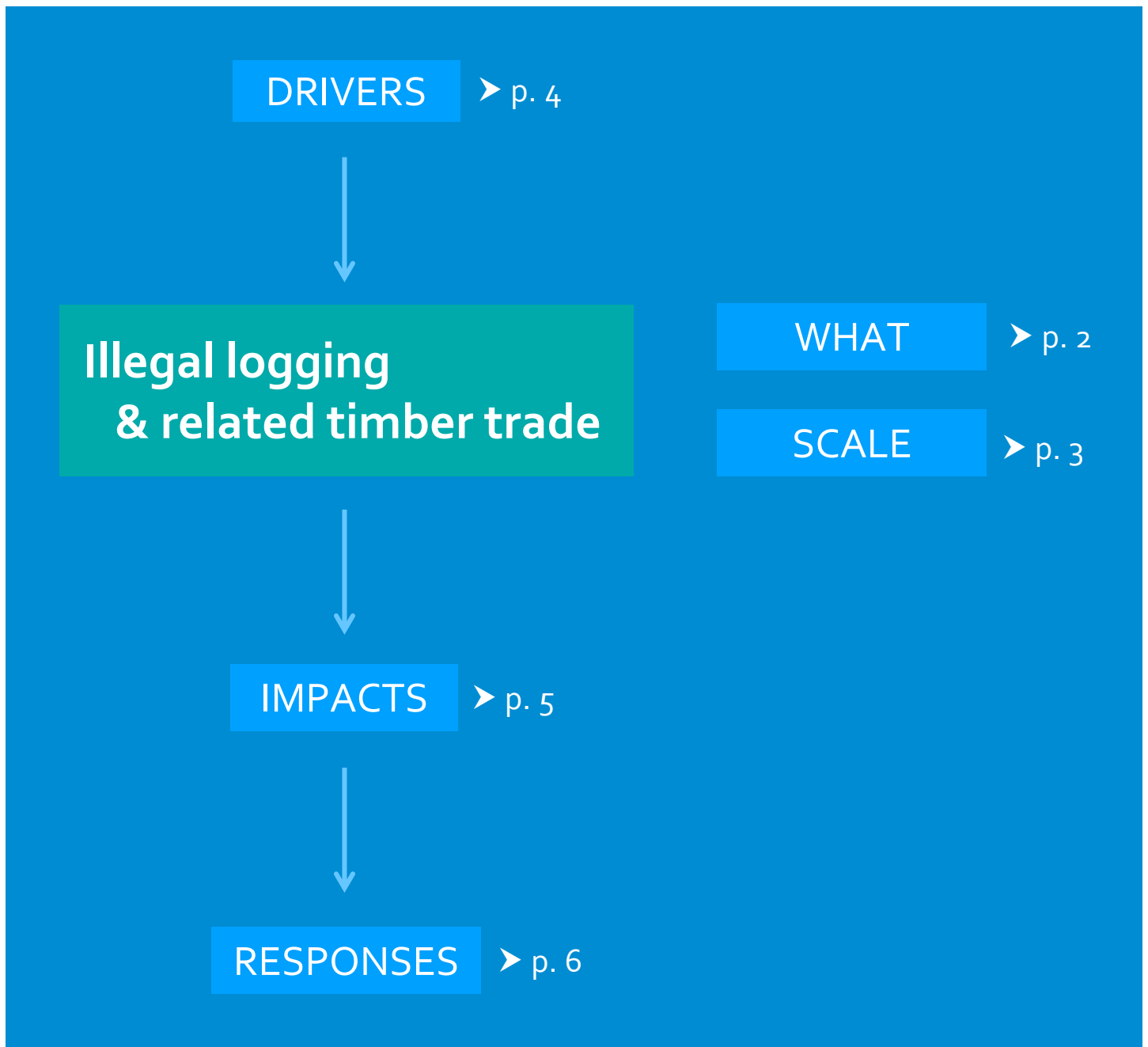


A summary of the IUFRO World Series Volume 35 report

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Daniela Kleinschmit, Stephanie Mansourian, Christoph Wildburger & Andre Purrett (eds.), 2016. Illegal Logging and Related Timber Trade – Dimensions, Drivers, Impacts and Responses. A Global Scientific Rapid Response Assessment Report. IUFRO World Series Volume 35. Vienna. 148 p.

