

Research Paper

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Energy, Environment and Resources | November 2014

Trade in Illegal Timber The Response in France

A Chatham House Assessment

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Summary

The French government has been engaged on the issue of illegal logging and the related trade: the government played an active part in the development of the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan and has been supporting the negotiation and implementation of voluntary partnership agreements (VPAs) in producer countries.

The government has also been actively promoting the production and consumption of sustainable timber, providing funding for forest-management related projects in producer countries and establishing the National Group on Tropical Forests to facilitate a multi-stakeholder dialogue on forest policy. Media coverage of illegal logging has increased considerably since 2007, indicating greater awareness of the issue among the general public.

This response, as well as increased sourcing of sustainably certified products by the private sector, is thought to have been a factor in the decline in imports into France of timber-sector products likely to be illegal. The proportion of timber-sector imports at high risk of illegality is currently estimated to be two per cent. The proportion of highly processed products such as furniture has grown significantly, as has the share coming from China, with a parallel decline in imports of logs and sawnwood from central and West Africa.

However, there remain a number of areas for improvement by the government. In particular, with legislation now in place to implement the EUTR, this should be rigorously enforced and sufficient resources put in place to enable this. Furthermore, the effectiveness of the sanctions regime should be monitored. The planned review of the public procurement policy should be undertaken, and monitoring of its implementation should also be introduced.

Introduction

Illegal logging is a global problem that is both a result of and a contributing factor to poor forest governance. It undermines efforts to manage forests sustainably and equitably, resulting in deforestation, social conflict and the loss of government revenues. This is not just an issue for forest-rich countries; countries that import and consume wood-based products¹ from countries with high levels of illegal logging contribute to the problem if they import products without ensuring that they are legally sourced.

Chatham House has been engaged in research since 2006 to assess illegality in the forest sector and the response by governments and the private sector to the problem. The aim of its work has been to monitor levels of illegal logging and the related trade and thus enable an assessment of the effectiveness of efforts to tackle the problem in producer, consumer and processing countries.

A methodology based on a number of indicators has been developed for this assessment. For consumer countries, those indicators are derived from an examination of the national policy and legal framework and its implementation; analysis of enforcement data; reviews of international and domestic media coverage; analysis of data on trade between exporter and importer countries; and analysis of data on voluntary verification and certification by timber companies. This approach, drawing on a variety of data sources, provides the most rigorous means of assessing illicit practices, any estimate of which is inevitably challenging. Further details can be found in Annex 2 of this assessment.

Twelve countries were assessed in 2008–09 (the findings published in 2010²) and another six in 2013–14³ (published in 2014⁴). In addition, Chatham House undertook a reassessment of the original 12 countries in 2013–14.

This assessment presents the latest findings for France, which are compared with the situation as reported in 2010. The analysis, undertaken in April 2014, was based on data collected during 2013. Trade statistics and media data were compiled up to the end of 2013 and 2012, respectively, and the policy assessment was made on the basis of the situation as of December 2013, but some more recent developments have been noted as well.

¹ The following terminology has been used in this report: wood-based products – encompasses all timber-sector and paper-sector products; timber-sector products – includes logs, sawnwood, plywood, veneer, mouldings, joinery and furniture; paper-sector products – includes wood chips, pulp and paper.

² Lawson, S. and MacFaul, L. (2010), *Illegal Logging and Related Trade: Indicators of the Global Response*. London: Chatham House.

³ The countries assessed in 2008–09 were: Brazil, Cameroon, Ghana, Indonesia and Malaysia (producers); China and Vietnam (processing countries); and France, Japan, the Netherlands, the UK and the US (consumers). Those assessed in 2013 were: the Democratic Republic of Congo, the Republic of Congo, Lao PDR and Papua New Guinea (producers); India and Korea (consumers); and Thailand (processing country).

⁴ Lawson, S. (2014), *Illegal Logging in Papua New Guinea*; Lawson, S. (2014), *Illegal Logging in the Republic of Congo*; Lawson, S. (2014), *Illegal Logging in the Democratic Republic of Congo*; Lawson, S. (2014), *Illegal Wood Import and Re-export: The Scale of the Problem and the Response in Thailand, South Korea and India*. London: Chatham House.

Background

As an EU member state, France has played a part in the development of the EU's Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan, which includes:

- The negotiation of FLEGT voluntary partnership agreements (VPAs) with timber-producing countries, including a licensing system designed to identify legal products and license them for import to the EU (unlicensed products will be denied entry), combined with capacity-building assistance to partner countries to set up the licensing scheme, improve enforcement and, where necessary, reform their laws. Six VPAs now exist and another nine are under negotiation; however, no legality assurance or licensing scheme is yet operational.
- The EU Timber Regulation (EUTR), agreed in 2010 and in full force since March 2013, which prohibits the placing on the EU market of 'timber and timber products' that have been illegally produced and requires companies that first place timber products on the EU market to have in place a system of 'due diligence' to minimize the risk of their handling illegal material.
- Encouraging the development of government procurement policy and voluntary industry initiatives aimed at limiting purchases to legal or sustainable sources.

France has been actively involved in the negotiation and implementation of a number of VPAs, focusing on countries in the Congo Basin – Cameroon, the Central African Republic, Gabon and the Republic of Congo. In addition, the French government has provided bilateral support to timber-exporting countries in the Congo Basin outside the framework of the FLEGT Action Plan.⁵ In 2010 the French Development Agency (AFD) and French Global Environment Facility (FFEM), with the support of the International Technical Tropical Timber Association (ATIBT), established a project which supports sustainability certification of concessions in Central Africa (ECOFORAF – *Appui à l'éco-certification des concessions forestières en Afrique Centrale*), and aims to promote certification and improved forest management in the Congo Basin.⁶ Through the provision of technical and financial assistance to concessionaires, the project has sought to facilitate the development of management plans that take full account of the social and environmental impacts of logging activities as well as certification standards and indicators.⁷ France has also played an active role in supporting REDD+⁸ processes in the region: in December 2011 the government signed the 'Joint Declaration of Intent on REDD+ in the Congo Basin', along with various Central African countries and other donor countries; that document renewed support for scaling up REDD+ activities in the region. Following the Copenhagen climate change conference in 2009, the French government committed an additional €250 million to development aid targeted at the forest sector, bringing the total amount it spent on forest management-related projects between 2006 and 2011 to around €500 million.⁹

⁵ National Group on Tropical Forests (GNFT) (2012), *Forêts tropicales: point d'étape et nouveaux défis*, at http://agriculture.gouv.fr/IMG/pdf/Rapport-GNFT-2012_cle0e39b8-2.pdf.

