Introduction

The harvesting and manufacturing of illegal wood-based products have become a global issue due to the negative consequences it has brought to the global environment, economy, and the rest of society. Illegal logging gives rise to global deforestation, which may negatively affect water quality, decrease carbon stocks, and contribute to animal extinction. Also, the harvesting and burning of wood would cause the release of carbon gas, which may lead to climate change. As estimated by the World Wildlife Fund (WWF), deforestation alone has contributed to 15 percent of the world's total greenhouse gas emissions. Other than environmental issues, illegal logging may lead to economic impacts as well. For instance, the rise of illegitimate wood industry has posed a threat to the revenue of legal businesses as competitors increase by numbers. Many countries have experienced economic losses due to illegal forestry practices and the illegal trading of wood-based products. Moreover, illegal practice within the wood industry can obstruct forest management, which may cause governments to experience an economic loss. According to the United Nations Environmental Programme (UNEP) and the International Criminal Police Organization (INTERPOL), the global cost for illegal logging is worth 30 to 100 billion USD every year.

Illegal logging is most likely to be found in Africa and the developing countries in southeast Asia. According to the United Nations Office on Drugs and Crimes (UNODC) in 2012, 90 percent of Cambodia’s wood-based products in the formal trade is illegal. Indonesia is right after Cambodia, with about 75 percent of its wood-based products in the formal trade being illegal. The identification of illegal wood-based products is very hard as they have an identical appearance with legal wood-based products. In addition, some officials within the forestry administration abuse their power by allowing illegal forestry practices. With support from high-level officials, it is totally possible to create counterfeit documents that would harden the identification of illegal wood-based products during manufacturing and transporting.
The issue at hand is tightly related to several United Nations Sustainable Development Goals (UNSDGs), such as Goal 8: Decent Work and Economic Growth and Goal 15: Life on Land. The two SDGs are relevant to this issue as illegal logging may cause a decline in a countries’ revenue and disturb a legitimate trading system. In addition, illegal logging may harm the ecosystem in regions embodied by forests or trees. The existence of illegal logging is exploiting forestry through unsustainable means. By combating the harvesting and manufacturing of illegal wood-based products, a variety of environmental issues will be addressed at the same time.

Definition of Key Terms

**Illegal logging**

Different countries and organizations have different views and policies on legality. Illegal logging involves harvesting, manufacturing, transporting, and trading of wood or wood-based products in violation of national laws or international agreements. According to relevant studies, common practices of illegal logging include “harvesting without authority in designated national parks or forest reserves; harvesting without authorization or in excess of concession permit limits; failing to report harvesting activity to avoid royalty payments or taxes; and violating international trading rules or agreements, such as export bans or [Convention on Trade in Endangered Species] CITES.”

**Organized Crime**

Organized crime is a group of individuals that gather to practice criminal activities. Organized crimes are difficult to combat as they usually have very good communication methods that is hard to be caught. Many illegal practices with wood-based products are practiced by organized crimes.

**Poverty**

Poverty is the state of being unable to guarantee basic living needs due to the lack of income. According to UNDP, poverty is characterized by “income insecurity, malnutrition, poor health and lack of access to clean water and sanitation, as well as adequate housing.” In regard to the current issue, poverty is one of the causes of illegal logging. Impoverished residents in forestry areas may be involved in illegal harvesting of wood due to their inability of buying food, furniture or other wood-based products.

**Sustainable Development Goals (SDGs)**

The Sustainable Development Goals, adopted in 2015, consists of 17 different goals in which the United Nations aim to achieve by the year 2030. The 17 SDGs present “a shared blueprint for
peace and prosperity for people and the planet, now and into the future." SDGs that are most related to the current includes SDG8 and SDG15.

**Wood-Based Products**

The illegal wood-based product is one of the main focuses of this issue. Wood-based products are any products that use wood as their major materials. Common wood-based products include paper, wood-made furniture, charcoal, and timbers for construction usages. Many wood-based products are made through illegal processes such as illegal harvesting and manufacturing. The illegal wood-based products may have an identical appearance to the legal products, thus very hard to identify.

