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## ILLEGAL WOOD TRADE: the Italian experience in controlling deforestation

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### *Paper organization*

1. Are Italian companies involved in deforestation and trade of illegal logging?
2. Which are the most affected countries?
3. Why do we need an action?
4. What are we doing to reduce the problems?

Some final considerations

### 1. Are Italian companies involved in deforestation and trade of illegal logging?

Italy: 6th world importer of wood products  
(≅ 1st world exporter of furniture)  
2nd European importer  
1st importer from the Balkan area  
2nd European importer of tropical timber

Italy is the 1st export market for Cameroon, Serbia, Bosnia,...

### Some examples

- Veneta Legnami: shareholder of the Société Fostièrè Hazim (SFH) in Camerun
- Vasto Legnami: *"We are so concerned about the state of the forest resources in our concessions (Camerun, Ivory Cost) that in many cases we are directly providing the salaries to the local forest officials"*
- Forestale Veneta: wood import from the Oblast of Lviv (Ukraine)
- Corà Legnami: sawmill in Serbia

Greenpeace protesting at the Ministry for Public Works: Azobe' imported from Liberia through the Oriental Timber Company (responsible – as stated by the UN – of illegal trade of weapons)

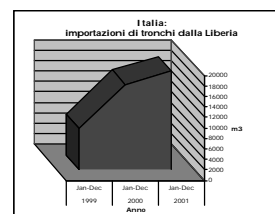
November 2001

### Conflict timber

**Liberia**

**Congo RD**

**Ivory Coast ...**

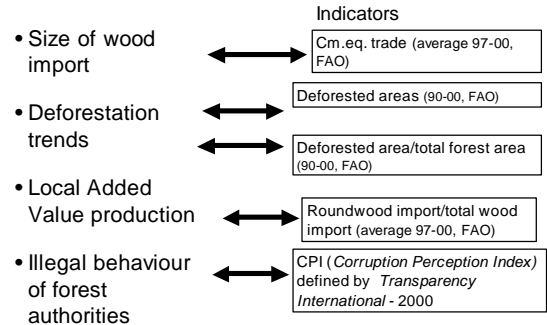


## 2. Which are the most affected countries?

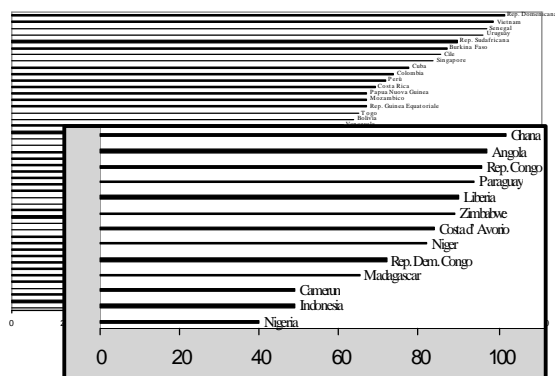
- West Africa
- Eastern Europe
  - Balkan area
  - Russia
- South-East Asia

A SLOW MOUVE TO THE EAST

## Criteria to orient key-countries as main commercial partners



Source: Castiglion and Pettenella, 2003



## Import from eastern Europe (FAO – 1999 – 1000 \$)

Croatia	119,833
Russian Federation	102,301
Slovenia	97,800
Poland	82,242
Hungary	79,993
Czech Republic	78,432
Bosnia and Herzegovina	43,460
Romania	43,244
Slovakia	35,372
Bulgaria	22,899
Yugoslavia, Fed Rep of	18,362
Ukraine	12,947
Estonia	8,607
Albania	5,327
Belarus	3,950
Lithuania	3,749
Latvia	2,939

## 3. Why do we need an action?

For clear ethical consideration...

...but also because a well-regulated and transparent market is more stable, efficient, equitable.

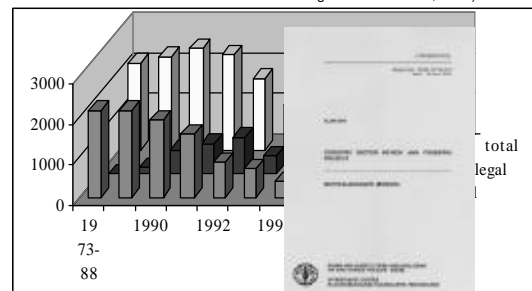
<http://www.transparency.org>

	2002
Total sample	835
Public works/construction	46%
Arms and defence	38%
Oil and gas	21%
Banking and finance	15%
Real estate/property	11%
Pharmaceuticals/medical care	10%
Power generation/transmission	10%
Telecoms	9%
IT	6%
Forestry	5%
Mining	5%
Transportation/storage	5%
Heavy manufacturing	4%
Agriculture	3%
Fishery	3%
Civilian aerospace	2%
Light manufacturing	1%

