

Credit: EIA, 2017

# THE RACKET CONTINUES:

## The unabated illegal and unsustainable timber trade from Nigeria

### In Brief

The Environmental Investigation Agency (EIA) commends the Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) for its investigation into the illegal rosewood trade from Nigeria. We note the convergence of the investigation's results with EIA's own findings, presented a year ago in the "The Rosewood Racket" report, including the prevalence of corruption schemes implicating officials responsible for issuing CITES permits. Despite the listing of *Pterocarpus erinaceus* (called "kosso" in Nigeria) on Appendix II of the Convention since 2 January 2017 and the recommendations from the Standing Committee at its 69th meeting (SC69), the rosewood racket persists in Nigeria. EIA's new research indicates that well-organized traffickers are taking from the wild and exporting in violation of the Convention as many specimens of *P. erinaceus* as materially possible, without any consideration for the impacts of the uncontrolled and massive harvest on the standing populations. Nigeria exported over one million cubic meters Round Wood Equivalent (RWE) of the African rosewood – approximately four million trees – from 2 January 2017 until 31 March 2018. This likely represents the largest violation of the Convention in history. EIA's investigation shows that the first signs of commercial extinction of *P. erinaceus* have emerged, while pressure on the last stands of wild populations located in areas under protection is accelerating. The Nigerian kosso case illustrates more fundamental concerns regarding the implementation – or lack thereof – of CITES species listings in a timely and effective manner. The fact that Nigeria has been able to export excessive amounts of illegal kosso since its listing, without a required science-based non-detriment finding (NDF) nor the required verification of legal acquisition (VLA) is most worrying.

**EIA recommends:**

**1)** an immediate international embargo on *P. erinaceus* from Nigeria (echoing the Secretariat's recommendation);

**2)** a moratorium on all timber trade in Nigeria;

**3)** the reform of the Nigerian timber sector guided by greater transparency and traceability; and

**4)** the adoption of CITES safeguard measures that prevent the trade of Appendix II listed species in absence of a NDF and VLA.

## Regional Laggard

Over the course of a few years the volume of kosso traded between West Africa and China eclipsed all other rosewood species.[1] Since 2016, *P. erinaceus* is likely the most traded tropical hardwood species in the world.[2] The level of harvest has been highly unsustainable, causing massive social, economic and environmental impacts throughout its region of origin.[3] The boom began in The Gambia and Benin, but as supplies in those countries were exhausted rapidly, traders moved on through other countries before settling on the one with the largest potential – Nigeria.

West African governments attempted to fight this rapid escalation in unsustainable and illegal trade of kosso by passing new laws and/or improving enforcement of the existing ones.[4] Criminal networks circumvented these national efforts by developing sophisticated smuggling strategies (involving for instance multiple imports and re-exports between two or more countries) and exploiting regional routes. In 2015, with the support of the International Criminal Police Organization (Interpol), West African governments implemented an unprecedented regional crack-down that resulted in the arrest of 44 individuals and seizure of more than US$216 million worth of illegally-harvested kosso.[5]



Credit: Mathias Rittgerott/Rettet den Regenwald, 2017

Faced with the overwhelming scale of the crisis, West African governments eventually sought international help through CITES. The inclusion of kosso in CITES Appendix III (9 May 2016) and subsequently Appendix II (2 January 2017) placed additional responsibility on consumer countries – principally China and Vietnam – to prevent imports of illegally sourced kosso. The Appendix II listing also requires an NDF and VLA by each exporting country before any commercial trade can be authorized. As a consequence of the listing and its requirements, most West African countries have managed to progressively control their exports. Nigeria is the exception. Until recently a net importer of wood, Nigeria has quickly become the largest exporter of rosewood in the world and one of the largest wood exporters on the African continent (Figure 1).[6]




**FIGURE 1: Evolution of Nigeria's wood import and export, by value (US$).**
**SOURCE:** EIA, 2018 based on UN Comtrade data