⁶ For further information, see the ECOFORAF project website at http://pfbc-cbfp.org/news_en/items/Ecoforaf-enen.html. The project was coordinated by AFD, FFEM and ATIBT.

⁷ ATIBT and FFEM (2012), 'Quel avenir pour les produits bois éco-certifiés africains sur le marché européen?'; FFEM (2010), 'Appui à l'éco-certification des concessions forestières en Afrique Centrale (ECOFORAF)', at http://www.ffem.fr/accueil/projets/projets_ffem-par-secteur/Projetsbiodiversite/CZZ1545-ECOFORAF.

⁸ Reducing Emissions from Deforestation and Degradation, the 'plus' referring to the role of conservation, sustainable management of forests and enhancement of forest carbon stocks, in developing countries.

⁹ GNFT (2012).

Besides providing bilateral support for supplying countries, the French government has taken steps at the national level to tackle the trade in illegal timber. France was one of the first European countries to introduce a timber public procurement policy, in 2004.

France itself is home to the third-largest area of forest in the EU – around 16 million hectares (as of 2010). Its forest coverage declined at an annual average rate of 0.39 per cent between 2000 and 2010.¹⁰ Domestically produced timber and timber products account for a considerable proportion of national supply: in 2011 these represented around 50 per cent of the total.¹¹

The majority of France's imports of wood-based products are from within the EU, and this proportion increased between 2000 and 2013. In nearly all categories of timber- and paper-sector product, those imports exceed non-EU imports in terms of volume; the notable exception is wood-based pulp, which is sourced in almost equal measure from EU and non-EU countries. Following a growth in the volume of imported products between 2000 and 2008, overall import volumes have since been steadily declining, reflecting the wider economic downturn following the 2008 financial crisis. In 2013, the country imported 51 million m³ of wood-based products, with an import value of nearly \$20 billion.

Since 2000 paper has dominated French imports of wood-based products in terms of both volume and value: in 2013 France imported 23 million m³ of paper. While the level of imported paper has remained more or less unchanged since 2000, imports of other wood-based products have been more volatile over the same period. The biggest shift has been in the level of imported logs from outside the EU: between 2000 and 2013 the annual volume of imports more than halved – from 2 million m³ in 2000 to 0.8 million m³ in 2013. That decline was due in large part to the decrease in imported logs from Liberia following the introduction of UN Security Council sanctions in 2003¹² and from Gabon following the imposition of an export ban on unprocessed logs in 2010.¹³ Most of France's unprocessed log imports have come from the Republic of Congo, the Democratic Republic of the Congo (DRC) and Cameroon since 2010.

Another notable trend has been the rapid growth in imports from China, in particular of wooden furniture, as well as of plywood and paper. Between 2000 and 2013 the annual volume of furniture imports from that country increased tenfold – from 40,000 m³ to 440,000 m³. However, China's share of overall imports remains fairly low, at 14 per cent, indicating the continued importance of intra-EU trade for France's wood-based product supply.

The 2010 Chatham House assessment found that France was lagging behind the UK and the Netherlands in the response of both government and the private sector. Certain improvements have been made since then, but the need for further progress remains, as described below.

¹⁰ FAO (2010), 'Global Forest Resources Assessment 2010', at <http://www.fao.org/forestry/fra/fra2010/en/>.

¹¹ European Timber Trade Federation (ETTF) (2013), '2011 Statistics – France. Timber Trade Monitoring in Support of Effective, Efficient and Equitable Operation of the EU Timber Regulation (EUTR)', at <http://www.ettf.info/ettf-reports-analyse-eutr-trade-flow-impacts>.

¹² See <http://www.un.org/sc/committees/1521/>.

¹³ Forest Legality Alliance (2012), 'National export bans and restrictions', at http://risk.forestlegality.org/files/fla/Export_bans_restrictions_2012_06.pdf.

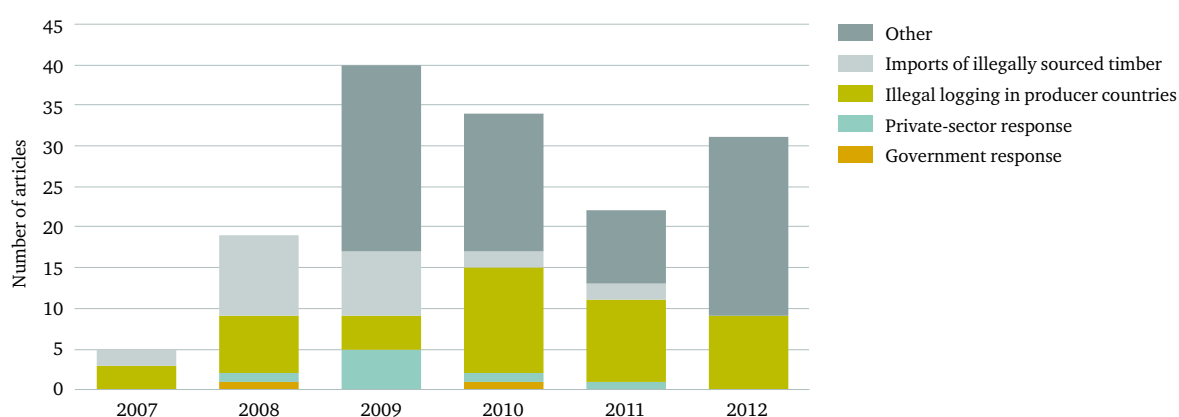
Media Attention

Media coverage provides an insight into levels of public awareness of illegal logging and related trade. While such awareness may not always lead to action, it is important for bringing about change and is therefore useful to monitor. An assessment of the media can also give an indication of the approaches being taken within a country to address the issue. Six national and four regional newspapers were searched for ‘illegal logging’ or related terms over the period 2009–12.¹⁴

After peaking in 2009 – probably owing to the conclusion of negotiations of the VPA between the EU and the Republic of Congo and the opening of VPA negotiations with the Central African Republic – press coverage of the issue of illegal logging by France’s major circulation papers fell. But in 2012 it increased once again – by 40 per cent over the previous year. That spike was due in part to the death of the Cambodian environmental campaigner Chut Wutty in April 2012, which attracted considerable attention in the French press.

