

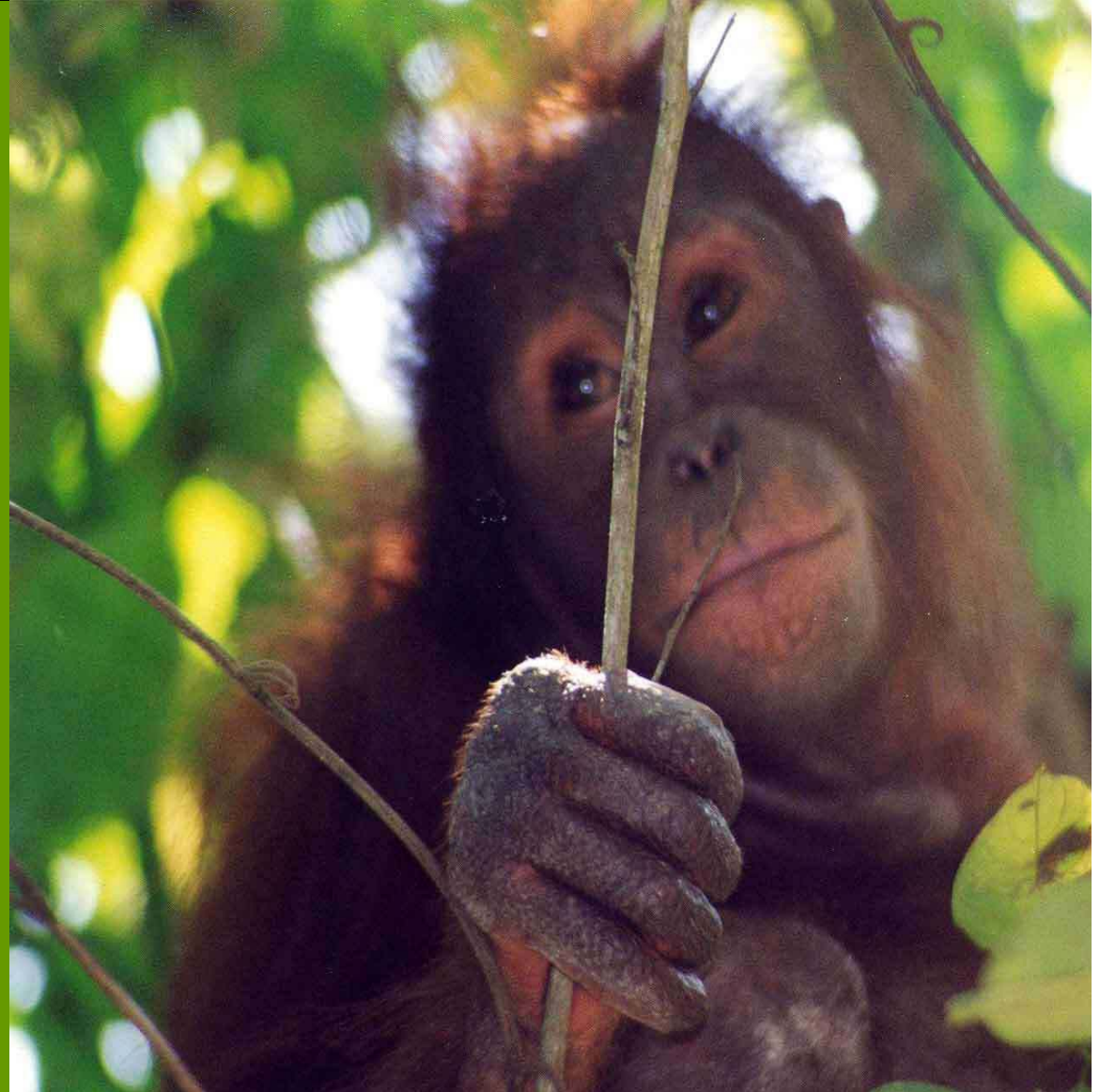


Combating Illegal Logging and Associated Trade

**TNC China Program
&
TNC Asia-Pacific Forest Program**

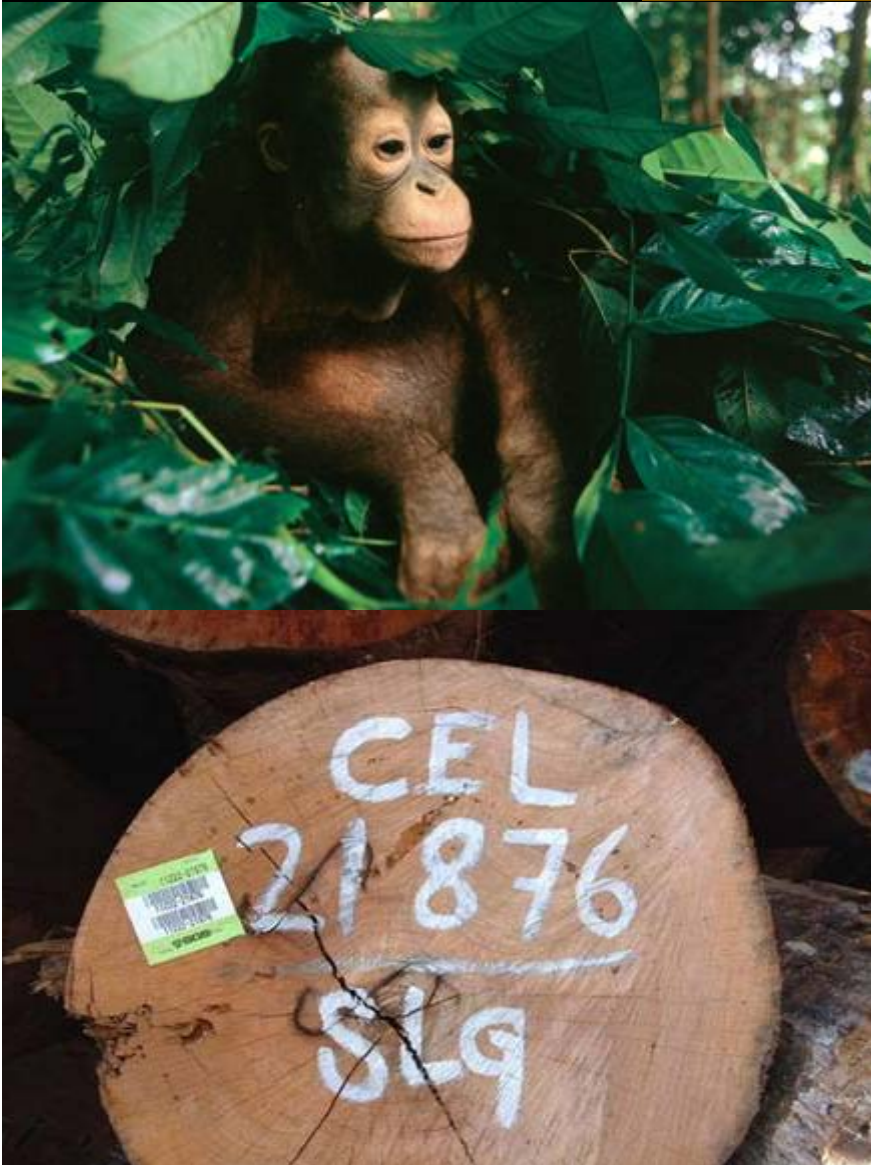
Asia-Pacific Forests The Challenge

- Inadequate coverage of effectively managed protected areas
- High rates of forest loss and degradation
- Poor forest governance and weak or unjust law enforcement
- Perverse market signals and incentives



Asia-Pacific Forests

What do we do now?



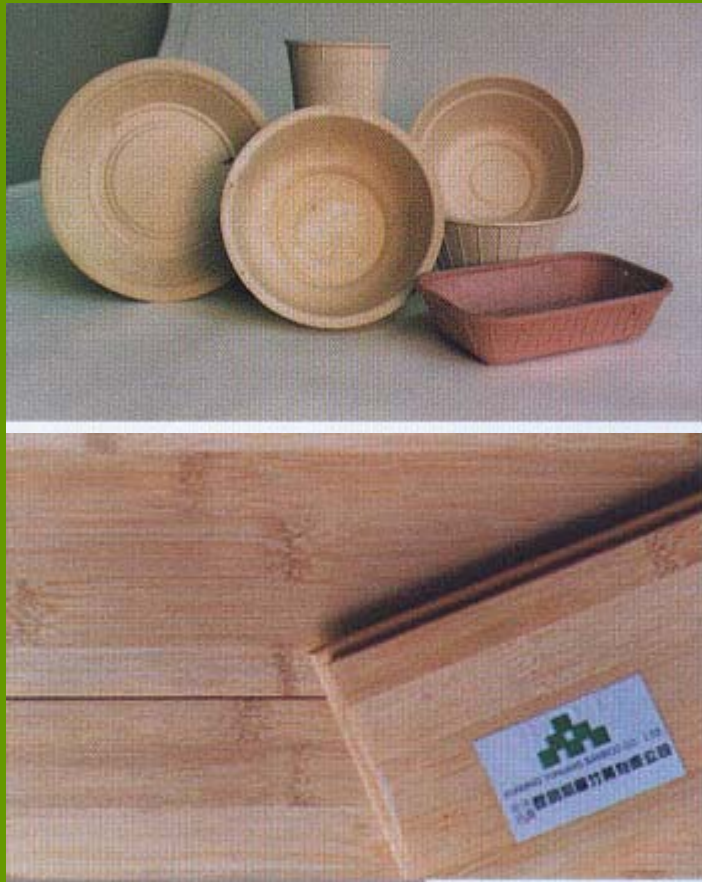
- **Technical support for protected area management** – Yunnan Nature Reserves, Lore Lindu, Adelberts CCA's, Australian partnership properties
- **Support for more sustainable forest management** – East Kalimantan certification/legality work, China alternative energy & carbon sequestration work, Aldebert community land use planning
- **Involvement in regional forest policy processes** – national policy dialogue in Indonesia, China and Japan; FLEG, AFP, Asia-Pacific Forestry Commission, ITTO
- **Private sector engagement** – TFD dialogue, limited GDA market links

