Illegality risks and due care for wood flows from the Russian Far East

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Barcelona, Spain
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Russian Far East

Zabaikalsk
Manzhouli

Grodekovo
Suifenhe
Forest product export from RFE 2004-2013 by country of import (m3)

- China
- Japan
- South Korea
- North Korea
- Vietnam
- EU
Forest product export from RFE 2004-2013 by country of import (%)

- China
- Japan
- South Korea
- North Korea
- Vietnam
- EU

%
Forest product export from RFE 2004-2013 by product type, m³

- Coniferous logs
- Coniferous sawnwood
- Veneer/plywood
- Hardwood logs
- Hardwood sawnwood

Legend:
- 43
- 41
- 33
- 32
- 31
- 23

- 22 Hardwood sawnwood
- 21 Hardwood logs
- 13 Veneer/plywood
- 12 Coniferous sawnwood
- 11 Coniferous logs
Forest product export from RFE by product type (%)

![Bar chart showing forest product export from RFE by product type from 2004 to 2013. Each bar is divided into segments representing different product types, with colors indicating their share of the export.](chart_url)
Scale of illegality (high-value hardwoods)

Permitted logging volume of Mongolian oak vs. volume actually logged for export

![Graph showing the comparison between permitted logging volume and actual logging volume for Mongolian oak from 2004 to 2011. The graph indicates a significant difference between the two volumes, with the actual logging volume exceeding the permitted volume in most years.](image)
Forms of illegal logging

- Outright timber theft by wildcat logging brigades (becoming less common)

- “Illegal logging with paperwork” is now more popular:

- Overlogging on timber leases or logging of high-grade in place of low-grade material

- Abuse of “Intermediate” and “sanitary” logging

- Export of stolen timber under the “mask” of timber lease documents
Results of recent EIA investigation in Eastern Siberia (Irkutsk Province)

- One of largest Chinese wood suppliers to Japan
- Laundering wood bought from illegal loggers with authorizing documents from forest leases
- Wood purchased from small local logging brigades: “Almost all illegal” according to company representative
- Illegal logging of export-grade timber during “sanitary harvesting” on forest leases
Illegal logging in the Russian Far East: global demand and taiga destruction

http://www.wwf.ru/resources/publ/book/eng/776

Additional factors

• Growing role of anonymous trading companies, especially in log trade

• Obfuscation of supply chains

• Demand for high-quality timber from the RFE (legally or illegally obtained) should grow in response to logging ban in Chinese natural forests

• Strong evidence of species/country of origin mislabeling in China (EIA)
How to evaluate and address risks and source responsibly?

**Option 1:** Buy FSC-certified products. Best option, lowest risk, but supply of valuable hardwoods is limited.

**Option 2:** Establish due care system and 3rd party confirmation of legality (“Know your source”)

**Option 3:** If options 1 or 2 aren’t possible, *exclude* high-risk species from your supply chains.
Certified trade flows

• Around 38% of total export volume in 2013 (2.8 of 7.5 mln m3)

• Largest forest exporters in RFE (RFP Group, Terneyles group, Arkaim)

• Larch, spruce/fir, birch

• Very limited volume of valuable hardwoods
Important change in Russian forest legislation regarding export of valuable hardwoods

• Inclusion of Mongolian oak (*Quercus mongolica*) and Manchurian ash (*Fraxinus mandshurica*) in Appendix III of CITES

• Legality assessment methodology in flux; a strong methodology in place in Khabarovsk, but facing forest industry lobbying

• Significant number of shipments denied based on volume mismatch, suspiciously high yields of merchantable wood

• Data base in development to monitor multiple use of the same authorizing documents
Check documentation

• Forest declaration: authorizes forest leaseholders to conduct commercial logging

• Contract for conducting intermediate or sanitary logging: authorizes these forms of “improvement logging” in unleased forests

• Both documents establish the volume, species and grades of timber authorized for logging, and also the location(s) where the logging can take place
Управление лесным хозяйством
Приморского края
g. Владивосток
ул. Белинского, 3а, 69002

Лесная декларация

6 Б
января 2010 г.

В счет лимита 2011 года

По доверенности
Заместитель
Генерального директора
В.П. Шкурко

Forest declaration
АКТ
передачи лесных насаждений

г. Владивосток

№ 29
июля 2010 г.

Заказчик: в лице начальника Управления лесным хозяйством Приморского края П. Н. Дюк и Исполнители: в лице директора казенного предприятия Приморского края «Приморское лесохозяйственное Объединение» Э. В. Дрозда составили настоящий акт о том, что на основании государственного контракта № 12/2а от 16.02.2010 г. первый передал, а второй принял лесные насаждения, расположенные на территории Рощинского лесничества, Тетиевского участкового лесничества, квартал 240 выдел 4, площадью 19,0 га.

-Характеристика и объем вырубаемой древесины-

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Contract for conducting intermediate or sanitary logging
Important questions

• Could the logging authorized by this document have produced the volume and quality of finished products that you have imported?

• Understanding the difference between “authorized logging volume” and the volume of merchantable timber (see next slide)

• Intermediate and sanitary logging should produce limited volumes of merchantable timber. If your supply is coming mainly from these kinds of logging, that is very suspicious
Mongolian oak from Jilin Province, China

Mongolian oak from Primorsky Province, Russian Far East
The difference between “authorized logging volume” and “volume of merchantable timber”

- Very important for compliance with the new CITES requirements for oak and ash

- In logging authorization documents the “total harvestable volume” (ликвид) is shown. This volume includes “merchantable timber” suitable for making boards, flooring, furniture, and also low-grade firewood

- So if a document permits logging of 150 cubic meters of oak that does not mean that 150 cubic meters of oak logs or oak boards can be exported!
Field checks

Involves selecting a sample of logging sites from Forest Declarations and field checking

Key questions:

• Could the imported wood possibly have come from this site?

• Did illegal harvest (overharvesting, harvesting beyond authorized boundaries, harvesting of unauthorized species) take place on this logging site?
Genetics and isotopes

• Potential to answer two critical questions:
  • Genetics: is this *Quercus mongolica*, *Q. robur*, *Q.alba*...?
  • Stable isotopes: Is this *Quercus mongolica* from the Russian Far East or Northeast China?
• Response to mislabeling of species and origin by Chinese manufacturers
• Identifying within-country origin not realistic in foreseeable future
Conclusions

• Due care in the RFE is not just “collecting the right papers”
• Necessary to conduct critical analysis of documents
• With valuable hardwoods field checking is desirable
• CITES may help facilitate CoC management for valuable hardwoods
• FSC is one of best mechanisms for developing rigorous CoC
Thank you!  

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