## The Secretariat Investigates in Nigeria

In response to the rosewood crisis in West Africa, the CITES Standing Committee – the entity in charge of the implementation of the Convention's text and subsequent decisions – expressly discussed trade in *P. erinaceus* from Nigeria to China under Article XIII of the Convention.[7] In light of information received, the CITES Secretariat had become concerned that the species was being affected adversely by the ongoing trade and that the provisions of the Convention were not being effectively implemented.[8] Recognizing the risk of massive fraud in Nigeria, the Standing Committee at SC69 requested that the Parties to the Convention "not accept any CITES permit or certificate for *P. erinaceus* issued by Nigeria unless its authenticity has been confirmed by the Secretariat."[9]

This represents a notable step under the Convention that demonstrates recognition of the risk of massive fraud in Nigeria. Prior to October 2017, the Secretariat had taken such a measure on rare occasions. It is currently in place for afromosia from the Democratic Republic of Congo, and was previously in place for grey parrots from the same country until their uplisting to Appendix I. Based on the analysis in the Notification to the Parties sent by the Secretariat, in the past ten years, the same measure was only taken for two other countries: Tanzania in 2014 ( for loss of export permits, Notification No. 2014/011) and Cameroon in 2012 (circulation of non-authentic permits for several species including parrots, macaws, manatees, turtles, crocodiles and chameleons, Notification No. 2012/021).[10]

Furthermore – after what an EIA confidential source described as a long conversation between then-Secretary General of the Convention, Mr. John E. Scanlon, and representatives of the Nigerian delegation to SC69 – the Government of Nigeria invited the SC to conduct an official inquiry, also called a "technical mission," in Nigeria.

The investigation, found massive chaos in Nigeria's timber sector, with corruption widespread, scientific data on populations absent, and no credible legal verification mechanism of exported timber in place.

The investigation, which took place from 29 May to 2 June 2018, found massive chaos in Nigeria's timber sector, with corruption widespread, scientific data on populations absent, and no credible legal verification mechanism of exported timber in place in breach of the Convention's rules (see Box 1).[11] The investigation involved senior compliance personnel from the Secretariat, as well as the Nigerian Minister of Environment, who reportedly accompanied the Secretariat delegation for the entire duration of the mission.[12] [13] The conclusions of the mission clearly highlight the breach of the Convention: "In light of the information received, the Secretariat is concerned that the Nigerian population of *P. erinaceus* may be adversely affected by unsustainable or untraceable trade and that the provisions of the Convention are not being effectively implemented in Nigeria."[14] For this very reason the Secretariat recommends to the SC the suspension of the commercial trade in specimens of *P. erinaceus* from Nigeria until a scientifically-based NDF is established to the satisfaction of the Secretariat and the Chair of the Plants Committee.[15]



Credit: EIA, 2017



Credit: EIA, 2017

## Box 1. CITES Secretariat's investigation exposes the chaos in the Nigerian timber sector and the violation of the Convention

The following excerpts have been taken from the Secretariat's report and summarize the key points:

### 1) Unsustainable trade: the absence of non-detriment finding (NDF)

"Regarding the NDF requirement, the Secretariat's mission revealed the absence of recent scientific studies that estimate the level of sustainable harvest that can be authorized. There seems to be an absence of clear criteria for the determination of the sustainability of the harvest."[16]

### 2) Legality: impossible to verify

"The way in which competencies, autonomy, power and governance responsibilities are distributed in Nigeria appears to inadvertently create loopholes and make it difficult to harmonize controls between Federal and State level authorities, to ensure sustainability and verify the legality of the origin of the timber specimens." [17]

### 3) A verification mechanism turns into a mere "paper exercise"

"[T]he Secretariat reminded the Nigerian Authorities that the issuance of an export permit provides a certification that the specimens it refers to have been legally acquired. The decisions of governmental authorities of other countries to authorize imports and issue re-export certificates are based upon these documents. It is imperative that such determinations be made in compliance with CITES and be accurate and reliable. Otherwise, the authentication of CITES permits is a mere paper exercise that does not prove legality nor sustainability which are the two key objectives of the Convention." [18]

