

# TIMBER TRADE INFORMATION CHALLENGES & SOLUTIONS

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# HEARD AT WRI-FLW 2017

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“The CITES scientific authority must be satisfied that trade will not be to the detriment of the species but many countries lack resources to carry out these assessment”

“Product classifications in trade data make it difficult to identify individual species”

“Musical instruments were not the target for [CITES] legislation, but...my company has lost hundreds of thousands of dollars...we cannot implement legislation that is sloppy and simplistic”

“Governments are bad at recruiting and maintaining IT teams”

“There is very little data on species being grown in China”

“Many [CITES parties] do not report trade until 2 years after the event – we are driving blind and need to invest in real time monitoring”

“Establishing traceability for engineered wood products is challenging but if we know the conversion factors we can use the mass balance approach”

“[Using smart phones and GPS] we implemented a [legality verification] system for 70000 industry players in only 3 months”

# DATA NEEDS AT VARIOUS LEVELS

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- Advocacy & initiators (community rights organisations, ENGOS) – to build political will & highlight poor practice
- Governments/policy-makers to formulate good laws and measure impacts, assess trade-offs & unintended effects
- Enforcement agencies – to prioritise and target activity, compliance testing
- Operators to implement due diligence efficiently and effectively

# IMPLICATIONS OF DATA FAILURES

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- Poor practice is unidentified, leading to lack of political will, governments & industry remain unengaged & in denial
- Government intervention is inadequate or disproportionate, inefficient, inequitable, with unintended consequences
- Enforcement is poorly targeted & inefficient
- Due diligence fails to identify risks where they exist, leading to sanctions, or assumes risk where it is negligible, excluding legitimate suppliers from the supply chain

# MY BACKGROUND

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- Independent Market Monitor (IMM)
  - ITTO hosted, EU funded
  - Market impact of FLEGT Licenses
- Global Timber Forum:
  - 80 info sources assessed: relevance, accuracy, timeliness, accessibility
  - On-going work to establish central database of trade statistics
- American Hardwood Export Council
  - Risk assess legality & sustainability of US hardwoods (commissioned from Seneca Creek)
  - Visualisation of US Forest Inventory & Analysis (FIA) data (commissioned from BWA)

# TIMBER TRADE DATA: OBSERVATIONS

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- Rising diversity of data sources
- Data quality & accessibility improving - but not fast enough and not in all areas
- Few data sources are global in scope => do not highlight increasing inter-connectedness of markets & trade flows
- Large role for non-industry actors & less investment in information gathering & provision by private sector

# TIMBER TRADE DATA: GAPS/ISSUES

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- Volume of timber harvested and processed
- Wood conversion efficiency
- Limitations of HS Product Classification – particularly in relation to individual species
- Trade flows between and within emerging markets
- Investment & financial flows (except carbon-related)
- Price indices outside North America
- End-use surveys – how & where is wood being used

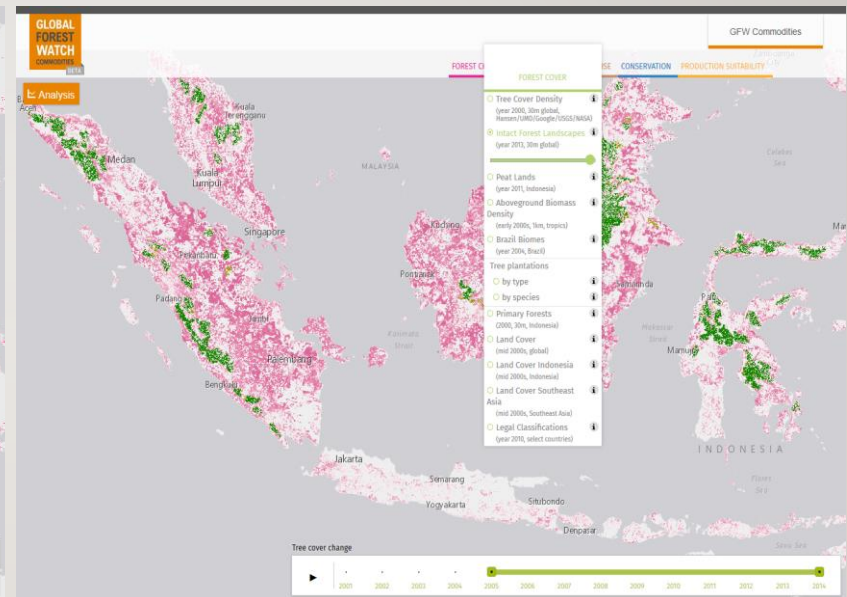
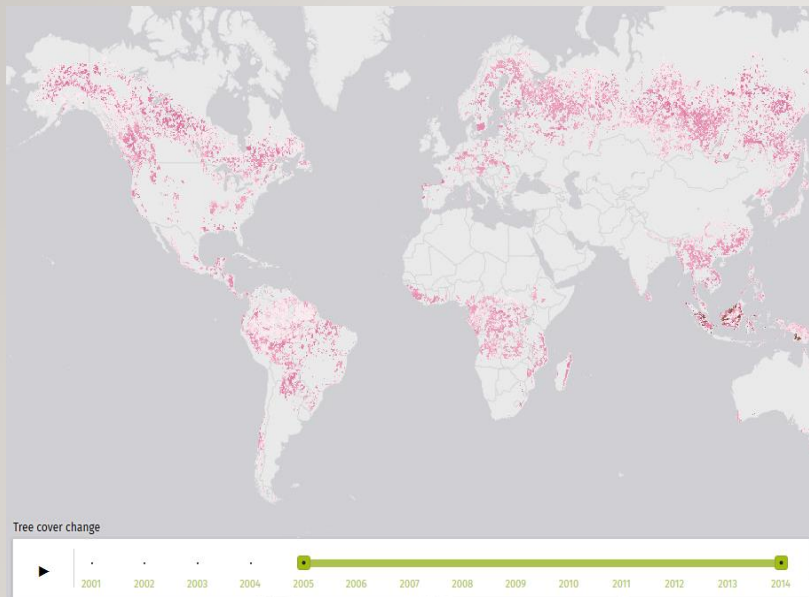
# RESPONSIBLE TRADE: DATA GAPS

