

LESSONS FROM CHINA'S GLOBAL FOREST FOOTPRINT

**How China can rise to a global
governance challenge**

1ST APRIL 2019

HOW CHINA CAN RISE TO A GLOBAL GOVERNANCE CHALLENGE

China's vast wood product manufacturing sector depends on raw materials from overseas, but much of the timber it imports comes from countries where corruption and weak rule of law is leading to high levels of illegal logging: the majority of the top ten countries supplying tropical timber to China are in the bottom quarter of global rankings on measures of governance.

This briefing aims to illustrate how China's exposure to high-risk timber is damaging to its own and its trading partners' long-term development, and to provide recommendations for China to step up to this global challenge.

In this briefing, Global Witness compiled research from a wide range of sources that documented widespread and worrying levels of illegalities in countries from which China sources over 80% of its tropical timber, as well as in Russia, China's largest timber supplier globally.

It illustrates that illegal logging is far from an isolated environmental problem. Instead, it is a global challenge that has direct implications for our ability to fight climate change and biodiversity loss, to promote regional security, to uphold the rights and sustain the livelihoods of often the poorest populations, and to counter deep-rooted corruption.

The mismanagement of forests is a classic example of the "resource curse," whereby forests are turned into profit while many forested countries fail to benefit or lift their

populations out of poverty. Addressing illegal logging and the related timber trade is paramount in China's pursuit of sustainable development, especially in the developing world.



Landowners walk across pile of felled logs, West Sepik Province, Papua New Guinea. © Global Witness.

China has already taken significant steps in protecting its own forests, including introducing a ban on commercial logging in

its natural forests.¹ National plans are also underway to defend and restore areas that lie beyond the so-called ecological ‘red-lines’ – territories that are designated to be off-limits for development.² China’s leadership understands only too well how vital these ecosystems are for the long-term sustainable development of its country and citizens.

China’s increasingly important role in global economic and environmental governance is related to its increasing footprint overseas.

“China will continue its responsible leader role, by actively participating in the reform and construction of the global governance systems and by contributing Chinese wisdom and strength.”

– Xi Jinping, President of China, Oct 2017.³

This briefing argues that it is in the country’s own interest to develop strategy and policies to manage and improve its overseas footprint, and in particular to mitigate negative social and environmental impacts related to sourcing raw materials.

Lessons drawn from the timber sector illustrate that it is not enough for China to take care of its own forests whilst its wood manufacturing sector consumes the world’s forests without checks on legality or sustainability. China is currently the largest timber market in the world that does not have a law prohibiting the import of illegal timber.

Extending China’s green development ambition abroad is a logical and beneficial next step for the country, in order for it to take on important leadership in global economic and environmental governance.

RECOMMENDATIONS:

Global Witness calls on China to:

- Develop national strategy and policies to manage and improve its overseas footprint, in particular to mitigate negative social and environmental impacts related to sourcing raw materials.
- Establish an official working group at a Central Government level, in order to formulate a national policy that addresses illegal logging, illegal timber trade and deforestation both in and outside China. This working group should facilitate and coordinate collaboration, and should include officials overseeing forestry, environment, trade, and development.
- Formulate mandatory measures to require all timber importers to carry out due diligence, to screen out timber produced in violation of the laws of China and its source countries.

CHINA'S TOP 10 SUPPLIERS

Global Witness's analysis shows that most of the ten largest suppliers of tropical timber to China, by country, are in the bottom quarter of all countries on measures of governance published by the World Bank (see page 4).⁴ Together, these ten countries supplied about 80% of China's tropical timber imports in 2018.⁵

Research published in recent years from a range of sources including timber legality monitoring organisations, think tanks, and other non-governmental organisations indicates a widespread and worrying level of illegalities in countries from which China sources most of its tropical timber.

- > **Papua New Guinea's** forestry sector has struggled to combat systemic and common illegal activities for decades,

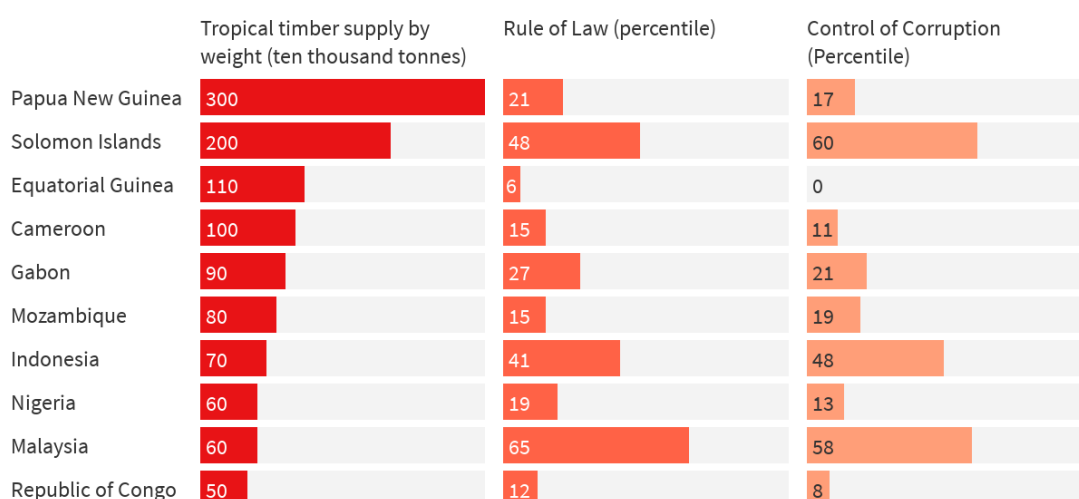
particularly when it comes to the violation of indigenous communities' land rights, logging in violation of permit terms, and, most recently, the fraudulent use of agricultural clearance permits to access timber. 70% or more of the country's log exports from natural forests reportedly may be illegal.⁶

- > There is a high risk that timber from the **Solomon Islands**, China's second-largest tropical timber supplier, is produced illegally, whether through the circumvention of laws requiring local landowner consent to logging, companies logging outside their concession boundaries, companies harvesting prohibited species, or in protected areas.

