

TIMBER LEGALITY IN CHINA - PRACTICES & PERSPECTIVES

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About me

Major Industry Experience

- 2016-Present: Director, Quality Assurance-APAC, Lumber Liquidators (LL)
- 2013-2015: Asia Forestry Hub Manager, Bureau Veritas Certification (BV)
- 2008–2013: Associate Regional Manager, East Asia, The Rainforest Alliance (RA)

Professional Qualifications

- Forest Management Certification Lead Auditor / Technical Reviewer / Decision Maker (BV)
- Chain of Custody Certification Lead Auditor / Technical Reviewer / Decision maker (BV)
- Timber Legality Verification Lead Auditor / Technical Reviewer / Decision maker (BV)
- Quality Management System (LL)
- Product Certification, Testing and Inspection (LL)

Education Background

- Ph.D., 2011, University of Washington (USA)
- M.Sc. 2004. Oregon State University (USA)
- M. Sc. 2001. Nanjing Forestry University (China)
- B. Sc. 1999. Nanjing Forestry University (China)

Content

- Brief overview of timber legality in the context of China
- Structured approach to address timber legality DDS
- Future perspectives

Defining Illegal Timber

The screenshot shows the WWF Australia website. The main heading is 'Illegal logging'. Below it is a world map with green arrows pointing to various countries, indicating the prevalence of illegal logging. A table titled 'REPORT ESTIMATES: % OF ILLEGAL LOGGING' lists the following data:

Country	% of Illegal Logging
1. INDONESIA	70-80%
2. MALAYSIA	UP TO 35%
3. GABON	50-70%
4. CAMEROON	50%
5. LIBERIA	60%
6. BRAZIL	UP TO 90%
7. PAPUA NEW GUINEA	70%
8. MYANMAR	50%
9. CAMBODIA	40%
10. LAOS	45%
11. THAILAND	40%
12. VIETNAM	20-40%
13. LATVIA	20%
14. ESTONIA	50%

Below the map is a photograph of a person in a forest cutting a large log. The caption reads '© Volker Rasz / WWF-Canlon'.

ILLEGAL LOGGING FACTS

- 73% of timber production in Indonesia is thought to stem from illegal logging, according to the OECD
- 25% of Russia's timber exports originate from illegal logging, according to the World Bank
- In Gabon, 70% of harvested timber is considered to be illegal, according to the World Bank

What is illegal logging?

Illegal logging is the harvesting, transporting, processing, buying or selling of timber in violation of national laws. It also applies to harvesting wood from protected areas, exporting threatened plant/tree species, and falsifying official documents.

Less obvious acts of illegal logging include breaking license agreements, tax evasion, corrupting government officials and interfering with access and rights to forest areas.

What causes illegal logging?

Harvesting, transporting, processing, buying or selling of timber in violation of national laws. It also applies to harvesting wood from protected areas, exporting threatened plant/tree species, and falsifying official documents. Less obvious acts of illegal logging include breaking license agreements, tax evasion, corrupting government officials and interfering with access and rights to forest areas.

非法木材指的是在采伐，运输，生产，买卖木材等环节违反国家法律规定的行为。包括采伐自然保护区的木材，出口濒危植物，篡改合法证明文件；还包括违反合法证明文件采伐林木，偷税漏税，政府腐败和干扰所在区域的林木使用权和居民合法权益的行为。

Chinese Forest Laws System

More than 60 laws, regulations, and standards developed during the past 30 years for forest management, biodiversity, land use, harvest, timber trade...

在过去的30年中，针对森林管理、生物多样性、土地利用以及木材贸易等，制定了超过60个的法律、法规。



宪法：全国人大制定、基本法

法律：全国人大制定、行业性

法规、条例：国务院颁布、行业性

政府规章：中央政府主管部门、行业性

地方性行政规定：地方人大、政府

实际执行办法：地方林业管理部门

Where timber legality DDS is most concerned?