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- Extent, location or type of certified or legally verified forest
- Volume and value of production & trade flows of third party certified or legally verified wood products
- Indices of national/regional illegal harvest risk
- Exposure of specific trade flows to illegal harvest



# GLOBAL FOREST WATCH ANNUAL TREE COVER LOSS



- Satellite imagery
- Close to 'real time'
- All vegetation > 5m height
- No distinction in loss data between natural forest, plantation & cash crops
- Annual forest growth difficult to measure and not reported

## Start New...

**FIA Standard Reports**

Produce standard FIA reports on your own selection of states, counties, and survey year(s) ... You can also select from a wide range of custom filters.

**Custom Retrievals**

Customize a retrieval for your own specific needs or build new, user-defined report templates.

## Forest Inventory Data Online (FIDO)

### Creating Custom Retrievals

Use this mode of the FIDO application to create new, custom retrievals. You'll be able to do everything from selecting your summary attribute to choosing custom filters and the report layout display. The next sections describe in some detail how this mode of FIDO works...

[Begin Creating Custom Reports >>](#)

### Creating a Custom Retrieval

There are 8 steps to creating and saving a custom report. You can go to any step by clicking on the matching button displayed in the right-hand column. You can also let the wizard guide you through the process by clicking the "Continue" button at the bottom of the page. Below is a brief description of each of these steps:

 **Start New Retrieval**

You start your custom retrieval with this step. You can choose to either start a completely new retrieval/template or pick one of the existing retrievals/templates to use as a starting point.

 **Set Summary Attribute**

The summary attribute is the value that will be displayed in the cells of your tabular report. Examples include *Area of land*, *Tree volume*, *Tree mortality*, etc.

 **Design Report Layout**

When you define your report layout, you select how the summary attribute defined above is grouped and reported. FIDO retrievals are broken down into three axes. In tabular reports the axes define table, row, and column breaks. You will be required to select an attribute for each axis.

