# APF Net Curriculum 3 INternational dialogue on forestry issues

## **Lecture 10 Global policy issues affecting the sustainable management of forests (Part 1)**

## **Video 1**

## **Road to Legality**

## **Transcripts Duration: 00:13:05**

(Male Narrator)

The 180 million hectares of tropical rainforest that make up the Congo Basin are the second largest on earth after the Amazon, but they are under threat. Europe, America and Asian's appetite for tropical wood combined with endemic corruption in many timber producing countries has led to unsustainable logging practices. That demand for timber together with the clearing of forests for agriculture and mining, accusing deforestation on a scale that risks the destruction at this phenomenal resource, which is why the EU has been taking action to try and ensure they are not lost.

(Raul Mateus Paula, EU Ambassador, Cameroon)

EU wants to be part of the solution in this context. you know that the forests are very very very important and EU citizens and consumers want, you know to be sure the good that is exported to European Union meet the criteria of the legality.

(Male Narrator)

In 2003 the European Commission came up with a system known as the forest law enforcement governments and trade action plan or FLEGT for short, which included giving timber producing countries the option to sign up to voluntary partnership agreements or VPAs with the EU. These bilateral trade agreements are voluntary because countries enter into negotiations voluntarily. However once agreed they legally bind to the timber producing country to only harvest and ship illegally sourced timber to the EU. The negotiations involve the participation of all stakeholders in the partner country who needs to agree on five key milestones. A definition of illegal timber; Taking national legislation into account; At the real time online tracking or traceability system will work; How the legality and traceability will be verified; When and how FLEGT licenses will be issued; Lastly independent ordered arrangements are made. Independent auditors will check every three to twelve months if the VPA works as planned, and whether it is effective in guaranteeing legality of timber. Independent ordered will provide credibility to the fact licenses once they are issued. Cameroon is one of six timber producing countries to have signed up to a VPA. They're currently in the process of implementing it and they're planning to issue their first FLEGT license in 2014.

(Denis Koulagna Koutou, Secretary General, Ministry of Forestry)

The European market represents 80% of sawn wood exports from Cameroon. And so it’s a very important market for us and we see the VPS and FLEGT as a guarantee to ensure that the market is maintained. The forest sector – wood and the export of wood – represents our third largest sector after petrol and agriculture and so, of course, we also don’t want to be losing that tax.

(Male Narrator)

Deep in the Cameroon East province, the Italian company Alpicam is harvesting this sapaly tree. Once harvested, the logging company stamps the tree and record information about the log including its species, diameter and the exact location in which it was logged. This log's journey towards its final destination in a European home has just begun. Under the VPA it will be traceable all the way from forest to final customer. Large international companies like ? already have their own traceability systems in place. Large international companies like ? already have their own traceability systems in place. safe working conditions and onsite access to health care.

(Piero Nalin, Director of Production Alpicam)

The problem for our company is that they (the illegal companies) sell at a lower price because the prices don’t take into account all the factors, all the costs, starting with the cost of harvesting in a sustainable way, the costs of transport, costs such as processing taxes..etc., and so of course the price is outside the market.

(Male Narrator)

The new system is expected to level the playing field. Once the logs left the miil, it makes its way through various checkpoints on its journey to port. Until now trucks carrying illegal timber could often bribed checkpoint officials to stamp their papers, but attitudes are slowly changing. Hundreds of controllers at these checkpoints have been trained as part of the project, run by the United Nations food and agriculture organization. For now they have to verify the timber passing through by comparing its physical characteristics to those on its paperwork, but soon the verification system will be automated.

(Gregoire Ndarama, Forestry officer, Yassa checkpoint)

With the new system, with the bar code scanner or PDA, it will be easier for us because the wood that arrives will already be marked with a bar code and that bar code will be able to identify every shipment back to the source. At this level, here at the checkpoint, we will just have to scan with the scanner that collects the data already registered in a central database server.

