

The 7.8 magnitude earthquake that affected the northeastern pacific coast of Ecuador caused 660 deaths and directly or indirectly injured more than 50,000 people. 22,756 people are currently living in temporary shelters, while 350,000 are in need of immediate assistance. About 7,000 buildings have been destroyed, while around 1,000 were seriously damaged. – based on Ecuador Situation Report, No 8 (2 May 2016) – UNOCHA

*According to the **Ecuador Flash Appeal – Earthquake of 16 April 2016**¹, 35% of the housing stock in the affected area has experienced severe damage or destruction, with some communities suffering up to 80% losses. While this damage may have been done primarily to cement brick and concrete buildings, timber is needed for transitional shelter and may be a key element in building more seismically-safe buildings.*

Ecuador

Sourcing of timber for transitional and permanent shelters is a key environmental issue related to the earthquake recovery in Ecuador. Overall impacts of the recovery actions need to be considered to ensure the recovery efforts are truly beneficial to the long term well-being of the affected communities and do not increase vulnerability of other non-affected communities. Therefore, it is imperative that organizations show due diligence in their efforts to identify legal and responsibly managed timber sources.

According to immediate estimates about 100,000 people will be in need of transitional and permanent shelter, which could represent a significant timber demand on top of the staggering 400,000 cubic meters legally and illegally sourced from Ecuador's forests. The high demand for timber poses a potential threat to the environment in Ecuador, but also poses a threat to forest resources of neighboring countries.



Clearing land in the cloud forests of the Andes Mountains, Ecuador. © Kevin Schafer / WWF-Canon

Given the high demand for timber, World Wildlife Fund (WWF) provides this introductory guidance note on better practices for timber procurement to support the agencies working on Ecuador recovery efforts.

This note highlights the areas of concern and possible support mechanisms for procuring legal and environmentally and socially responsible timber for the recovery and reconstruction process. We understand that timber procurement may be ongoing, and thus initiating new legal and sustainable supply chains can balance the level of urgency with the desire to “do no harm”.

¹ <http://reliefweb.int/sites/reliefweb.int/files/resources/Ecuador%20Flash%20Appeal.pdf>.

Why legal timber?

The global trade in illegal timber is a multi-billion dollar business, with estimates stating 8-10 percent of global production and trade of timber products is illegal. Illegal logging makes up 60-80 percent of all logging in some of the most valuable and threatened forests in countries such as Peru and Brazil. Illegal logging promotes corruption and deterioration of the rule of law, eliminates revenue and ecosystem services for local communities, removes critical habitat for endangered species, reduces government revenue and causes forest degradation and deforestation. Degradation and deforestation reduce biodiversity, disrupt water cycles, increase soil erosion, harm livelihoods, and release 15 percent of global greenhouse gas emissions.

Unfortunately, Ecuador faces widespread deforestation and its negative impacts. With an increase in immediate demand from emergency recovery efforts, there could be an acceleration

in illegal logging, trade, and the associated negative impacts. Increasing deforestation and unsustainable felling of trees either in Ecuador or other forests can shift some of the environmental impacts from the Ecuador earthquake to other communities and regions, increasing the vulnerability of these communities to future disasters due to increased erosion, flooding and landslides. Hence, organizational procurement policies and actions should not be made only based on least cost or availability, but should include efforts to practice due diligence to identify and procure legal and responsible timber sources.

Further, with cash payments for shelter an option being considered in Ecuador, there is a risk that recipients will purchase illegally harvested timber due to a lack of knowledge of legal markets. Thus, information on purchasing legally harvested timber should be part of the information package provided with cash transfers.

The Lacey Act

While the Lacey Act does not apply in Ecuador, considering the large proportion of timber that may be supplied by US based companies, it is a useful tool when requesting suppliers to provide legal material. In 2008, the US Congress amended the US Lacey Act to eradicate trade in illegally sourced forest products. The Lacey Act prohibits the import of plants or plant products, including timber and wood products, that are illegally sourced from any US state or foreign country. Illegally sourced includes a plant or plant product that is taken, harvested, transported or exported in contravention of an underlying law in any foreign country or US state.

What to specify: "FSC / PEFC / SFI/CERTFOR/CERFLOR/CSA Certified wood with a valid Chain of Custody certificate"



What evidence you need to see: A copy of the Chain of Custody certificate with the consignment, or associated with the consignment, from a registered certification body.