### 4) A timber sector rigged by corruption and violence

"[T]he Secretariat was informed of allegations of systemic public sector corruption in Nigeria at the State level and at the ports of exit where the trade controls occur. The high degree of involvement of organized criminal groups and networks in violation of the Convention and their frequent use of corrupt practices facilitate wildlife crime and frustrate efforts to enforce laws against wildlife crime.[…] Nigeria shall consider developing and implementing a strategy to counter corruption linked to illegal wildlife trade at all levels, including anti-bribery policies […] The strategy should include recommendations to protect officials responsible for the implementation and enforcement of CITES from undue pressure, obstruction and threats." [19]

## Unparalleled Violation of the Convention

The conclusion of the CITES Secretariat's investigation is clear: the trade in *P. erinaceus* from Nigeria, covered since 2 January 2017 on Appendix II, has happened in violation of the Convention. One critical aspect is the complete absence of any restriction regarding the level of harvest and trade. As EIA investigators were told by multiple traders and exporters: despite the Appendix II listing, Nigeria has exported as many specimens of *P. erinaceus* as materially possible, without any consideration for the impacts of the uncontrolled and massive harvest on the standing populations. The felling intensity has not been influenced or regulated by the requirements of the Convention on endangered species, but by the demand in China and the weather in Nigeria (rainy season conditions make access to remote rural areas difficult).

EIA's analysis indicates that from 2 January 2017 to 31 March 2018 over one million cubic meters RWE have been exported from Nigeria: approximately 65,000 containers,

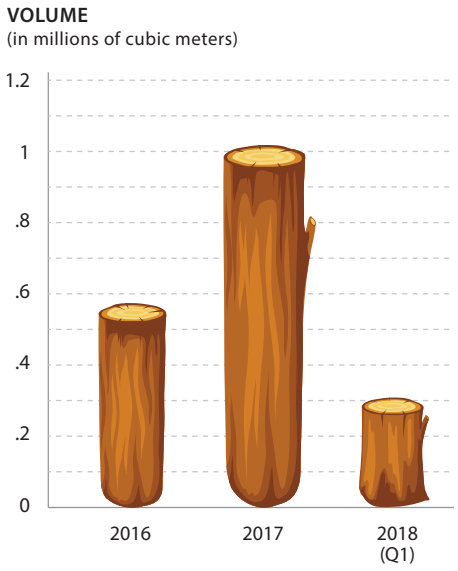



**FIGURE 2: Evolution of the trade in *P. erinaceus*, by volume exported from Nigeria.**
**SOURCE:** EIA, 2018 based on the Global Trade Atlas (GTA) and Export Genius database

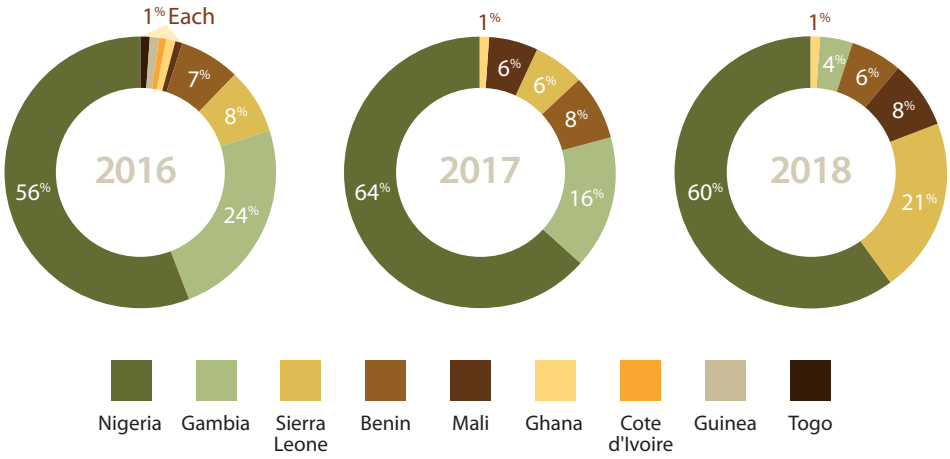



**FIGURE 3:** Countries of origin of *P. erinaceus* imported by China and Vietnam, by volume
**SOURCE:** EIA, 2018 based on GTA data

filled with 9.1 million logs, coming from about four million trees, taken from the wild (Figure 2).[20 21 22 23]