(Male Narrator)

After having cleared multiple checkpoints, our legally harvested timber finally arrives at the processing plant in the port city of Douala. Here it is transformed into plants for the final leg of its journey to Europe. At the port of Douala, the timber will be checked and recorded a final time before shipment to the EU. Here in Cameroon, the new regulations will not only apply to timber destined for the export market, the Cameroonian government has also decided to include the domestic market. The domestic market makes up 50% of national production and all of national consumption meaning that it represents significant foregone government revenue when the market is served in legally, which it often is. Here in the village of Mapoubi, a logging company has harvested part of the community's forest, but it has failed to respect its legal obligations to invest in the local community. This timber would not comply with the requirements of the VPA.

(Luc Ndebe, President of the Committee of Development, village of Mapoubi)

We want the village to get some benefits from the logging for humanitarian development because this is a village without running water, without electricity, without even a health center. We want opportunities for the village, as we have nothing.

(Male Narrator)

Cameroonian NGO Foder has trained an independent forest observer in this as well as several other villages around the country to monitor and announce illegal logging activity. But their numbers are tiny compared to the size of the country, and the Forest Service whose job is to verify what's going on in each of Cameroon's 102 forest concessions does not have sufficient manpower or equipment to do the job properly.

(Rodrigue Ngondo, President of FODER)

Here, the principle challenges to implementing FLEGT are illegal logging and corruption. Corruption is the basis of illegal logging. Corruption is pervasive throughout Cameroonian society; it’s a systematic problem. And we think that if those put in place to operate and oversee the FLEGT system don’t have integrity, the system cannot effectively function.

(Denis Koulagna Koutou, Secretary General, Ministry of Forestry)

I think the biggest difficulty we have is finding a usable, viable, capable system that ensures that if you buy a wood product from Cameroon, you can be sure it comes from a sustainable forest. Traceability in Cameroon is more complex than in other countries. Cameroon is the point of transit for Congo, the Central African Republic and also the Democratic Republic of Congo and Gabon, so we need to include in our system a way of tracing wood in transit, so we will be dealing with a more complex system of traceability.

(Male Narrator)

The Cameroonian government is still looking for the right traceability system to suit their needs. They also need to take more robust measures to combat corruption, but slowly they are turning their stated commitment into affected implementation.

(Marc Vandenhaute, Forestry Officer, FAO)

I believe that we’ve seen very important progress in recent years. But it’s the changing of mentalities that takes time. It’s unavoidable. And also there are technological challenges that exist but they are surmountable. I am optimistic and I believe that in the short term we should be able to put FLEGT licenses in place and, most importantly, FLEGT licenses that area credible.

(Male Narrator)

Arriving at the Port of Felixstowe in the UK, our sapaly tree is nearing the end of its journey. The importer - James Latham Plc make their own timber products as well as selling to customers such as this company that manufactures door and window frames that are destined for a upmarket British homes and offices. The CEO of James Latham considers FLEGTs to have important implications for the UK and European timber industries.

(Peter Latham, CEO, James Latham Plc)

The FLEGT license will provide certainty in relation to what is legal in terms of our timber supply. Under the EU timber regulation, we have to carry out risk assessment, and then take measures to ensure that our supplies have a minimal risk of legality. FLEGT will help us prove legality because it demonstrates the timber has been harvested to meet the National requirements.

(Male Narrator)

VPAs are already signed between the EU and six timber producing countries: Indonesia, Liberia, Ghana, Cameroon, and the Republic of Congo and the Central African Republic. And nine more currently are under negotiation: Honduras, Guyana, Gabon, the Ivory Coast, the Democratic Republic of Congo, Malaysia, Vietnam, Thailand and Laos. With the timber is traveling directly to Europe or through processing hubs in southeast Asia and then onto Europe, FLEGT licenses are the best way to ensure compliance with the new European Union timber regulation or EUTR, which stones companies from first placing legal timber on the EU market. But other FLEGT licenses, the demonstration of legality will fall on the importing company, and it's not only the see EU getting tougher on timber imports, similar regulations have come into force in the US, Australia, New Zealand and Japan. If implemented properly, the trade agreements could lead to happier consumers in Europe. They could also help stem the financial loss between ten and fifteen billion dollars globally due to illegal timber activities, and help insure tropical forests that are legally and sustainably managed for the benefit of future generations.