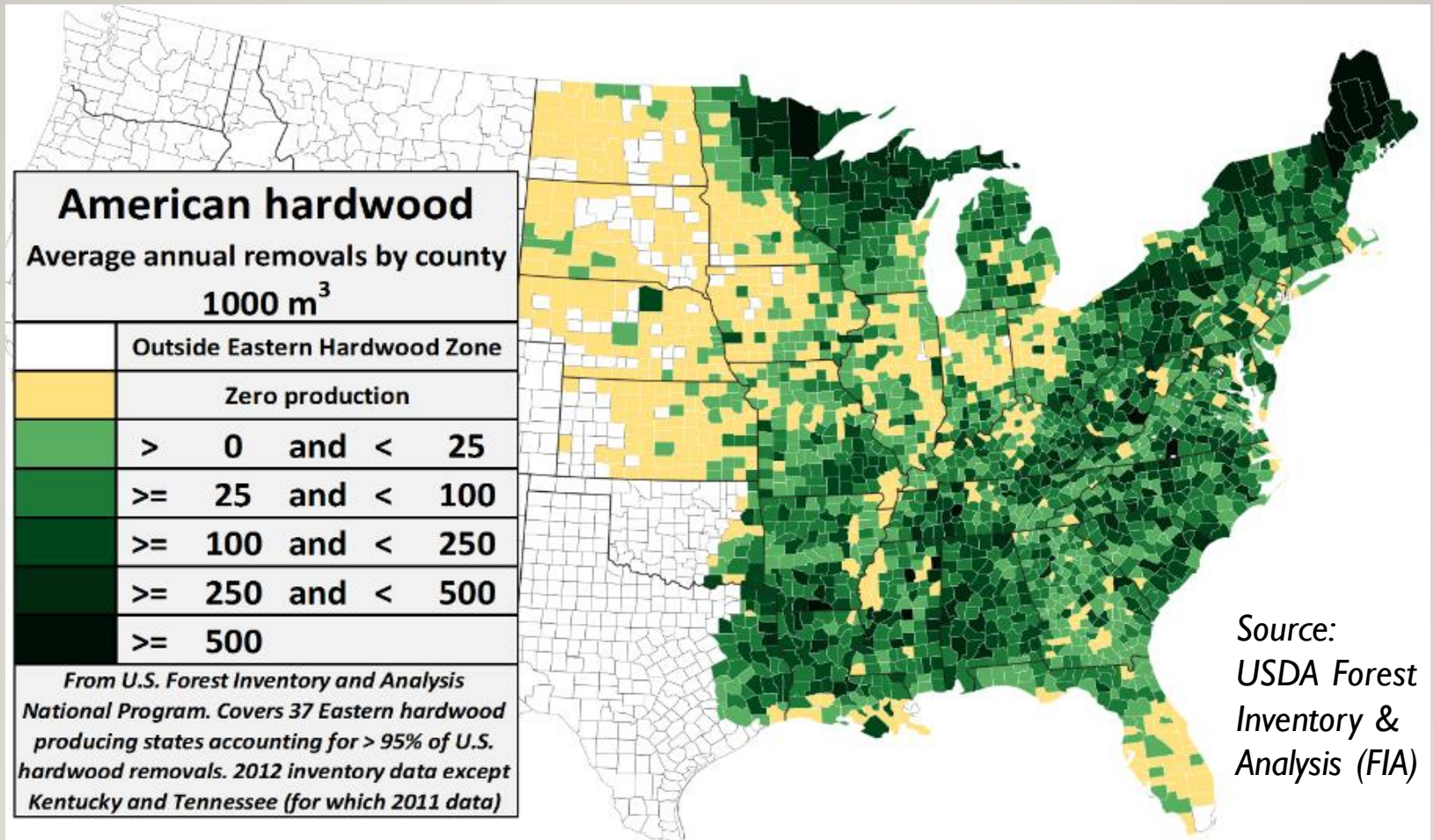
 **Select Filter Options**

Set filters to restrict the data that will be used to generate your report. Each of the filter options has subcategories. You may select as many as you wish.

 Define the geographic region for your report by selecting states and counties here.

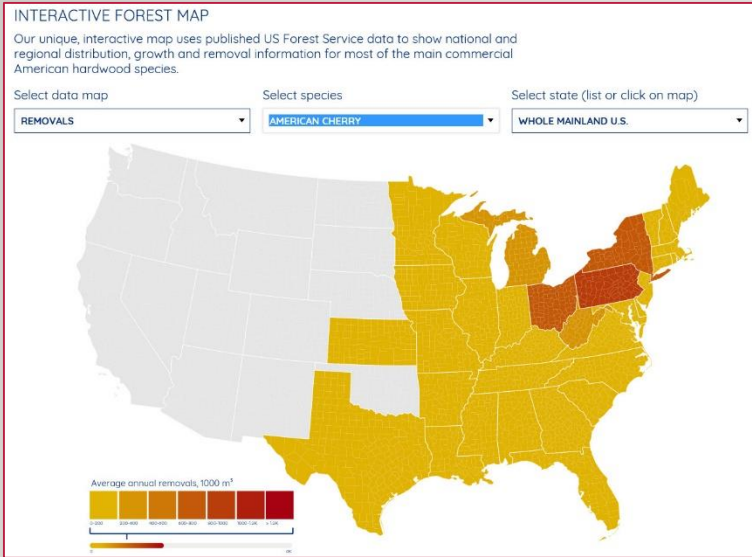
<http://apps.fs.fed.us/fia/fido/index.html>

# COUNTY-LEVEL & SPECIES-SPECIFIC DATA: AREA, GROWTH, MORTALITY & HARVEST



# AHEC INTERACTIVE MAP

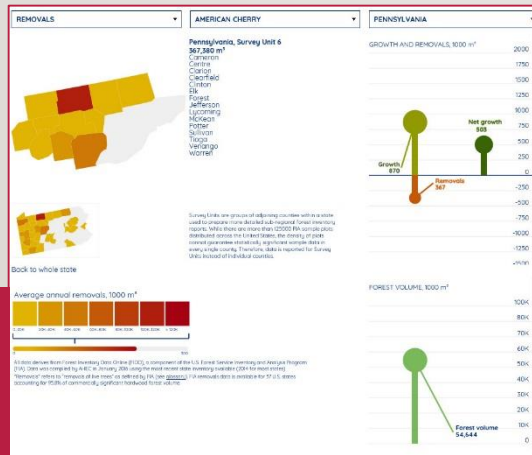
Forest volume, growth and harvest data for 19 U.S. species accounting for 96% of harvest



