

Distr.
GENERAL

ECE/TIM/EFC/WP.2/2006/9
22 February 2006

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE
Timber Committee

FOOD AND AGRICULTURE ORGANIZATION
European Forestry Commission

Joint FAO/UNECE Working Party On Forest
Economics And Statistics

Twenty-eighth session
Geneva, 2-4 May 2006
Item 9 of the provisional agenda

SPECIAL TOPIC: INFORMATION ON ILLEGAL LOGGING AND RELATED TRADE

Note by the Secretariat

This document updates the Working Party on recent events convened by international bodies concerning prevention of illegal logging and related trade. It emphasizes the need for a reliable information base, both at the national and international levels, which would enable the introduction of effective measures.

The Working Party is invited to discuss how to improve the information base on illegal logging and to recommend further action. This document also contains the secretariat's proposed list of information that should be collected and made available to support efforts in reducing illegal logging and related trade. The Working Party is requested to review the list and to set priorities.

Introduction

1. Preventing illegal logging and related trade with their accompanying evils of lawlessness, violence and loss of legitimate income as well as needless forest destruction and degradation is at the centre of international preoccupations of the forest sector. This is evidenced by a series of high level meetings and initiatives on the topic, most recently, for the UNECE region, the MCPFE Workshop on Combating Illegal Harvesting of Forest Products and Related Trade in Europe, held in Madrid in November 2005, and the Europe and North Asia Forest Law Enforcement and Governance (ENA FLEG) Ministerial Conference, held in St Petersburg in November 2005.. All of these bodies have expressed concern about the weak state of the information base (national and international) which makes corrective action more difficult to direct and nearly impossible to evaluate the effectiveness of measures taken.

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2. This issue is brought to the Working Party because of its long experience in addressing information related issues in the service of policy goals and as the only intergovernmental body at the regional level with any expertise in this area. The MCPFE Workshop in Madrid specifically requested the Working Party to address the issue and the ENA FLEG Ministerial Conference in St. Petersburg asked both UNECE and FAO to contribute to implementing its plan of action in their areas of competence

3. The Working Party is invited to discuss the issue of how to improve the information base on illegal logging and related trade, and on that basis to recommend further action. It is clear that the Working Party by itself will be able only to make limited progress, if any. For that reason, organisations, governmental and non-governmental, with expertise in this area are being invited to attend and participate in the discussion, and its follow-up activities.

4. It should be pointed out that all actors in the sector – governments, legitimate harvesters and traders, those concerned with conservation or social issues, and many others - would benefit from improved transparency (except, of course, the criminals themselves).

5. However, it should also be borne in mind that there must be a reasonable proportion between the requirements of a satisfactory information system and the gravity (or not) of the problem: “correct” solutions will vary according to circumstances: close (and expensive) monitoring of illegality is justified where such activities are now a major problem, while elsewhere it should be sufficient simply to ensure that if illegal logging were to become a significant problem, the authorities would become rapidly aware of this development.

5. Illegal logging must be considered at both the national and international levels. The Working Party is an international body, and illegal logging and related trade is a major item in the international forest dialogue. Some methods to estimate the seriousness of illegal logging are inherently international (e.g. trade flow analysis). However, illegal logging is in the first place a national, indeed a local, problem, and most of the remedies must be developed and applied locally (with international support when appropriate). Therefore, the Working Party should bear in mind how the international information system should support local action, and build on national or local information gathering.

What would we like to know?

6. In an ideal situation, what information should be collected and made available to support efforts to reduce illegal logging and related trade? The secretariat proposes for the consideration of the Working Party the following list:

- (a) Volume of illegally logged wood, if possible with breakdown by types of illegality, species, location of stand logged.
- (b) Location and nature (scale, methods, ultimate beneficiaries etc.) of illegal logging operations.
- (c) Production of further processed goods (sawnwood, panels etc.) from illegally logged wood. (volume, assortments, markets). Are illegal logs being “laundered” into legal products, notably thorough mixing legal and illegal raw material streams?
- (d) Trade (imports and exports, by origin and destination, including port of departure and arrival) of illegally logged roundwood and products: volume, assortment (including further processed products), species etc.
- (e) Consumption of products derived, wholly or in part, from illegally logged wood: assortment, value, distribution channels etc.

7. The list above is obviously a maximum and unlikely to be achieved completely. However, every item in the list appears relevant either to preventing illegal logging or to measuring its impact on legal activities. The list implicitly assumes an agreed definition of what constitutes “illegal logging”, a topic of much controversy. The secretariat feels it is not for the Working Party to take a position on this issue but to tailor its activities to any emerging consensus on definitions and in any case to be very precise on what is included, or not included, in the information provided.

