

# THE ROSEWOOD RACKET

CHINA'S BILLION DOLLAR ILLEGAL TIMBER TRADE

AND THE DEVASTATION OF NIGERIA'S FORESTS





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For over 25 years as a nonprofit organization, EIA has pioneered the use of undercover investigation to expose environmental crime around the world. Intelligence reports, documentary evidence, campaigning expertise and an international advocacy network enable EIA to achieve far-reaching environmental protection by spurring changes in market demand, government policy, and enforcement related to global trade in wildlife and environmental products.

## ACKNOWLEDGEMENT

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# KEY FINDINGS<sup>1</sup>

- Fueled by the exploding demand for rosewood furniture in China, the species *Pterocarpus erinaceus* – “kosso” – native to the West African forests, has most likely become the most traded tropical hardwood species in the world, despite its listing as a threatened species on CITES Appendix III (effective May 2016) and then II (effective January 2017).
- Amid an economic downturn resulting from falling crude oil prices, the sudden 350% growth in wood exports transformed Nigeria from net importer into a major African wood exporter, with this unprecedented felling devastating thousands of square kilometers of forest.
- Most of the billion of dollars’ worth of wood exported by Nigeria over the past four years was illegal: harvested and/or exported in contravention of state and/or federal laws. The rosewood trade may have benefited the terrorist group Boko Haram.
- Evidence strongly indicates that over 1.4 million kosso logs, worth about US\$300 million, were stopped by Chinese customs officials in 2016, then released in 2017, after Nigerian CITES authorities retrospectively issued approximately 4,000 permits.
- It appears that Mrs. Amina J. Mohammed, former Nigerian Minister of Environment, signed the CITES documents during her last days in office, just before she became the United Nations Deputy Secretary-General.
- The retrospective issuance of thousands of CITES permits is reportedly the result of a grand corruption scheme that involves over a million dollars paid by influential Chinese and Nigerian businessmen to senior Nigerian officials, with the alleged help of Chinese consulate.
- The looting of forests throughout Nigeria is undermining the national effort to mitigate climate change and to fulfill the Sustainable Development Goals.

Credit: Mathias Rittgerott/Rettet den Regenwald







## EXECUTIVE SUMMARY<sup>2</sup>

The illegal trade in precious “rosewoods” is the world’s most lucrative form of wildlife crime.<sup>3</sup> Hundreds of people have been killed around the world trying to protect these rare trees from the gangs seeking to profit from the rapidly growing demand for luxury furniture in China.<sup>4</sup> Having decimated most rosewood species in Southeastern Asia and Central America, this rapacious industry has now turned to Africa, and a dry forest species called “kosso” (*Pterocarpus erinaceus*).<sup>5</sup> Though little-known outside the region until recently, this slow-growing tree plays a crucial role in supporting the livelihoods of millions of people.<sup>6</sup>

In the space of a few years the volume of kosso logs traded to China eclipsed all other rosewood species. Kosso most likely became the most traded tropical hardwood species in the world and one of West Africa’s largest export commodities.<sup>7,8</sup> Due mostly to the boom in rosewood exports, by 2014 sparsely-forested West Africa was exporting almost as many logs to China as the densely-forested countries of the Congo Basin.<sup>9</sup> The level of harvest is highly unsustainable, causing massive social, economic, and environmental impacts all over the region.<sup>10</sup> The brutal degradation of fragile forests has increased the risk of conversion to agricultural uses and desertification.<sup>11</sup> The boom began in Gambia and Benin, but as the supply in those countries was exhausted in a few years, the Chinese traders rapidly moved on through other countries in West Africa before settling on the one offering the largest untapped resources – Nigeria.<sup>12</sup>

In a matter of months, the country transformed from being a net importer of wood to being the largest exporter of rosewood logs in the world and one of the largest overall wood exporters on the continent. Between January 2014 and June 2017, an average of more than forty 20-foot shipping containers full of rosewood logs were exported each day from Nigeria to China, equivalent to approximately 5,600 logs or 2,800 trees.<sup>13,14,15</sup> The international demand for kosso has fueled an unprecedented hunt for trees in Nigeria that devastated thousands of square kilometers of forests in an unstoppable rush from western to northeastern provinces. The chaotic felling of millions of trees, and the degradation of forest ecosystems all over the country, imperil the livelihood

of thousands of people and undermine the national effort to mitigate climate change.<sup>16,17</sup>

Most of the cutting and trade of *Pterocarpus erinaceus* in West Africa is illegal from the very start.<sup>18</sup> The rosewood logging and export have blatantly violated the harvest and/or log export bans adopted by most of the countries in the region. Sales of the timber have also fueled armed conflict in both the Ivory Coast and Senegal.<sup>19,20</sup> In 2015, illegal kosso worth almost a quarter of a billion dollars was seized by West African governments.<sup>21</sup> Yet this remains the tip of the iceberg.

