Timber sourcing in Russia and a few attempts to Keep It Legal

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WWF Russia / Forest Program
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Russian Forest Resources

- 22 percent of the Earth’s total forest cover (776.1 mln. ha) and more than half of its coniferous forest cover

- In ecological terms – 26 percent of the world’s frontier or intact forest

- In economic terms – 81.5 billion cubic meters of standing timber volume

- Annual increment – 993.8 mln.m3

- Annual Allowable Cut – 570.7 mln.m3

- Total Actual Cut - 190.6 mln.m3

- Russian forests are divided into four major geographic regions: European Russia, Western Siberia, Eastern Siberia, and the Russian Far East
Forest Resources of Russia

*Forested area* - 776,1 mln. ha
*Standing timber volume* - 81,5 bln m³

Including:
- conifers - 58,4 bln m³
- Mature and over mature wood - 42,0 bln m³ (51,5%)

*Annual increment* - 993,8 mln. m³
Including:
- conifers - 575,4 mln. m³

*Forest regions*:
- **Far East**
- **East Siberia**
- **Central Russia**
- **Northern Caucasus**
- **Southern Russia**

*Regional percentages*:
- Far East: 17,6%
- East Siberia: 37,5%
- Central Russia: 12,4%
- Northern Caucasus: 9,8%
- Southern Russia: 5,2%
- Other regions: 0,2%
New Forest Legislation: major features

- Legislative reform: since 2007 Russian forestry is operating under fundamentally new terms and conditions, formed by the new Forest Code

- Management-level reform: maximum decentralization of forest management and forest use in Russia
  - Transfer of authority and responsibilities over the forest management, forest use and protection to the regional level (subjects of the Russian Federation)

- New export tariff policy for round wood

  Main reason for export tariffs revision is stimulation of domestic wood processing and raising effectiveness of the forest sector

  Resolution of the Russian Government N75:

  from 1-Jul-2007: 20% = EUR 10/m3
  from 1-Apr-2008: 25% = EUR 15/m3
  from 1-Jan-2009: 80% = EUR 50/m3
Timber, coming from Russia.

Major trade flows of primary products - roundwood (°) and secondary products - processed timber (°)

Figure 5. Major trade flows (Primary and Secondary Products, 2005)

Source: James Hewitt, based on calculations commissioned for this paper.
Russian Export of Forest Products (2007, by value)

- round wood: 38%
- sawnwood: 13%
- paper: 10%
- pulp: 1%
- plywood: 6%
- builder's joinery: 1%
- fuelwood: 1%
- particle board: 1%
- shaped wood: 1%
- reclaimed paper: 0%
- other: 0%
Emerging Trends:

**Europe**
- State procurement policies
- EU requirement to purchase only certified timber from the year 2009 on
- EU FLEGT process development

**Asia**
- China
  - Government: more attention to the issue of cross border illegal logging and trade (EU conference held in China)
  - Business: clear trend towards responsible management and trade (growing numbers of CoC certificates)
- Japan – state procurement policy adopted

**Russia**
- More companies oriented towards European markets (environmentally sensitive)
- Growing number of foreign companies operating in Russia (IKEA, Stora, UPM, etc)
- Development and introduction of their OWN systems of timber tracking
- Cooperation with WWF to identify company’s «weak» points and to harmonize timber tracking systems with the new forest legislation as well as to jointly participate in the development of new normatives
- Growing certification
Rate of FSC Certification Growth in Russia

• 2000: first certificate in Altaysky Kray (Siberia) - 32,7 thousand ha

• 2008: 19 987 mln ha (North-West, Siberia, Far East)

• It comprises more than 1/10 of commercial forests (under lease)

• 2-nd place in the world

It is well recognized that certification is a tool to:

• Be promoted at the environmentally sensitive markets in Europe and worldwide;

• Making forest management and forest use sustainable;

• Gaining better investment conditions as certification has become an indicator of forest management sustainability, reliability of a company and illustration of its perspective growth.
FSC Forest Management Certification in Russia

- Russia FTN members 71%
- non-members 29%

- y2000: 101,623 ha
- y2001: 132,823 ha
- y2002: 132,823 ha
- y2003: 1,282,111 ha
- y2004: 3,860,682 ha
- y2005: 7,831,949 ha
- y2006: 14,760,675 ha
- y2007: 19,070,843 ha
- y2008: 19,987,268 ha

