



ROBINWOOD

GREENPEACE



*“The challenge is to ensure that actions to address illegal logging, particularly enhanced law enforcement, do not target weak groups, such as the rural poor, while leaving powerful players unscathed.”* Proposal for an EU Action Plan, COM (2003) 251 Final 2003

## **The G8 in 2005: priorities for action on illegal logging**

Since the adoption of the G8 ‘Action Programme on Forests’ in May 1998, the rate of illegal logging has actually increased.<sup>1</sup> According to a recent World Bank estimate illegal logging currently costs developing countries between \$10-15 billion annually.

The G8 should continue to support existing political processes to combat illegal and unsustainable logging. However, it is no longer acceptable for the G8 to defer concrete action until additional research and assessments have been carried out. The 17 and 18 March 2005, G8 Environment and Development ministerial meeting in Derbyshire, provides the G8 nations with an ideal opportunity to set out their priorities for action.

The G8 must implement polices that could have an immediate and significant effect in reducing the impact of the timber trade on the world’s remaining forests, and the people who live in and around them. G8 schemes to combat illegal logging and associated trade, if carried out judiciously, can and should have an important part to play in furthering broader forest sector reform.

The G8 countries provide a huge market for illegal and unsustainably logged timber and timber products. As such G8 member states should support timber producing countries in their efforts to combat illegal logging and associated trade, by enacting legislation to prohibit the import and sale of illegal timber and timber products. In addition G8 public procurement policies should specify timber from only legal, well-managed sources.

We are calling on the G8 to tie all illegal logging initiatives to legislative reform in producer countries, so that what is legal equates with equitable, transparent and sustainable management of the forest estate. Legislative reform in particular and forest policy reform in general, must include meaningful public consultation, and participation by forest communities. This is consistent with the G8 approach, which is to tackle the problem of illegal logging “*from the perspective of sustainable forest management...*”<sup>2</sup> and is the surest way of achieving G8 development objectives (including several of the Millennium Development Goals), whilst securing vital civil society support for the illegal logging agenda.

It is important that China is also involved in G8 initiatives to combat illegal logging and forest destruction. As a fast growing consumer market for timber and a large exporter of wooden products, China's role will be pivotal.

### **Priorities for action in timber consuming countries**

*“We and other parts of the rich world provide a market and profit incentive for this illicit and destructive harvest. We therefore share a responsibility for bringing it to an end.” Poul Nielson, Commissioner for Development and Humanitarian Aid, 20 July 2004*

#### **The G8 nations should:**

##### **1. Adopt legislation to prohibit the importation and sale of illegally sourced timber and all classes of processed timber products.**

Timber and wood product imports into the G8 countries account for nearly two thirds of the global trade.<sup>3</sup> However, it is currently entirely legal to import and market timber and timber products, produced in breach of the laws of the country of origin, into all G8 member nations. A continued failure to rectify this anomaly could lead the public to conclude that the G8 condone breaking the law in timber producing countries, are supportive of organised crime and care little for the consequences that this entails.

##### **2. Commit to and implement green public procurement policies.**

Public procurement accounts for an average 18% of the G8's timber and wood product imports, amounting to \$22 billion annually.<sup>3</sup> Procurement policies should specify that the timber must be of legal origin and from responsibly managed forests. The most effective way for countries to ensure this is to source timber and wood products certified under a credible certification scheme, such as that operated by the Forest Stewardship Council (FSC) or equivalent.

### **Priorities for action in timber producing countries**

*“Existing forest laws and policies frequently promote large scale forest operations and may exclude local people from access to forest resources. This inequity breeds resentment and conflict.” Proposal for an EU Action Plan, COM (2003) 251 Final, 21 May 2003*

#### **In relation to timber producer country initiatives, G8 nations either directly or through the International Financial Institutions (IFIs), should:**

##### **1. Engage in forest policy reform.**

Policy reforms in producer countries are an essential accompaniment to importing country measures to combat the trade in illegal timber, and should be implemented concurrently. G8 technical and financial assistance should only be provided to the governments of timber producing countries, either directly or via IFIs, that are demonstrably committed to the just equitable, transparent and sustainable management of its forest estate. Such countries should:

- have completed, or have plans to undertake, a comprehensive forest value assessment (inclusive of economic, social and ecological values);

- have in place, or be taking the necessary steps to establish, appropriate forest laws, forest law enforcement and forest management capacity, and a functioning system for revenue transparency.

These issues should be addressed through Voluntary Partnership Agreements as espoused by the European Union and other forms of more traditional donor assistance. Forest policy reform must include meaningful public participation, and be supportive of local livelihoods and the rights of forest dependent communities.

## 2. End financial assistance for industrial logging operations

The G8 should end the direct financing of logging companies, and sector reform initiatives that favour industrial logging. Industrial logging carried out in a sustainable and transparent manner may be appropriate under certain circumstances. However, it should not be given a competitive advantage over other forms of forest use.

Recent experience in Cambodia has shown how the World Bank's promotion of a forest concession system in a weak governance environment led directly to widespread illegal logging. The World Bank is about to make the same mistakes in the Democratic Republic of Congo.

Instead, the G8 should focus interventions in the sector on pro-poor alternatives. This may well include the dismantling of large-scale logging operations, and reducing timber-processing capacity, in favour of community-based forest management and the recognition of traditional land rights.

## 3. Increase transparency

*“Increasing government openness to sectors of the civil society and the private sector can be a powerful tool in reducing the influence of powerful vested interests and improving law enforcement.” Stiglitz, 1998*

- **Promote revenue transparency.** Revenue transparency, as provided for in the U.S. Foreign Operations Act<sup>4</sup> and the ‘Extractive Industries Transparency Initiative’, is a necessary condition to promote good governance of extractive revenues and democratic debate about the management of those revenues by the state.
- **Promote freedom of information.** Civil society involvement is essential in the fight against illegal logging, especially where there are particularly weak or corrupt governments. There needs to be transparency of information to enable them to fulfill this role. The G8 should encourage timber-producing countries to place information relating to the control and management of the forest estate in the public domain. Such information could be made available with immediate effect.
- **Promote the registration of business interests.** The G8 should encourage other countries to adopt a register of business interests for politicians, civil servants and officers in the military. The concept could be integrated into the new UN ‘Convention against Corruption’ as a specific protocol and factored into governance programmes by bilateral and multilateral donors.

#### 4. Insist on independent forest monitoring

*“Independent monitoring makes verification systems more credible and less prone to corruption.”*  
**Proposal for an EU Action Plan, COM (2003) 251 Final, 21 May 2003**

The usefulness of Independent Forest Monitoring (IFM) extends to all areas of forest management, including the detection of forest crimes and the auditing of government performance, to policy development and implementation. In countries where governance is poor and corruption rife, political support for the elimination of illegal logging is often correspondingly minimal. In these situations it is arguable advocacy-oriented IFM is most needed.

The G8 should also support programmes to strengthen civil society monitoring of illegal logging, destructive legal logging and government performance relating to forest policy formulation and implementation.

---

<sup>1</sup> Greenpeace, G8 2005 Priorities for Action On Combating Forest Destruction; February 2005

<sup>2</sup> G8 Statement; 5 June 2003

<sup>3</sup> World Wide Fund for Nature, ‘The Timber Footprint of the G8 and China: making the case for green procurement by government’; 2002

<sup>4</sup> Foreign Operations, Export Financing, and Related Programs Appropriations Act; 2005