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***Almost all the kosso coming from and through Nigeria for the past three years has been illegal.***

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Faced with the overwhelming scale of the crisis, West African governments sought international help, through the Convention on International Trade in Endangered Species (CITES). The listing of kosso to CITES in 2016, consecutively on Appendix III and Appendix II, placed responsibility on consumer countries – principally China, but also Vietnam – to prevent imports of illegally sourced kosso. The listing is a major test for the Convention, given that the scale of the trade outstrips any other species it has sought to control. It is also a unique opportunity. For the first time with a heavily traded tree species, CITES is getting involved early enough to make a real difference, before the irrevocable decline of the wild populations.<sup>22</sup>

EIA investigators have spent two years exploring this booming illegal trade, including undercover meetings with more than 30 actors in the supply chain, from the arid forests in Nigeria to the sophisticated retail shops in China. Our investigation reveals that almost all the kosso coming from and through Nigeria for the past three years has been illegal.<sup>23</sup> Taraba, the primary producer state has prohibited all felling of kosso.<sup>24</sup> All exports of logs occur in contravention of the long-standing Federal log export ban.<sup>25</sup> With supplies elsewhere already running dry, loggers have begun smuggling illegal wood from neigh-boring



Cameroon to meet the Chinese demand.<sup>26</sup> They have increasingly cut inside the largest West African national park, refuge of the most vulnerable chimpanzee in the world (*Pan troglodytes ellioti*).<sup>27</sup>

Kosso has also been frequently sourced from areas controlled by the terrorist organization Boko Haram, which may well have profited from the trade.<sup>28</sup>

Shipping documents are being routinely forged both in Nigeria and China.<sup>29</sup> The entire supply chain is rife with corruption and bad governance, from the “taxes” charged by the authorities in Nigeria on wood known to be illegal, to the customs authorities in the Nigerian port signing off on shipments in contravention of the log export ban, to Chinese officials paid to turn a blind eye.<sup>30</sup>

### ***Thousands of CITES documents have been used in contravention to the core objectives of the Convention.***

Most shockingly, EIA’s investigation has revealed that thousands of CITES documents have been used in contravention of the core principals of the Convention.<sup>31</sup> Since the Appendix III listing of kosso entered into force on May 9, 2016, every single shipment of the timber from West Africa had to be accompanied by an official document issued by the national CITES authorities.<sup>32</sup> Flooded with shipments from Nigeria without the requested CITES document or with a fraudulent one, Chinese customs officials began seizing a fast growing number of containers.<sup>33</sup> Evidence demonstrates that by the end of 2016, over 1.4 million kosso logs, worth US\$300 million were detained in Chinese ports.<sup>34,35</sup>

In response to this enforcement action that imperiled their lucrative business, influential Nigerian and Chinese businessmen revealed to EIA investigators that they “flooded officials with dollars,” paying over US\$1 million in bribes to Nigerian senior officials, including ministers and congressmen.<sup>36</sup> According to well-placed sources, these transactions involved the members of the Chinese Wood Association of Nigeria and the members of the wood exporters in Nigeria. EIA investigators were also told that

the Chinese consulate may also have been involved in the scheme and facilitated a meeting with the Vice-President.<sup>37</sup> A few weeks later, “the problem” was solved. According to EIA’s investigation, approximately 4,000 CITES documents were retrospectively issued by the Nigerian authorities and were used by Chinese importers to legitimize all of the detained wood.

Based on statements by well-placed sources, trade data analysis and CITES permits obtained by EIA, the former Nigerian Environment Minister, Mrs. Amina J. Mohammed, appears to have signed the thousands of retroactive CITES documents that legalized the timber, and left her office immediately after to take up her new post as United Nations Deputy Secretary-General.<sup>38,39</sup> Trade data confirms that over one million kosso logs from Nigeria entered the Chinese market during the first half 2017.<sup>40</sup> Hundreds of furniture factories are currently turning the piles of smuggled logs that slipped onto the Chinese market into elegant beds, chairs, and tables that will be offered in retail shops all over the country.<sup>41</sup>

### ***Mrs. Mohammed appears to have signed the thousands of retroactive CITES permits that legalized the timber, and left her office immediately after to take up her new post as United Nations Deputy Secretary-General.***

EIA research demonstrates the challenge that highly organized transnational criminals, motivated by the highly lucrative precious wood business, represents for producing and consuming countries, as well as international conventions. Several thousand permits were allegedly retrospectively issued to legitimize the entry of thousands of detained containers into the Chinese domestic market, escaping detection by Convention oversight. Currently, the monitoring of the implementation of the Convention and the level of international trade in specimens of species included in the CITES Appendices rely on the annual report prepared by the Parties to the Convention.<sup>42,43</sup> Due to

## **RECOMMENDATIONS**

### **CITES**

- Suspend trade immediately in all CITES-listed timber species from Nigeria.
- Conduct a thorough investigation into the export of *Pterocarpus erinaceus* from Nigeria to China, and make public the results of the investigation.
- Considerably improve transparency, accountability, and monitoring of the licensing system through the creation of a real-time electronic database for all CITES permits and certificates issued, accessible to the Secretariat, all Parties to the Convention, and third parties.

### **Nigeria**

- Conduct a criminal investigation with the support of INTERPOL into the allegations of grand corruption related to the issuance of CITES documents and into officials’ complicity in the routine export of logs in breach of the national log export ban.
- Permanently prohibit the harvest (state level) and export (federal level) of *Pterocarpus erinaceus*.
- Suspend all wood exports until the investigation by the CITES Secretariat and INTERPOL are completed, and the criminals involved in the illegal export of rosewood are convicted.
- Profoundly reform the timber sector, through a multiscale approach, from the allocation of forest rights to the export of forest products, in order to strengthen forest governance, and effectively dissuade and combat illegal logging and related trade.