Years: 2000 to 2008
Russian FTN - Association of Ecologically Responsible Timber Companies

- Established in 2000, under aegis of WWF
- Member of Global Forest and Trade Network (GFTN)
- Partnership between WWF and Russian companies, seeking to improve their ecological performances and striving for FSC certification (making commitment to responsible forestry and credible forest certification, thus excluding the use of wood from unknown, illegal and uncontrolled sources)
- Basis: signed agreement with environmentally responsible company
Russia Forest and Trade Network

1 - Ilim Group
2 - Arkhangelsk PPM
3 - Volga
4 - Solombala Sawmill
5 - Kartontara
6 - TAMAK
7 - Sawmill-25
8 - Cherepovetsles
9 - Lesosibirsk Sawmill-1
10 - Solikamskbumprom
11 - SLT - Sawmill-3
12 - Fankom
13 - Dammers
14 - Swedwood Tikhvin
15 - Siberian Silver Pine - Management
16 - Zalazna Sawmill
17 - VM-Invest
18 - Cardinal
19 - Les Export
20 - Premium-les
21 - Yeniseylesozavod
22 - Arkhangelsk Sawmill-3
23 - Priozersky DOZ
24 - Termeyles
25 - Lesinterkom
26 - Titan-Lesprom
27 - Technoclassik
28 - Mospromstroymaterialy-Vyatka
29 - Pankratov
30 - Primorsklesprom
31 - Primorsky GOK
32 - Serebryanaya Sosna
33 - TMKPerspektiva
34 - Mondi Business Paper - Syktyvkar
35 - Kay
36 - Segezha PPM
37 - Sorvizhi-les
38 - Almis
39 - Kata
40 - Malakhit
41 - PLO Onegales
42 - Lesstandart
43 - Prizma Holz
44 - Promlespostavka
45 - Investlesprom
46 - ResursLesTrans
47 - Delta-Plus
48 - Lesprom-Invest

- Increase of Russia FTN members in Siberia and the Far East:
  - 2005 – 3 members
  - 2006 – 7 members,
  - 2007 – 13 members
  - 2008 – 16 members

- Growth of FSC-certified forests in Siberia and the Far East:
  - 2004: + 1 662 976 ha
  - 2005: + 1 589 944 ha
  - 2006: + 1 332 934 ha
  - 2007: + 1 651 767 ha
  - 2008: + 102 634 ha, totaling now 6,340,255 ha

- 2007: workshops on environmentally responsible forest business in the Russian Far East and Siberia: Vladivostok, Irkutsk, Tomsk
- 2007: visit of China FTN experts to Siberia and the Far East
- 2007: participation of Russia FTN Manager in the Annual Meeting of China FTN
- 2008: visit of Russia FTN members to China scheduled.
More activities to contribute to legal forestry:
WWF Response

• Environmentally Responsible Forest Business – through certification - FTN Russia;

• Joint Strategy of Russia and China FTNs in Responsible Timber Trade from Russia to China elaborated;

• Demonstration pilots for “verified legal” wood in cross-border (Russian forest to China factory) to promote systems to identify legally-sourced wood in supply chains involving Russia and China;

• Cooperation with Customs in Russia and China improve methods for control of trans-boundary timber shipments and compilation of customs statistics;

• “Keep it Legal” manual.
Several countries involved: “Keep it Legal” (KIL) is a manual with country specific guidance on Indonesia, Malaysia, Russia and China.

**To make all parts of supply chain to guarantee the wood is not illegally harvested**

“Keep it Legal” manual PROVIDES guidance on how to identify and address the risk of illegal timber entering a supply chain.

This INVOLVES checking (a) the geographic source of the timber and (b) confirm that the logging company has a legal right to harvest.

The manual PROPOSES that a Chinese buyer should do enough due diligence to ensure that the timber comes from a “known licensed source”.