National



State



Survey unit

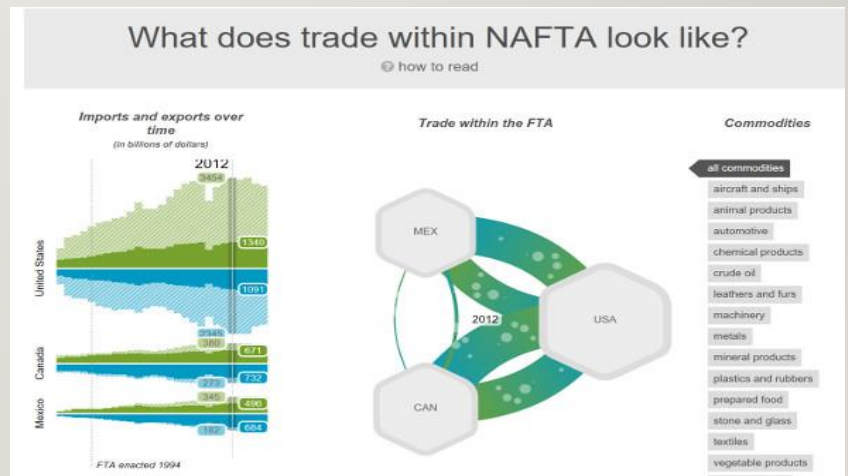
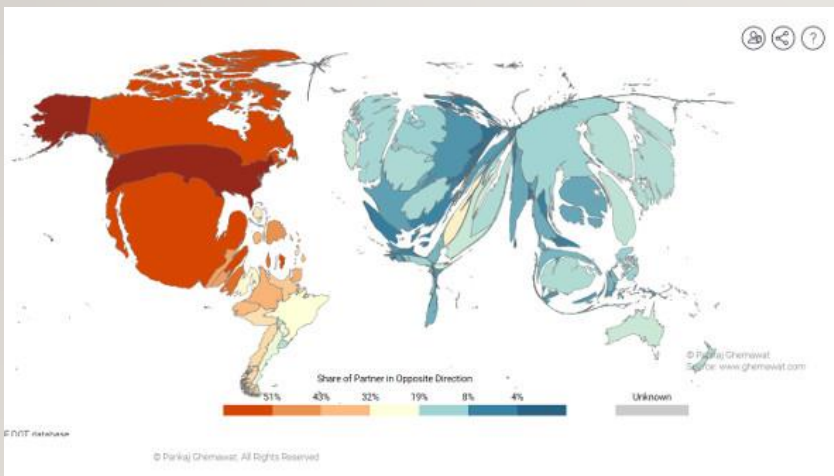
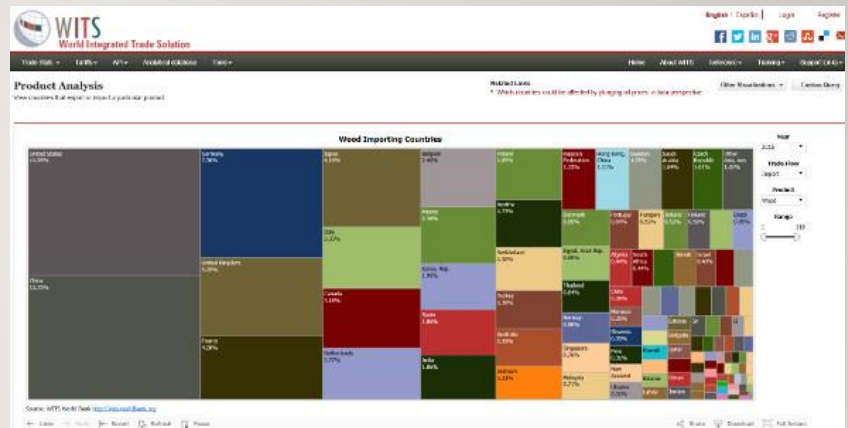
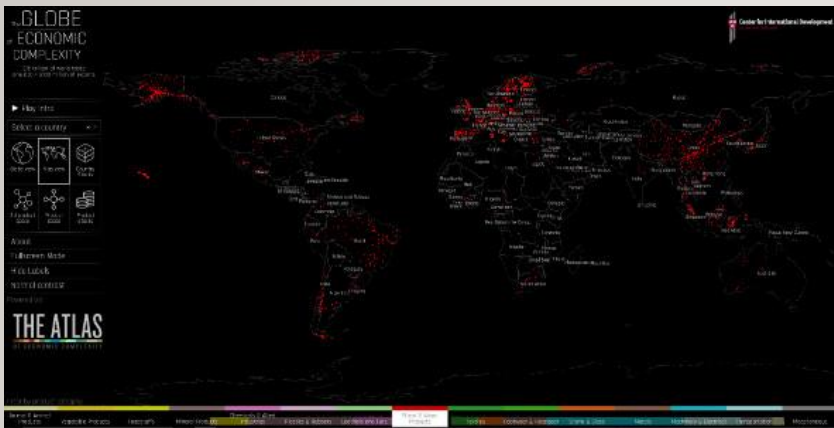
<http://www.americanhardwood.org/environmental-profile/interactive-forest-map>

# UN COMTRADE

The screenshot shows the UN Comtrade Database search interface. At the top, there is a navigation bar with the UN logo and the text 'UNITED NATIONS DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS STATISTICS DIVISION TRADE STATISTICS'. Below this is a blue header with 'UN Comtrade Database' and several menu items: 'Extract data', 'Data Availability', 'Metadata', 'Reference', 'Knowledge base', and 'API portal'. The main content area is divided into four sections: 1. Type of product & Frequency, 2. Classification, 3. Select desired data, and 4. See the results. Section 1 has 'Type of product' (Goods selected, Services unselected) and 'Frequency' (Annual selected, Monthly unselected). Section 2 has 'HS' (As reported selected, 92, 96, 02, 07, 12 unselected), 'SITC' (As reported selected, Rev. 1, Rev. 2, Rev. 3, Rev. 4 unselected), and 'BEC' (BEC unselected). Section 3 has four sub-sections: 'Periods (year)' with a dropdown set to '2016'; 'Reporters' with a dropdown set to 'All'; 'Partners' with a dropdown set to 'World'; and 'Trade flows' with a dropdown set to 'All'. Below these are two text input fields for 'HS (as reported) commodity codes' and 'HS (as reported) commodity codes', both containing 'TOTAL - Total of all HS commodities'. Section 4 has two buttons: 'Preview' and 'Download CSV'. At the bottom, there is a small note: 'Issues opening CSV in Excel? See this Microsoft how-to.'