The timber trade of the Solomon Islands is also highly unsustainable: in 2017

CHINA'S TOP 10 TROPICAL TIMBER SUPPLIERS IN 2018

Percentile figure indicates how a country ranks out of all the countries assessed, 0 being the worst and 100 being the highest. For example, for aspects related to Rule of Law, Papua New Guinea's ranking of 21% means it's worse than 79% of the countries assessed.



Source: Timber supply data from China Customs data analysed by Global Witness. Governance measures assessed by World Bank World Governance Indicators in 2017



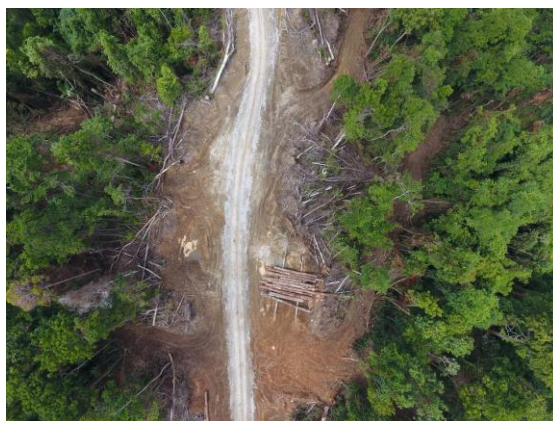
global witness

alone, the Solomon Islands exported more than nineteen times a conservative estimate of the country's annual sustainable limit.^{7 8}

- **Equatorial Guinea's** forests were for years under the purview of Teodorin Obiang, who in 2017 was found guilty of embezzlement and laundering the proceeds of corruption by the French courts, and sentenced to three years' imprisonment in absentia.⁹

While he was Minister of Agriculture and Forestry, Obiang reportedly received bribes of about US\$26 per log from logging companies in order to allow their export.¹⁰ He is currently the country's First Vice President.

Equatorial Guinea has had a log export ban since 2008, but after a temporary drop in exports, they have rebounded: in 2018, it exported 1.1 million m³ logs to China apparently in violation of the ban.^{11 12}



A logging road in East New Britain, Papua New Guinea. The country's forestry sector has struggled to combat systemic and common illegal activities for decades.
© Global Witness

- As of 2013, expert estimates suggested that 33% of **Cameroon's** log production was illegal, including practices such as

illegal logging by the holders of logging permits and unauthorized loggers, exporting logs illegally, and corrupt acts by officials in the police, judiciary, and forestry department.¹³

The country ratified a Voluntary Partnership Agreement (VPA), intended to improve forest governance and promote the trade in legal timber, with the EU in 2011. Although some progress has been made toward its VPA goals, the rising influence of markets that place little or no importance on legality acts as a barrier to full implementation.¹⁴ The European Timber Regulation Monitoring Organisation, NEPCon has identified significant risks related to corruption and forest management in Cameroon.¹⁵

- Between 2014-2018 **Gabon** exported 30,000 m³ logs to China, all in apparent violation of its log export ban.¹⁶ Its sawnwood exports also carry the risk of being produced illegally.¹⁷

NEPCon has identified risks relating to corruption in the granting of concessions and permits, and in companies' frequent disregard for required management plans, amongst a host of other risks. It gave Gabon the lowest score in its 2017 timber legality assessment.¹⁸ Voluntary guidelines related to legal logging and sustainable operations are also reportedly ignored.

In an undercover investigation carried out by the NGO Environmental Investigation Agency (EIA), it was claimed that eight out of twelve executive managers of Chinese logging companies operating in Gabon, representing 80% of the Chinese-operated forest concessions

there, were either unaware of these guidelines or confessed that they did not intend to comply with them.¹⁹

- > A 2014 report claimed that between 2007-2014, an average of 81% of all logging in **Mozambique** was illegal.²⁰ In 2013 alone, some 48% of Mozambican exports to China were smuggled out of the country, some of them by Chinese companies.²¹ In 2017, Mozambique banned the export of logs, but this law is repeatedly violated: in 2018, despite the log export ban, the country exported 700,000 m³ logs to China.^{22 23}
- > **Indonesia** is a VPA signatory as well, and began exporting verified-legal timber products to the EU under this agreement in 2016.²⁴ This development and other improvements in forest governance at the national level have likely resulted in a decline in overall illegal logging rates, which were estimated at 40% of production in a 2013 survey.²⁵

But timber produced illegally through forest clearing for palm oil plantations has been reported to have been nevertheless certified legal under the VPA system.²⁶ Investigations have suggested that illegal loggers launder wood through licensed sawmills.²⁷ One company was alleged to have obtained legal certification for its timber despite its operations being based on illegally-issued permits.²⁸

- > Illegal exports of protected rosewood species from **Nigeria** to China exploded in 2016-2017. Over 1.4 million logs of a single, highly-valued type were cut in violation of the Convention on International Trade in Endangered Species (CITES), and exported using permits that were reportedly linked to massive corruption.²⁹

As a result, in 2018—a year when Nigeria was the largest seller of rosewood to

CHINA'S TOP 10 TROPICAL TIMBER SUPPLIERS IN 2018



Source: Timber supply information based on China Customs data analysed by Global Witness



global witness

China globally—the Convention Secretariat suspended the country’s commercial trade in this species.^{30 31} Prior to the abrupt growth in rosewood exports, in 2013, an experts group estimated the prevalence of illegal logging in Nigeria to be 51%.³²

- **Malaysia** began negotiations toward a VPA in 2007, but its progress has stalled amidst opposition from timber industry in the state of Sarawak.³³ In 2013, an assessment estimated overall (country-wide) rates of illegal logging in Malaysia to be 13%.³⁴ This figure masks high rates of illegality including alleged grand corruption, tax evasion, and the violation of indigenous rights in the state of Sarawak, in particular.³⁵

