

**WWF** *for a living planet*¹

18 May 2006

JOINT STATEMENT BETWEEN WWF AND FFIF ON LEGAL SOURCING OF WOOD

1.1 Introduction

Illegal timber and the problems arising from illegal logging have become a widely discussed topic of international debate and generated political processes such as ENA FLEG and EU FLEGT. Illegal logging causes loss of income for poor countries and weakens, among other things, the state of the forest ecosystem. In addition, it distorts competition within the forest sector, damages the entire sector's reputation, weakens the stability of the companies' operating environment and is an obstacle for sustainable forestry.

The purpose of this statement is to move the illegal logging issue forward on the international agenda and to express a joint view of WWF and FFIF on the role of industry measures in ensuring legality of its wood supplies. This statement has a special emphasis on Russia because of the significant imports of timber from Russia to Finland.

WWF and FFIF want to encourage the actors in timber industry, forest management and other sectors of the society, to

- join the development work and exchange lessons learned in the use of tools that promote legal wood procurement
- urge governments to keep illegal logging as a focus area.

WWF and FFIF have a joint view on the ultimate goal of legal and sustainable forest management, recognise illegal loggings as a mutual concern world wide and share a vision of international timber trade with wood procured from legal and sustainable sources only.

1.2 Definition of illegal logging

Illegal logging can be defined in different ways, focusing on harvesting activities only or taking into account both harvesting, trading and wood

Finnish Forest Industries Federation

P.O. Box 336, FI-00171 Helsinki, Snellmaninkatu 13, 00170 Helsinki

Telephone +358 9 132 61, Fax +358 9 132 4445, name.surname@forestindustries.fi, www.forestindustries.fi



WWF® *for a living planet*¹

18 May 2006

processing. WWF and the World Business Council for Sustainable Development (WBCSD) have in 2005 defined the following¹:

- **illegal logging** takes place when timber is harvested in violation of relevant forestry and environmental laws and regulations
- **sourcing of illegal wood** takes place when unprocessed wood is procured in the absence of the seller's legal right to sell or harvest
- **illegal forest product trade** involves the procurement, processing, distribution and marketing of products made from wood that has been obtained by illegal sourcing or illegal harvesting and/or are not in compliance with relevant national and international trade laws.

1.3 Responsibilities of different groups of society in combating illegal logging

WWF and FFIF believe that both governments and civil society, including private sector, have a key role to play in the process to combat illegal logging and associated trade. Non-governmental organisations and industry can contribute in combating illegal logging by raising awareness among different stakeholders and through stakeholder dialogue. Industry should ensure credible and transparent traceability of timber and good governance/best practices in their wood procurement. Still, a stable environment in the forest sector, just as in any other sector of society, is a fundamental requirement for good governance and rule of law. The development, implementation and enforcement of legislation are primarily the responsibility of the authorities.

1.4 Assessments of the amount of illegal logging in Russia

There are different estimates of the amount of illegal logging in NW Russia. Estimates of wood with unknown origin range from 0.6-10% by the Russian officials to 10-15% by European Forest Institute and 27% by WWF (see references at the end of the statement). This range of estimates is creating confusion for the industry and society to deal adequately with the problem.

Estimates of proportion of illegal logging vary due to different sources, quality and reliability of statistical data in NW Russia. However, WWF and

¹ Source: WWF International (WWF) and the World Business Council for Sustainable Development's (WBCSD) Sustainable Forest Products Industry Working Group. **Joint Statement for The Forests Dialogue's First International Dialogue on Illegal Logging, 8-10 March 2005, Hong Kong**



WWF® *for a living planet*¹

18 May 2006

FFIF both consider illegal logging in NW Russia to be an obstacle and a severe threat to sustainable forestry.

Until now, reliable quantitative statistics were not available to assess the authorities' and private sector's measures to prevent illegalities. WWF and FFIF call on the public and the private sector to develop trustworthy information and appropriate methods to allow authorities, civil society and private sector to build efficient tools to fight illegal logging.

1.5 Tools to combat illegal logging

Since the 1990s, Finnish forest industry companies on their own initiative have been developing methods that aim to ensure the legal origin of wood². Tools to combat illegal logging include company-specific policies and principles, creation of long-term business relations with trustworthy suppliers, forest certification, Environmental Management Systems, wood tracing systems, training and increasing awareness through stakeholder dialogue.