As shown in Figure 2, Nigeria has exported twice as many specimens of *P. erinaceus* in 2017 as in 2016, in violation of the Appendix II requirements. Nigeria exported 510,000 cubic meters RWE of *P. erinaceus* in 2016 (worth US$196 million) and over one million cubic meters RWE in 2017 (worth US$381 million). If the trend observed during the first quarter 2018 – over 285,000 cubic meters RWE were exported – continues for the rest of the year, the volume traded between Nigeria and its Asian partners in 2018 will exceed the volume in 2017, reaching an unprecedented high.

Nigeria is by far the largest exporter of *P. erinaceus* to China and Vietnam, accounting for 61 percent of the trade between 1 January 2017 and 31 March 2018, followed by The Gambia (16 percent), Sierra Leone (9 percent), Benin (8 percent), and Mali (5 percent) (Figure 3).[24]

Although the Secretariat makes clear in its report that Nigeria has been exporting kosso in violation of the requirements of Appendix II, it fails to address the "elephant in the room". According to EIA's investigation, over 90 percent of all the trade in kosso from Nigeria, since its beginning in late 2015, is illegal since it is done in contravention of the national log export ban. As EIA reported in 2017 and the Secretariat investigation confirmed, only processed and semi-processed wood not exceeding certain dimensions – 280-3600mm length, 35mm-350mm width, 6mm-350mm thickness – can be legally exported from Nigeria. As stated in the Secretariat's report, CITES permits can only be issued for legal products that meet the size requirements.[25] As documented by EIA and further supported by Chinese customs data (Figure 4), the vast majority of kosso exported by Nigeria to China is composed of

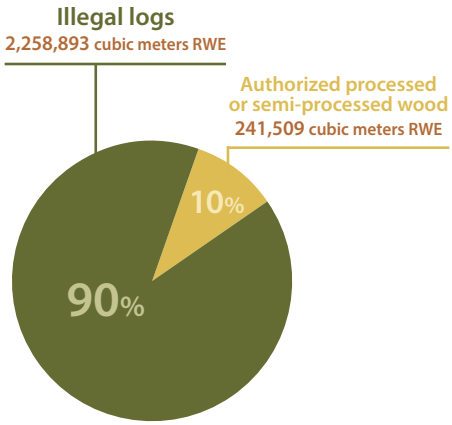



**FIGURE 4: The illegal logs exported by Nigeria from January 2016 to March 2018, despite the log export ban, in volume (cubic meter RWE).**
**SOURCE:** EIA, 2018 based on GTA data



Credit: Mathias Rittgerott/Rettet den Regenwald, 2017

logs - the size of which is far above the limit set by the legislation, and not processed (or semi-processed) products.

## Alarming Consequences

The international demand for kosso has fueled an unprecedented hunt for trees in Nigeria, devastating thousands of square kilometers of forests. The uncontrolled felling of millions of trees and the degradation of fragile dry forest ecosystems all over the country threaten the livelihoods of thousands of people and undermine national efforts to mitigate climate change.[26] [27]

Undercover conversations with more than 25 traders, importers and customs brokers located in China and Vietnam in the first half 2018 confirmed the scale of the trade and the trends presented above. Traders and importers in both China and Vietnam told EIA investigators and EIA sources on multiple occasions that it has become increasingly difficult to obtain sizeable (over 0.2 meter in diameter) *P. erinaceus* specimens from Nigeria. Traders explained to EIA investigators and EIA sources that the *P. erinaceus* standing stocks in Nigeria have been decimated and the species will likely be commercially extinct soon. These testimonies confirmed the information obtained by EIA investigators in 2017 in Nigeria, which indicated that, should trade continue at the same level, the Nigerian population of *P. erinaceus* would be commercially exhausted by the end of 2018.[28] These results are consistent with scientific information published about the unsustainable and illegal extraction of *P. erinaceus* in Nigeria.[29] [30]