The majority of articles published in the French press since 2009 have focused on illegal logging in producer countries or the response of the EU as a whole, rather than the actions of the French government (articles focused on the EU are categorized as ‘Other’ in Figure 1). Given the focus within Europe on the negotiation and implementation of the VPAs as well as on preparations for the entry into force of the EUTR in March 2013, this is not surprising.

Figure 1: National media coverage of illegal logging, 2007–12*



*Figures are for the year from 1 October to 30 September; data for 2007–08 are from the 2010 assessment.

¹⁴ The six national newspapers were: *Le Monde*, *Le Figaro*, *La Croix*, *Les Echos*, *Aujourd'hui en France* and *Libération*. The four regional newspapers were: *Le Parisien*, *L'Est Républicain*, *Ouest France* and *Sud Ouest*.

Government Response

A coherent and transparent policy framework that is effectively and consistently enforced is a prerequisite for tackling illegal logging and the trade in illegal timber. This section assesses the design and effectiveness of the French government's policies and regulations. The data are derived from an assessment of the policy framework that is based on a standard set of questions and scoring for the existence of policies, their design and the level of implementation. Data on enforcement are also included.

Table 1 shows the results of the assessments of the situation at the end of 2008 and at the end of 2013:¹⁵ the score given in each policy area is a percentage of the maximum score. These results are discussed in more detail in the following sub-sections, while the detailed policy scores on which this table is based are included in Annex 1.

Table 1: Summary of policy scores for 2008 and 2013 (as % of maximum score)

	High-level policy	Legislative framework	Law enforcement	International engagement	Public procurement policy
2008	Yellow	Red	Yellow	Orange	Yellow
2013	Green	Orange	Yellow	Yellow	Yellow

* To establish the percentage figures, existence, design and implementation have been weighted equally, as has each sub-question under each major heading. Those policy areas for which only a few questions were formulated (institutional and operational factors; international engagement) are more likely to show change than are the other areas. Shading has been allocated according to the total score under each major heading as a percentage of the possible maximum – scores below 25% are red, those between 25% and 50% orange, those between 51% and 75% yellow and those above 75% green.

High-level policy

In order to help build the case for action and inform the response, it is important for consumer-country governments to understand the probable scale, nature and sources of imports of illegal wood-based products and their possible effect on driving illegal logging in producer countries.

In 2004 CIRAD, the French Agricultural Research Centre for International Development, undertook a national-level review to evaluate the role of French consumption in the global trade in tropical timber and to assess the potential impact of a domestic public procurement policy on tropical timber imports. As a result of that review, the French government introduced a public procurement policy later the same year requiring that all tropical timber and timber products be certified as legal and sustainable; that policy has since been extended in scope (see sub-section on public procurement policy below). The review was not made publicly available, however; nor have there been any subsequent reviews of France's consumption of illegal timber, its imports of such products or the effectiveness of its procurement policy.

¹⁵ The policy scores included in the 2010 report were based on an assessment of the situation at the end of 2008; and those for the current assessment on the situation at the end of 2013.

Sustainable forest management (SFM) in tropical timber-exporting countries has been the main priority of France's overall policy to date. The government's commitment to promoting SFM was laid out in a National Action Plan on Tropical Forests adopted in April 2004.¹⁶ That plan focuses on the need to encourage greater uptake of SFM and independent certification of sustainability among producers in tropical timber-exporting countries.

While the action plan itself has not been updated since 2004, the emphasis on SFM is reiterated in the third report of the National Group on Tropical Forests (GNFT), published in 2012. In practice, this has meant technical assistance for legal reform through training and research as well as through financial support for the private sector to help with the development of forest management plans.¹⁷ The establishment of the ECOFORAF project in 2010 (mentioned above) is a further reflection of the continued focus of French forest-sector policy on SFM and forest certification.¹⁸

The GNFT provides a forum for multi-stakeholder engagement in forest-sector policy. It comprises a range of actors, including representatives from government, industry, civil society and consumer groups as well as a number of independent experts. First established in 2002, the GNFT seeks consultative input on three overarching issues: France's trade in wood-based products, measures to tackle deforestation and the targeting of overseas development assistance to forests and, more broadly, the environment. The group meets regularly and is perceived to be effective in assuring multi-stakeholder participation and influencing government policy.

While SFM has been the central focus of France's national-level policy on tropical forests, the problem of illegal logging and associated trade has been addressed through France's involvement in the EU's FLEGT Action Plan and, more recently, through the implementation of the EUTR (which, as noted above, entered into force in March 2013). Responsibility for the implementation of the EUTR lies with the Ministry of Agriculture, Food and Forests. The Secretariat General for European Affairs, which is responsible for overseeing the government's engagement on EU-related issues, plays a role in facilitating cooperation between ministerial departments that deal with FLEGT and the EUTR. It is perceived to be active and effective; in 2013 it met twice to discuss the EUTR – and more specifically, the sanctions that should be imposed in the case of a breach of the regulation. In addition, there is a provision for prime-ministerial intervention to arbitrate in any disputes between ministries on matters related to the EUTR, among other high-level policies.

Legislative framework

Today the EU framework of VPAs (along with the accompanying FLEGT regulation on refusing entry to unlicensed timber products from VPA countries) and the EUTR form the legislative framework for excluding illegal timber from the French market, as is the case for all EU member states. Before the introduction of the regulation, France had no legislation in place that banned the import of illegal timber, aside from those species covered by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), to which France is party.