NEPCon gave Sarawak the lowest score in its timber legality assessment in 2018, describing a high risk of corruption related to the granting of concessions, including those that force indigenous people off their land; the issuance of permits; and risk of bribery and tax evasion by logging companies.³⁶ NEPCon identified fewer laws at risk of being broken in Sabah state, indicating that national averages of illegality risk may mask major differences between jurisdictions.³⁷

- As much as 70% of logging in **Republic of Congo** (ROC) may be illegal.³⁸ The country has had a partial ban on log exports in place since 2001, requiring companies to export no more than 15% of their timber as unprocessed logs. One analysis indicates that none of the logging companies operating in ROC complied with this requirement between 2008-2017, suggesting that most of

China’s imports from the country in that time period were illegal.³⁹ ROC is working toward establishing a timber legality assurance system under its VPA with the EU.⁴⁰



Landowner walking to Kanduanum log loading site on Sepik River, Papua New Guinea. © Global Witness

RISKS ELSEWHERE

China’s forest sector’s exposure to risks and illegality is not limited to the above ten countries. There are also serious concerns about illegality in other countries where a significant share of the timber is destined for China.

In 2018, Global Witness uncovered how the largest logging operator in the **Democratic Republic of Congo** (DRC) was operating illegally on 90% of its sites^{41 42} and in 2019, Global Witness revealed serious concerns related to the legality of the logging operations of another major logging company in DRC.⁴³ Together, these companies comprise around 60% of DRC’s exports to China.⁴⁴

In **Peru**, over 60% of timber inspected by the national forest oversight agency in 2016-2017 was found to be “unauthorized.”⁴⁵ China is the top export destination for Peruvian timber: between 2015-2017, 45% of

its timber was sold to China.⁴⁶ Peru recently weakened the independence of its forest oversight agency, making it likely that illegal timber exports will now increase.⁴⁷

And in **Liberia**, all large logging contracts are illegal⁴⁸, due to companies hiding their true ownership, failing to pay taxes, manipulating logging data, or co-opting community forest licenses. A Global Witness report in 2018 uncovered how Liberia's community forestry permitting system was being hijacked by rapacious logging companies and a complicit Forestry Development Authority. China is a leading destination for Liberia's timber.⁴⁹

China's problems with illegal timber imports are not limited to its trade in tropical wood. For instance, in 2012, China sourced 20% of its total timber imports from **Russia's** Far East – an area where multiple sources have documented that the majority of precious hardwoods are cut illegally.⁵⁰ Russia remains China's largest timber supplier in the world.⁵¹



Forest destruction in Masoala Peninsula, Madagascar, 2009. © Toby Smith/Global Witness/EIA

A GLOBAL GOVERNANCE CHALLENGE

A 2012 report from INTERPOL and the UN Environment Programme estimates that between 10-30% of the global wood trade is illegal, and valued this trade at between US \$30-100 billion per year.⁵²

Many kinds of legal violations can be involved in illegal logging: Logging can take place in protected areas, such as World Heritage sites or protected species habitat, without a legally acquired permit, or in violation of the terms of one, including logging outside legal areas. More sophisticated methods, such as hacking into government timber permitting systems, may also be used.⁵³

Once trees have been illegally cut, the timber can be laundered into official trade by a variety of methods. These include using shell companies to hide its origin, fraudulently re-using permits, falsifying papers, lying about tree species in order to launder protected species, mixing the timber with legally cut wood, or falsifying plantation operations to pass illegally cut wood off as plantation timber.⁵⁴

Companies involved in exporting timber may also break the law through tax evasion. For instance, a 2016 report estimated that Papua New Guinea could have been losing in excess of US\$100 million in revenues per year due to tax evasion and financial misreporting in the logging sector.⁵⁵

Illegal logging is therefore far from a victimless crime. As well as depriving timber-producing countries of significant government revenues, it drives climate change; destroys biodiversity; may

violate indigenous and local land rights; impairs development and damages local livelihoods; and may both contribute to and be driven by violent conflict and political corruption.

CLIMATE CHANGE

Keeping tropical forests standing is essential to maintaining a liveable global climate, but deforestation and degradation, driven in part by logging have turned them from a carbon sink into a source of greenhouse gases – scientists have found that for the first time tropical forests are releasing more carbon than they absorb.⁵⁶

A 2018 study found that if tropical deforestation were a country, it would rank third in CO₂ emissions—after the US and China and before the European Union.⁵⁷ Deforestation around the world contributes an estimated 17% of global emissions, more than the global transportation sector.⁵⁸

Projections and analysis of emissions generated by logging in countries exporting to China indicates the scale of the emissions generated, in order to supply the Chinese market with tropical timber.

For instance, if one-quarter of the Democratic Republic of the Congo's remaining forests are logged, as proposed under a recent French Development Agency scheme, over six hundred million tons of CO₂ could be released.⁵⁹

And in the Solomon Islands, a Least Developed Country with very low per capita emissions,⁶⁰ 77% of the country's emissions come from the land use and forestry sectors.⁶¹ The wholesale logging of the Solomons' forests is a major factor in this

number, and 82% of the Solomons' log exports are sold to China.⁶²

BIODIVERSITY

The UN Convention on Biological Diversity (CBD) recognizes that forests are one of the most biologically rich terrestrial systems that offer diverse habitats for plants, animals and micro-organisms, and harbour the vast majority of the world's terrestrial species. In addition, the Convention also highlights the important functions that forests provide for human wellbeing.⁶³

Logging in tropical countries is especially destructive to biodiversity, because tropical forests are among the most biodiverse ecosystems on earth. Less than one square kilometre of forest in Borneo may support as many species of trees as are found in all of Europe, North America, and temperate Asia combined.⁶⁴