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With the progressive exhaustion of easily accessible forest resources in the heart of Taraba state, criminal networks have shifted their activities to areas under special protection. The impacts on Gashaka-Gumti National Park, the largest single conservation area in Nigeria and the largest national park in West Africa, are already visible.[31] This park is known to be one of the most promising African sanctuaries for primates, and one of the last refuges for the Nigerian chimpanzee (*Pan troglodytes vellerosus*), a subspecies endemic to Nigeria and Cameroon.[32] The Conservator of the Park, Mr. Yuhanna Saidu, has

recently identified the increasing illegal logging activities as major man-made threats to the survival of the park's wildlife.[33] In August 2018, a team of illegal loggers invaded the Yankari Game Reserve using trucks to enter the reserve in the dead of the night (Figure 5).[34]

The systematic extraction of kosso trees from dry savannahs has increased the conversion of forest areas to agricultural lands.[35] It has directly contributed to the accelerated receding of Nigerian forests. At four percent yearly, the country has now the fourth highest forest loss globally.[36]

A source in the Federal Ministry of Agriculture and Rural Development told journalists that the government increasingly sees the indiscr iminate felling of kosso as a major problem. Apart from the fact that illegal exploitation is accelerating desertification and biodiversity loss, Nigeria loses millions of dollars in much needed state revenues through criminal activities.[37] Officials found that over US$330 million was undeclared by Nigerian Customs officials in 2014 alone.[38] [39] The aforementioned source, who asked to be kept anonymous, also revealed that the government was increasingly aware that a massive corruption scheme is being orchestrated by customs officials at the port and ministry officials: The source said that "investigations showed that basically, corruption, greed and lack of patriotism, as well as a conspiracy between unscrupulous Chinese businessmen and their local collaborators, including Customs officials, Customs agents and ministry officials, sustained an illegal wood export business that costs Nigeria billions of dollars in stolen or diverted revenue."[40]



Credit: Mathias Rittgerott/Rettet den Regenwald, 2017



**FIGURE 5: Truck of freshly cut kosso seized by guards of the Yankari Game Reserve in August 2018.** Credit: WCS, 2018

## Conclusions

In Nigeria, the rosewood racket continues to flourish. Despite the warning signals sent by the CITES Secretariat and despite the permit authentication established between producer and consumer countries, the trade in *P. erinaceus* is out of control, at levels never seen before. Evidence shows that the massive trade in kosso from Nigeria is unsustainable and illegal, in direct violation of the Convention. Nigeria's exports of *P. erinaceus* to China and Vietnam, equivalent to over four million trees since the entry into force of the Appendix II listing, likely represent the largest violation of CITES in history. It is imperative that the Standing Committee takes up the Secretariat's recommendations and Parties act immediately to stop the hemorrhaging of Nigeria's forests due to this illicit trade.

## EIA Recommends

### To the Standing Committee and CITES Parties:

- an immediate international embargo on *Pterocarpus erinaceus* from Nigeria;

### To the Conference of Parties:

- the adoption of safeguard measures that prevent the trade of Appendix II listed species in absence of NDF and VLA;

### To Nigeria:

- a moratorium on all timber trade in Nigeria until legality and sustainability of the trade can be scientifically proved;
- the reform of the Nigerian timber sector, guided by greater transparency and traceability;



Credit: EIA, 2017

## Sources include:


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17 Ibid.

18 Ibid.

19 Ibid.

20 Based on typical load of 20 cubic meters in a twenty-foot shipping container.

21 Internal dimensions of 20-foot container are: 5.897 m in length, 2.348 m in width, and 2.385 m in height.

22 According to source, on average two logs are taken from one single tree in the wild.

23 According to source, on average at least 140 logs of *Pterocarpus erinaceus* are loaded into a 20-foot container.

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38 Ibid.

39 Ibid.

40 Ibid.



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