Two examples:

1. Chestnut logs imported from Georgia
2. Albania

Source: Genral Direction for Forests and Range – MAF Albania, 1999)



#### 4. What are we doing to reduce the problems?

Different instruments available:

- Existing legislation (binding and not binding)
- New (or revised) norms and agreements
- Voluntary initiatives by private companies

#### Official speakers:

- Min of Environment
- CFS – Min of Agric. and Forest Policies
- Federlegno
- Assocarta
- WWF
- Greenpaece
- 5 Companies
- Expert in public procurement policies
- AI
- IFOAM
- Banca Etica

ASF-IFSA-AUSF

PROCESSI DI DEFORESTAZIONE E COMMERCIO DI LEGNAME DA TAGLI ILLEGALI: la responsabilità dei consumatori e delle imprese italiane

Facoltà di Agraria - Agripolis

6 marzo 2003

Congress documentation:

[www.tesaf.unipd.it/News/news.htm](http://www.tesaf.unipd.it/News/news.htm)

#### a. Existing legislation CITES and the Corpo Forestale dello Stato (C.F.S.)

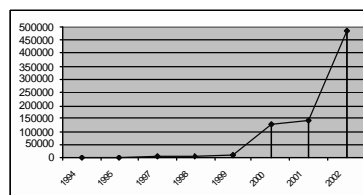
Roma  
Central service

25 Local Certification  
Offices

18 Check-point Offices

#### Wood imported of species protected by CITES

Since 1994: 776.828,2 M3



1994	950.24
1995	0
1996	64.6
1997	2438.81
1998	7999.997
1999	9300.749
2000	127504.5
2001	139568
2002	483064.7

Why it is useful?

- To give evidence that the problems of illegal trade does exist
- We have a specialized police to implement the law (CITES but – in the future – the legislation)

#### b. New (or revised) norms and agreements

- OECD Guidelines for trans-national corporations
- Green Public procurement policies
- Communication to the Council and to the European Parlamento (COM(2002) 82 of 13.2.02) “**Forest law enforcement, governance and trade – FLEGT**”

= a new sector for political action (in a very difficult political condition)

#### c. Voluntary instruments of private companies

- Compensatory investments
- Codes of Good Practices :
  - In forest management
  - In providing financial services (see the experience of ABN-AMRO: a positive – limited example: Banca Etica)
  - In the insurance sector (sea transport)
- External auditing (ALPICAM: Worldwatch Institute)
- Environmental and Social Reporting
- SFM and CoC certification

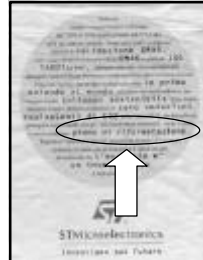
## Bioforest Association

Since 1998

Initiator: VALCUCINE SPA

Members (2003): 30 companies  
(Foppapedretti, AEF, Franke, ...)

Invested capital: 580.000 €



- 2 afforestation programmes in Latin America
- A programme to reduce fossil energy consumption in the industrial activities of associated members
- Research funding
- Environmental education in Italy

A sound practice or "green washing"?

## Coop

In april 2002  
Coop starts  
selling the  
first tissue  
products  
certified in  
Italy

	2002	2001	%
Cooperatives	178	-2	-1,1%
Shops	1.265	+3	+0,2%
Employees	47.300	+2.950	+6,7%
Sales (m il €)	9.860	+682	+7,4%
Members (x 1000)	4.995	+293	+6,2%

In October and November 2002 two new products

Now:

4 paper companies certified

7 different types of paper products

5 new products will be introduced soon

No price premium

Certification is a useful instrument to reduce illegal logging and to supply wood to consumers in developed countries...

... Yes, but to really try to tackle the problem we need a portfolio of many and diversified instruments!

## 5. Some final considerations

- A late perception of the problem
- FAO definition:  
*Deforestation is the conversion of forest to another land use or the long-term reduction of the tree canopy cover below the minimum 10 percent threshold.*

- New markets: low-quality wood for energy and pannels
- De-localization process: new problems on monitorig environmental effects of industrial development

A prevailing horizontal (South to South opposite to North to North) trade

Market separation should not be an justification to forget the problems related to the state of forest resources and people in the developing world