### **China**

- Enforce the second provision to Article 164 of the National Criminal Law<sup>47</sup> that criminalizes bribes given to non-Chinese public officials and to officials of an international public organization.
- Extend the systematic verification of the CITES permits’ and certificates’ validity with the authorities of the countries of origin for all CITES listed timber species.
- Prohibit the import of illegal timber, which has been harvested, transported, or traded in contravention of international or national laws.



reporting issues, comprehensive trade statistics are frequently available only two years posterior to the year the trade occurred.<sup>44</sup> EIA's investigation exemplifies the "timber challenge" that the Convention is facing: vast amount of CITES listed timber species are traded around the world, with abrupt fluctuations in the volumes at stakes. Nigeria for instance has gone from exporting a few hundred specimens of species included in the CITES Appendices in 2014 and 2015 to more than a million in 2016, according to EIA analysis.<sup>45</sup> At the time EIA closed the investigation for this report, on September 15, 2017 no data for the trade in

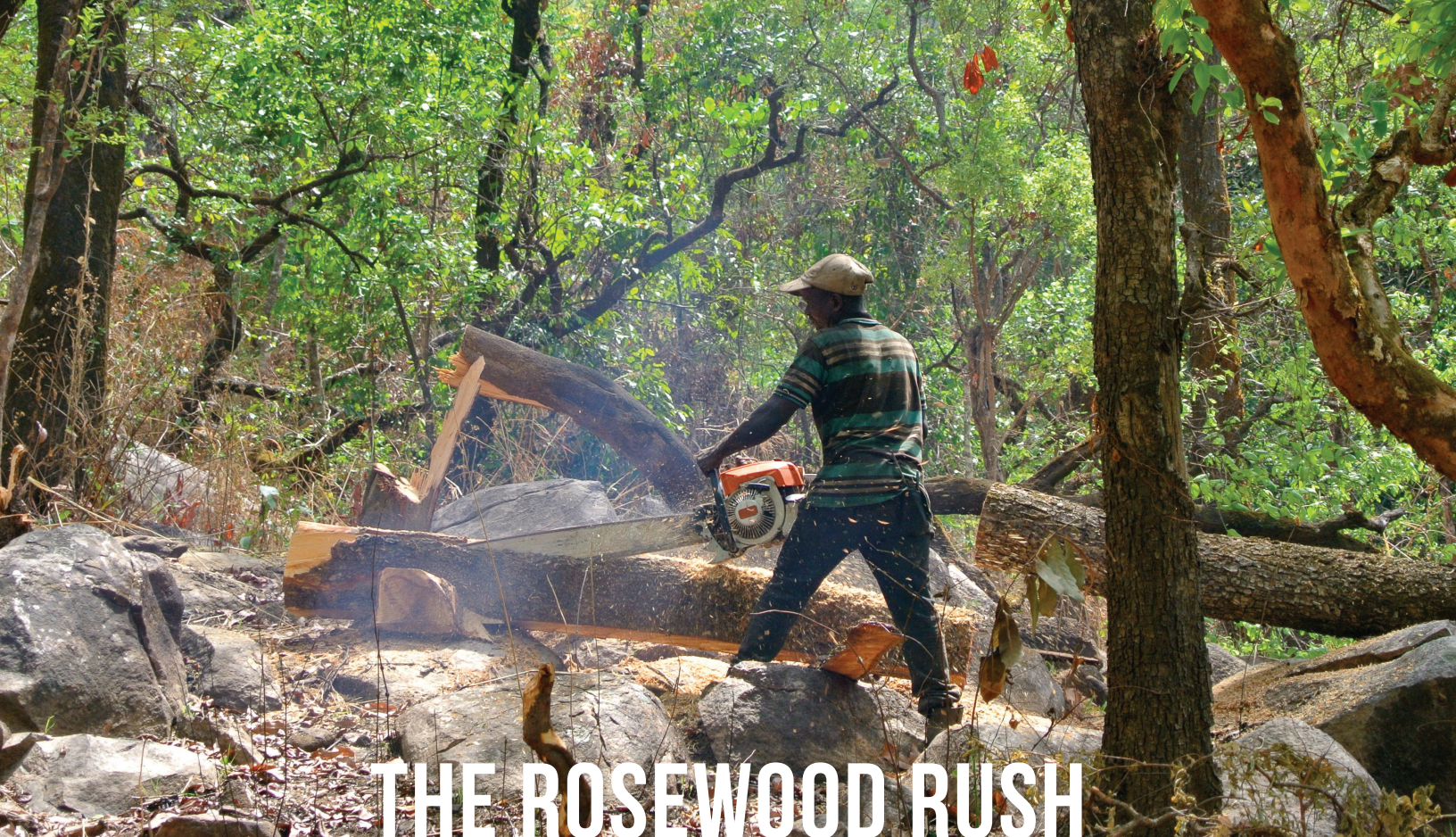
specimens of species included in the CITES Appendices exported from Nigeria in 2016 and 2017 was publicly available.<sup>46</sup> Sino-Nigerian criminal networks took advantage of the decentralized, opaque, and inadequately monitored CITES permitting system to launder illegally traded wood using CITES paperwork. Under its current permitting system CITES is unable to stop these abuses and to effectively combat the illegal trade in endangered trees.