WHAT

Illegal forest activities > Violations of:

- public trust
- ownership rights (public, communal, private)
- forest management regulations & other contractual agreements in public/private forest lands
- transport & trade regulations
- timber processing regulations

No internationally accepted definition

No international regulation against illegal logging & trade

except for CITES

FLEGT > each VPA includes definition of timber legality adapted to needs, circumstances and existing systems

↳ f.ex. Vietnam imports timber from more than 90 ≠ sources vs. timber producing countries

Working definition:

All practices related to **harvesting**, **processing** and **trading** of timber inconsistent with national and subnational law

Informal logging

Informal small-scale & artisanal chainsaw milling



not illegal but shift from informality to illegality

➤ DRIVERS p. 4

Forest conversion

Illegal clearing of forests to other land uses

Other illegal logging activities

Large-scale industrial logging

Multiple market layers for wood products:
domestic - regional - **global**
legal - illegal
formal - informal



- players with often more resources to finance illegal production and trade
- timber laundering possible at ≠ stages along complex global supply chain

legal ≠ sustainable ≠ equitable

F.ex. Concessions often insufficiently consider or ignore customary rights & technical standards outlined in regulations (although legal)

Illegal logging & related timber trade

Focus on illegal timber produced & traded. Lack of data on other illegal forest activities (see p. 2)

SCALE

Informal logging

90%

Forest conversion ↑ Other illegal logging activities ↓

10% internationally traded

Majority of illegally produced timber is consumed in domestic markets of producer countries (except for plywood):

roundwood	86%
lumber	73%
plywood	47%

Plywood has highest % illegal production (17%) and international trade (23%) in total production/trade

2000-2014 total global trade of primary wood products ↑ by 41% in volume and 100% in value (income & population ↑, globalisation)

role of large scale logging ↓ in illegality while timber from illegal forest conversion ↑

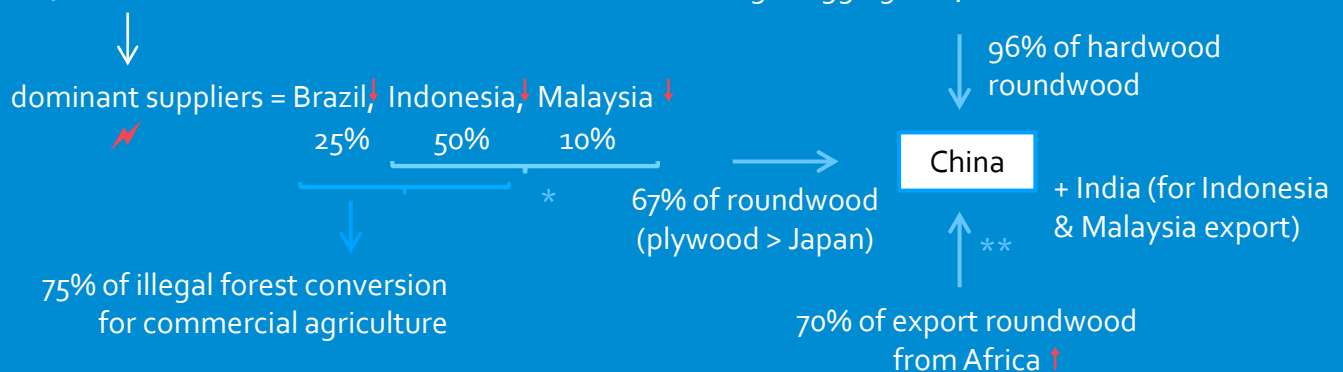
at the base of:

31% of tropical timber internationally traded
49% of the deforestation

ⓘ In general agro-industrial conversion is at the base of 80% of deforestation

Illegal timber trade:

tropical hardwood + Russia ↑ → 20% nationwide illegal logging rate, 80% in Far East



⚡ Illegality higher in other countries like DR Congo, Cambodia, ↑ Bolivia, Peru

* Laos ↑ & Myanmar ↑ main exporters in terms of value (10x more)
** In 2007 90% of DR Congo export > EU, in 2014 only 29%

Illegal logging is highly geographically fugitive (↑↓) & persistent at global level

➔ China is world's largest importer and exporter of wood products due to:
Economic growth, processing country with limited resources + logging ban on natural forests and less stringent regulatory frameworks

DRIVERS

Direct

- **land grabbing**: (resource rich) economic poorer countries offer favourable (legal) conditions to international investors (reinforcing corruption) (*)
- **exploitation of minerals**, oil, gas, construction of dams for energy
- **fuelwood** collection & **charcoal** production
- shifting cultivation (if not well managed)