**Background Information**

Specifically, timber that is illegally harvested, manufactured, transported and traded in violation of both national and international laws may be categorized as products of illegal logging. The significant loss in government's revenue and the threat to endangered species have made illegal logging a serious and important issue. Illegal forestry activities have brought impacts that are threatful to the global environment and economy.

**Factors leading to illegal logging**

Illegal forestry activities are most likely to be found in developing countries where the following characteristics may be applied: high foreign debt, poor governance, impoverished population, political corruption, and such. Regions that are in war may also be importing illegal wood-based products due to their need in weaponry supplies. Understanding why illegal logging exists is an important process in effectively combating the harvesting and manufacturing of illegal wood-based products.

*Foreign debt*

Many countries that produce illegal timber or wood-based products have a high level of foreign debt. Countries that are in debt are less likely to have practicable forestry management due to their lack of funds and other resources. Without funds, governments will be unable to train forestry managers, raise the public's awareness on the negativity of illegal logging, nor implement projects that would help combat illegal logging. Additionally, the exports of illegal timber may be more valued than the export of legitimate timber as illegal products avoid tax and royalty payments. There are possibilities of countries or forestry enterprises taking advantage of illegal logging as to prevent the payment of tax.

*Poverty*
As illegal logging deprives part of governments’ revenue, fewer monetary resources can be distributed to the rest of the society. With that, the impoverished population within that nation may increase. Many impoverished people may become involved in illegal activities in order to earn resources that are enough to support their families. A number of impoverished groups and individuals living in rural areas, especially those in forestry areas, participate in organized crimes that are involved with illegal harvesting, manufacturing, and trading wood-based products or assist illegal loggers by providing them woods in exchange for money or other supplies.

**Poor governance**

A country with poor governance may have difficulty enforcing laws or managing the issues in its territory. With these circumstances, countries with poor governance have a high possibility to have poor forestry management and be enabled in fully enforcing laws against illegal logging. Failure in such enforcements and managements provides the opportunity for illegal loggers and organized crimes to have access to forest thus to practice illegitimate forestry activities.

**Corruption**

Corruption is one of the major political issues throughout history. Even in modern days, there may still be corrupted officials within countries’ governments who abuse their power to practice or allow the practice of illegal activities. This may also apply to enterprises, where there may be high-level administrators who abuse their authorities for illegal practices. In regard to the issue at hand, high-level officials and administrators may be involved in illegal forestry activities due to the fewer taxes they would have to pay. Some even do so to keep money in their own pockets. The allowance and support from corrupted officials and administrators have made the illegal logging less difficult to complete. Thus resulting in an increasing amount of illegal logging.

**Warfare**

Timbers that are traded with purposes relevant to an armed conflict are called “conflict timbers.” Conflict timber may include timbers that are exported to buy weapons, as well as those that are harvested to make weapons. Conflict timbers are considered illegal as they are usually harvested and traded illegally. Most importantly, the usage of conflict timbers involves harming and killing people. The First and Second Liberian Civil War are examples of armed conflicts that utilized conflict timbers. During the civil wars, the former president of Liberia Charles Taylor had exported timbers to buy arms, which have then caused hundreds of thousands of people to death. The demand of arms in warfare is as well a factor that leads to the increase of illegal logging.
Impacts of illegal logging

Illegal logging has caused great impacts on the global economy, environment, and society. For instance, the trade of illegal wood-based product has negatively affected the global market. The estimation from UNEP and INTERPOL indicates that a global cost of $30 to 100 billion annually have resulted from illegal logging, with uncollected taxes being the major factor of the monetary loss. Other than the global market, illegal logging may also cause the loss of government revenue and contribute to the extinction of plant and animal species.