The EUTR requires that, by the time of its entry into force on 3 March 2013, all member states designate a competent authority to implement the regulation, and have a national law in place to

¹⁶ Plan d'Action du Gouvernement en Faveur des Forêts Tropicales, 7 April 2004 – see http://www.illegal-logging.info/sites/default/files/uploads/Tropical_Forests_Action_Plan_France.pdf.

¹⁷ GNFT (2012).

¹⁸ For further information, see the ECOFORAF project website at http://pfbc-cbfp.org/news_en/items/Ecoforaf-enen.html.

implement the regulation. As noted above, the Ministry of Agriculture, Food and Forests is France's competent authority; although it has yet to identify and allocate all the resources and expertise that will be required for enforcement. Implementing legislation for the EUTR was finally approved in October 2014.¹⁹

The law provides that criminal sanctions may be imposed (i) when the obligations to establish and implement a due diligence system are breached and (ii) in the case of a breach of the prohibition element of the EUTR. Penalties include up to two years' imprisonment and a fine of up to €100,000. More severe sanctions can be applied for legal persons (i.e. companies): the law stating that a maximum fine five times that applicable to individuals can be imposed, and additional penalties can also be applied – for example, an operating prohibition on a company. There is also a provision for more severe penalties for an operator in breach of the law if that operator is found to have been involved in an organized network with the deliberate intention of criminal activity (which in practice is most likely to be relevant in the case of a breach of the prohibition). In these cases, the maximum sentence is increased to seven years' imprisonment and a fine of up to €500,000.²⁰

The law also states that, in the case of non-compliance with the prohibition or due diligence obligations, the competent authority may issue a formal notice to the operator advising on measures to address this. If the operator fails to take appropriate action, the Competent Authority may suspend the operator's activities and impose a fine, with a maximum limit of €15,000, plus a daily fine of up to €1,500 a day until corrective action is taken.²¹

The law does not allow for penalties in the case of non-compliance with the EUTR's requirement for traceability in timber supply chains, however. Under the EUTR, all EU traders (i.e., those companies which deal in timber products on the EU market but did not place the products on that market for the first time) are obliged to provide basic information relating to both their supplier and their buyer as a means to ensure that the timber product in question is traceable along the length of the supply chain. In omitting the possibility for sanction of traders who fail to meet this requirement, the French law risks undermining the effectiveness of the EUTR and its consistent implementation across the EU.

Law enforcement

As regards guidance and instruction for enforcement officials, the French government has provided training on the implementation of its national public procurement policy, the EUTR, CITES and other customs controls to customs, police and other law-enforcement officials. That training was provided by the environmental training institute, IFORE (l'Institut de Formation de l'Environnement), of the Ministry of Ecology and Sustainable Development. At the time of writing, however, training on the EUTR had ceased, presumably because the regulation is now in force. It is important that such training resumes and that it continues on a regular basis in order to ensure effective implementation of the EUTR.

¹⁹ Law no. 2014-1170 of 13 October 2014 – Article 76, at http://www.legifrance.gouv.fr/affichTexteArticle.do;jsessionid=15627DCA7548426341B4FF03849D9879.tpdjo12v_3?idArticle=JORFARTI000029574000&cidTexte=JORFTEXT000029573022&dateTexte=29990101&categorieLien=id.

²⁰ Ibid.

²¹ Ibid.

There have been a number of high-profile NGO reports citing illegal imports into France since the entry into force of the EUTR. Global Witness published a report detailing illegal shipments of Liberian logs to the port of Nantes,²² and in July 2013 the BBC screened a *Panorama* investigation into the import of allegedly illegal timber from the DRC into France.²³ In January 2014 Greenpeace undertook the symbolic ‘seizure’ of logs at the French port of Caen, marking as ‘illegal’ a shipment of logs that had originated in the DRC.²⁴ Five months later, in May 2014, Greenpeace ‘seized’ further shipments at the port of La Rochelle that had originated in Brazil and the Republic of Congo and were suspected by Greenpeace of being illegally sourced.²⁵ But because France has only recently enacted a law providing the legislative framework for EUTR enforcement, no action has yet been taken in response to these reported instances of illegal imports.

While the legislation has been in the process of finalization, France’s competent authority for the EUTR has been engaging with the national timber industry with the aim of facilitating and promoting full compliance with the regulation. In 2011 the government produced a so-called *Passeport pour le bois* or timber passport. This document provides a short briefing for companies on global efforts to tackle the trade in illegal timber as well as relevant information and guidance related to the EUTR.²⁶ In addition, the competent authority has presented on FLEGT and the EUTR at a number of industry conferences and meetings, including the annual Expobois in Paris, which brings together around 20,000 representatives from both the national and the international timber industry. Further resources and expertise will be needed within the competent authority as it begins active enforcement of the regulation.

International engagement

While action at home is crucial, it is also important that consumer-country governments engage with producer and processing countries to help tackle illegal logging and related trade. For all EU member states, the main framework for this engagement is the EU FLEGT Action Plan, in particular the VPAs with timber-producing countries.

France has taken an active role in the negotiation and implementation of VPAs in Cameroon, the Central African Republic and the Republic of Congo, and the negotiation of the VPA with Gabon. It has seconded French government officials to provide direct technical support and provided significant financial and administrative assistance through bilateral arrangements in several countries of the Congo Basin, including the Republic of Congo, Cameroon and the Central African Republic. In addition, it has one full-time member of staff working within the European Commission on VPA-specific projects.²⁷

Between 2005 and 2007 France assumed the position of facilitator of the Congo Basin Forest Partnership (CBFP), which is a coalition of government agencies, non-governmental organizations, industry representatives and scientific institutions aimed at promoting sustainable resource

²² Global Witness (2013), ‘Illegal Logs from Liberia Found in French Port as Sweeping Criminal Sanctions Kick in across EU’, at <http://www.globalwitness.org/library/illegal-logs-liberia-found-french-port-sweeping-criminal-sanctions-kick-across-eu>.

²³ ‘Jungle Outlaws: The Chainsaw Trail’, *Panorama* programme first screened on 30 July 2013 on BBC 1.