Our report outlines the urgent actions needed to tackle the rosewood racket.

## ENDNOTES (FINDINGS AND EXECUTIVE SUMMARY)

- 1 Unless otherwise noted, the source for the report are EIA's internal investigative reports, photos, audio and video evidence collected during the investigation between March 2015 and September 2017. All documents mentioned related to this investigation are in the possession of EIA.
- 2 Unless otherwise noted, the source for the report are EIA's internal investigative reports, photos, audio and video evidence collected between during the investigation between March 2015 and September 2017. All documents mentioned related to this investigation are in the possession of EIA.
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- 4 EIA, 2016. The Hongmu Challenge. A briefing for the 66th meeting of the CITES Standing Committee, January 2016, London/Washington DC, UK/USA.
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- 6 Senegal, 2015. PC22 Inf. 13. Analysis of the International Trade in *Pterocarpus erinaceus* and its Consequences in West Africa. Available at: [https://cites.org/sites/default/files/eng/com/pc/22/Inf/E-PC22-Inf-13\\_0.pdf](https://cites.org/sites/default/files/eng/com/pc/22/Inf/E-PC22-Inf-13_0.pdf). Consulted on August 15, 2017.
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- 10 Senegal, 2016a. CoP17 Inf.48. Global Status of Dalbergia and Pterocarpus rosewood producing species in trade. Document prepared by Global Eye and submitted by Senegal.
- 11 Senegal, 2015. Op. cit.
- 12 See Section 1 of the report "The Rosewood Rush."
- 13 Based on typical load of 20 cubic metres in a 20-foot shipping container. Internal dimensions of 20-foot container are 5.897 meters in length, 2.348 meters in width, and 2.385 meters in height.
- 14 According to source, on average at least 140 kosso logs are loaded into a 20-foot container.
- 15 According to source, on average two logs are taken from one single tree in the wild.
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- 17 Nigeria. Available at: <http://climatechange.gov.ng/climate-knowledge/official-publications/policies/national-policy-on-climate-change/>. Consulted on August 15, 2017.
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- 19 UN, 2014. Group of Experts on Côte d'Ivoire, report, S/2014/266, April 14, 2014.
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- 22 For background information on CITES and timber trade, consult: Reeves, R., 2015. The role of CITES in the governance of transnational timber trade. Occasional Paper 130. CIFOR. Bogor, Indonesia.
- 23 See Section 3 of the report "A Multi-Million Dollar Trade Rooted in the Violation of Laws."
- 24 Ibid.
- 25 Ibid.
- 26 Ibid.
- 27 Ibid.
- 28 See Box 4 of the report.
- 29 See section 3 of the report "A Multi-Million Dollar Trade Rooted in the Violation of Laws."
- 30 Ibid.
- 31 See Section 4 of the report "Conning the Convention" for details.
- 32 The document being a CITES permit of export, in the case of Senegal (the listing country) or a CITES certificate of origin for all the other countries of the region, including Nigeria.
- 33 EIA, 2017. Unpublished investigative material.
- 34 According to source, on average at least 140 kosso logs are loaded into a 20-foot container.
- 35 See Section 4 of the report "Conning the Convention" for details.
- 36 See Section 4 of the report "Conning the Convention" for details.
- 37 Ibid.
- 38 Ibid.
- 39 Ibid.
- 40 Analysis based on Chinese customs data, obtained from the GTA, 2017.
- 41 EIA, 2017. Unpublished investigative material.
- 42 CITES/UNEP/WCMC, 2013. A guide to using the CITES Trade Database. Version 8. Available at: [https://trade.cites.org/cites\\_trade\\_guidelines/en-CITES\\_Trade\\_Database\\_Guide.pdf](https://trade.cites.org/cites_trade_guidelines/en-CITES_Trade_Database_Guide.pdf). Consulted on August 15, 2017.
- 43 Each Party is supposed to send a report to the Secretariat or the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) once a year, by October 31 of the year following the one in which the trade occurred.
- 44 Ibid.
- 45 According to a search in the CITES database, 302 specimen were exported by Nigeria in 2013, 356 in 2014 and 626 in 2015: [https://trade.cites.org/en/cites\\_trade/download/view\\_results?filters%5Btime\\_range\\_start%5D=2013&filters%5Btime\\_range\\_end%5D=2016&filters%5Bexporters\\_ids%5D%5B%5D=53&filters%5Bimporters\\_ids%5D%5B%5D=all\\_imp&filters%5Bsources\\_ids%5D%5B%5D=all\\_sou&filters%5Bpurposes\\_ids%5D%5B%5D=all\\_pur&filters%5Bterms\\_ids%5D%5B%5D=all\\_ter&filters%5Bselection\\_taxon%5D=taxon&filters%5Btaxon\\_concepts\\_ids%5D%5B%5D=&filters%5Breset%5D=&web\\_disabled=&filters\[report\\_type\]=comptab](https://trade.cites.org/en/cites_trade/download/view_results?filters%5Btime_range_start%5D=2013&filters%5Btime_range_end%5D=2016&filters%5Bexporters_ids%5D%5B%5D=53&filters%5Bimporters_ids%5D%5B%5D=all_imp&filters%5Bsources_ids%5D%5B%5D=all_sou&filters%5Bpurposes_ids%5D%5B%5D=all_pur&filters%5Bterms_ids%5D%5B%5D=all_ter&filters%5Bselection_taxon%5D=taxon&filters%5Btaxon_concepts_ids%5D%5B%5D=&filters%5Breset%5D=&web_disabled=&filters[report_type]=comptab).
- 46 Ibid.