By checking the origin of the wood, the companies aim to ensure that the wood has not, for example, been stolen or illegally logged or originating from a protected area. The verification of the origin of wood can be based on certified quality and environmental management systems (ISO 9001, ISO 14001, EMAS).

It is necessary to recognize the current magnitude and nature of illegal forest use and to develop effective instruments to avoid it. Since appropriate and effective tools have been established, they can be further developed and duplicated to broader use. Important is that wood tracing systems or forest certification / chain of custody certification are implemented and used effectively in order to ensure legal timber sources and to increase credibility. Stakeholder participation is a further important step to develop systems in a more transparent and open direction.

² A report "Developing best wood tracking practices to verify legality of wood origin in Latvia, WWF & WBCSD pilot project 2005" gives information on wood tracking systems that are used by Finnish forest industry companies in the Baltic countries and Russia. The wood tracing systems follow the same basic principles with country-specific applications. A description of the above mentioned study can be downloaded at www.wbcd.org



WWF® *for a living planet*®

18 May 2006

Since the 1990s, WWF has been developing a number of initiatives at international, national and regional levels to combat illegal logging by building awareness, analyzing its scale and roots, and identifying key actors in combating illegal logging. WWF has published reports on international timber trade, supported anti-poaching brigades, promoted credible forest certification, chain-of-custody certification, tracing systems and model forests as possible tools to eliminate illegal logging. Forest industry is also involved in WWF initiatives and projects through developing environmentally responsible practices in the frame of Global Forest and Trade Network. The latest WWF efforts in combating illegal logging include co-operation with companies and application of systems to verify legality.

1.6 Wood tracking systems: areas of further development (transparency, possible harmonisation / best practices)

The timber imports from Russia to Finland have increased significantly during the last ten years. In 2005 the total import of roundwood was 21 million cubic meters. Some 90% of the import in NW Russia is carried out by FFIF member companies which have a wood tracing system in place. FFIF underlines that these 3rd party- certified tracing systems aim to ensure the legality of the imported wood companies use.

WWF acknowledges the work done by the Finnish forest industry to combat illegal logging in Russia and recognises that the tracking systems are considered to be among the most efficient processes currently available, but believes that the current tracing systems are not sufficient to exclude all kind of illegalities in the forest sector.

The Finnish forest industry commits to contribute in further development of the existing tracing systems in local participatory processes and international dialogue

- to better identify and exclude different kind of illegalities
- to increase the transparency of the systems e.g. in the form of publicly available auditing results and descriptions of the systems.



WWF *for a living planet*¹

18 May 2006

This approach may serve as a common basis for harmonising wood tracing systems in global timber trade.

FFIF and WWF commit themselves to participate and support both public and private efforts to combat illegal logging and timber trade.

1.7 WWF and FFIF call for actions and encourage the other actors in their efforts to combat illegal logging.

Implementation and further development of Finnish forest industry companies' systems to ensure the legal origin of timber supplement the international initiatives such as EU Commission's FLEGT (Forest Law Enforcement, Governance and Trade) action plan and the indicative list of actions of the Ministerial Conference ENA FLEG (Europe and North Asia Forest Law Enforcement and Governance) hosted by Russian Federation. These international processes, too, aim at elimination of illegal logging. The operating models already adopted in timber imports by the Finnish forest industry closely parallel the actions proposed in these two initiatives.

Illegal logging is a major threat to sustainable use of forests world wide, especially in countries with poor governance and law enforcement. WWF and FFIF call on all players world wide to further strengthen the efforts to combat illegal logging and to promote sustainable use of forest resources.

The data sources cited:

Bolshakov, B., 2004. National Report of the Russian Federation on Illegal Logging and Trade of Illegally Derived Forest Products. UNECE/FAO Workshop on Illegal logging and trade of illegally derived wood products in the UNECE Region. Geneva, 16-17 September 2004

Impacts of reduction of illegal logging in European Russia on the EU and European Russia forest sector and trade A. Ottitsch et al. European Forest Institute. 2005. 130p. Available online at <http://www.efi.fi>

Brukhanov, A., Ptichnikov, A., Kotlobay, A., Voropayev, A. 2003. The Russian – Danish trade in wood products and illegal logging in Russia. WWF Russia.