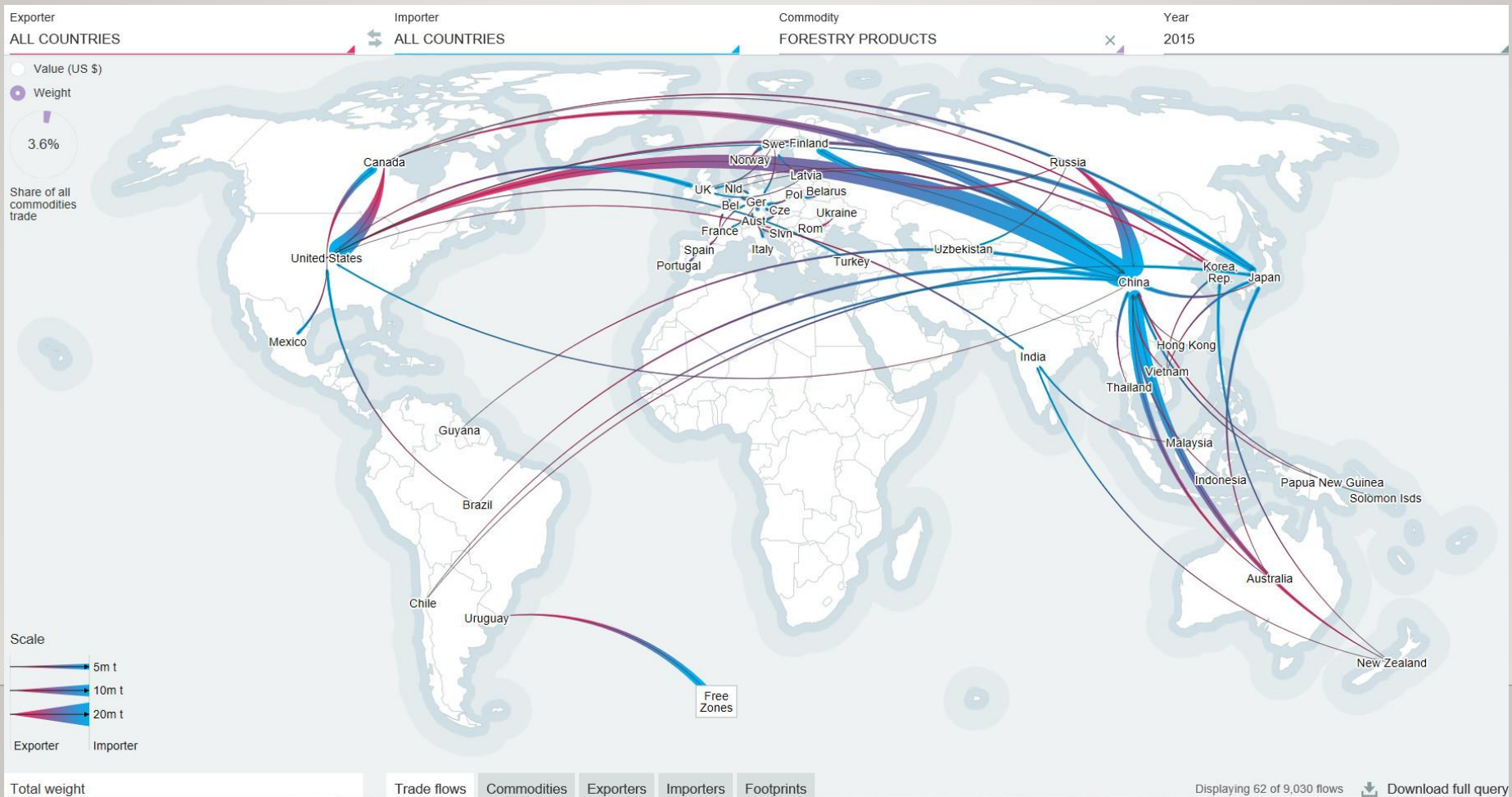
- Publicly available but bulk access limited for most users
  - HS 6 digit level;
  - Many country gaps
  - Data quality poor
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- EFI funded by FLEGT IMM to develop data cleaning algorithm & improve accessibility