# THE ROSEWOOD RUSH

Credit: Mathias Rittgerott/Rettet den Regenwald

Over the last few years, rapidly expanding demand in China has led to a global rush for precious woods. Traders have scoured the tropics for these high-value, slow-growing trees to feed furniture factories churning out intricately carved status symbols for the burgeoning middle-class. This “rosewood rush” has left a trail of destruction in its wake. It is driving species after species to the brink of extinction, and in the process is fueling high-level corruption, violence, and murder.<sup>48,49</sup>

Precious woods have been traded for centuries.<sup>50</sup> But contemporary demand is most certainly unprecedented, triggering a cascade of commercial and biological extinctions of tree species, degrading pristine forest ecosystems, and ravaging the livelihoods of local communities.<sup>51</sup>

Over the past decade, international demand for precious wood has centered on the so-called “rosewood” species – valued for their rich hues, beautiful grain, and durability – and often used to make fine furniture, handicrafts, and musical instruments.<sup>52</sup>

## Box 1. Rosewood above and beyond *Dalbergia* species

For years, the term rosewood was used for timber species that belong to the *Dalbergia* genus, such as *Dalbergia nigra* (commonly known as Brazilian rosewood), *Dalbergia latifolia* (Indian rosewood), and *Dalbergia oliveri* (Burmese rosewood). These species emit a sweet rose-like aroma that gave the commercial name to the group. However, *Dalbergia* is a diverse genus and not all its species yield rosewood. With the expansion and diversification of the international timber trade, the name “rosewood” has progressively been used to refer to species that do not belong to the *Dalbergia* genus, but possess similar properties. A fair number of these timbers come from other genera, such as *Pterocarpus*.<sup>53</sup>

The trade in rosewood shares many economic features with elephant ivory, rhinoceros horn, and tiger skin trades: limited and vulnerable supply, high demand, and high levels of criminality and corruption. Rosewoods are now the largest illegally traded wildlife products in the world, both in value and volume.<sup>54</sup> The aggregated value of seizures in rosewood between 2005 and 2014 represent more than all seizures related to elephants, big cats, rhinoceros, pangolins, parrots and turtles combined.<sup>55</sup>

Over the past decade, China has emerged as the epicenter of the international rosewood trading and trafficking routes.<sup>56,57</sup>

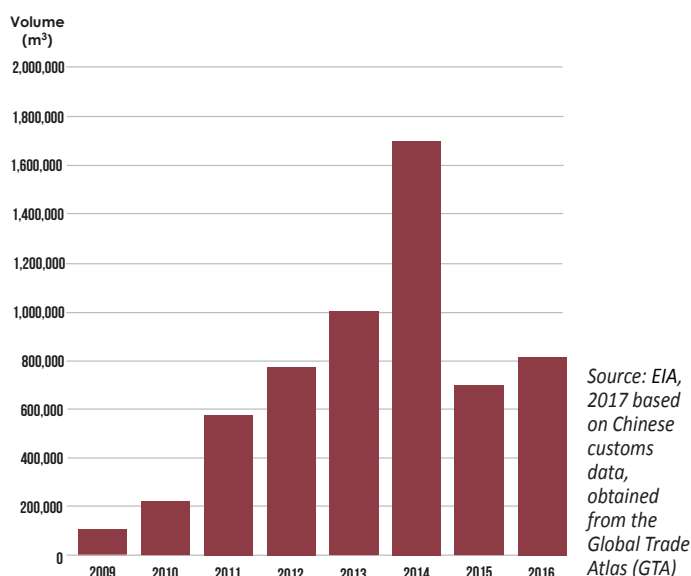
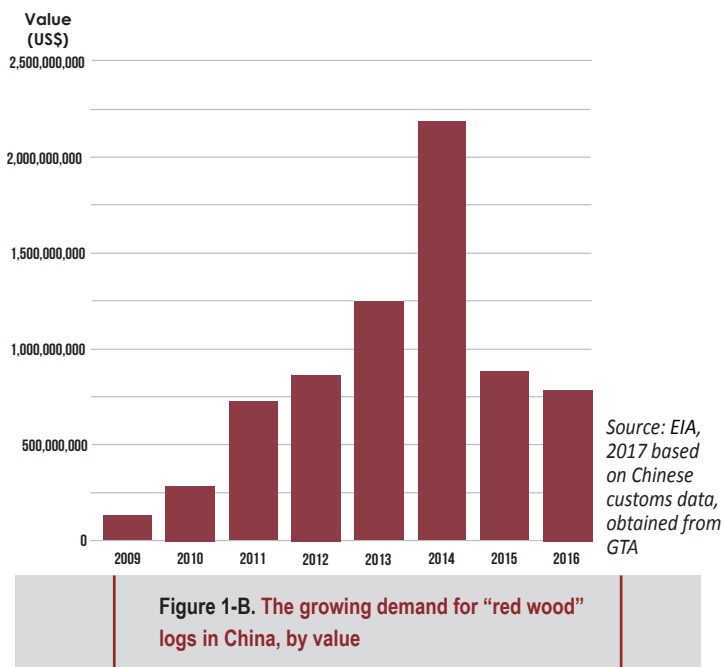