Loss of government revenue

According to the World Bank, illegal logging has cost an annual $10 to 15 billion dollar each in government revenue in countries worldwide. The revenue was mostly loss from uncollected taxes and royalties from illegal harvesting and trade of timber. As recorded from the Human Rights Watch, the Indonesian government had lost $7 billion between the years 2007 and 2011 due to illegal logging and forest mismanagement. In 2012, uncollected taxes on exports to China had made Mozambique loss $20 million of revenue, according to the Environmental Investigation Agency (EIA).

Major Countries and Organizations Involved

United States of America (USA)

The USA is one of the world’s largest wood-based products importers. In 2010, USA imports were an estimated 9.3 billion wood-based products from the People’s Republic of China (PRC). The US government has also taken various actions to combat illegal logging. For instance, the US is the first country “to introduce legislation prohibiting the import and sale of illegally-sourced timber,” with an amendment named Lacey Act.

People’s Republic of China

The People’s Republic of China is one of the world’s greatest exporters, as well as importer, of wood-based products. Most East Asian countries export illegal wood-based products through China. According to UNODC, China had exported an estimated 3.3 billion USD to the rest of the world in 2010. Moreover, in 2013, an estimated 15 percent of China’s imports of wood-based products is illegal. The government, on the other hand, has been trying to combat illegal logging through afforestation the implementation of forest protection policies. Since 1990, China’s forest area increases by 1 percent every year.
Brazil

Amazon rainforest, the world’s largest rainforest in size is located in Brazil and seven other countries. The Amazon rainforest has been facing a great threat of deforestation through past decades. A study by a Brazilian commission indicates that in the late 1990s, 80 percent of the logging in Amazon is illegal, and “Of the 13 companies that were investigated, 12 had broken the law.” The increase of illegal logging in the Amazon rainforest continues today. Between August 2017 and July 2018, 7900 square kilometres of the Amazon forest was cleared. “That was a 13.7 percent increase from the same period in the prior year.”

Southeast Asian Countries

Many developing countries in southeast Asia such as Cambodia, Indonesia, Papua New Guinea, Myanmar, Laos, Malaysia, and Thailand are actively involved with illegal logging affairs. Many are facing issues such as deforestation and decreasing water quality due to the over-harvesting of wood. Moreover, a portion of these developing countries consists of corruption in local or governmental officials, which increases illegal loggers opportunity to harvest and manufacture wood-based products. In addition, the size of the impoverished group and the lack of education of citizens are also factors leading to illegal wood-related affairs.

World Trade Organization (WTO)

The World Trade Organization, or WTO, is an international organization that works to regulate trade between nations. Illegal logging has been entering international trade for many decades. WTO’s Committee on Trade and Environment (CTE) has been working on international cooperation in combating illegal logging. CTE gathers member nations for exchanging the information of different actions taken by countries to combat illegal logging. CTE also works on developing international agreements that would help tackle illegal logging. WTO is an important organization as to combat illegal logging through the imports and exports of wood-based products between different nations.

International Criminal Police Organization (INTERPOL)

INTERPOL is an intergovernmental organization that works on promoting global police cooperation and combating criminal activities worldwide. The INTERPOL Forest Enforcement team works with member nations to combat illegal forestry activities. For instance, INTERPOL’s Operation Amazonas II in 2015 seized approximately $90 million worth rosewood and arrested 328 individuals from illegal trades in South and Central America.

Timeline of Events
Date | Description of event
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1974 | The United Nations declared the fifth of June as World Environment Day.
1 July, 1975 | The Convention on International Trade in Endangered Species of Wildlife Fauna and Flora (CITES) has come into force. CITES is an international agreement that works to ensure the survival of animal and plant species won’t be threatened by international trade.
July, 1997 | The Asian Financial Crisis began. The Asian Financial Crisis had resulted in heavy foreign debts of many southeastern countries such as Indonesia and Thailand. Asian Financial Crisis had increased the impoverished population in such countries, thus increased illegal activities that avoid tax and royalty payments.
October, 2000 | The United Nations Forum On Forests (UNFF) was established by ECOSOC in its resolution 2000/35. UNFF focuses on promoting “the management, conservation and sustainable development of all types of forests and to strengthen long-term political commitment to this end.”
5 November, 2001 | The United Nations declared the sixth of November as the International Day for Preventing the Exploitation of the Environment in War and Armed Conflict.
2003 | The Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan was published by the EU to provide measures for EU member states to combat illegal logging.
2008 | An amendment to the USA’s Lacey Act banned “the importing, exporting, buying, and selling of illegally sourced plants, and requires companies trading in most wood products to submit formal declarations of the species and origin of harvest.”
20 December, 2013 | The United Nations declared the third of March as World Wildlife Day.