In recent years, China's demand for rosewood species around the world has received particular attention for the unprecedented scale of devastation in tropical forests. The Convention on International Trade in Endangered Species (CITES), which China has been a party to since 1981, responded by listing many species of highly demanded rosewood by China onto a protection list to restrict this trade.^{65 66}

But such efforts have not stopped illegal trade from destroying biodiverse forests. For instance, in Nigeria in 2017, approximately 4,000 CITES permits were retroactively issued for Nigerian kosso (a type of rosewood) exports, in violation of the convention, and according to the NGO EIA, Nigerian and Chinese businessmen repeatedly told undercover investigators

that they were involved in making over US\$one million in bribes to enable kosso exports.⁶⁷

In 2014, the CITES Secretariat also observed a “large number of fake or falsified permits apparently issued by the Democratic Republic of the Congo,” some of which were later revealed to have been for rosewood.⁶⁸

DEVELOPMENT

Healthy forests play an integral part in achieving the UN Sustainable Development Goals. Illegal logging threatens our ability to achieve these goals by degrading the environment, putting vulnerable populations at greater risk of exploitation, rewarding unlawful and corrupt behaviour, and diverting essential funds from state coffers.

Contrary to claims that logging brings development to local communities, illegal logging often destroys food and water sources that people rely on, undermines social order and justice, and violates individuals’ property rights.

In the developing nations that supply most of China’s tropical timber, significant populations live rurally and derive their livelihoods directly from nature.

Some 85% of PNG’s population is rural and depends directly on their land and forests for food, medicines, and building materials, all of which are lost when forests are illegally logged.⁶⁹

There are also widespread reports that many logging companies underpay the taxes that they owe and therefore do not contribute as they ought to the development of the countries in which they operate. This directly weakens

states’ abilities to provide health care, education, reliable and sustainable energy, and the protections of good governance to their citizens.

CORRUPTION

Illegal logging flourishes under corrupt regimes and can also fuel them. Corruption risks exist throughout the entire timber production process, from the issuance of concessions and logging permits, to how or whether logging and exports are monitored in the forests and at the ports, and to broader problems with how transparent any of these activities are to forest owners and decision-makers.

This risk may extend offshore: companies engaged in illegal logging may use companies registered in offshore or secrecy jurisdictions which conceal the true owners of logging profits.⁷⁰

Corruption in the forestry sector can be both high-level, as politicians are able to influence the granting of land concessions and logging permits, or even influence authorities responsible for scrutinising and policing illegal behaviour.

It can also be witnessed at low levels, as officers responsible for forest law enforcement, often working alone with few resources and struggling to carry out enforcement, turn a blind eye to illegal logging or transport out of fear of compromising their jobs or causing tension in their local community, or in exchange for compensation. But these acts are all enabled by and allowed to happen within the context of states struggling to maintain the rule of law.⁷¹

Most of China's top ten tropical timber suppliers rank in the bottom half of countries in a global assessment of their control of corruption (see page 4).



Aerial photo of logging road in Temotu, Solomon Islands. © Alessio Bariviera

Equatorial Guinea, described above, is an egregious example of grand corruption, wherein a high-ranking official, then-Minister Teodorin Obiang, was able to accrue a personal fortune of US\$300 million on an official salary of less than US\$100,000—in part due to his unchecked corrupt handling of the country's forests.⁷²

SECURITY

Valuable timber can be sold to fund a state in the midst of armed conflicts, or traded for weapons or supplies. During the Khmer Rouge's regime in Cambodia, the rulers allocated timber worth hundreds of millions of dollars to Thai logging companies, and used the proceeds it received to fund the civil war.⁷³

In 2013, logging companies paid millions of euros to fund armed rebels' operation in Central African Republic during a conflict that cost over 5,000 lives and displaced more than a million people.⁷⁴

And in Liberia, revenues from the timber trade directly fuelled the country's civil war: then President Charles Taylor traded forest concessions for weapons, and the proceeds of timber sales were also used to buy arms.⁷⁵

In recognition of these links between conflict and the timber trade, the UN sanctioned Liberia's international timber trade in 2003.⁷⁶

WHY CHINA SHOULD CARE

China has undertaken significant steps to protect its own forests, including introducing a ban on commercial logging in its natural forests.⁷⁷ National plans are also underway to defend areas that lie beyond the ecological red-lines. This shows that China's leadership understands only too well how vital its ecosystems are for the long-term sustainable development of its country and citizens.

But what about the forests lying outside the Chinese border?

Chinese leadership has in recent years reiterated its commitment to building a shared future for humankind.⁷⁸ It is a natural next step for China to look beyond its national border when it comes to formulating its green development strategies. And it's in China's own interest to be mindful of its footprint in the world's forests.

China is one of the world's top importers, manufacturers and exporters of wood products globally.⁷⁹ With nearly half of China's supply of wood coming from outside its borders, it has a significant stake in the future of the world's forests.

The long-term prosperity of China's own wood manufacturing industry relies on healthy and well-managed forests around the world. The Chinese population, together with the rest of the world, will also benefit from well-protected and functioning forest ecosystems.



Clear-felled forest, Papua New Guinea © Alessio Bariviera Alessio Bariviera

China is the destination for about two-thirds of all tropical logs on international markets, the majority coming from countries struggling to address corruption and weak rule of law (see page 4). These governance challenges manifest themselves in the forest sector as alarming risks of illegality, and an unsustainable production of timber.

China's exposure to these high-risk timber sources present tangible concerns for its global reputation as a responsible trade and development partner. For Chinese businesses, buying this toxic wood without asking questions will likely expose them to commercial, reputational and legal risks.

The Chinese economy is going through a period of restructuring. One of the major challenges it faces is that many sectors produce more than its economy can consume, known as excess manufacturing capacity.