Examples:
SGS-CoC-000000
SW-G/COC-000000
BVC-PEFC/COC-0000



How to check it is correct: The certifying body that issued the certificate or the certifying organization have web based databases of who has a certificate and what it covers.

How do you identify legal timber in Ecuador?

Within Ecuador there are a number of permits that should be obtained for a timber supplier to be deemed legal. These types of permits are discussed below. However, it is important to verify the legality of imported timber as well. The surest way to avoid buying illegal timber is to buy only certified timber. If purchasers can buy certified timber, the risk of trading in illegal timber will be minimal, or at least greatly reduced. Most forest certification standards require independent verifiers to confirm that the forest harvesting is legal. There are many international certification systems that provide value as a form of legal compliance such as the Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification Schemes (PEFC), Certfor (Chile), and Cerflor (Brazil). These systems can assist agencies in identifying legal supply chains. Around a quarter of all wood in the international market place is certified under such a scheme – therefore availability is likely to be good, especially for non-demanding specifications.

For many agencies involved in shelter procurement, this option may not be realistic due to cost, limited volume, or time constraints.

However, there are programs like WWF's GFTN (Global Forest and Trade Network) that support a progressive improvement of procurement processes, helping clean up supply chains of illegal or controversial sources.

If you cannot specify and receive certified wood, at the very least you need to be able to answer two basic questions:

1. "Is the source legal?"

Where was the forest of origin? Was the quality of the forest management such that all timber coming from this forest had the right 'legal' quality? Do I have the proper documents to ensure this is the case?

Within Ecuador, there are currently three kinds of permits under which legal harvesting are carried out:

- Cutting permits;

What to specify "Wood product that was legally harvested and legally traded"

What evidence you need to see:

- (a) A copy of a Chain of Custody certificate with the consignment, or associated with the consignment, from a certification organization; OR
- (b) A legal verification statement issued by a third party; OR
- (c) A statement from the wood supply company stating that they bear all responsibility for the origin and legality of the product and that they have made strenuous efforts to ensure that the consignment is completely legal in respect to harvesting and shipment.
- (d) Ask if the company supplies the US market and is aware of the Lacey Act.

How to check it is correct:

- (a) The certifying body that issued the certificate or the certifying organization have web based databases of who has a certificate and what it covers.
- (b) Printed copy of the statement and details of what the verification covered, with contact details.
- (c) Copy of the statement signed by the CEO of the supplying company.
- (d) If the company is aware of the Lacey Act, they are likely to be more diligent than those that are unaware.

- Areas harvested according to simplified forest management plans (Programas de Aprovechamiento Forestal Simplificado – PAFSIs) involving non-mechanised extraction;
- Areas with integrated management and sustainable management areas (Programas de Aprovechamiento Forestal Sustentable – PAFSUs) – involving larger areas suitable for industrial harvesting.

Documents should be checked to ensure the timber source belongs to one or more of above permits.

The Ministry of Environment (MAE) started a new strategy within the Forest Control System (SCF for its acronym in Spanish). According to MAE, SCF actions are based on SAF (Forest Administration System) implementation that is the cornerstone of the forest monitoring and control system.

2. "How did it get here?"

In 2007–2012, over 2 million m³ of timber per year were traded in Ecuador. The average legal round wood timber extraction in Ecuador equates to 400,000 m³ a year. However, it seems that demand surpasses any legal supply, which constitutes the main incentive to establish informal intermediation networks to supply depots or sawmills in the cities.

The Andes-Amazon and Andes-Choco of Ecuador are among the most threatened forest ecosystems on the planet. The annual deforestation rate is approximately 3% of currently existing forestland that remains at roughly 10 - 11 million hectares. At this rate, the country will be completely deforested within 30 years. Ecuador also has South America's highest population density (45 inhabitants/sq. km.) and highest rate of population growth averaging around 3% per year in recent decades. Illegal logging has long been an issue of concern in the national debate, sometimes confused with informal logging. Some sources estimate that 60–80% of logging is conducted illegally in Ecuador.