²⁴ Van Oijen, D. (2014), ‘Tackling illegal logging should not be a yearly event’, blog for Greenpeace International, at <http://www.greenpeace.org/international/en/news/Blogs/makingwaves/tackling-illegal-logging-should-not-be-a-year/blog/48362/>.

²⁵ ‘Greenpeace « saisit » du bois importé du Congo et Brésil’, *La Croix*, 22 May 2014 – see <http://www.la-croix.com/Actualite/Economie-Entreprises/Economie/Greenpeace-saisit-du-bois-importe-du-Congo-et-Bresil-2014-05-22-1154315>.

²⁶ ‘FLEGT: Passeport pour le bois’, at http://agriculture.gouv.fr/IMG/pdf/Passeport_pour_le_bois.pdf.

²⁷ WWF (2012), ‘Government Barometer 2012’, at http://barometer.wwf.org.uk/what_we_do/government_barometer/scores_by_country/country_scores.cfm?bar_country_id=7&bar_year=2012.

management in the Congo Basin.²⁸ Bilateral support for large-scale logging companies in Cameroon, Gabon and the Republic of Congo has also been on-going since the start of the last decade, and has been administered through a combination of grants from FFEM and loans from AFD.²⁹

France has not established a formalized system of sending and receiving alerts about suspicious timber shipments. However, the full implementation of the VPAs and the associated licensing systems and controls may provide a framework for the exchange of such information, including relevant contact points.

Public procurement policy

France became one of the first governments worldwide to introduce a public procurement policy for tropical timber and timber products, with the adoption of the National Action Plan for Tropical Forests in 2004. That policy was extended in 2005³⁰ to cover both tropical and non-tropical products (these including sawn timber, veneer, flooring, furniture and paper), and a commitment was made that 50 per cent of wood products bought under public procurement would be from legal and sustainable sources by 2007, and 100 per cent by 2010. The policy was amended in 2006 to introduce broader environmental and social sustainability standards, and further guidance was issued in 2008.³¹ A revised National Action Plan for Sustainable Public Procurement was to be developed for the period 2012–18, but was not produced. At the time of writing, there were plans to develop a new ‘advice note’ on the state’s role in setting standards for sustainable procurement for the period 2014–20.

The public procurement policy is mandatory for all national government departments and agencies (although no penalties are enforced in the case of non-implementation) but voluntary for local government departments. Guidance for public buyers on how to integrate sustainable policies into their business practices has been developed and published by the Permanent Study Group of Public Procurement for Sustainable Development and the Environment (GPEM-DDEN).

Since the last assessment in 2010, there have been no changes to France’s public procurement policy and no review of the policy’s uptake. Whether the target of 100 per cent legal and sustainable products by 2010 was met is not known. As of 2011, however, all paper used in the offices of the various state departments and services either meets the EU’s Ecolabel criteria³² or has been certified by an internationally recognized independent certification scheme.

²⁸ For further information about the CBFP, see the official website at <http://pfb-cbfp.org/home.html>.

²⁹ Samyn, J.-M. et al. (2011), *Secteur forestier dans les pays du Bassin du Congo: 20 ans d'interventions de l'AFD*, Paris: Agence Française de Développement. See <http://www.afd.fr/webdav/site/afd/shared/PUBLICATIONS/RECHERCHE/Evaluations/Evaluations-conjointes/Congo-forets-evaluation-conjointe.pdf>.

³⁰ Circulaire du Premier ministre du 5 avril 2005 sur les moyens à mettre œuvre dans les marchés publics de bois et de ses produits dérivés pour promouvoir la gestion durable des forêts. See <http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT00000448492>.

³¹ Circulaire du 3 décembre 2008 relative à l'exemplarité de l'Etat au regard du développement durable dans le fonctionnement de ses services et de ses établissements publics. See <http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000020243534>.

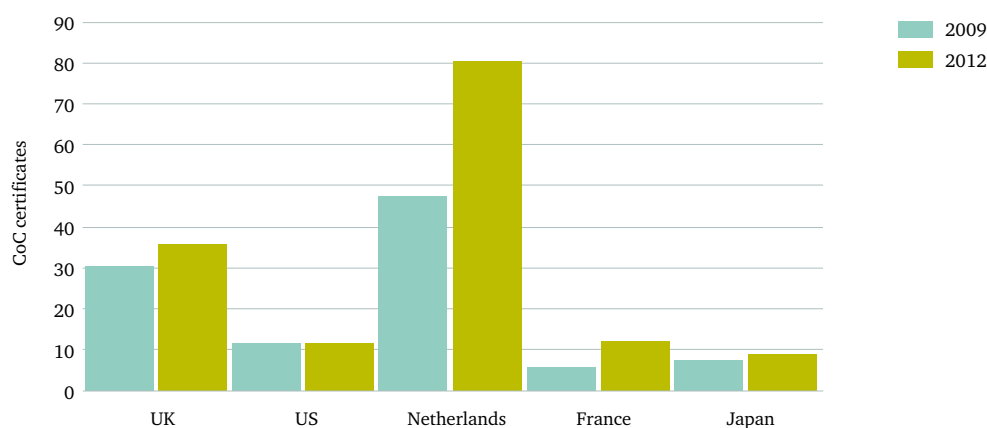
³² The EU’s Ecolabel came under criticism from NGOs in 2010 – see Lang, C. (2010), ‘EU Ecolabel Allows Forest Destruction: The Case of Pindo Deli’, FERN, at http://www.fern.org/sites/fern.org/files/FERN_PindoDeli-final_0.pdf.

Progress by the Private Sector

In addition to assessing government measures to tackle the problem of illegal logging, this study evaluates the degree and effectiveness of the response by the private sector. For consumer countries, an important indicator is the extent of private-sector uptake of voluntary legality verification and sustainability certification standards. As in 2010, the study assesses the uptake of Forest Stewardship Council (FSC) chain-of-custody (CoC) certification.³³ It should be noted, however, that the number of companies with such certification is an imprecise indicator because those companies do not necessarily handle FSC-certified products. Data on the quantity of certified products on the French market would provide an additional metric; unfortunately, no such data are currently available.