In the wood manufacturing sector, industry observers have been warning of this excessive capacity for years, including in the furniture⁸⁰ and plywood⁸¹ sectors. In other words, the consumption of timber from the world's forests, at times facilitated by illegality and corruption, could have been partly driven by irrational or unnecessary demand.

By instituting higher standards to control timber imports that exclude illegal wood, the Chinese timber industry can benefit in the long run and transit to greener, more efficient, higher value-added manufacturing.

Eight of China's top ten tropical timber suppliers in 2018 are Belt and Road countries.⁸² Trade and investment relations between these countries and China are expected to deepen and expand.

It will be in China's interest to better understand the implications of weak governance and prevalent illegality in these forest sectors, especially in the context of China's growing commitments to promoting and implementing a Green Belt and Road⁸³.

There have been global efforts recognizing the importance of forests for the planet's future and the role of illegal logging in driving deforestation, and these are aimed at reducing the flow of illegal timber.

Most of the other large timber-importing members of the G20—the U.S., the EU, Canada, and Australia—have already legislated against the imports of illegal timber. More recently, a bloc of Asian countries, mostly China's major regional trading partners, have also undertaken similar steps. Japan, South Korea, Malaysia and Indonesia have in the last three years introduced import control measures to ensure timber legality.⁸⁴

Half of China's wood product exports are bound for markets in the U.S., EU, and Australia⁸⁵ and a significant amount go to Asian markets such as Japan.⁸⁶ Measures taken by China to exclude illegal timber would help to increase confidence in made-in-China timber products in these jurisdictions.

Ultimately, combating illegal logging requires a significant mind-set change, from perceiving it as an isolated environmental issue to approaching it as an opportunity for China to step up and play a leadership role on global economic and environmental governance.

Combating illegal logging requires a holistic rethink and close collaboration by decision

makers in the fields of environment, trade, and development.

If successful, addressing illegal logging will positively contribute to causes that China has committed to, such as fighting climate change, seeking a global solution to biodiversity loss, and formulating a feasible sustainable development model that is applicable in particular for the Global South.



Tractors and trailers transport rosewood along the rough track bordering the coast to Antalaha, Madagascar, 2009 © Toby Smith/Global Witness/EIA

RECOMMENDATIONS

Global Witness calls on China to:

> Develop national strategy and policies to manage and improve China's overseas footprint, in particular to mitigate negative social and environmental impacts related to sourcing raw materials. For example, this could include integrating elements into:

- The 14th National Five Year Plan
- The 14th Five Year Ecological and Environmental Protection Plan
- National policies on Green Belt and Road
- National policies on promoting Ecological Civilisation

- National policies related to China's participation in global governance, such as improving international trade standards and guidance.
- National policies related to Green Supply Chains

➤ **Establish an official working group at the Central Government level to formulate a national policy to address illegal logging, illegal timber trade and deforestation both in and outside China.** This working group should facilitate collaboration and coordination, and include officials overseeing

forestry, environment, trade, and development.

➤ **Formulate mandatory measures to require all timber importers to carry out due diligence to screen out timber produced in violation of laws in China and source countries.**

www.globalwitness.org

ENDNOTES

¹ Global Times, March 2017. "China imposes total ban on commercial logging, eyes forest reserves." Consulted 11 Mar 2019 at

<http://www.globaltimes.cn/content/1038170.shtml>

² Xinhua, China approves 15 regional plans for ecological "red lines", Feb. 2018,

http://www.xinhuanet.com/english/2018-02/12/c_136970509.htm

³ Sina News, Xi Jinping's 19th CPC Conference speech, Oct 017. Consulted 20 Mar 2019 at

<http://finance.sina.com.cn/china/gncj/2017-10-18/doc-ifymvuyt4098830.shtml>

⁴ World Bank, available at:

<http://info.worldbank.org/governance/wgi/#home>

⁵ J Hewitt analysis of China Customs trade data for Global Witness, 2019. Methodology: Analysis confined to logs, sawnwood, mouldings, veneer and plywood, which comprise the great majority of the timber which China imports from tropical forests. Weight of sawnwood, mouldings, veneer and plywood were converted to roundwood equivalent (RWE) weight by adopting factors typically used by intergovernmental organisations such as ITTO and FAO. Thailand and Vietnam are not in the top 10 list because almost all of China's imports from these countries are either from plantations or in transit from other countries.

⁶ Lawson, S./Chatham House, 2014. Illegal logging in Papua New Guinea. Consulted 4 Mar 2019 at <https://www.chathamhouse.org/publications/papers/view/198666> p 26; NEPCon, 2017. Timber legality risk assessment: Papua New Guinea, version 1.2.

Consulted 4 Mar 2019 at

<https://www.nepcon.org/sourcinghub/timber/timber->

[papua-new-guinea](http://www.globalwitness.org) pp2-3; Global Witness, 2018. A major liability: illegal logging in Papua New Guinea threatens China's timber sector and global reputation. Consulted 4 Mar 2019 at

<https://www.globalwitness.org/en/campaigns/forests/major-liability-illegal-logging-papua-new-guinea-threatens-chinas-timber-sector-and-global-reputation/> p3, 4-6

⁷ Global Witness, 2018. Paradise lost: how China can help the Solomon Islands protect its forests. Consulted 4 Mar 2019 at

<https://www.globalwitness.org/en/campaigns/forests/paradise-lost/> p10-14

⁸ NEPCon, 2018. Timber legality risk assessment: Solomon Islands, consultation draft; version 1.0. Consulted 28 Feb 2019 at

<https://www.nepcon.org/sites/default/files/2019-02/NEPCon-TIMBER-Solomon%20Islands-Risk-Assessment-EN-V1.0.pdf> pp 6-7

⁹ Global Witness, 2017. "Global Witness welcomes historic ruling against Teodorin Obiang." Consulted 1 Mar 2019 at