Therefore, the shelter implementer has to ask, "Was the quality and traceability of the supply chain such that no illegal timber was introduced and the legal quality was not subsequently diluted?" For example, although a finished wood product may be coming from a low risk region like North America, there is a chance that the raw material has originated from an unwanted or illegal operation, or has been mixed with other illegal or unwanted material. Hence, chain of custody, and ideally verification of legal origin, are critical to identifying legal timber sources. Chain of custody is crucial in answering the question, "How did it get here?"

Products or practices that are of higher risk:

- Products that are not: certified, salvaged or reclaimed, have chain of custody, or documentation about the legal right to harvest, payment of taxes and royalties, right to sales and export, and legality of transport.
- Products where the source forest is unknown despite efforts to identify it.
- Products offered significantly below going market rate.
- Cash only or lower price for products without documentation.
- Suppliers unable or unwilling to provide documents as requested.
- Documentation that is invalid or suspect (whiteout, photocopies, etc.).
- Unusual sales methods or practices.
- Inability or unwillingness of suppliers to answer routine questions.
- Suppliers who are not aware of or who cannot comply with the US Lacey Act.

This document is for educational and informational purposes only and is not intended and should not be construed as legal advice. Persons seeking legal advice on compliance with the Lacey Act or any other law, regulation or requirement should consult a qualified legal professional.

How can GFTN assist humanitarian agencies?



Global Forest & Trade Network (GFTN) is WWF's initiative (www.panda.org/gftn) to eliminate illegal logging and drive improvements in forest management while transforming the global market place into a force for saving the world's valuable and threatened forests. First established in 1991, GFTN is the world's longest-running and

largest forest and trade program of its kind, assisting hundreds of companies in more than 30 countries around the world. GFTN can assist you with finding suppliers from within the region who are certified or working to be certified and are able to support humanitarian agencies in meeting their requirements. GFTN offers a framework to understand, assess and transition your supply chain, as well as technical trainings, practical advice and on-the-ground knowledge. In partnership with WWF Ecuador, WWF's Global Forest & Trade Network can assist agencies by introducing regional and international suppliers that are already credibly certified or working to be certified. Ecuador is covered by the GFTN-Northern Amazon and Chocó Darién (also called GFTN-NACD) network: gftnpanama@wwf.org.co.

Helpful websites:

- Information on the Lacey Act
 - APHIS (http://www.aphis.usda.gov/plant_health/lacey_act/index.shtml)
- Information on Illegal Logging
 - Chatham House (<http://www.illegal-logging.info/>)
 - Forest use and timber markets in the Ecuadorian Amazon (Center for International Forestry Research (CIFOR)) (www.cifor.org/library/4643/forest-use-and-timber-markets-in-the-ecuadorian-amazon)
- Information on Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
 - (<http://www.unep-wcmc.org>)
 - (<http://www.iucnredlist.org>)
- To check if a certification is valid – if in doubt please contact the certification body directly
 - FSC (<http://info.fsc.org/>)
 - PEFC (<http://www.pefc.org/find-certified/certified-certificates>)
 - SFI (<http://64.34.105.23/PublicSearch/MainSearch.aspx?AspxAutoDetectCookieSupport=1>)
 - Cerflor (<http://www.inmetro.gov.br/qualidade/cerflor.asp>)
 - Certfor (<http://www.certfor.org/documentacion.php>)
- Responsible Sourcing Guides
 - GFTN Guide to Legal and Responsible Sourcing (<http://sourcing.gftn.panda.org/>)
 - WRI Sustainable Procurement of Wood and Paper-based Products (<http://www.wri.org/publication/sustainable-procurement-wood-and-paper-based-products>)
- Additional Organizations – Not exhaustive
 - Rainforest Alliance (<http://www.rainforest-alliance.org/>)
 - The Forest Trust (<http://www.tft-earth.org/>)
 - TRAFFIC (<http://www.traffic.org/>)
 - ANSAB (<http://www.ansab.org/>)
 - SANDEE (<http://www.sandeeonline.org/>)

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- National Development Plan / National Plan for Good Living, 2013-2017. Summarized Version ISBN-978-9942-07-493-5 (National Secretariat of Planning and Development (Senplades) 2013 Quito, Ecuador) (www.planificacion.gob.ec/wp.../2013/12/Buen-Vivir-ingles-web-final-completo)
- International Tropical Timber Organization (<http://www.itto.int>)

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