

Recommendations to Reduce the Illegal Russia-China Timber Trade

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Russian Forests

- ❖ Vast wild areas (2.3 million square miles of forestlands);
- ❖ Habitat for rare and endangered species;
- ❖ Livelihoods for local communities and indigenous peoples;
- ❖ Vital importance as carbon storage and a potential carbon sink.



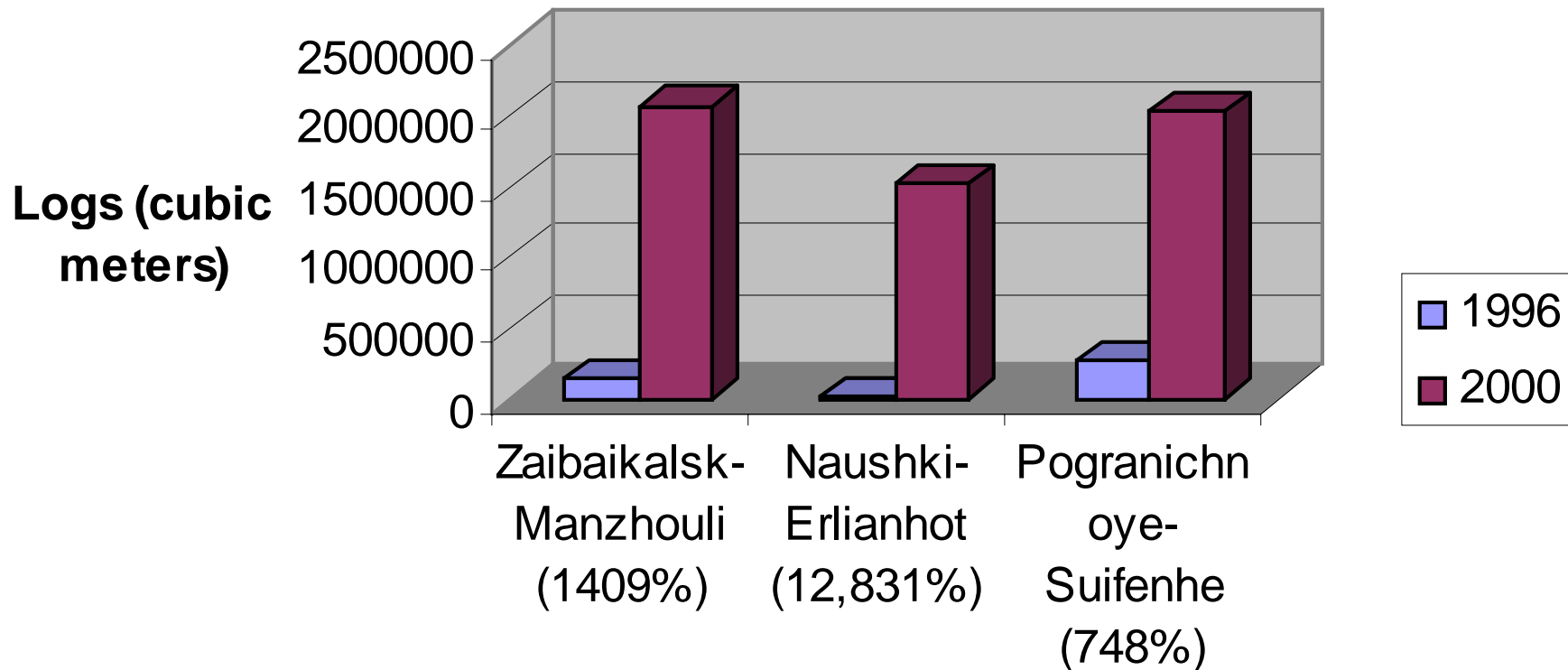
Corruption in Russia

- ❖ Russia's shadow economy may make up as much as 40% of Russia's GNP;
- ❖ Center for International and Strategic Studies: estimates 25-40% of Russian businesses are corrupt;
- ❖ As much as 40-50% of Russian timber may be sold to Pacific Rim countries under faked contracts and dumping prices (Viktor Doroshenko, Primorsklesprom);
- ❖ Widespread international recognition of the contribution of illegal logging to widespread deforestation.