<https://www.globalwitness.org/en/press-releases/global-witness-welcomes-historic-ruling-against-obiang-fight-against-corruption/>

¹⁰ Department of Homeland Security/ICE report of investigation: exhibit 7. Consulted 13 Mar 2019 at <http://www.egjustice.org/post/doj-vs-teodorin-101> p5

¹¹ COMIFAC, 2011. The forests of the Congo basin: state of the forest 2010. Consulted 5 Mar 2019 at https://www.observatoire-comifac.net/docs/edf2010/EN/State_of_the_Forest_2010.pdf p 56

¹² J Hewitt analysis of China Customs trade data for Global Witness, 2019

¹³ Hoare, A./Chatham House, 2015. Illegal logging and related trade: the response in Cameroon. Accessed 28 Feb 2019 at

<https://www.chathamhouse.org/publication/illegal-logging-and-related-trade-response-cameroon> p 20

¹⁴ Carodenuto, S. and S. Ramcilovik-Suominen, 2014. Barriers to VPA implementation: a case study of Cameroon's private forestry sector. *International Forestry Review* 16(3), pp278-288. Consulted 5 Mar 2019 at

https://www.researchgate.net/publication/263702896_Barriers_to_VPA_Implementation_A_Case_Study_of_Cameroon's_Private_Forestry_Sector/download p 282

¹⁵ NEPCon, 2017. Timber legality risk assessment: Cameroon, version 1.1. Consulted 5 Mar 2019 at WEBSITE p5, 16

¹⁶ Environmental Investigation Agency, 2018. African log bans matter: reforming Chinese investment and trade in Africa's forest sector. Consulted 5 Mar 2019 at https://content.eia-global.org/assets/2018/09/AfricanLogBansMatter_LowRes.pdf p5

¹⁷ J Hewitt analysis of China Customs trade data for Global Witness, 2019

¹⁸ NEPCon, 2017. Timber legality risk assessment: Gabon, version 1.2. Consulted 5 Mar 2019 at <https://www.nepcon.org/sourcinghub/timber/timber-gabon> p2-3

¹⁹ Environmental Investigation Agency, 2019. Toxic trade: forest crime in Gabon and Republic of Congo and contamination of the US market. Consulted 26 Mar 2019 at https://content.eia-global.org/posts/documents/000/000/830/original/Toxic_Trade_EIA-web.pdf?1553480150

²⁰ Environmental Investigation Agency, 2014. First class crisis: China's criminal and unsustainable intervention in Mozambique's Miombo forests. Consulted 5 Mar 2019 at <https://eia-international.org/report/first-class-crisis-chinas-criminal-and-unsustainable-intervention-in-mozambiques-miombo-forests/> P 1

²¹ Ibid. p3, 7

²² Environmental Investigation Agency, 2018. African log bans matter: reforming Chinese investment and trade in Africa's forest sector. Consulted 5 Mar 2019 at https://content.eia-global.org/assets/2018/09/AfricanLogBansMatter_LowRes.pdf p5

²³ J Hewitt analysis of China Customs trade data for Global Witness, 2019

²⁴ EU FLEGT Facility, 2016. "Indonesia-EU voluntary partnership agreement." Consulted 6 Mar 2019 at <http://www.euflegt.efi.int/q-and-a-indonesia>

²⁵ Hoare, A. and L. Wellesley/Chatham House, 2014. Illegal logging and related trade: the response in

GLOBAL WITNESS

Indonesia. Consulted 6 Mar 2019 at

<https://indicators.chathamhouse.org/sites/files/reports/20141029IllegalLoggingIndonesiaHoareWellesleyFinal%20%281%29.pdf> p 23/24

²⁶ Independent Forest Monitoring Program of Indonesia/Environmental Investigation Agency, 2017. Still permitting crime: how impunity for illegal palm oil undermines Indonesia's flagship timber reforms. Consulted 6 Mar 2019 at <http://jpik.or.id/info/wp-content/uploads/2017/06/Still-Permitting-Crime.pdf> executive summary, p5

²⁷ Ibid. p8

²⁸ Rainforest Action Network et al., 2018. Perilous: Korindo, land grabbing and banks. Consulted 6 Mar 2019 at https://www.ran.org/wp-content/uploads/2018/11/RAN_Perilous_FINAL.pdf p24, the company denied the allegations

²⁹ Environmental Investigation Agency, 2017. The rosewood racket. Consulted 6 Mar 2019 at <https://eia-global.org/reports/the-rosewood-racket> p3

³⁰ J Hewitt analysis of Chinese Customs trade data for Global Witness, 2019

³¹ CITES, 2018. Notification to the parties. Consulted 6 Mar 2019 at <https://cites.org/sites/default/files/notif/E-Notif-2018-084.pdf>

³² Fameso, T.F., 2013. "Survey and study on timber flows to estimate the extent of illegal logging in Nigeria. Consulted 6 Mar 2019 at https://www.illegal-logging.info/sites/files/chlogging/Tom%20Fameso_Nigeria.pdf slide 2

³³ EU FLEGT Facility, 2017. "The Malaysia-EU Voluntary Partnership Agreement." Consulted 6 Mar 2019 at <http://www.euflegt.efi.int/background-malaysia>

³⁴ Chatham House, 2013. Illegal logging and related trade/indicators of the global response: Malaysia. Consulted 6 Mar 2019 at https://indicators.chathamhouse.org/explore-the-data/malaysia/trade?qt-field_collection_quicktabs=3#qt-field_collection_quicktabs

³⁵ Global Witness, 2013. Inside Malaysia's Shadow State <https://www.globalwitness.org/ru/campaigns/forests/inside-malaysias-shadow-state/> p1

³⁶ NEPCon, 2018. Timber legality assessment: Malaysia – Sarawak, version 1.3. Consulted 6 Mar 2019 at <https://www.nepcon.org/sourcinghub/timber/timber-malaysia-sarawak> p14 (concessions), p24 (permits), p31 (bribery and tax evasion)