8. *The Working Party is invited to review this list, add, delete or modify items, and if possible to set priorities i.e. which items should be addressed first and with the most resources.*

Methods of collecting information on illegal logging

9. There are many possible methods of obtaining information on illegal logging and related trade. These are briefly summarised in the table below:

	Type	Concept	Comment
1	Report by forest rangers	Forest rangers or similar officials systematically monitor a specific area and report or prevent instances of illegal logging	Standard basic method, should be adequate in most circumstances. However problems arise when rangers are insufficiently resourced, or corrupted so that they are unable to perform this task properly.
2	Surveys of logging sites	As part of regular forest inventory work, cutting sites are identified, and cross-checked with records of authorisations or management plans	Used in Slovenia and elsewhere. Assumes presence of functioning inventory. Provides accurate information, but after the event. Potentially important monitoring tool.
3	Study of news reports and police data	Investigators, often NGOs, compile public records from local newspapers or police reports of cases involving illegal logging, and present results to a broader national or international circle	In areas seriously affected, one of the few methods possible, with potential significant public relation impact. Limited to cases already detected and in the public domain. Assumes effective judicial system.
4	Comparison of estimated wood consumption with legal wood supply	Domestic wood supply is estimated on the basis of production and trade data, using conversion factors, and compared to recorded legal wood supply. Unexplained discrepancies are assumed to arise from illegal logging	One of few statistical methods of estimating the size of the problem, but provides no information on location or causes of illegal logging. Methodological weaknesses (wrong conversion factors, problems estimating legal fuelwood supply etc.) mean that discrepancies may not be due to illegal logging. Assumes trustworthy information on consumption.

	Type	Concept	Comment
5	Comparison of importers' data with exporters' data	Data for a single trade flow supplied by exporters and importers are compared. Unexplained discrepancies assumed to arise from illegal trade	Like 4, relies on publicly available, official data. Quite specific in that it concentrates on one flow. However, trade flow data are often of low quality, so discrepancies may be due to other causes than illegal trade
6	Tracking of legal timber	Where data are available for "legal timber" e.g. from certification schemes or national certificates of legality, these can be compared with other information, such as removal or consumption estimates, thus providing an estimate	Could be a powerful tool when legal timber tracking systems are in place. However areas with significant illegal logging problems are usually not those where these schemes are well established.
7	Investigation of illegal shipments	Suspect shipments are tracked, and their origins verified using surveillance and other investigative methods.	Major communication impact, requires significant resources. Can only provide "spotlight" information, not necessarily capable of being extrapolated

10. A number of international organisations have been active in collecting and disseminating information on illegal logging. These organisations are being invited to attend the Working Party discussion and present their work and experiences. An addendum to the present document will be prepared with a brief overview of their experience. The organizations being contacted by the secretariat are:

- (a) UNECE/FAO (Workshop on Illegal Logging and Trade of Illegally-derived Forest Products in the UNECE Region – Causes and Extent, Geneva, September 2004)
- (b) MCPFE (Workshop on Combating Illegal Harvesting of Forest Products and Related Trade in Europe, Madrid, November 2005)
- (c) Europe and North Asia Forest Law Enforcement and Governance (ENA FLEG) Ministerial Conference, St Petersburg, November 2005
- (d) FAO
- (e) International Tropical Timber Organisation (ITTO)
- (f) EU FLEGT (Forest Law Enforcement and Governance)
- (g) European Forest Institute (EFI)
- (h) Royal Institute of International Affairs (RIIA), UK
- (i) Environmental Investigation Agency (EIA)
- (j) Global Witness

Questions for discussion

11. On the basis of the brief background note above, and the presentation which will be made, Working Party delegates are invited to discuss the following questions (the Chairman will ask for the views of each delegation):

- (a) *What approaches have been tried at the national level, with what success?*
- (b) *What approach is best, in which circumstances (taking account of differing needs of governments, market actors, NGOs and others)? Which shows the most potential?*
- (c) *What contribution can be expected from the forest sector information specialists at the national level?*
- (d) *How could the international initiatives cooperate better? By harmonizing their methods and/or their definitions to make data comparable? By sharing and comparing information more intensely?*
- (e) *What can the international community realistically propose as regards improved information on illegal logging and related trade? A first deadline, for the ECE region, is the report on the State of Europe's Forests to be presented to the Ministerial Conference in Warsaw in 2007, but other processes and bodies will have other deadlines: it is clearly desirable to coordinate information gathering to prevent duplication of effort.*
- (f) *What role, if any, should the Working Party play? A significant expansion in demands made on the secretariat would necessitate supplementary resources.*