Harvesting 采伐环节



- ❖ Logging without authorization 擅自采伐
- ❖ Illegal logging 违规采伐
- ❖ Illegal reforestation 违规更新林木
- ❖ Others 其他行为

Transportation 运输环节



- ❖ Transportation without authorization 擅自运输
- ❖ Illegal transportation 违规运输

Processing 加工环节



- ❖ Illegal purchase 非法收购
- ❖ Illegal processing 非法加工

Trading 贸易环节



- ❖ Exporting/importing wood without authorization 擅自出口/进口木材
- ❖ Illegal exporting/importing wood 违规出口/进口木材
- ❖ Others 其他行为

Administrative Management 行政管理

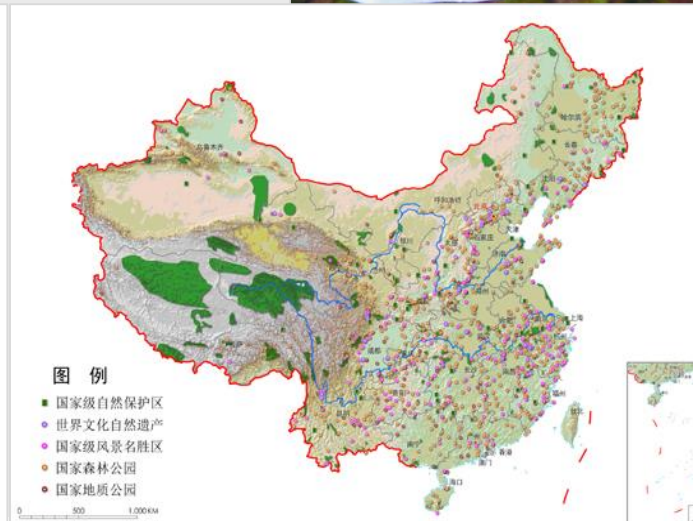


- ❖ Illegal administrative act 行政行为违法
- ❖ Taxes 相关税费

Harvesting 采伐环节

(1) Logging without authorisation 擅自采伐 (未获得采伐许可)

- ❑ Logging of protected species
采伐受保护的树种
- ❑ Logging in protected areas
采伐保护区域内的林木
- ❑ Logging in prohibited areas such as steep slopes, riverbanks and water catchments
采伐禁止采伐区域(陡峭的山坡, 河岸和集水区等)的林木



Harvesting 采伐环节

(2) Logging in violation of contract provision

违规采伐(未按照采伐规定进行采伐,主要指违反合同规定进行采伐)

- ❑ Incorrect logging ways 错误的选择采伐方式
- ❑ Logging in excess of area division
采伐超出区域范围(与本地林木所有者签订合同采伐他们的林木,但是却采伐了相连公共区域的林木)
- ❑ Extracting more timber than authorized
超出采伐数量采伐林木
- ❑ Incorrect wood species
未按规定树种采伐

Harvesting 采伐环节

(3) Illegal reforestation 违规更新林木

- ❑ No reforestation after logging
采伐木材后未进行更新
- ❑ New species with bio-security risks (poor planting species , low-density planting)
更新林木的树种存在安全隐患 (种植品种差 , 低密度种植)
- ❑ Insufficient quantity of newly planted timber
未达到更新的木材量

Harvesting 采伐环节

(4)Others 其他行为

- ❑ Transplanting large trees 移栽大树
- ❑ Digging tree seedlings, tree roots 挖树苗、树根
- ❑ Safety, PPEs



Transportation 运输环节

(1) Transportation without authorization 擅自运输木材

- ❑ Without timber transportation permits
未取得木材运输许可运输木材
- ❑ Knowingly transport illegal timber
承运人（明知情况下）违法运输木材
- ❑ Accept fake timber transportation documents (using a forged, altered transport documents)
接受篡改的木材运输文件（使用伪造、涂改的运输证明文件）

木材运输证

省(区、市) _____ 县(市、局) _____ 编号: 000000000

木材货主				
木材承运人				
起运地点				
到达地点				
运输方式				
有效期限				
树(材)种	品名	规格	数量	
			根(块)数	材积(m ³)
合计(大写)	票样			
备注	票样			
签发机关(章)	签发人:	领证人:		
签发日期:				
签发机关电话:				
木材检查站查验记录:				