³⁷ NEPCon, 2018. Timber legality assessment: Malaysia – Sabah, version 1.3. Consulted 6 Mar 2019 at

<https://www.nepcon.org/sourcinghub/timber/timber-malaysia-sabah.p3>

³⁸ Lawson, S./Chatham House, 2014. Illegal logging in the Republic of Congo. Consulted 6 Mar 2019 at <https://www.chathamhouse.org/publications/papers/view/198640.p2>

³⁹ Environmental Investigation Agency, 2018. African log bans matter: reforming Chinese investment and trade in Africa's forest sector. Consulted 5 Mar 2019 at https://content.eia-global.org/assets/2018/09/AfricanLogBansMatter_LowRes.pdf.p6

⁴⁰ EU FLEGT Facility, 2017. "The Republic of the Congo-EU Voluntary Partnership Agreement." Consulted 6 Mar 2019 at <http://www.euflegt.efi.int/background-congo>

⁴¹ Lawson/Chatham House, 2014. Illegal logging in the Democratic Republic of the Congo. Consulted 14 Mar 2019 at https://indicators.chathamhouse.org/sites/files/reports/201404DRC_illegal_logging.pdf.p21

⁴² Global Witness, 2018. Total systems failure: exposing the global secrecy destroying forests in the Democratic Republic of Congo. Consulted 6 Mar 2019 at <https://www.globalwitness.org/zh-cn/campaigns/forests/total-systems-failure/>

⁴³ Global Witness, 2019. Buyers Beware: How European companies buying timber from Industrie Forestière du Congo risk falling foul of EU laws. Consulted 20 Mar 2019 at https://www.globalwitness.org/documents/19675/buyers_beware_EN_FINAL_1403.pdf

⁴⁴ According to Global Witness analysis of 2018 trade documents.

⁴⁵ Global Witness, 2018. The forest avengers. Consulted 6 Mar 2019 at <https://www.globalwitness.org/en/campaigns/forests/forest-avengers/p5>

⁴⁶ Ibid. p7

⁴⁷ U.S. House of Representatives Committee on Ways and Means, 2018. Letter to Ambassador Robert E. Lighthizer. Consulted 6 Mar 2019 at <https://waysandmeans.house.gov/sites/democrats.waysandmeans.house.gov/files/documents/12.19.18%20USTR%20Peru%20letter.pdf>

⁴⁸ Global Witness, 2017. Liberia: holding the line. Consulted 6 Mar 2019 at <https://www.globalwitness.org/en/reports/liberia-holding-line/>

⁴⁹ Analysis by J. Hewitt for Global Witness, based on data by major importing countries such as China, the EU, India, Turkey, Vietnam and the rest of the world, during 2011 to 2018.

⁵⁰ Environmental Investigation Agency, 2013. Liquidating the forests: hardwood flooring, organized crime, and the world's last Siberian tigers.

GLOBAL WITNESS

https://content.eia-global.org/posts/documents/000/000/609/original/EI_A_Liquidating_the_Forests.pdf?1479504214.p4; WWF-Russia, 2013. Illegal logging in the Russian Far East: global demand and taiga destruction. Consulted Mar 8 2019 at <https://www.illegal-logging.info/sites/files/chlogging/uploads/WWF2013.pdf>

⁵¹ Chinatimber.org, China timber import and China-Africa timber trade brief in 2017. Consulted 8 Mar 2019 at

<http://www.chinatimber.org/news/64054.html>

⁵² Nellemann, C., INTERPOL Environmental Crime Programme (eds), 2012. Green Carbon, Black Trade: Illegal Logging, Tax Fraud and Laundering in the Worlds Tropical Forests. Consulted 6 Mar 2019 at [https://www.interpol.int/Media/Files/Crime-areas/Environmental-crime/Green-Carbon,-Black-Trade-Illegal-Logging,-Tax-Fraud-and-Laundering-in-the-World's-Tropical-Forests-2012/p6\(10-30%\)](https://www.interpol.int/Media/Files/Crime-areas/Environmental-crime/Green-Carbon,-Black-Trade-Illegal-Logging,-Tax-Fraud-and-Laundering-in-the-World's-Tropical-Forests-2012/p6(10-30%))

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ Oakland Institute, 2018. The great timber heist continued: tax evasion and illegal logging in Papua New Guinea. Consulted 6 Mar 2019 at https://www.oaklandinstitute.org/sites/oaklandinstitute.org/files/great_timber_heist_cont.pdf.p4

⁵⁶ Baccini, A., et al., 2017. Tropical forests are a net carbon source based on aboveground measurements of gain and loss. Science vol 358, pp230-234. Consulted Mar 8 2019 at <http://science.sciencemag.org/content/358/6360/230>

⁵⁷ World Resources Institute, 2018. "By the numbers: the value of tropical forests in the climate change equation." Consulted 6 Mar 2019 at <https://www.wri.org/blog/2018/10/numbers-value-tropical-forests-climate-change-equation>

⁵⁸ Nellemann, C., INTERPOL Environmental Crime Programme (eds), 2012. Green Carbon, Black Trade: Illegal Logging, Tax Fraud and Laundering in the Worlds Tropical Forests. Consulted 6 Mar 2019 at <https://www.interpol.int/Media/Files/Crime-areas/Environmental-crime/Green-Carbon,-Black-Trade-Illegal-Logging,-Tax-Fraud-and-Laundering-in-the-World's-Tropical-Forests-2012/p6>

⁵⁹ Global Witness et al., 2017. "Norway and France threaten DRC's forests." Consulted 6 Mar 2019 at <https://storage.googleapis.com/planet4-africa-stateless/2018/10/bb90e797-bb90e797-2017-revised-coalition-briefing-on-afd-ami4-english.pdf>