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Major Parts of KIL - Russia Country Guide

- background and explanatory information about the problem of illegal logging in China and in Russia;
- what you need to do to ensure you avoid buying illegally harvested or illegally traded wood?
- information you should request from the exporting country (scanned documents included);
- various appendices, providing more detailed information on the various topics and guidance towards further sources of help.
<table>
<thead>
<tr>
<th>Information to request: Scanned Appendices</th>
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| **Языковой договор аренды** | Agreement for rent of an area for
timber harvesting |
| **Языковой договор купли-продажи** | Sample sale agreement |
| **Пример лесорубочного билета** | Example of a logging permit (Lesnoy Bilet) |
| **Пример ведомости материально-денежной оценки лесосеки** | Example of a Blank form for material and financial estimation of a felling area |
| **Пример технологической карты** | Example of a technological map |
| **Пример плана отвода лесосеки** | Example of felling area allocation plan |
| **Лесная декларация по лесопользованию** | Forest use declaration |
| **Лесная декларация по использованию леса, не связанному с заготовкой древесины** | Forest declaration for use of forest resources other then timber |
| **Отчет о лесопользовании** | Forest use report |
| **Отчет о воспроизводстве лесов** | Forest regeneration report |
| **Пример товарно-транспортной накладной** | Example of a transportation invoice |
| **Бланк таможенной декларации** | Customs Declaration Form |
| **Перечень видов (пород) деревьев и кустарников, заготовка древесины которых не допускается** | List of trees and shrubs species prohibited for logging |
| **Перечень видов лесоматериалов, для экспорта которых нужна лицензия** | List of forest products which are the subject for obligatory export licensing |
# A Logging Permit

Ministry of Natural Resources and Environment of the Russian Federation

**Silvicultural Permit № 1**

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**Description**

- **Location:** Consolidation Forest
- **Area:** 20,000 hectares
- **Species:** Coniferous

**Conditions**

- **切口方法:** Стратегически ограниченная рубка
- **Deforestation Area:** 3000 hectares
- **Deforestation Period:** 2020-2025

**Forest Management**

- **Forest Management Plan:** Yes
- **Forest Protection:** Yes

**Signatures**

- **Inspector:** Иванов И.И.
- **Manager:** Петров П.П.

**Additional Notes**

- **Reference to Environmental Policy:** Complies with the latest Russian environmental standards.

**Contact Information**

For further inquiries, please contact:

- **Address:** Министерство природных ресурсов Российской Федерации, Москва, Россия
- **Phone:** +7 495 123-45-67

**Date:** December 2020

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**Environmental Impact Statement**

- **Assessment:** Positive impact on local biodiversity.
- **Mitigation Measures:** Implementation of sustainable logging practices.

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**Additional Images**

- **WWF Logo**
- **Tiger Images**
- **Conservation Projects**
A Transportation Invoice
Distribution of Russian Timber in China
(source: Forest Trends)

- **Purchaser of timber**
  - 95% to **Intermediary**
- **Intermediary**
  - 100% to **Home market**
  - 15% to **Local consumption**
- **Home market**
  - 10% to **Secondary markets of timber**
  - 90% to **Export**:
    - Europe
    - North America
    - Japan
    - North Korea
- **Border**
  - 90% to **Processing at the border**
    - 10% to **Home market**
    - 90% to **Russian timber**
- **Russian timber**
  - 10% to **Border**
- **Secondary markets of timber**
  - 100% to **Ultimate consumer**:
    - Construction 80%
    - Finishing 15%
    - Furniture 5%
Integrated assessment and comprehensive inspection of forest management practices and related operations in Karelia (March 2007), Chita (April-May 2007), etc.

Complex-valued check-up with involvement of relevant agencies (customs, transportation, Ministry Of Interior, etc.)

Remote sensing control (2006-2007)
- 16 Russian regions
- 101.2 mln ha - area of remote sensing monitoring
The issue of illegal logging and illegal timber trade is recognized by the Russian government

- Russia's Interagency Commission for Combating Illegal Logging and Timber Trade was established in late 2007 by a joint order of the Ministry of Natural Resources of the Russian Federation and the Ministry of Interior of the Russian Federation.

- March 26, 2008 it held its first formal meeting in Moscow, chaired by the newly appointed Deputy Minister of Natural Resources (Mr. Semen R. Levi).

The meeting took stock of the implementation of the national anti-illegal logging action plan adopted in Russia for 2007. A similar action plan for 2008 is expected to be finalized and approved based on the results of the discussions during this meeting.