# UN COMTRADE API/VISUALISATIONS



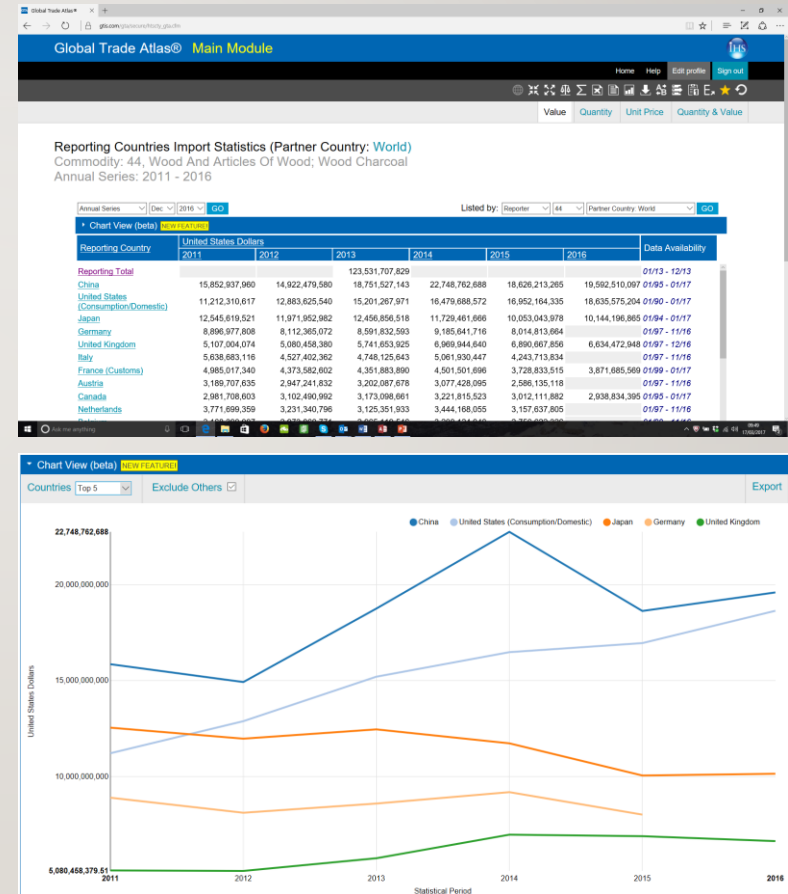
# UN COMTRADE VISUALISATIONS

[www.ResourceTrade.earth](http://www.ResourceTrade.earth)



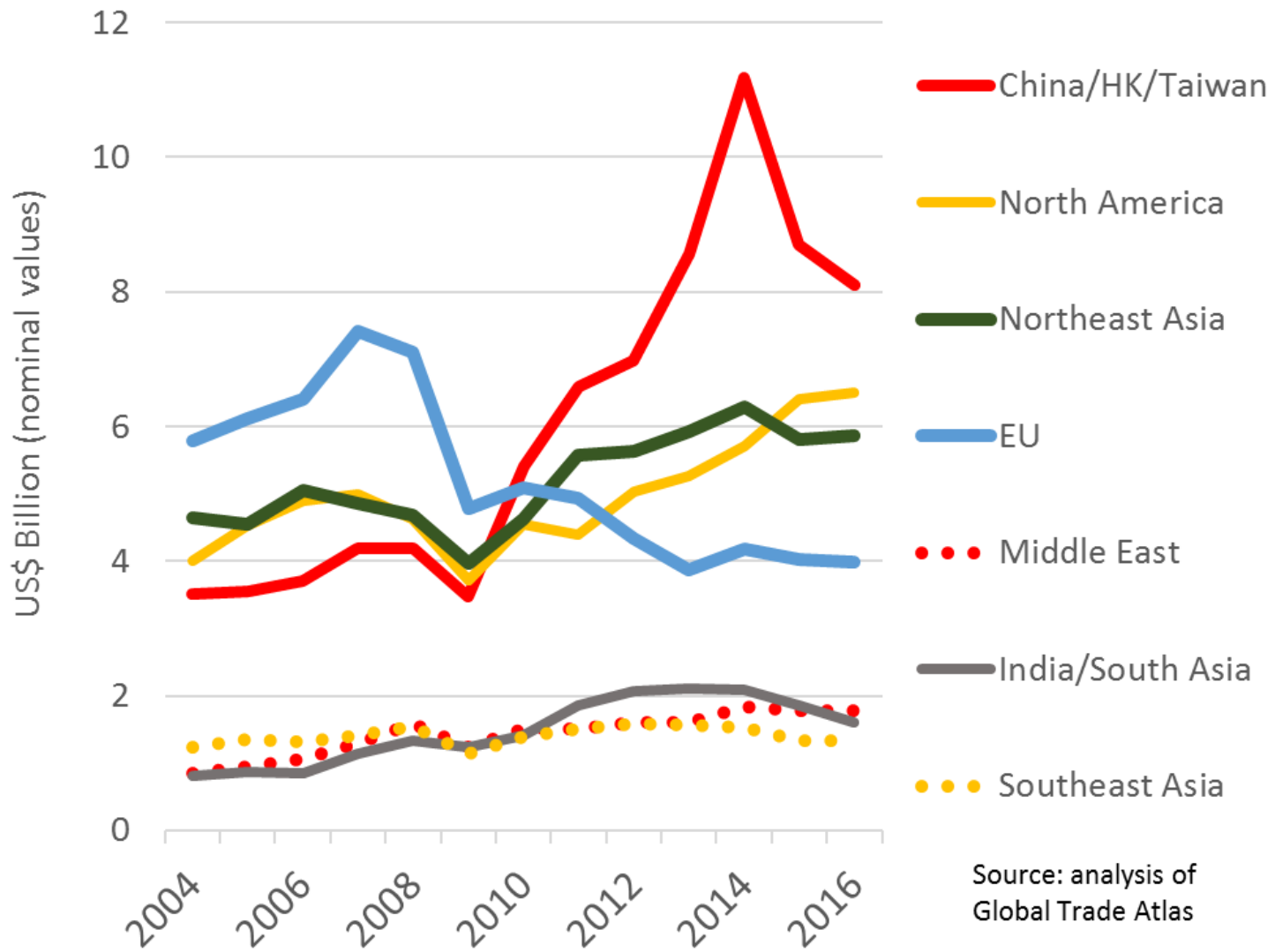
# GLOBAL TRADE ATLAS (GTA) SUBSCRIPTION SERVICE

- Online trade data system
- Monthly imports & exports
- 80 countries, incl. all industrialised nations
- Gaps in Africa, Middle East & Mekong region
- HS product codes to highest level of resolution
- Customisable queries & downloads
- Data provided without cleaning errors
- Extremely expensive for private agencies – quotes in excess of \$50000/annum