Asia-Pacific Forests Creating More Enabling Policies

- **Build on existing relationships and expand national policy dialogues –** Mainstreaming legality standards and credible log tracking in Indonesia, China International dialogues on tenure and illegal logging and trade, high level sustainable development working group in PNG
- **Strengthen Involvement in regional forest policy processes –** ASEAN, FLEG, FLEGT, AFP, Asia-Pacific Forestry Commission, ITTO, ASEAN-WEN
- **Create TNC Asia Pacific Forest Policy Network –** promote greater learning exchange between TNC national forest policy specialists and greater linkages between national, regional and international policy processes



Asia-Pacific Forests Creating More Enabling Market Incentives



- **Developing relationships with the investment community – develop sustainable investment policies with Equator Banks and like institutions**
- **Support development of responsible public and corporate procurement policies – support continued development of initiatives in EU, China and Japan and extend to other key markets e.g. Vietnam, USA, Australia**
- **Foster linkages with green trade and fair trade initiatives – help partners use sustainable forest management sustainable use to gain access to high value market niches**
- **Take advantage of the emerging Ecosystem Marketplace**



Institutional and legal arrangement in China

Background

Objectives

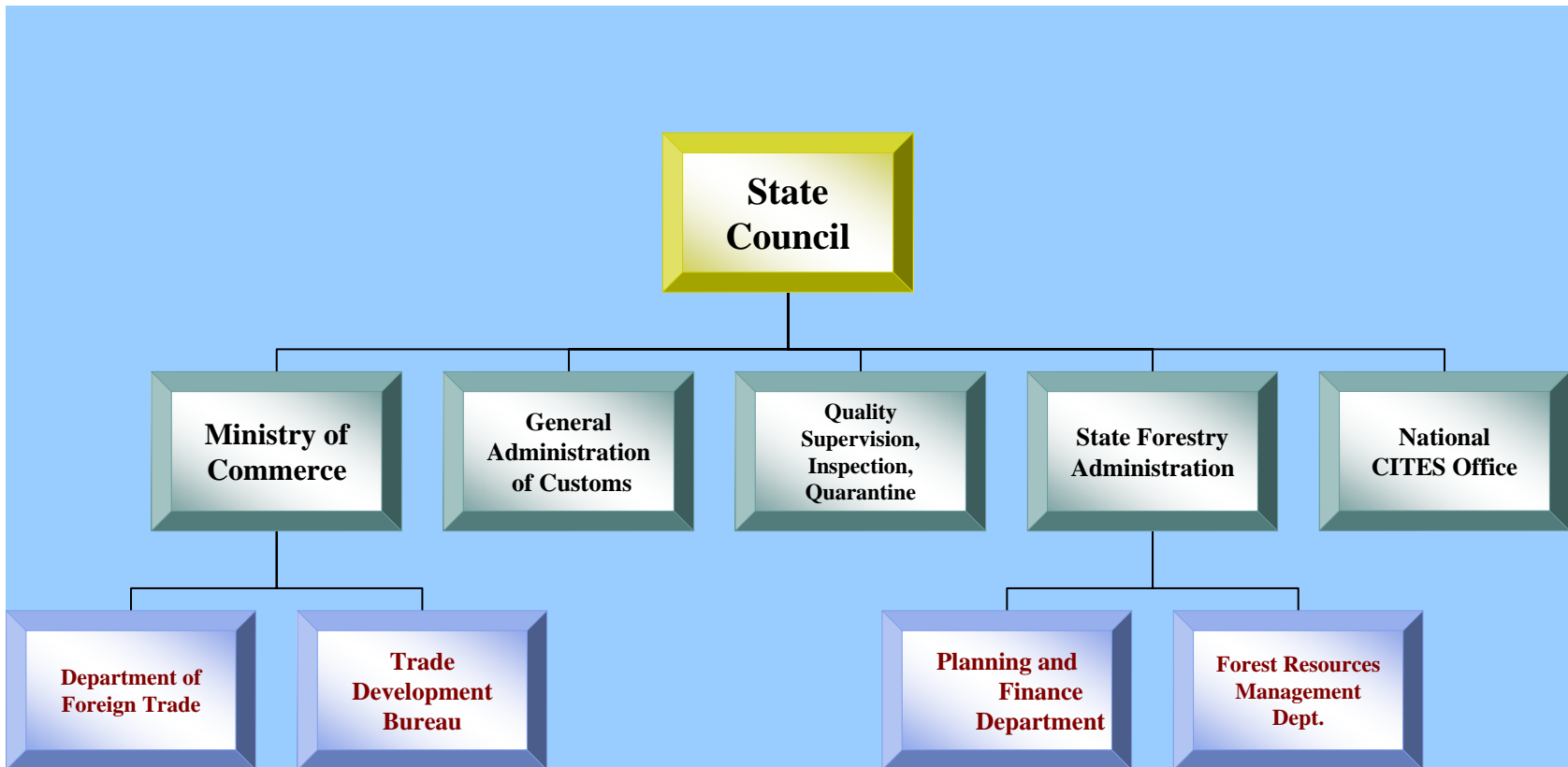
Working partners

Project activities

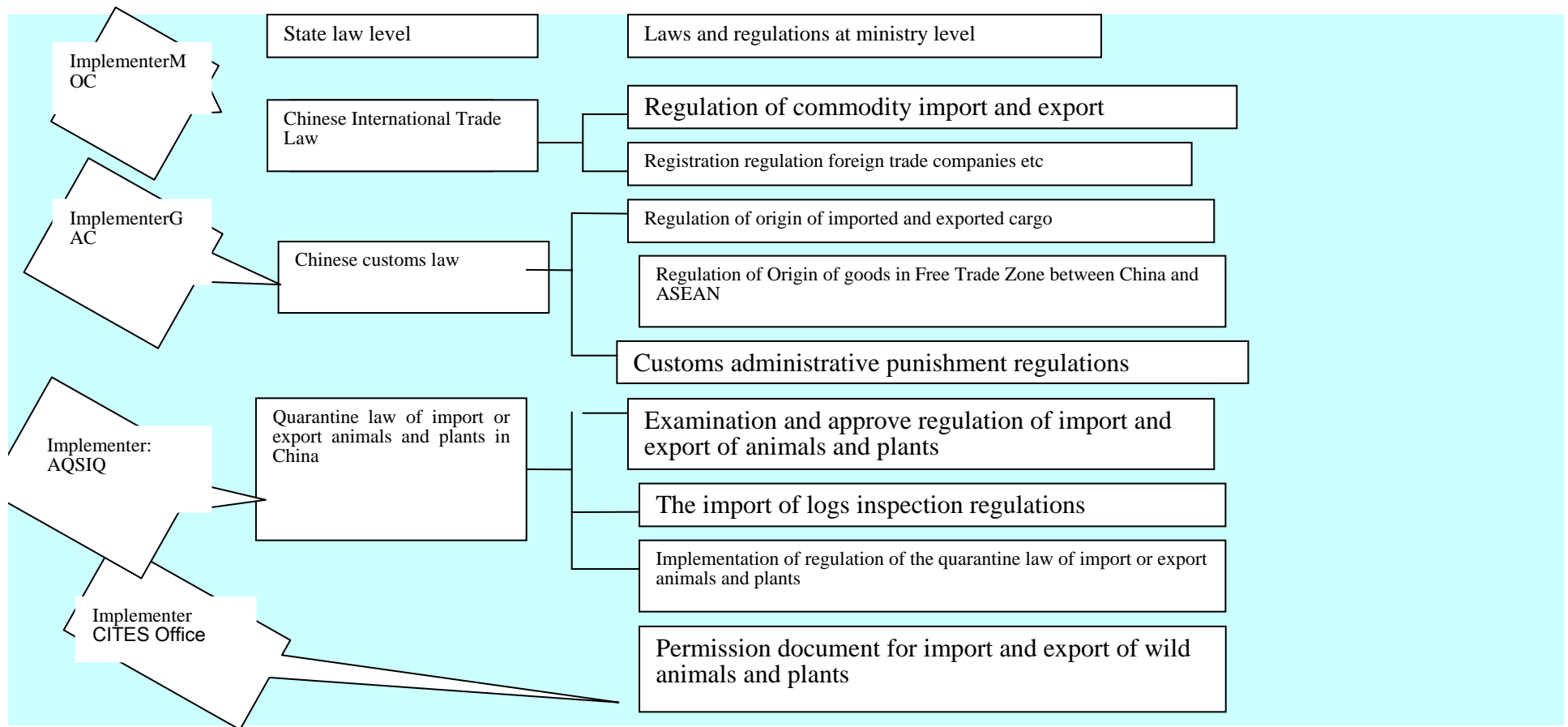
Next step

Opportunities and challenges

Relevant Chinese Government Authorities



Their major role and responsibilities





Major laws and institutional arrangement

Existing laws and regulations related to wood trade in China include the following:

International trade law.

