



Analysis of the Russian "Round Wood Act"

- A perspective from importers and regulated markets





NEPCon is a non-profit organisation that works to ensure responsible use of natural resources and secure sustainable livelihoods by transforming land-use, business practices and consumer behaviour.





Scope of the Act

- Ammendment to the Forest Code
- Limited to Round Wood
- Labelling of oak, beech and ash
- Not applicable for timber harvest for local use.





Overview of the Act

- **Prohibition of free distribution of round wood harvested for the needs of local population**
- **Measurement of harvested timber**
- **Marking of round wood – only for beech, oak and ash.**
- **Accompanying Document**
- **Transaction declaration (online)**
- **State Unified Automated Information System (Information System)**
- **Penalties**



Phasing of the Act

Key issues of the law	Enforcement date
<ul style="list-style-type: none"> Prohibition of free distribution of timber harvested by local communities for domestic use. Initiation of development of the online information system with basic data input 	01.02.2014
<ul style="list-style-type: none"> Prohibition of round wood transportation without “Accompanying Document”. 	01.07.2014
<ul style="list-style-type: none"> Timber measurement by forest users required prior to removal from forest. Marking of valuable tree species (oak, beech, ash) requirement. Penalties implemented for the lack of an accompanying document during round wood transportation. 	01.01.2015
<ul style="list-style-type: none"> Implementation of the Information System Introduction of duty to declare all transactions involving round wood. Penalties implemented for non-fulfillment of the law concerning round wood measurement in the forest and marking of valuable tree species. 	01.07.2015
<ul style="list-style-type: none"> Penalties implemented for non-fulfillment of the law concerning provision of the declaration of transactions involving round wood. 	01.01.2016



Implementing regulations/procedures

- The procedure for timber measurement in the forest;
- The procedure and requirements for marking of round wood;
- The “Accompanying Document” form and the rules of its completion;
- The form and procedure for online declaration of transactions involving round wood;
- The information system operating procedure;
- The rules for reporting of data to the information system and the forms for reporting of the data;
- The forms and the procedure of making requests concerning data from the Information System.



Milestones for Importers

- **July 1st, 2014:** marks the planned start of the use of the “Accompanying Document”.
- **January 1st 2015:** from this date the requirements for marking of oak, beech and ash as well as the timber measurement obligation are implemented.
- **July 1st 2015:** at this time the Information System is planned to be implemented.





Current limitations

- **Implementing regulations and procedures**
- **Enforcement**
- **Corruption**
- **Sawn wood limitation**
- **Underlying legality needs also to be addressed**
- **The timber assortment loophole**
- **Access to online Information System?**





The Act and timber regulations— application in due care/due diligence systems

- Access to information
 - May provide important access to origin and species
 - Limitation on sawn timber- gaps in chain of custody
 - Dependent on correct implementation and enforcement
 - Phased implementation
- Risk Assessment
 - May provide information on origin used to assess risk
 - Scope of legality definition – underlying legality
- Risk mitigation
 - Limited if corruption persists -
 - Limitation in legality definition scope – underlying legality
 - Need for field verification still exist



Conclusions

- Act presents possibilities, but also some limitations
- Efficiency will depend on the enforcement of Russian authorities
- Level of access to information system still a question
- Still need for supply chain and legality verification to meet EUTR or Lacey act requirements
- Need for Chinese industry to enable an unbroken chain of custody.
- Need for Chinese limitation on import of illegally harvested material
- Current status of forest law enforcement and the limitations of the act indicates that the usefulness of the Act regarding EUTR and Lacey Act could be limited related to legality in general.



A unique perspective

Thank you!

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FSC-SECR-0047 | PEFC/09-44-02 | Presentation © NEPCon

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