# Tropical wood trade by region of import



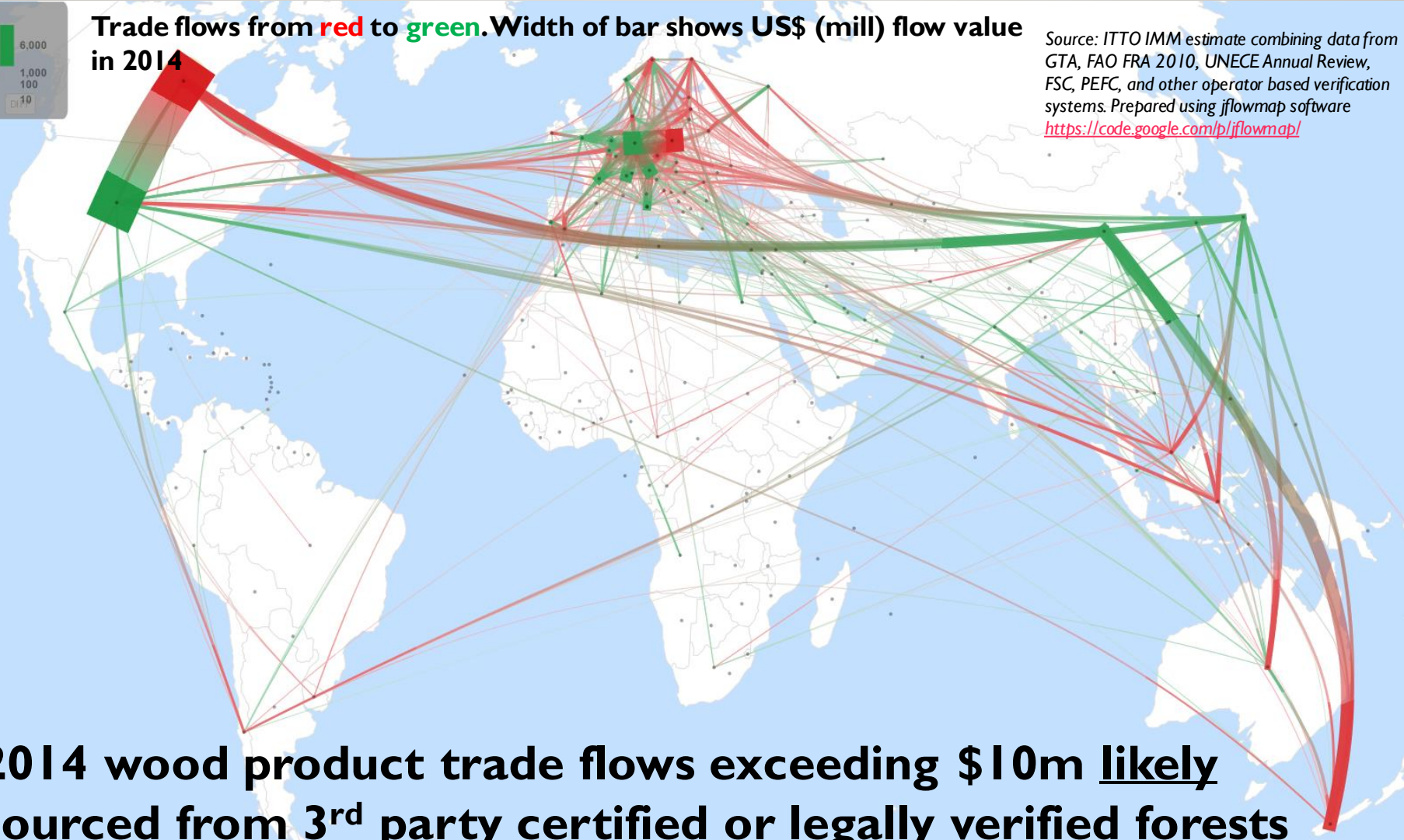
Source: analysis of  
Global Trade Atlas



Trade flows from red to green. Width of bar shows US\$ (mill) flow value in 2014

Source: ITTO IMM estimate combining data from GTA, FAO FRA 2010, UNECE Annual Review, FSC, PEFC, and other operator based verification systems. Prepared using jflowmap software <https://code.google.com/p/jflowmap/>