China's Increasing Consumption of Russian Forests

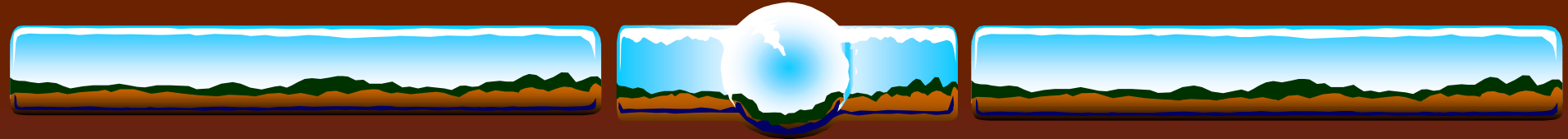
Log Import from Russia to China through 3 Main Gateways





Reasons for Breakdown in Russian Government Efforts to Control Illegal Logging and Trade:

- ❖ Poor customs enforcement for raw log export shipments;
- ❖ Difficulty in tracking chain of custody from logging to export;
- ❖ Failure of importing countries to impose reciprocal import restrictions to RFE export restrictions;
- ❖ Failure to release information on timber trade and export.



Action Plan:

Ensure Open, Accurate, and Transparent Data

- ❖ Make customs points and data fully open to inspection by any individual or organization;
- ❖ Actively compare Russian and Chinese statistics to compare discrepancies and act to reduce them;
- ❖ Establish channels of communication between Russian and Chinese customs, forestry, and environmental officials to share data.



Action Plan:

Provide for Accurate and Reliable Documentation

- ❖ Ensure that documents establish entire chain of custody;
- ❖ Monitor import/export statistics of particular species to ensure that they do not exceed the permissible harvest volumes;
- ❖ Use ultraviolet paint to mark confiscated timber to prevent the export or trade of such timber.



Action Plan:

Strengthen Customs Control

- ❖ Establish a 10-day holding period for timber prior to export from Russia to China to check documents;
- ❖ Train border officials to distinguish more valuable tree species and grades of timber;
- ❖ Launch a special initiative focusing on three border points: Zabaikalsk-Manzhouli, Naushki-Erlianhot, and Pogranichnoye-Suifenhe.



Action Plan:

Crack Down on Corruption and Bribery

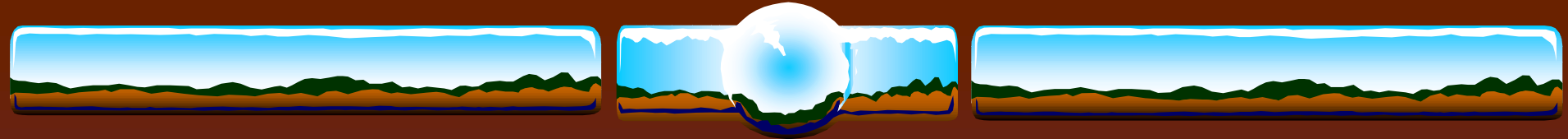
- ❖ Increase fines and impose criminal penalties on businessmen and officials involved in illegal logging and timber trade;
- ❖ Develop proactive cooperation among Russian and Chinese anti-corruption government agencies to share information and crack down on illegal activities;
- ❖ Encourage press coverage and citizen/NGO outreach to highlight the problems of corruption and bribery.



Action Plan:

Promote Greater Cross-Border Cooperation

- ❖ Create a Russia-China Working Group involving regional and national government officials, scientists, and NGOs to conduct joint monitoring of the Russia-China timber trade;
- ❖ Impose reciprocal import restrictions in China to match Russian Far East export restrictions;
- ❖ Compare accurate import statistics in China with export statistics in Russia.



Action Plan to Reduce the Illegal Russia-China Timber Trade: Summary

- ❖ Ensure open, accurate, and transparent data
- ❖ Provide for accurate and reliable documentation
- ❖ Strengthen customs control
- ❖ Crack down on corruption and bribery
- ❖ Promote greater cross-border cooperation



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