Indirect

- **global imbalances** in: law(enforcement), wealth, resources, global influence
 - **capitalised land users**: higher **profit** expektations, lower dependency on social and environmental conditions
 - local timber companies, peasants, **forest dwellers**: immediate **income** interest, satisfied with low profit
 - unclear/conflicting **land tenure** situation
 - **consumers** ` desire for **low prices & quality** > ↑ global demand & trade for agro-commodities (beef, soy, palm oil, cocoa, plantation timber)
- > high profitability of these products grown on converted land
- **crises & conflicts** > timber proceeds used to pay for weapons or to fund other illicit activities
 - collective interest in environmental protection overruled by desire for personal benefit at low risk > short term investments
 - often criminal justice systems fail to view illicit timber trade as organized crime

too much or too few rules & regulations

New forest regulations shifted vast majority of local forest managers from informality in illegality

developed for large-scale export-oriented forest sector, incompatible with capacities of traditional forest users
+ legal options accessible to artisanal loggers have all been suspended > vulnerable to corrupt officials

Sustainable forest management unattractive to majority:

- concession rights costs
- infrastructure costs
- technical & bureaucratic requirements
- slow public agencies

on a legal basis

(*) nearly **50 million ha of foreign investments** into large-scale land acquisitions in developing countries so far

In many cases forests converted into agricultural land uses without using the timber > limited attractiveness of timber logging compared to other land uses (in many countries prices for deforested land higher than for forest land)

IMPACTS

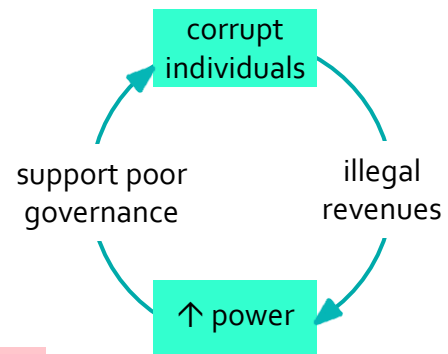
Legal

- national sovereignty over natural resources undermined
- corrupt governments

Criminal

- professionalisation of illegal logging via organised **criminal kartels** (f.ex. hackers of the digital governmental timber control system gave **500 000m³** of illegal Amazonian timber legal appearance)
- loggers/large landholders use **gunmen** to threaten or kill opposition from local residents

Illegal logging > vicious cycle of poor governance > misappropriation of public resources: local benefits but not invested in local forest sector or in modernising SMEs



Organised crime = social system of professional criminals, politicians, law enforcers, entrepreneurs



Environmental

- **GHG** emissions > climate change
- **biodiversity** loss
- **soil** erosion, **water** quality & quantity impacts
- ↑ fire risk (sun through canopy gaps) > risk of transition rainforest → savanna



Economic

- voracious businesses & opportunistic importers
- **revenue losses** for governments
- financing of corruption & other illegal activities
- distortion of **timber markets** by providing cheap wood > undervalue timber stocks

Social

- ↑ **income disparities**
- most benefits go to middlemen
- violation of community rights
- financing of **wars & conflicts**

Complexity

Impacts from **illegal vs. legal** logging hard to separate since they co-exist and legal logging also leads to significant impacts, besides there are **trade-offs**: f.ex. economic benefits vs. forest degradation/loss and fostering of corruption



Economic
higher revenues for local/national governments
income for poor
alternative land use, farming

Social
lower consumer prices
↑ control of forests & secure tenure rights

Some smallholders can benefit but majority can't exit poverty trap due to limited land access

RESPONSES

Honesty & Awareness = fundamental prerequisite for effective action

Internationally driven national forest policy processes tend to encounter massive implementation challenges as they stem from global priorities that may not reflect national policy agendas

Current regulations banning import of illegally logged timber (products) lead to trade diversions: trade with partners with less stringent regulations

➤ Broader & stronger global cooperation needed

See p.3 fugitive nature of illegal logging

Illegal logging & related timber trade is not a mere forestry problem

➤ Coordination of sectors: with agriculture (for land use, production & trade, policy, markets) and with fisheries & wildlife (for tracking illegal activities)

Sustainable management on a legal basis does not respond to needs, interests and capacities of most resource users

➤ Concentrate short-term efforts on controlling capitalised profit-seeking actors > they have high impact and there is a likelihood of influencing them

HOW?

- Directly involve customs in EUTR enforcement rather than afterwards via inspection at a timber company (still common EUTR practice)
 - ↳ Stronger involvement of police, judiciary and customs in destination markets to prevent crime opportunity structures
- Financial resources for environmental crimes (20 million USD) vs. drug law enforcement (2 billion USD) → prevention & enforcement of illegal timber given low priority
- Formal acknowledgement of the more professional and criminal forms of illegal timber trade → law enforcer's toolbox can be opened
- Forensic tools: reference databases needed with representative samples (covering entire geographic range of the species)

When good will is wanting > deterrence

When willingness to do the right thing > cooperation