Regulation of commodity import and export.

Customs law.

Regulation of origin of imported and exported cargo.

Customs administrative punishment regulations.

Quarantine law on import or export of animals and plants.

Implementation of regulation of the quarantine law of import or export animals and plants.

Examination and approval regulation of import and export of animals and plants.

The import of logs inspection regulation.

Permission document for import and export of wild animals and plants.



Overall:

No legal framework;

No in priority;

Want to work together with producing countries and final consuming countries;

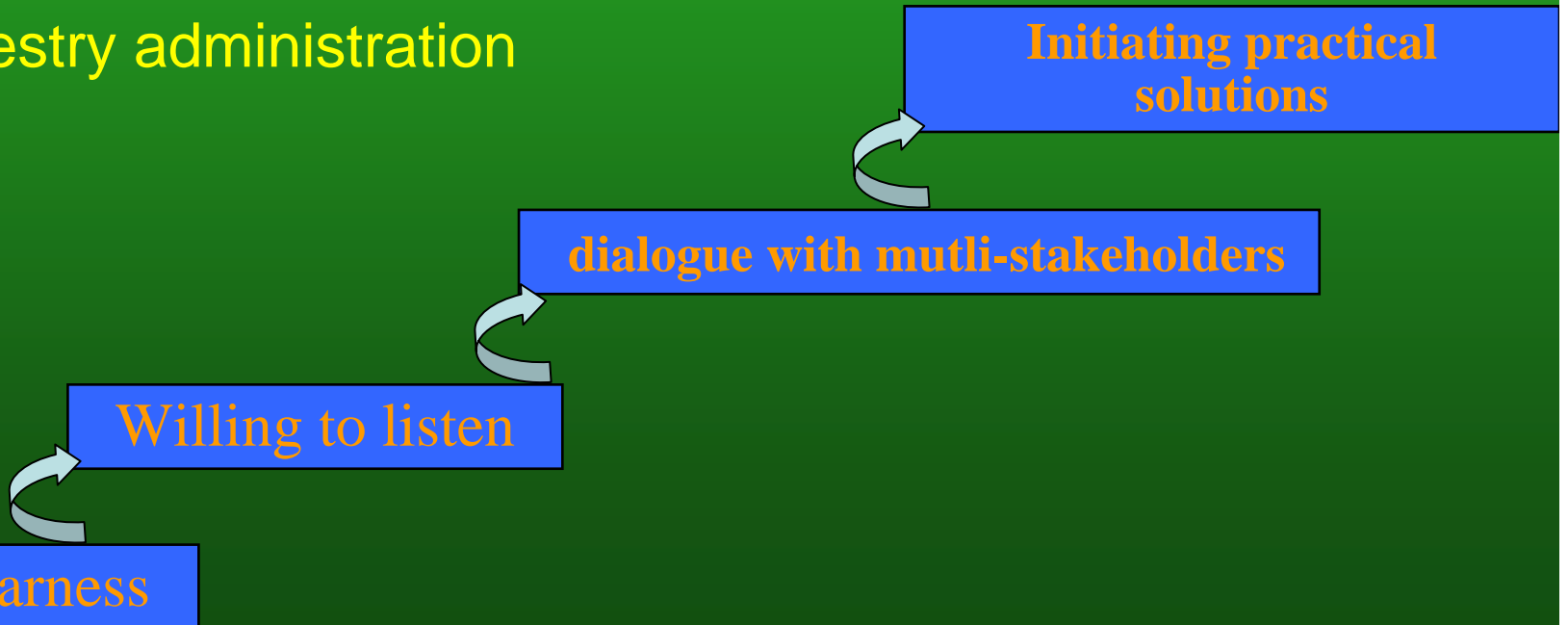
State Forestry administration

Initiating practical solutions

dialogue with mutli-stakeholders

Willing to listen

Low awarness





2. Project Background

illegal logging and associated trade became one of most important threats to biodiversity conservation globally;

Quickly increased wood importation in China;