France ranks third out of the five consumer countries included in this assessment, in terms of the number of companies with CoC certification relative to the size of its population (after the Netherlands and the UK) (See Figure 2). The number of companies adhering to the FSC's CoC standard in France has been rising steadily, from 121 in 2006 to 773 in 2012 (see Figure 3).

Figure 2: Number of companies with FSC CoC certification, per million people*

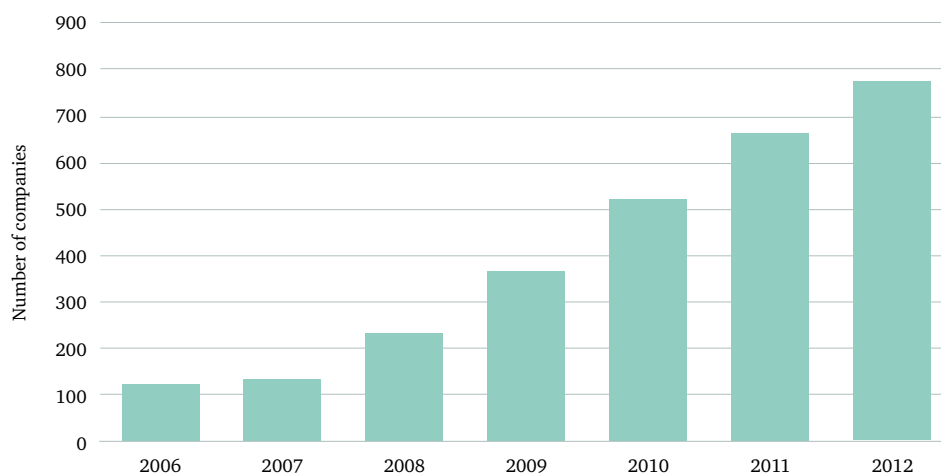


*Source: FSC.

Sources for population data: World Bank (figure for 2006–11) and the Population Reference Bureau (2012).

³³ Although the Programme for the Endorsement of Forest Certification (PEFC) is used extensively in consumer countries, to date only a relatively small area of tropical forest has been certified under the scheme (with the exception of Malaysia). This means that the FSC is a better indicator across the range of producer, processing and consumer countries.

Figure 3: Number of companies with FSC CoC certification*



*As of October each year.
Source: FSC.

Le Commerce de Bois (LCB), France’s main timber trade association, has also developed an environmental charter. This was developed in response to France’s public procurement policy. This requires members to increase the proportion of wood-based products sourced from sustainably managed forests each year.³⁴ Companies are audited one year after signing the charter, and then every two years to check compliance. The charter was adopted in 2006 and updated in February 2013; by 2012 it had been signed by all of the LCB’s members.

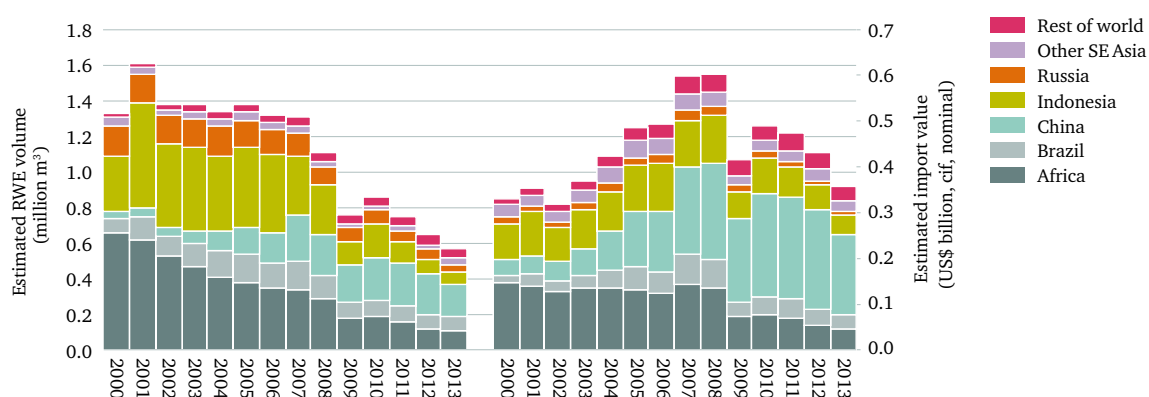
³⁴ *La Charte environnementale de l’achat et de la vente de bois*, at <http://www.lecommercedubois.org/medias/File/Charte-LCB-2012-11-Web-3F-rwpo?PHPSESSID=9gua6el2ml2csujtoq9k4cfk3>.

Estimated Level of Illegal Imports

To estimate the level of imports of wood-based products that are likely to be illegal ('high-risk'), Chatham House undertook an evaluation of product flows (see Annex 2 for further details). It should be noted that these evaluations tend to underestimate certain types of illegality. In particular, possible illegalities in the allocation of logging rights and the process of forest conversion might not have been taken fully into account. Since 2000 the estimated roundwood equivalent (RWE) volume of imports of wood-based products at high risk of illegality has declined; in 2013 the estimated volume of such imports was about one-half of those in 2000, at 0.6 million m³ RWE. In terms of value, France's imports of illegal wood-based products rose during the first half of the last decade before declining after 2008 to a level similar to that in 2000, with an estimated import value of \$360 million in 2013 (see Figure 4).

These somewhat contradictory trends reflect changing trends in the import of different high-risk products, with a shift away from less processed and lower-value products towards higher-value finished products. Between 2000 and 2013, France's imports of logs and sawnwood fell substantially, notably those from West Africa and the Congo Basin, while the same period saw a significant increase in imports of wooden furniture, particularly from China. As finished products have a much greater import value per unit of RWE volume than do logs and sawn wood, a decline in the annual volume of illegal imports has not been accompanied by a comparable fall in their total value. By 2013, China accounted for about half of France's imports of high-risk wood-product imports in terms of import value, and one-third in terms of RWE volume.