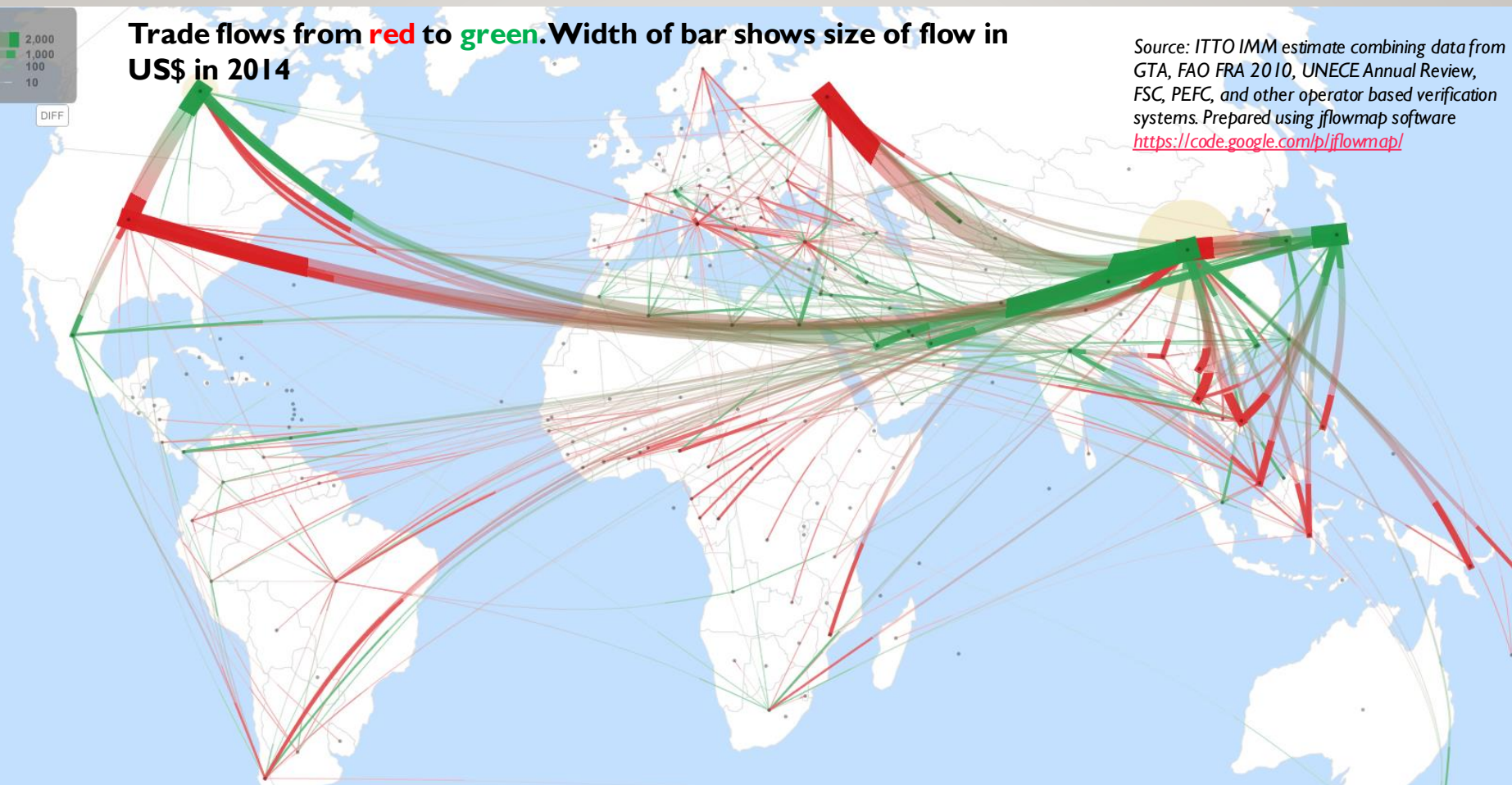
2014 wood product trade flows exceeding \$10m likely sourced from 3<sup>rd</sup> party certified or legally verified forests





Trade flows from red to green. Width of bar shows size of flow in US\$ in 2014

Source: ITTO IMM estimate combining data from GTA, FAO FRA 2010, UNECE Annual Review, FSC, PEFC, and other operator based verification systems. Prepared using jflowmap software <https://code.google.com/p/jflowmap/>



**2014 wood product trade flows exceeding \$10m not likely sourced from 3<sup>rd</sup> party certified or legally verified forests**

# PANEL DISCUSSION

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- **Alison Hoare: Chatham House, Senior Research Fellow,**
  - Leads programme of work on illegal logging & forest governance
  - Illegal logging update meetings, [www.illegal-logging.info](http://www.illegal-logging.info) portal
  - Indicators of Illegal Logging Project
- **Al Goetzl: President of Seneca Creek Associates, LLC**
  - Consultancy working on trade and natural resources policy and economics
  - US International Trade Commission 2009-2014
  - AHEC project to assess risk of illegal and unsustainable trade in US hardwood sector – 2008 & ongoing review in 2017
- **Naomi Basik Treanor: Forest Trends**
  - Manager Forest Trade and Finance Program.
  - Developing strategies to combat illegal deforestation and associated trade through targeted research and outreach

# ISSUES

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- Quality, scope & accessibility of timber production & trade flow data
  - Problems/limitations of Harmonised System of Product Codes
  - Rectifying errors in traditional sources of trade data
  - Data quality in emerging markets
  - Trade flows through 3<sup>rd</sup> countries
- Illegal logging risk assessment
  - Country/regional level
  - Illegal wood in specific supply chains
  - Monitoring legally verified/certified flows
- Opportunities
  - Private sector engagement in data collection & provision
  - Legality verification systems as new source of data
  - New technologies – remote sensing, mobile technologies, cloud sourcing risk assessment