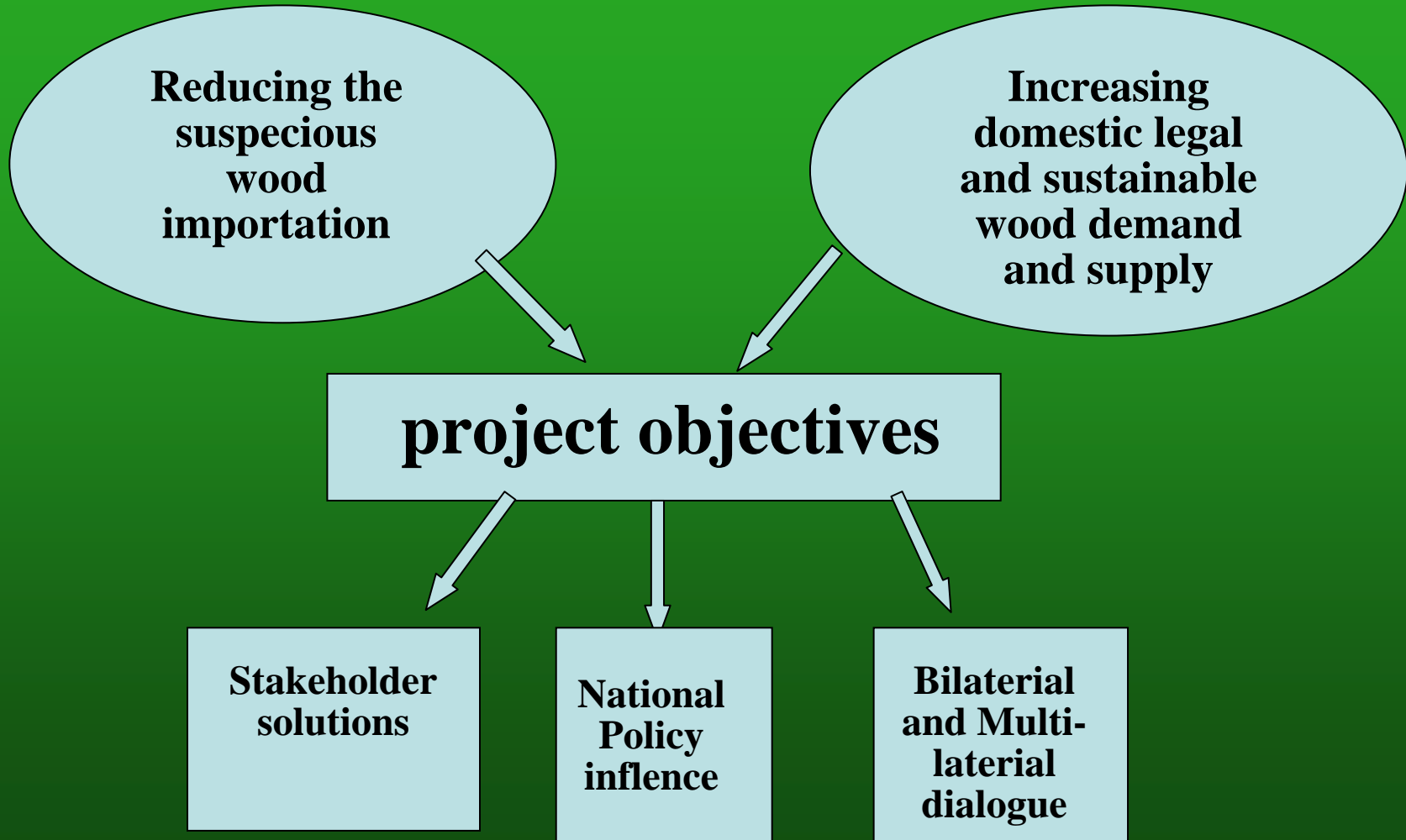
Rapidly disappeared rare natural forest in major supply counties;

Attentions on market driver;

China is indispensable part of whole solution



3. Project Objectives





Promoting Chinese government work with supplying countries to make the timber trade flow more transparent and to reduce or ban the import of suspicious wood (wood without proof of legality) ;

Promoting green wood procurement policy be adopted by public and corporate sectors in China;

Assisting in Improving legal and sustainable wood supply capacity in China;

Promoting the policy dialogue between China and major forestry product suppliers;

Facilitate domestic across-sectors cooperation and China's involvement in regional solution process (FLEG, AFP ect.).



4. Partners

Governmental agencies:

State Forestry Administration, Chinese General Administration of Customs, Ministry of Commerce, Asian Pacific Regional Intelligence Liaison Office (RILO-AP)

Industry Association:

China Timber Circulation Association, Forestry Industry Association

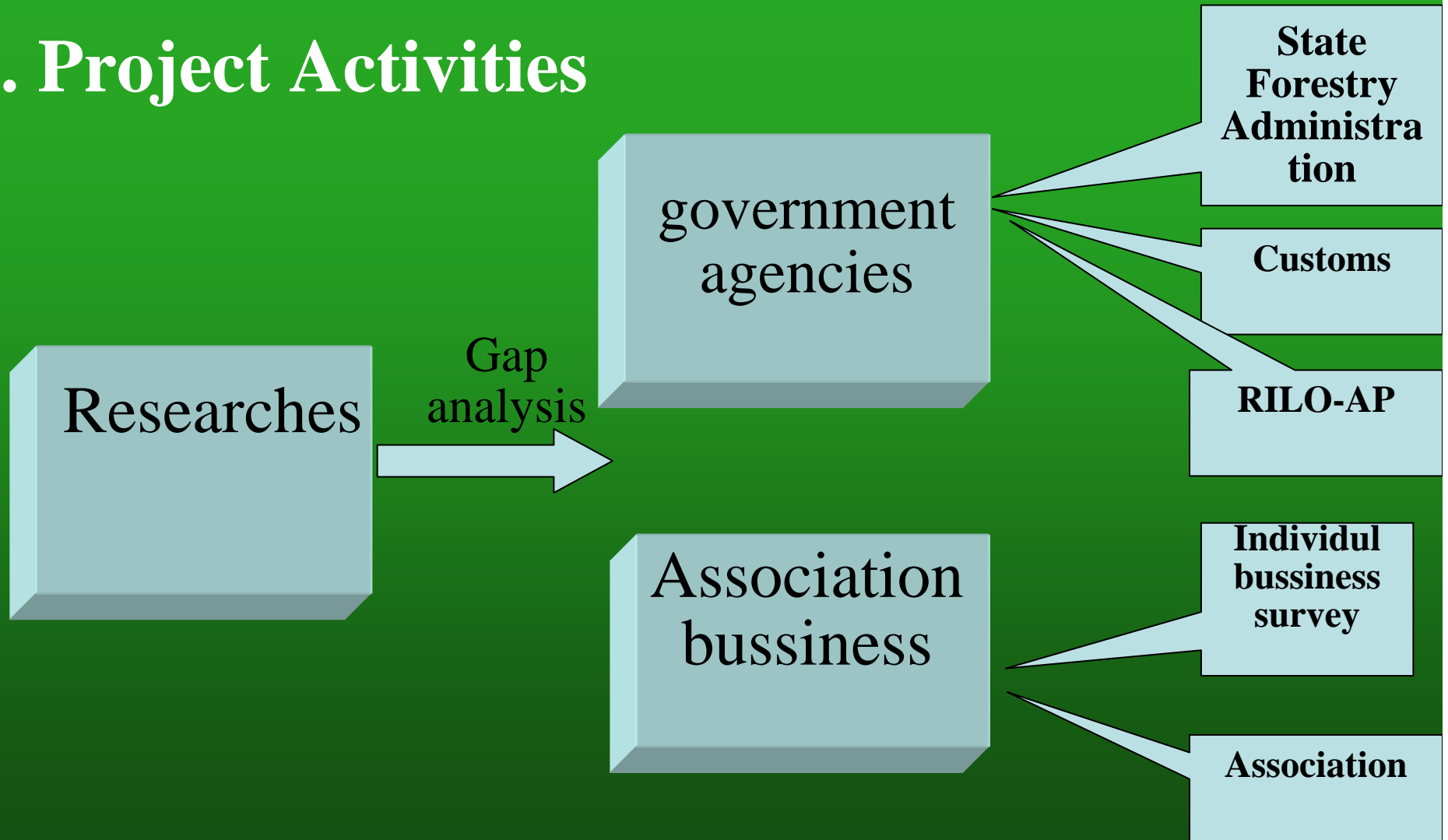
Academic research institutions

Beijing Forestry University, Chinese Academy of Forestry ect.