⁶⁰ Solomon Islands Intended Nationally Determined Contribution. Consulted 6 Mar 2019 at <https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Solomon%20Islands%20First/SOLOMON%20ISLANDS%20INDC.pdf.p8>

⁶¹ Climate Watch. Solomon Islands. Consulted 6 Mar 2019 at

<https://www.climatewatchdata.org/countries/SLB>

⁶² Global Witness, 2018. Paradise Lost: how China can help the Solomon Islands protect its forests. Consulted 4 Mar 2019 at

<https://www.globalwitness.org/en/campaigns/forests/paradise-lost/p3>

⁶³ Convention on Biological Diversity. Forest biodiversity: why does it matter? Consulted 6 Mar 2019 at <https://www.cbd.int/forest/importance.shtml>

⁶⁴ Wright, J.S., 2002. Plant diversity in tropical forests: a review of the mechanisms of species coexistence. Consulted 27 Mar 2019 at <https://link.springer.com/article/10.1007%2Fs004420100809> p1

⁶⁵ CITES Appendices, <https://www.cites.org/eng/app/appendices.php>

⁶⁶ China forestry net, 2018. New National Hongmu Standard to be Implemented. Consulted 8 Mar 2019 at <http://www.forestry.gov.cn/xdly/5188/20180512/1100968.html>

⁶⁷ Environmental Investigation Agency, 2017. The rosewood racket. Consulted 6 Mar 2019 at <https://eia-global.org/reports/the-rosewood-racket> p 1,3

⁶⁸ Global Witness, 2015. Exporting impunity. Consulted 14 Mar 2019 at <https://www.globalwitness.org/en/campaigns/democratic-republic-congo/exporting-impunity/> p 21

⁶⁹ Anderson, T., 2015. Land and livelihoods in Papua New Guinea. Australian Scholarly Publishing Pty Ltd., North Melbourne.

⁷⁰ Global Witness, Total Systems Failure, 2018, available at <https://www.globalwitness.org/en/campaigns/forests/total-systems-failure/>

⁷¹ Global Witness and Transparency International, Tackling Corruption to Protect the World's Forest, January 2017, available at https://www.globalwitness.org/en/campaigns/forests/tackling-corruption-protect-worlds-forests//TI_briefing

⁷² United States Department of Justice, 2014. "Second Vice President of Equatorial Guinea agrees to relinquish more than \$30 million of assets purchased with corruption proceeds." Consulted 14 Mar 2019 at <https://www.justice.gov/opa/pr/second-vice-president-equatorial-guinea-agrees-relinquish-more-30-million-assets-purchased>

⁷³ Global Witness, 1996. "Civil war goes on hold as the Cambodia government and Khmer Rouge cooperate over timber deals." Press release at <https://www.globalwitness.org/en/archive/civil-war-goes-hold-cambodian-government-and-khmer-rouge-cooperate-over-timber-deals/>

GLOBAL WITNESS

⁷⁴ Global Witness, 2015. Blood timber: how Europe played a significant role in funding war in the Central African Republic. Consulted 27 Mar 2019 at: <https://www.globalwitness.org/ru/campaigns/forests/bloodtimber/>

⁷⁵ Forest Trends, 2006. "Helping Liberia escape conflict timber." Consulted 14 Mar 2019 at <https://www.forest-trends.org/publications/issue-5-helping-liberia-escape-conflict-timber/>

⁷⁶ Ibid.

⁷⁷ Global Times, March 2017. "China imposes total ban on commercial logging, eyes forest reserves." Consulted 11 Mar 2019 at

<http://www.globaltimes.cn/content/1038170.shtml>

⁷⁸ Yang Jiechi, July 2018. "Working Together to Build a World of Lasting Peace and Universal Security and a Community with a Shared Future for Mankind." Consulted 11 Mar 2019 at

https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1577242.shtml

⁷⁹ J. Hewitt analysis for Global Witness, March 2019, based on national customs data and FAOSTAT. The analysis shows that China is the biggest importer of wood-based products by RWE volume and a leading exporter by value. It is the third largest manufacturer of wood-based products by RWE volume after the US and the EU.

⁸⁰ Editorial team, 2013. "Excessive capacity: a realistic problem impacting the healthy development of the furniture making industry." Furniture, Vol. 34, No. 6. C Consulted 11 Mar 2019 at <https://wenku.baidu.com/view/dfb3f14e0b4e767f5bcfce52.html>

⁸¹ Y. Huang et al., July 2018. "Plywood national production capacity exceeds 300mn m³, low end capacity urgently needs an upgrade." Consulted 11 Mar 2019 at <https://www.iyiou.com/p/77433.html>

⁸² Belt and Road Portal, countries that have signed a Belt and Road Collaborations Agreement with China. Consulted 11 Mar 2019 at https://www.yidaiyilu.gov.cn/info/iList.jsp?cat_id=10037&cur_page=1

⁸³ Followingthemoney.org, Guidance on Promoting Green Belt and Road (English translation), accessed 20 Mar 2019 at

https://www.followingthemoney.org/wp-content/uploads/2017/06/2017_MEP-et-al_Guidance-on-Promoting-Green-Belt-and-Road_E.pdf

⁸⁴ Forest Trends, 2017. Regulating the trade in illegal timber: Asian approaches compared - state of play June 2017. Consulted 11 Mar 2019 at https://www.forest-trends.org/wp-content/uploads/2017/08/doc_5634.pdf

⁸⁵ Forest Trends, 2016. "Survey shows progress on US, EU, and Australian enforcement actions against Illegal

logging – what role can China play?” Consulted 11 Mar 2019 at <https://www.forest-trends.org/blog/survey-shows-progress-on-us-eu-and-australian-enforcement-actions-against-illegal-logging/>

⁸⁶ CTWPDA, Overview of Chinese Timber and Wood Products Market, 2012. Accessed 20 Mar 2019 at http://www.ettf.info/sites/default/files/presentation_liu_nengwen.pdf