第一联: 随货同行

注: 1、本证由起运地县级以上林业主管部门盖章有效; 2、证货相符, 全程有效。

Transportation 运输环节

(2) Illegal transportation 违规运输木材

- ❑ Not matching with timber transportation documents , such as species, quantity, etc.不按照木材运输文件规定运输木材（树种、数量等）
- ❑ Over-loading



Processing 加工环节

(1) Illegal purchase 非法收购木材行为

- ❑ Purchase timber from organizations or individuals without harvest permits
收购来自未获得采伐许可的木材（来源于企业或个人）
- ❑ Processing timber without legal documents
加工没有合法证明文件的木材



Processing 加工环节

(2) Illegal processing 非法加工木材行为

- ❑ processing without permission or authorization
未经许可或授权生产木材
- ❑ Have not meet the permit conditions , including pollution control standards
未达到许可条件生产木材（包括污染控制标准等）



Trading 贸易环节

(1) Exporting/importing wood without authorization 擅自出口/进口木材行为

- ❑ Exporting and importing tree species banned under international law, such as CITES Appendix 1
出口/进口国际法律法规所禁止的树种（国家濒危物种公约附录1）；
- ❑ Exporting/importing wood without authorization, such as CITES Appendix 2 and Appendix 3
未经允许擅自出口/进口木材（国家公约附录2和附录3里面的树种）；
- ❑ Exporting and importing logs, sawn timber and other forest products violated national ban
违背国家禁令擅自出口/进口原木、锯材和其他林产品。



Trading 贸易环节

(2) Illegal exporting/importing wood 违规出口/进口木材行为

- ❑ Exporting more forest products than allowed on the export license
超出出口许可证上的数量出口大量林产品
- ❑ Illegal use of timber import and export documents (altered or forged)
违规使用进出口木材证明文件（涂改、伪造）。

中华人民共和国出口许可证
EXPORT LICENCE OF THE PEOPLE'S REPUBLIC OF CHINA No. 0592202

1. 出口商: Exporter	5102622019718	3. 出口许可证号: Exporter licence No.	02-30-302243		
2. 发货人: Consigner	重庆市×××(集团)进出口有限公司	4. 出口许可证有效截止日期: Export licence expiry date	2003年02月28日		
5. 贸易方式: Forms of trade	一般贸易	8. 进口国(地区): Country/Region of purchase	印度尼西亚		
6. 合同号: Contract No.	LF02-904	9. 付款方式: Payment	汇付		
7. 报关口岸: Place of clearance	上海海关	10. 运输方式: Mode of transport	海上运输		
11. 商品名称: Description of goods	50cc<排气量<250cc 往复式活塞引擎 商品编码: 84073200				
12. 规格,等级 Specification	13. 单位 Unit	14. 数量 Quantity	15. 单价(USD) Unit Price	16. 总值(USD) Amount	17. 总值折美元 Amount in USD
110CC	台	* 100.0	* 131,5000	* 13 150	* 13 150
18. 总计 Total	台	* 100.0		* 13 150	* 13 150
19. 备注 Supplementary details	20. 发证机关签章 Issuing authority's stamp & signature				
	21. 发证日期 Licence date 2002年10月08日				

对外贸易经济合作部监制(2001)

Administrative Management 行政管理

(1) Illegal administrative act 行政行为违法

- ❑ Obtaining logging concessions through illegal ways , such as bribes
获得采伐权的途径违法 (通过贿赂等手段)
- ❑ Illegal mining in forest land



Administrative Management 行政管理

(2) Taxes 相关税费

- ❑ Selling forest products lower than market price, reducing profits and corporate and individual income tax
低于市场价格出售林产品，减少利润和企业、个人所得税
- ❑ Purchasing forest products higher than market price , reducing profits and corporate and individual income tax
高于市场价格购买入产品，减少利润和企业、个人所得税
- ❑ 未支付许可费用、税收、罚款和其他行政费用。
Unpaid license fees, taxes, fines and other administrative costs