Figure 1-A. The growing demand for “red wood” logs in China, by volume





The Chinese demand has particularly, but not exclusively, targeted a group of 33 rosewood species, known as “red wood” (“hongmu” in Mandarin), used primarily for the reproduction of antique-style furniture.<sup>58</sup> The rising demand is driven by the growing middle class, which is now able to afford what for centuries was available only to elites, and is supported by considerable government incentives for the industry.<sup>59</sup> A look at China’s hongmu imports illustrates the evolution in trade (Figure 1). Hongmu logs account for approximately 80% of overall hongmu imports into China (the rest being processed products from lumber to finished products), and on average account for 10% of overall Chinese log imports from 2009 to 2016.<sup>60,61</sup> This is an extraordinary percentage for such rare species which are, in some cases, endemic to very limited subtropical areas.<sup>62</sup>

China is the predominant final consumer market for rosewood.<sup>63</sup> Chinese demand has grown exponentially over the past 15 years, from less than 200,000 cubic meters of rosewood logs imported in 2000 to over 1.7 million cubic meters in 2014, worth over 2 billion dollars.<sup>64</sup> After a brief decline in 2015, demand rose once again in 2016 despite the general economic slowdown in China. In addition, Vietnam plays a key role as a trade and processing hub. Vietnamese imports of *Dalbergia* and *Pterocarpus* logs and sawn wood surpassed 300,000 cubic meters in 2014 and 2015, and exports of these species from Vietnam to China reached the same order of magnitude during this period.<sup>65</sup>

## THE BUSINESS OF FOREST PLUNDER IN WEST AFRICA

Many East and Southeast Asian rosewood species have been over-exploited to the point of commercial extinction and are currently protected under various legal mechanisms. Since 1998, Chinese huang hua li (*Dalbergia odorifera*) has been classified as “threatened,” and the harvest and export of India’s red sandalwood (*Pterocarpus santalinus*) has been heavily restricted since its listing on Appendix II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).<sup>66</sup> Soon after the CITES listing of red sandalwood, Siamese rosewood (*Dalbergia cochinchinensis/cambodiana*) became the most sought-after rosewood species globally.<sup>67</sup> Although Siamese rosewood was also listed on Appendix II in 2013, it too is now virtually commercially extinct.<sup>68,69</sup>

Having depleted east and southeastern Asian forests of the most desirable rosewood species, traders began exploring other countries and continents in search of “new” species that could meet the growing Chinese demand. By the late 2000s, traders had successfully expanded and diversified their sources across Africa, Asia, and the Americas. In total, nearly half of all countries in the world have engaged China in the hongmu trade since 2000.<sup>70</sup>

### Box 2. Kosso tree: economic, social and environmental importance

*Pterocarpus erinaceus*, or kosso,<sup>76</sup> is native to the savannah and transition areas between savannahs and woodlands, which extend from the Sahel in the north to the Central African rain forests in the south.<sup>77</sup> It is a deciduous species regionally known for producing one of the finest woods in West Africa.<sup>78</sup> According to forest administration officials,<sup>79</sup> neither the dry and semi-dry forests of the region, nor specifically the kosso that grows there, had ever been harvested commercially for international export markets prior to their identification as “African rosewood” by Asian, and in particular Chinese, merchants. As a deciduous legume tree with a high, open, few-branched crown, usually growing between 12 to 15 meters tall with some specimens reaching 25 meters (Figure 2),<sup>80</sup> kosso produces leafy fodder high in protein, which makes an excellent animal feed, crucial for the survival of livestock during the dry season.<sup>81</sup> *Pterocarpus erinaceus* also plays essential social, economic, and cultural roles in handicrafts, musical instruments, medicines, and other applications, valued by local rural communities.<sup>82</sup> The resin from the tree is used to dye traditional fabrics, giving them a dark, desirable purplish color.<sup>83</sup> Several ethno-pharmacological utilizations have been reported, and a number of studies demonstrate the importance of the species in yellow fever and



Credit: Mathias Rittgerott/Rettet den Regenwald

**Figure 2. *Pterocarpus erinaceus* specimen in the wild**

antimicrobial treatments.<sup>84</sup> The leaves are used to treat fever, the bark helps to prevent oral infections, and the resin soothes severe diarrhea and dysentery.<sup>85</sup>