Figure 4: Estimated volume and value of imports of wood-based products at high risk of illegality by supplying country or region

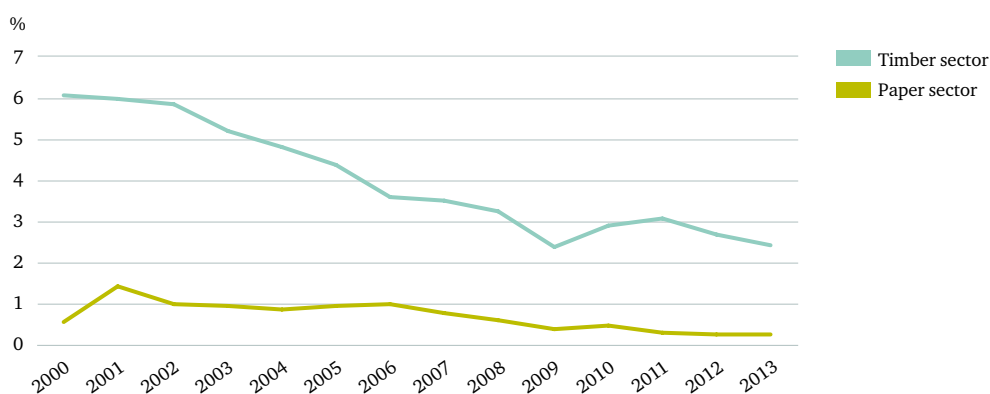


Source: Based on official trade statistics (Eurostat data) and analysis by Chatham House.

Nevertheless, the share of France's imported timber-sector products that is likely to be illegal is low, having dropped markedly between 2000 and 2013. It is estimated that, in terms of RWE volume, it declined from about 6 per cent in 2000 to 2 per cent in 2013 (see Figure 5). In terms of paper-sector products, the share declined from one per cent in 2001 to close to zero in 2013.

The reduction in imports of high-risk products from West and Central Africa has been a significant factor in this, the result both of the reduction in demand for less processed products and of log export bans in some countries (Liberia in 2003 and Gabon in 2010). An increase in the import of products with sustainability certification has also made an impact. This trend also reflects an increase in the proportion of imports coming from within Europe, however, which rose from 77 per cent to 85 per cent between 2000 and 2013.

Figure 5: Estimated percentage of imports of timber- and paper-sector products at high risk of illegality (by RWE volume)



Source: Based on official trade statistics (Eurostat data) and analysis by Chatham House.

Conclusions and Recommendations

France continues to play an active role in the negotiation and implementation of several FLEGT VPAs, and it has been providing extensive support in producer countries for SFM. It also has a strong framework for multi-stakeholder engagement, and coordination within government is deemed to be effective. These efforts will need to be maintained.

France has recently enacted a law establishing the penalties to be imposed in the case of non-compliance with the EUTR. Sufficient resources will need to be put in place to ensure its effective enforcement, including adequate staff and provisions for training. In the light of concerns regarding the absence of sanctions for non-compliance by traders, its enforcement should be closely monitored. The anticipated review of France's public procurement policy should be undertaken in order to build on the government's support for SFM, and a system for monitoring its implementation introduced.

As regards the private sector, while the number of companies with FSC CoC certification has continued to rise since 2010, the rate of growth remains far behind that of the Netherlands and the UK. The implementation of procurement guidelines by the LCB is to be commended, but greater efforts should be made to promote the uptake of sustainability standards throughout the private sector.

The volume of France's imports of illegally sourced wood-based products is low, and is estimated to have dropped significantly. However, the growing dominance of Chinese products in France's overall wood-based product imports is cause for concern given the challenges of implementing effective due diligence for many of these products. Increased cooperation with China – both at the government level and through industry initiatives – to improve supply-chain traceability will be crucial to mitigate the risk of illegality in wood products imported into France.

Annex 1: Policy Assessment Scores for 2008 and 2013^a

	Existence (0–2)		Design (0–5)		Implementation (0–5)	
	2008	2013	2008	2013	2008	2013
High-level policy						
Official review of imports and consumption of illegal wood-based products	2	2	n/a	n/a	3	3
National action plan	2	2	3	3	3	3
Coordination between government departments	0	2	n/a	4	n/a	4
Multi-stakeholder consultations	2	2	4	4	4	5
Legislative framework						
Analysis of existing legislation and regulations	0	0	n/a	n/a		
Enactment of additional legislation ^b	1	1	2	3	n/a	n/a
Range of products covered by any additional legislation			*	n/a		
Applicability to importers or companies along the supply chain			*	n/a		
Inclusion of a requirement on businesses to implement due diligence			*	n/a		
Systematic monitoring and assessment of implementation and impact			*	n/a		
Law enforcement						
Training for customs officials and other relevant officials on existing import controls for wood-based products	1	1				
International engagement						
Formalized trade or customs arrangements with major trading partners	1	1	5	5	n/a	n/a
Formalized system for sending and receiving enforcement alerts ^c	1	1	n/a	n/a	n/a	n/a
Public procurement policy						
Existence and implementation of public procurement policy	2	2			2	2
Level of adherence required			5	5		
Product coverage			4	4		
Extent to which based on independent certification/ verification schemes			2	2		
Provision of assistance for government purchasers			3	3		
Systematic monitoring and assessment of implementation			1	1		
Applicability to sub-national government			3	3		

^a The policy scores included in the 2010 report were based on an assessment of the situation at the end of 2008; and those for the current assessment on the situation at the end of 2013. A grey cell indicates that the answer to the question posed was not scored; an asterisk indicates that the question was not asked in 2010. Policies were assessed according to the following factors: existence (scoring between 0 and 2, whereby 1 indicates partial coverage or a policy under development); design (scoring between 1 and 5, whereby 5 indicates very well designed); and implementation (scoring between 1 and 5, whereby 5 indicates consistent and comprehensive implementation).

^b For EU countries, this question relates to any national legislation implementing the EU Timber Regulation. The following four questions all relate to the EUTR itself, and so have not been scored.

^c A partial score of 1 was given in 2008 based on the FLEGT VPA and related legality assurance system that were under negotiation at the time. No such system has been implemented to date, but the scoring has been kept the same.