Government Response to Illegal Logging



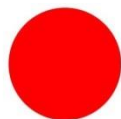
美国雷斯法案



欧盟木材法规



澳大利亚禁止非法砍伐法案



日本绿色采购政策



俄罗斯原木法案



中国木材合法性验证体系及木材合法性认定管理办法

Chinese Timber Legality Verification System



2009 project kick-off

First draft of standards released in 2015, working with 3rd parties on pilot testing

Global voluntary forest certification schemes

Global Schemes 国际体系



The mark of
responsible forestry

Forest Stewardship
Council Standards
森林管理委员会



The Programme for
the Endorsement of
Forest Certification
森林认证体系认可计划

National schemes endorsed by PEFC PEFC认可的国家体系



China (in process...)
中国 (申请中)



Malaysia (COC)
马来西亚



Indonesia (in process...)
印尼



CERTFOR

Chile (FM and COC)
智利



Brazil (FM and
COC)巴西



USA (FM and COC)美国

Structured approach to address timber legality DDS

- Key information collection and documentation
- Risk assessment process and criteria
- Risk mitigation process
- On-going monitoring, reporting and verification

Key information collection:

- Supplier self-declaration
- Name of legal entity and address, including region and country
- Legal registration and evidence of operation in compliance with national legal requirements
- List of suppliers with contact details, including address, region and country
- Commercial or common name of the timber species purchased and used, or full scientific name when the use of the commercial name may result in ambiguity
- Volumes/quantity of timber or timber products purchased and used in the production process
- Commercial or common name of timber or timber products sold
- Volumes/quantity of timber or timber products sold

Risk assessment criteria

Risk assessment requirements can be based on

Country level: Some countries may be considered as presenting higher levels of risks due to: e.g. high levels of illegal activities, high levels of deforestation, corruption.

Company level: Timber must have been harvested by a legally registered company, within a legal FMU, and in compliance with legal requirements such as management plan, harvest license, etc.

Species level: Some species may represent a higher level of risk than other; e.g. CITES species, tropical species, etc.

Supply chain: The complexity of the supply chain and mixing of timber products from different origin will result in higher levels of risk.

FLEGT and/or Third party certification: FLEGT certificates (for EUTR) or other third party certification can be taken into account.

Risk assessment criteria

Risk assessment framework can be based on 5 levels of risk, from negligible to critical risk

Risk level 1: Negligible risk; company based in low risk country, trading activities only, all legal documentation available, all production data fully available per species and per product, no protected timber species or timber product traded.

Risk level 2: Low risk; based in low risk country, trading activities only most legal documentation available, most production data available, no protected timber species or timber product traded.

Risk level 3: Medium risk; based in risky region, engaged in production activity, most legal documentation available, most production data available, no protected timber species or timber product traded.

Risk level 4: High risk; based in risky region, engaged in forest management, most legal documentation available, but most production data missing, no protected timber species or timber product traded.

Risk level 5: Critical risk; Some of required legal documents are missing or most production data is missing, and protected or controversial timber species or timber products could be traded.

Risk Mitigation Measures

Risk assessment framework can result in the application of 5 levels of risk mitigation measures to ensure negligible risk regarding the legal origin of timber and timber products

Risk level 1: **Negligible risk** – Registration as qualified suppliers

Risk level 2: **Low risk** – Registration, and additional risk assessment or document review required

Risk level 3: **Medium risk** – Registration, additional risk assessment during office audit required

Risk level 4: **High risk** – Registration, additional risk assessment during office and field audit required

Risk level 5: **Critical risk** – Registration, additional risk assessment during office audit, field audit and shipment inspection required

Future perspectives

- Call for practical and harmonized criteria to make risk assessment work more operational
- Public information on legal companies/products
- Labeling requirement
- Solutions for SMEs (group certification model)
- Cost of compliance
- Implications for supply chain and quality management

Thank You!