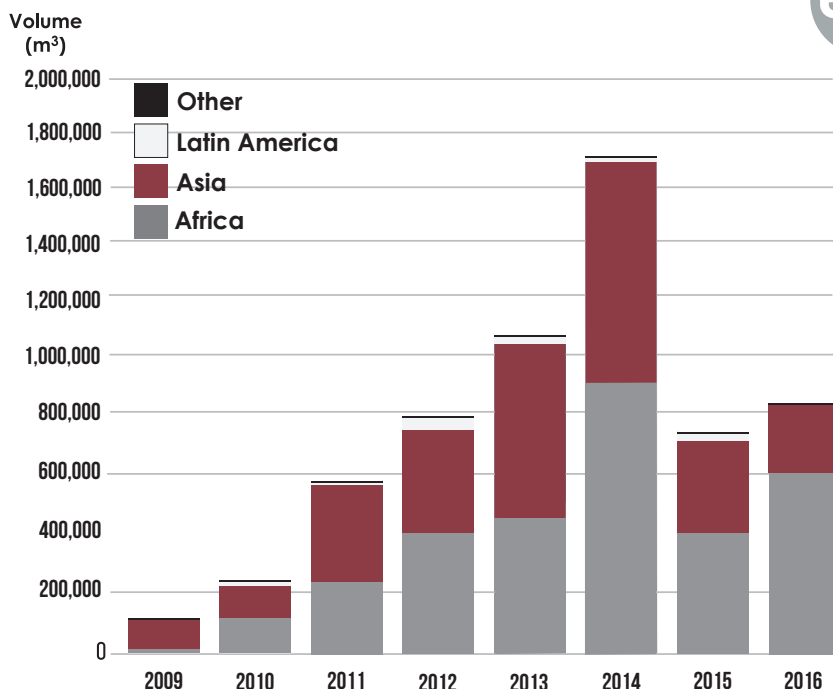


The region of West Africa has emerged as a robust source of rosewood. In 2013, rosewood exports from the region were negligible; two years later, the region had become China's largest volume supplier of rosewood logs (Figure 3). Rosewood has rapidly become one of West Africa's largest export commodities, representing nearly 10% of all non-oil exports to China in 2013.<sup>71</sup> Due mostly to the boom in rosewood exports, sparsely-forested West Africa exported almost as many logs to China in 2014 as the densely-forested countries of the Congo Basin.<sup>72</sup>

From January 2015 to December 2016, approximately 61% of China's rosewood logs imports came from West Africa. Over this period China has imported an annual average of 764,000 cubic meters, worth US\$840 million, of West African rosewood.<sup>73</sup> The trade in rosewood from West Africa has been focused on one particular species, *Pterocarpus erinaceus* – also called “kosso” (Box 2), which has become the most heavily traded tropical wood species in the world.<sup>74,75</sup>

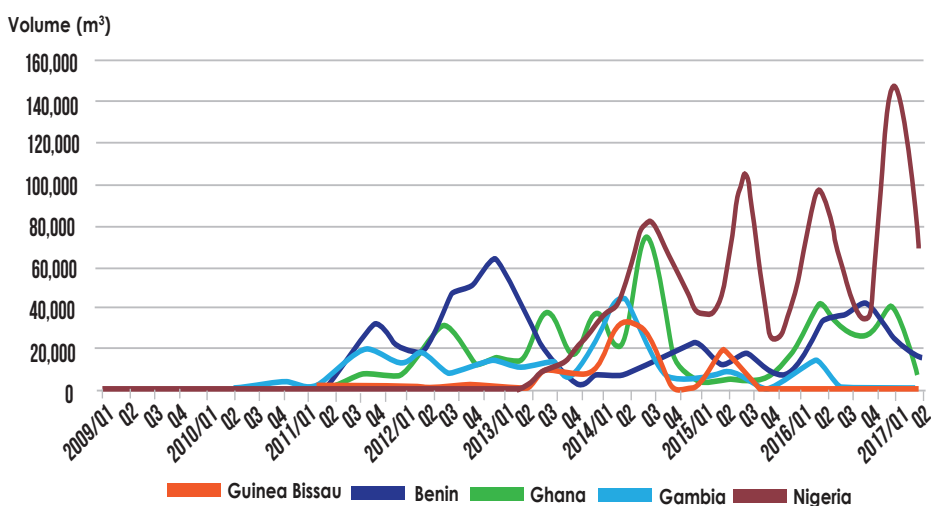
Over the course of four years, exporting networks have methodically devastated one West African forest after another, beginning with Togo (2012), then moving successively to Gambia (2012-13), Cote d'Ivoire (2013), Benin (2014), and Ghana (2014) before reaching Nigeria (2014) (Figure 4). The impacts of over-exploitation of the populations of *Pterocarpus erinaceus* have been described in several countries in the region, including Benin, Burkina Faso, Ghana, and Togo.<sup>86,87,88,89,90</sup> As a direct consequence of this modus operandi, the populations of *Pterocarpus erinaceus* have shrunk drastically across the region.<sup>91</sup> Regeneration in many areas has not kept pace, raising the threat of desertification, and depriving local communities of a resource traditionally used for construction, musical instruments, traditional medicine, and animal fodder.<sup>92,93,94,95,96</sup> The impacts of the unsustainable harvest reaches far beyond one particular rosewood species, as it results in the degradation of fragile ecosystems and important natural habitats.<sup>97</sup>