Annex 2: Methodology

The methodology employed to undertake the assessments of the 13 countries included in the 2014 Indicators of Illegal Logging and Associated Trade study is based on that developed by Chatham House for its 2010 assessment. Below is a brief overview of the data collection and analysis process. Further explanation of how the indicators were developed can be found in earlier reports.³⁵

The countries included in the study were selected on the basis of the significance of their role in the production and consumption of illegal wood-based products. Four years after the first assessment, the 12 original focus countries continue to account collectively for the majority of exports and imports of such products. Lao PDR is included in the 2014 assessment owing to its increasing importance in the global trade in wood-based products.

Indicators of progress

Chatham House has developed a set of standardized indicators to allow a comparative evaluation to be undertaken. The indicators cover four areas:

- a) Media attention – entailing quantitative and qualitative analysis of media coverage of the issue of illegal logging and associated trade;
- b) Government response – entailing an assessment of the policy framework and analysis of enforcement data;
- b) Progress by the private sector – entailing an assessment of the level of chain-of-custody certification; and
- d) Estimated level of illegal trade – entailing an analysis of trade data to estimate the level of illegal imports.

An outline of how these data were collected is provided below.

Media attention

The level of attention afforded to illegal logging and related trade in the domestic and international media was assessed using both quantitative and qualitative methods. The volume of articles in the international media was measured through a search of online media archives (Factiva, Newsbank and LexisNexis) using the term ‘illegal logging’ and the country name. A similar approach was adopted with domestic media: the search term ‘illegal logging’ was used in English and/or the local language. Online archives were used where possible and physical archives where no such digital records were available. Country partners were asked to identify those newspapers, journals and media outlets that can be considered to qualify as ‘major circulation’.

³⁵ Lawson, S. (2007), *Illegal Logging and Related Trade*; and Lawson, S. and MacFaul, L. (2010), *Illegal Logging and Related Trade: Indicators of the Global Response*. London: Chatham House.

The articles were then categorized according to their main focus: enforcement, private-sector response, government response, impacts or 'other'. The search period for domestic media coverage was the year from October to September, while that for international media was the calendar year.

Policy assessment

For each of the countries included in the study, an in-country partner was selected by Chatham House to assess the national policy and legal framework for dealing with the issue of illegal logging and related trade. For consumer countries, the questions were grouped into five broad categories: high-level policy, legislative framework, law enforcement, international engagement and public procurement policy. In addition, enforcement data were collected and incorporated into the policy assessment.

In-country partners were provided with an advisory framework on scoring and the scores from the first-round assessment, in order to maintain a degree of consistency across countries and between the two assessments. The scores were then reviewed by Chatham House researchers and peer reviewers and amended where necessary.

Level of CoC certification

To assess the private-sector response, Chatham House collected data on the number of companies in each consumer country that have achieved FSC CoC certification. In theory, FSC CoC-certified companies are those that deal in FSC-certified products. In practice, a considerable number of CoC-certified companies handle few or no FSC-certified products. For this reason, data on CoC-certified companies must be interpreted with some caution. Data on CoC certification in each consumer country were provided by the FSC and analysed by Chatham House.

Analysis of trade data

The level of imports of wood-based products at high risk of illegality was estimated through a detailed evaluation of product flows (for which the term 'import-source analysis' was coined). The evaluation involved estimating the RWE volume and value of imports (in US dollars) from official import data for each year as well as the bilateral flow of each category of wood-based product. Those values were then multiplied by estimates of the proportion that was likely to be illegal. That proportion was based on an estimate of the level of illegality likely to be associated with the export of each product category for a given country and year as well as the extent to which importing countries demonstrate a preference for legal (e.g. FSC-certified) products. Further details of how the estimates were made are provided in a methodology paper.³⁶

³⁶ Hoare, A. (2014), *Methodology for estimating levels of illegal timber- and paper-sector imports*. London: Chatham House.

Glossary

AFD	Agence Française de Développement/French Development Agency
ATIBT	Association Technique Internationale des Bois Tropicaux/International Technical Association on Tropical Forests
CBFP	Congo Basin Forest Partnership
CIRAD	Centre de coopération internationale en recherche agronomique pour le développement/French Agricultural Research Centre for International Development
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CoC	Chain-of-custody
ECOFORAF	Appui à l'éco-certification des concessions forestières en Afrique Centrale/project for eco-certification of concessions in Central Africa
EU	European Union
EUTR	EU Timber Regulation
FFEM	Fonds Français pour l'Environnement Mondial/French Fund for the Global Environment
FLEGT	Forest Law Enforcement Governance and Trade
FSC	Forest Stewardship Council
GNFT	Groupe national sur les forêts tropicales/National Group on Tropical Forests
GPEM-DDEN	Le Groupe permanent d'étude des marchés-développement durable, environnement/Permanent Study Group of Public Procurement for Sustainable Development and the Environment
IFORE	l'Institut de Formation de l'Environnement/Training Institute for the Environment
LCB	Le Commerce du Bois
NGO	Non-governmental organization
REDD+	Reducing Emissions from Deforestation and Degradation+
RWE	Roundwood equivalent
SFM	Sustainable forest management
VPA	Voluntary Partnership Agreement

About the Author

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Acknowledgments

This assessment was written by Laura Wellesley (Chatham House), with oversight from Alison Hoare (Chatham House).

It is based on research undertaken by the following: Claudine Léger (consultant), who conducted research in France; James Hewitt (consultant), who analysed trade data and illegal imports; and Chatham House, with research assistance provided by Adelaide Glover and Rachel Shairp.

Chatham House would like to thank James Hewitt (consultant), Emily Unwin (ClientEarth), Bastien Revel (consultant), Julien Massetti (Ministry of Agriculture, Food and Forests, France) and Claudine Léger (consultant) for reviewing a draft of this report.

The research for and writing of this study were undertaken with funding gratefully received from the UK Department for International Development (DFID).

The conclusions and recommendations contained in this report represent the views of the author, not those of the consultants, reviewers or funders.

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