**Relevant UN Treaties and Events**

- Tackling Illicit Trafficking in Wildlife, 30 July 2015 (*A/RES/69/314*)
- International Arrangement on Forests Beyond 2015, 22 July 2015 (*E/RES/2015/33*)
Previous Attempts to solve the Issue

Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan

The FLEGT Action Plan is the European Union’s response to illegal logging. The EU established the FLEGT Action Plan in 2003, aiming to “reduce illegal logging by strengthening sustainable and legal forest management, improving governance and promoting trade in legally produced timber”. One successful outcome from the EU FLEGT is the Voluntary Partnership Agreement (VPA), an agreement between the EU and the timber producers outside of EU. VPA is an on-going agreement that helps countries to tackle illegal logging. The agreement also ensures that the imports and exports of timber and timber-based products are from legal sources. The EU FLEGT Action Plan had implemented and is still conducting many projects that would help combat to illegal logging to countries from different parts of the world.

Lacey Act

The US Lacey Act is the first-ever legislation that prohibits the trading of illegal wood-based products. Lacey Act was first implemented in 1900 as a ban on the trading of illegal wildlife. The act is then amended to also ban on the trading of illegal wood-based products in 2008. With the amendment, the US Lacey Act had been enforced in several logging cases. For instance, the Gibson Guitar Corp. was found violating the Lacey Act through the import of illegal wood from Madagascar and India and was punished through a huge amount of fines. The US Lacey is a successful model for combating illegal logging.

Possible Solutions

Strengthening Governments and Improving Governmental Regulations

Illegal timber is mostly supplied to domestic areas rather than the international community. It is important to address the issues within a country before entering the international trade. Illegal logging could be resulted from corrupt governments, or governments lacking enforcement on forestry management. In those cases, relevant organizations may provide assistance to increase government’s transparency, improve governance on trade and forestry enterprises, and publish projects for better forest management. A transparent government allows citizens and the rest of the world to keep track and ensure that the specified country is not practicing illegitimate measures. The improvement of a country’s governance may contribute to the investigation of the harvesting, manufacturing, and trading of illegal logging within the country. Moreover, with a good forest management, a country would be able to prevent illegal harvesting and to better monitor the forest industry.

International Cooperation
Cooperation among multiple countries and organizations would better contribute in combating illegal logging. An international cooperation allows countries to exchange information on the successful policies and measures tackling illegal logging and ineffective practices that should be abandoned or further improved. VPA is an example of successful international cooperation. VPA not only ensures all export and import of wood and wood-based products are legally sourced but also supports member nations in combating the illegal logging within their country. It is very important to have an international network that would raise the global awareness on the negativity of illegal logging, monitor the legitimacy of timber trades, and assist timber-producing countries to eradicate illegal harvesting and manufacturing of timber.

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**Appendix or Appendices**

I. Formulation and Implementation of National Action Plans to Combat Illegal Logging and Other Forest Crime

II. Assessment of the Impact of Potential Further Measures to Prevent the Importation or Placing on the Market of Illegally Harvested Timber or Products Derived from Such Timber


IV. Illicit trade in wood-based products from the region to the world

V. Combating Illegal Harvesting and Related Trade of Forest Products in Europe

VI. Formulation and Implementation of National Action Plans to Combat Illegal Logging and Other Forest Crime