

Timber on the high seas

ITTO and partners are investigating ways to reduce illegality in the transportation of timber

FOR SOME TIME, ITTO members and other stakeholders have been concerned with issues of legality in the global timber trade. In July 2004, a meeting between the Organization's Trade Advisory Group and Civil Society Advisory Group recommended that ITTO convene an international conference on the transportation of timber products, involving representatives of financial institutions and the customs, shipping and transport sectors, with the aim of identifying weaknesses that have allowed the illegal trading of timber.

In July 2006, a small scoping consultation attended by representatives of key interests in the tropical timber trade (*see box*) was held in the Cabinet War Rooms in London, England. This two-day consultation explored the many complexities associated with the maritime transport of tropical timber with the aim of preparing the ground for a larger international conference on the issue at a later date.

On the basis of this meeting, the ITTO Secretariat will prepare terms of reference for further work, including a draft program for an international conference on the transportation of timber products, for the consideration of the ITTO Committee on Forest Industry at its next session in November 2006.

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Presentations made during the two-day meeting focused on the international shipping of tropical timber products and addressed three basic questions:

- what are the complexities of tropical timber shipping from producers to consumers?



Loaded: a log ship en route to China from Papua New Guinea.

Photo: Jay Directo/AFP/Getty Images

- what weaknesses allow the shipping of illegally produced timber products? and
- what international actions can be taken to ensure legal shipments?

Participants at the meeting were also asked to make recommendations for the consideration of ITTO and others to help reduce illegalities associated with the tropical timber trade.

Part of the discussion focused on changing trends in the transport business and tropical timber trade, including the use of containerized shipping, the increasing trade in processed timber products, and issues related to chain of custody and certification. Participants recognized the wide interpretation of 'illegality' in the forest sector and

acknowledged that importing countries have no legal basis or framework for making imports of ‘illegally’ produced timber an offence.

Participants sought clarification on the issue of shipping documentation and procedures. In particular, participants debated which entity—shippers, traders or customs—is responsible for checking the accuracy, authenticity and legality of shipping documents, including bills of lading, certificates of origin, packaging lists and descriptions of goods. Issues unclear to participants included: what happens when a bill of lading is switched during the timber shipping process; which country’s laws and procedures prevail; and how electronic trading arrangements might assist in preparing shipping documentation and how they could help prevent fraud. Participants also sought clarification on the role of banks in the process, how to create incentives for ‘good players’, and other issues such as licensing, chain of custody, ‘self-policing’ and corporate codes of conduct for responsible timber purchasing.



Photo: M. Adams/ITTO

Building capacity

Participants discussed the need for capacity-building and awareness-raising to improve law enforcement. They suggested that this would be especially relevant at the national level to increase the ability of government agencies from exporting and importing countries to ensure respect of law and legality and the authenticity of shipping documentation and procedures. Attention was drawn to the role of importing countries, which could be more proactive by, for example, ensuring that customs authorities check for legal documentation. Participants also explored the impact and role of ongoing and emerging initiatives in combating fraud, such as the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), forest law enforcement and governance processes, voluntary partnership agreements, the G8 group of industrialized nations, national procurement policies (see article page 9) and specific producer-country legislation and initiatives such as the Indonesian Forest Products Revitalization Body (BRIK).

Meeting participants provided several recommendations for ITTO’s consideration when preparing the terms of reference for the international conference, including for the conference’s draft agenda. ITTO should:

- increase cooperation with the International Maritime Organization on shipping documentation and other relevant substantive matters;
- consider future policy work on customs issues and capacity-building;
- strengthen regional cooperation;
- consider establishing a system to minimize smuggling (eg by prior notification of export);
- engage bankers, shipowners and shipping companies; and
- consider information-gathering on the documentation required for tropical timber shipping.

For more information contact: Lauren Flejzor, Division of Forest Industry, ITTO; flejzor@itto.or.jp

Who was there?

The following organizations, agencies and governments were represented in the workshop:

- APKINDO** – The Indonesian Wood Panel Association;
- Ang & Partners**, a law firm specializing in maritime and transport issues;
- Arpeni Pratama Ocean Line**, an Indonesian shipping company;
- UK Chamber of Shipping**, on behalf of the **Baltic and International Maritime Council (BIMCO)**, an association comprising more than 2550 shipping companies;
- Danzer**, a group of companies involved in the timber trade;
- Chatham House**, also known as the **Royal Institute of International Affairs**, an international affairs think-tank whose mission is to analyse and promote understanding of major international issues and current affairs;
- UK Timber Trade Federation**, which represents the interests of the UK wood and wood products industry;
- Ministry of Environment and Forests**, a ministry of the Government of India;
- TRAFFIC International**, a wildlife trade monitoring network;
- Environmental Investigation Agency**, an environmental non-governmental organization;
- Her Majesty’s Revenue and Customs**, a department of the British government;
- International Maritime Organization**, a specialized agency of the United Nations responsible for improving maritime safety and other technical matters affecting shipping engaged in international trade;
- International Maritime Bureau**, a bureau of the International Chamber of Commerce charged with fighting crimes related to maritime trade and transportation;
- ITTO Trade Advisory Group**, a group of timber-trade-related organizations set up to provide advice to the International Tropical Timber Council;
- ITTO Civil Society Advisory Group**, a group of civil-society organizations set up to provide advice to the International Tropical Timber Council;
- Malaysian Timber Council**, an initiative of the Malaysian timber industry to promote the development of the timber-based industry in Malaysia;
- Commercial Section, **Embassy of Brazil**, London; and
- ITTO Secretariat**.