Communication and cooperation with other NGOs



5. Project Activities





5. Project Activities

5.1 Researches

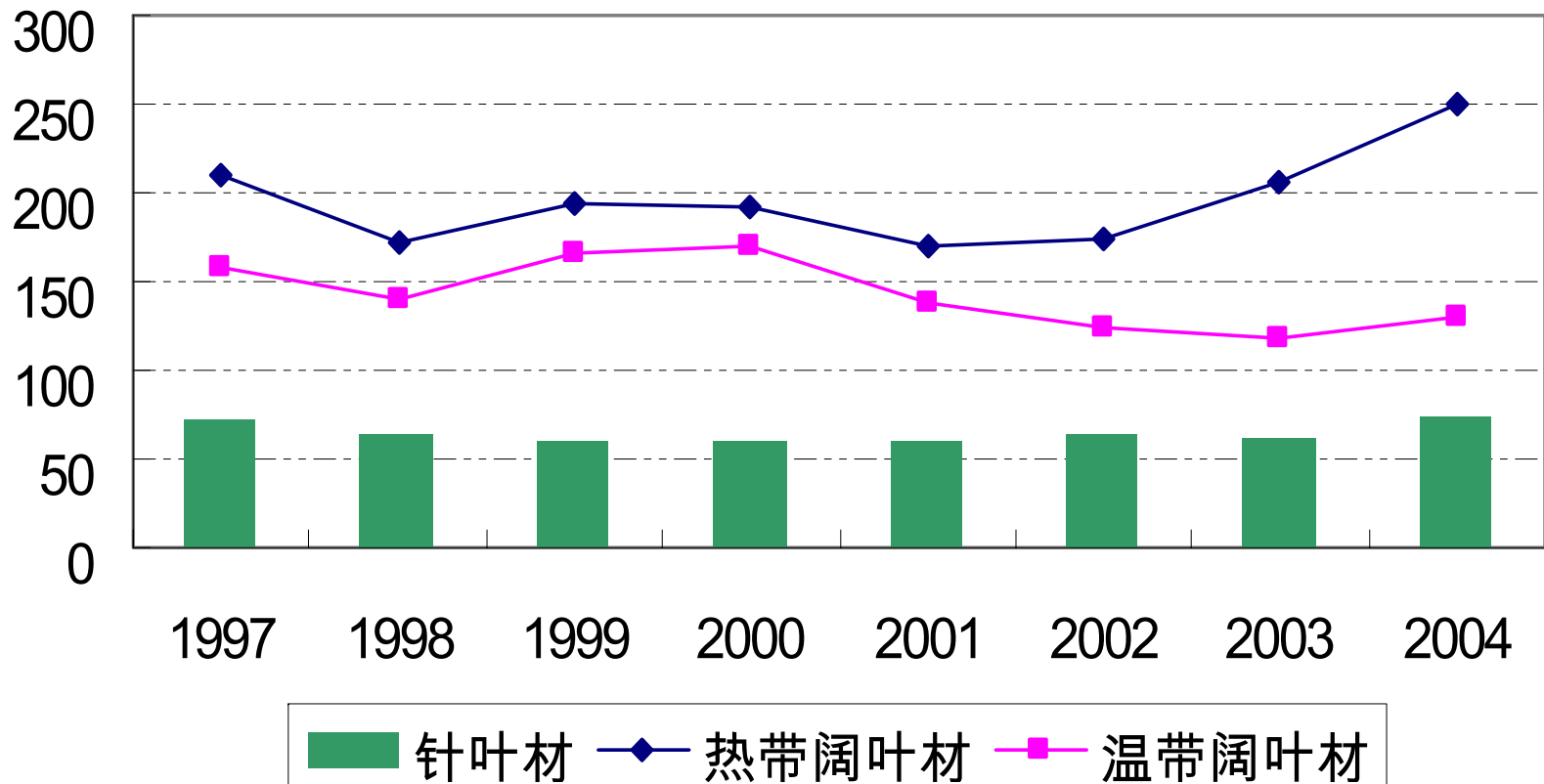
Finished: three primary studies as baseline and

Ongoing:

Macro and Micro Economic impacts caused by wood import fluctuation

Cost and Benefit analysis for adopting green public wood procurement in China

图3 1997-2004中国进口原木价格变化 (单位: 美元/ m³)



Log importation price \$/ m³



5. Project activities

5.2 with government

Co-sponsor the Hong Kong meeting in March, 2005;

Facilitate Chinese officials to participate the regional discussion process in past;

Assisting SFA in developing national guidelines on regulating Chinese forestry business's afforestation, harvest, wood purchase behaviors oversea;

Co-sponsor the 3rd Forestry Dialogue with SFA 26-28th September 2006 in Beijing;

Preparing one of serial study trips for high SFA officials to Indonesia (Nov.2006);

International Meetings





5. Project activities

5.2 with business

Field survey to 6 Chinese Forestry Businesses and Zhang Jiagang Port;

Set up good relations with Domestic industry association(Rui Li trip, Beijing industry meeting);

Improving Business awareness by co-sponsoring relevant association's annual meeting and training.;

Business and port Field Survey





6. Next step

Comparative analysis on existed technical instruments aimed to stop illegal logging and trade (like wood tracking and GIS) and their feasibility to be adopted or use for reference in China;

Preparing the international meeting on combating to illegal logging and trade with SFA in early 2007 in Beijing;

Assisting development of proposed China pre-alert system for wood importation with China Academy of Forestry and SFA;

Promoting Regional customs co-enforcements (from training, analytical work with TRAFFIC);

Capacity building for major policy markers;

Seeking for the feasibility to develop regulated international trade mechanism aimed to international trade of illegal sources woods (**sharing experiences and lessons learned with ASEAN-WEN**);

Facilitate the pilots of Chinese forest certification scheme.



6.1 opportunities

Outside:

Increased stakeholders awareness;

Improved attitudes of governmental agencies;

More environmental oriented policies: increasing 10% add-value to wood flooring board.

Premier Wen Jiabao's Promise in 8th EU-China Summit in Beijing on 5 September 2005.

Inside:

TNC China as one of the core cooperation partners of SFA on illegal logging and trade issue ;

regional Network based on TNC country programs in the region. (China, Indonesia, PNG.....) and AP-regional forest program;

Staff and funding support.



6.2 Challenges

Definition /Technical tools (Wood tracking, GIS)

Lack of motivation and priority ;

Political risk;

Complexity - Cross-sector nationally, Bilateral and multilateral

Given the complex and transboundary features , We will continue to work with stakeholders to identify and implement practical solutions



Thanks!