China’s Efforts to Combat Illegal Logging and Associated Trade

Chen Shaozhi
Director, RIFPI CAF
Standing Deputy Director, CINFT SFA

Feb. 20th, 2014
Basic Position

- China is a large country in forest resources, a global forest product processing and trade hub, and also a big consumers of wood products. Timber industry plays the irreplaceable role in providing employments.
- Currently, there are different schemes established to address the legality of timber origin across the world, but they are hard to be practiced and extended in developing countries due to complicated procedures, high costs, lack of unified international standard and governments’ failure to play a sufficient role.
- Strengthen forest law enforcement and governance to prevent illegal logging in the origin.
- Enhance guidance and service to improve the corporate self-discipline and responsibility awareness.
- Establish a cooperation mechanism among government authorities, sectoral associations, research institutes and enterprises on illegal logging and related trade.
- Carry out dialogues and communications to promote the international cooperation.
- Increase the consensus on the definition on timber legality, promote the bilateral, regional and multilateral cooperation and establish a mutual endorsement mechanism for timber legality verification schemes.
- Build China’s forest certification system.
1. Widen the bilateral and multilateral cooperation between governments

- Discuss the possible joint implementation of the project of China-US TLV plan and strategy for forest product trade;
- Hold regularly negotiations on related issues of Lacey Act;
- Establish China-US customs data exchange mechanism for forest products;
- Establish platforms for sectoral association, enterprises, research institute and NGOs to have direct exchanges and communications;
- The *Guidelines for Production and Procurement of Legal Wood and Wooden Products by China: Country Profile of Papua New Guinea* is under way.
The 4th meeting of China-EU Bilateral Coordination Mechanism (BCM) on FLFG

This streamlines the China-EU BCM on FLFG, promote the cooperation among governments, research institutes, industry associations and enterprises in policy discussion, capacity building, information exchange and field investigation, and increase the understandings and experience sharing of Chinese stakeholders on FLEGT VPA and EUTR
China and Indonesia fulfil the MOU on Illegal Logging and Related Trade, and field trip made for the forest governance.

Exchange the forest resources governance measures among different countries to reach a consensus on timber legality.

China-Australian Illegal Logging Working Group Meeting
2. Implement international research cooperation programs

- **Cooperative research project with the DFID**: completion of China’s Timber Legality Verification Scheme Project in Phase I, and the DFID signed a cooperation framework agreement with the Ministry of Commerce of China for Phase II research project, which will involve overseas overreach of forestry guidelines and collective forest tenure reform in China. The both sides are carrying out negotiations on the specific contents.

- **Cooperation under the BCM with the EU FLEGT Asia**: A study of EUTR’s Impact on SMEs in Timber Sector of China, trainings on EUTR.

- **Cooperation with the ITTO for the project of SMEs’ Capacity Building**
Based on the results of DIFD-funded project, a Pilot Project Leadership Group has been set up, and its members come from the Department of Development Planning and Asset Management of SFA, CINFT SFA and CFPIA.

- 8 enterprises, CFIA
- 2 enterprises, CINFT SFA
3. Regulate the forest resources utilization and forest product trade

Facilitate the pilot project for the *Guidelines for Sustainable Overseas Forest Management and Utilization by Chinese Enterprises*, and research and prepare the *Guidelines for Overseas Sustainable Forest Product Trade and Investment by Chinese Enterprises* (expert comments will be collected in Shanghai at the end of this March)
Pilot project for Russia

- Guidelines for Sustainable Overseas Forest Resources Utilization by Chinese enterprises: Interpretation for Russia is composed as the training material. This combines the guidelines’ requirements with laws, forest management, wood transportation, environment and biodiversity, and social development in Russia.
- 6 trainings delivered to enterprises, including 4 trainings in Russia and 2 in Suifenhe. 6 enterprises are listed as the key enterprises for training and nearly 30 enterprises have participated in the trainings.
- Carry out a wide communications and exchanges with local governments, research institutes, enterprises and communities in Russia and built a link for regular connection.
Strengthen the governance over timber processing industry and the import of endangered species

• Regulate the review and approval of the setup of timber processors in strict compliance with laws;
• Improve China’s government green procurement system;
• Issue the Notice on Further Strengthening the Importation Administration of Endangered Species
Expedite the establishment of China’s forest certification scheme

FM and CoC standards have been published, a certification body has been set up, and China’s forest certification scheme begin to operate, which has been endorsed by the PEFC.
Increase the self-discipline of forestry sector and improve the service function

Policy explanation

Training delivered to companies
Enhance the international dissemination and public opinion guidance

Experience Exchange Conference of FLEGT VPA Countries

Annual Conference of CINFT SFA
Recommendations for Cooperation
Recommendations for Combating Illegal Logging and associated trade

- Follow the principle of development and take efforts to find the trade-offs that all parties will accept
- Curb illegal logging in origin, and improve the forest governance in timber producing countries; Stress the leading role of governments, and encourage sectoral association, enterprises and NGOs to get involved, so as to generate a joined force; Protect normal international trade, and avoid trade barriers
- Boost the research and application of China’s timber legality verification measures, implement pilot projects with sectoral association and enterprises, develop the criteria, indicators and verifiers in conformity with the verification measures, and discuss the design of a legislative system at national level to bolster timber legality.
Reach a common understanding of the definition of timber legality, establish the effective mutual endorsement mechanisms at bilateral, regional or multilateral levels, and facilitate the recognition of timber legality verification schemes among countries in the timber supply chain by means of policy dialogue, technical exchange, information sharing and capacity building;

Enhance communications, increase understandings, come into consensus, cooperation for a win-win situation, joint efforts for development
Suggestions for China-Russian cooperation

1. Continue to maintain the cooperation and communication via China-Russia Standing Working Group on Forest Resources Development & Utilization and APEC Expert Group on Illegal Logging and Associated Trade. Intensify the cooperation between Russia’s timber tracking system and China’s timber legality verification measures, organize an expert group to study and come up with the specific measures for the mutual endorsement of the timber legality verification systems, and promote the sustainable development of forest product trade between China and Russia.
2. Put the focus on the forest quality improvement in the border between China and Russia and boost the green growth. Currently, Chinese enterprises engage in cooperative development of forest resources in Russia Far East. They are supposed to prepare the FMP, ensure the strict FMP implementation, comply seriously with the related provisions of Russian Log Act, take responsibility to improve the forest quality in the bordering area between China and Russia and bring into paly the carbon sink service of forest, so as to promote the regional green growth.
3. Increase the protection of forest and biodiversity, and realize the sustainable regional development. On the one hand, we should develop the legal and sustainable forest product trade, and on the other hand, we are supposed to carry out the cooperation in forest and biodiversity cooperation with Russia to jointly address the environment challenges. Meanwhile, the communication and coordination in terms of forestry policy, laws and regulation, enforcement, etc. should be bolstered to reduce the costs of trade & economy and natural eco-environment between the two countries, further the sustainable social, economic and environmental development and build a mutualistic region achieving a win-win situation.
Thank you!