Crime is pervasive in kosso logging and its related trade. At the climax of each of the boom and bust cycles, sky-high market prices lead to “whatever it takes” procurement of precious woods. In order to mitigate the impacts of the extraction on the wild populations, most West African countries – namely Benin, Burkina Faso, Cote d'Ivoire, Ghana, Guinea Bissau, Mali, Nigeria, Senegal, Togo – have passed and implemented specific regulations that prohibit the harvest and/or export of the species.<sup>98</sup> Despite the log bans in place, China imported about a quarter billion dollars of kosso logs from these countries in 2014.<sup>99</sup> Rampant harvesting of kosso has been carried out in violation of protected areas and countries' borders.<sup>100</sup> Regional smuggling routes covered by misdeclaration and falsification of



Source: EIA, 2017 based on Chinese customs data, obtained from the GTA

Figure 3. Import of rosewood logs into China by region of origin, by volume



Source: EIA, 2017 based on Chinese customs data, obtained from the GTA

Figure 4. China's imports of rosewood logs from West Africa, by volume

official documents have been reported all over West Africa.<sup>101</sup> Over the course of a year, the coordination amongst nine countries in the region, facilitated by INTERPOL, resulted in one of the largest seizures in the history of the fight against illegal logging, with the equivalent of US\$216 million of logs seized; most of it kosso.<sup>102</sup>

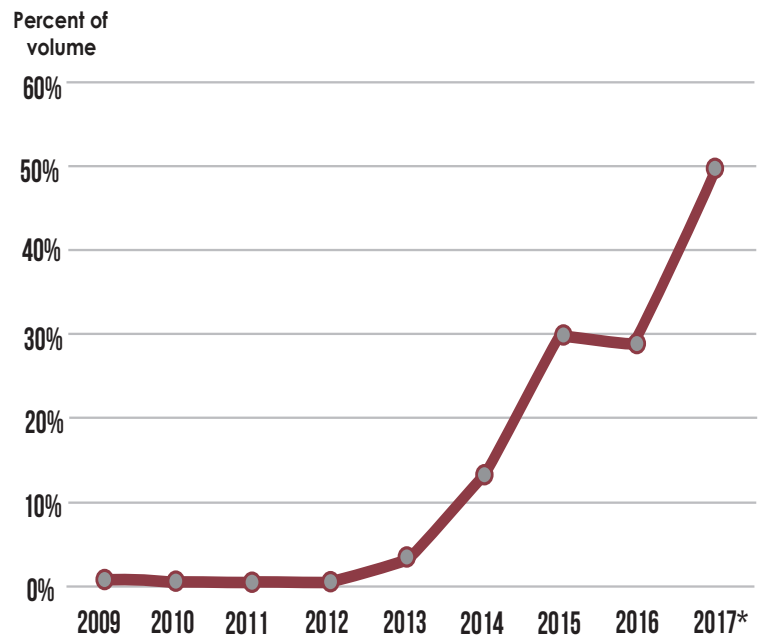
The boom in kosso trade has had profound negative impacts on forest governance and national security.<sup>103</sup> Kosso trade has fueled rebel uprising in both the Senegalese Casamance and Cote d'Ivoire.<sup>104,105</sup> In Guinea Bissau, traders have taken advantage of political instability to deplete forest resources. In 2012, when the country collapsed after a military coup, kosso traders strategically seized the opportunity to secure access to a considerable volume of timber. Chinese log imports from Guinea Bissau increased dramatically in a matter of months, from approximately 500 cubic meters in 2010 to more than 70,000 cubic meters in 2014.<sup>106</sup>



## NIGERIA: THE UNCONTROLLED PATH TO WORLD-LEADING ROSEWOOD EXPORTS

Nigeria is a relative newcomer to the international rosewood trade. The country first appears in Chinese customs data in the third quarter of 2012 (Figure 5). In a matter of months the country transformed from being a net importer of tropical logs to being the largest exporter of rosewood logs in the world and a major wood exporter on the continent.<sup>107</sup> Due to the boom in rosewood export, sparsely forested Nigeria exported more logs than most densely forested countries from the Congo Basin.<sup>108</sup> Between January 2014 and June 2017, every single day, an average of more than 40 shipping containers of rosewood logs were exported from Nigeria to China, equivalent to approximately 5,600 logs and 2,800 trees.<sup>109,110,111,112</sup> The explosion in harvest of this timber at an unsustainable rate and its export from Nigeria represent the most recent iteration of the boom and bust cycle that has previously ravaged most neighboring West African countries.<sup>113</sup>

In Nigeria, exporters have replicated a business model of total plunder, previously applied in several other countries, placing Nigeria on a course that will similarly guarantee radical depletion of its invaluable forest resources. The first populations exploited were those in close proximity to the export hub (Lagos) and neighboring states.<sup>114</sup> Once these nearby resources were exhausted, the logging front moved steadily toward the east crossing the central provinces, and one year later reached



\*: Value for 2017 are from January to June.

Source: EIA, 2017 based on Chinese customs data, obtained from the GTA

Figure 5. Evolution of Nigeria's share of China's rosewood imports, by percent of volume

### Box 3. The business model of precious timber extermination

Commercial networks moved quickly from one country to another, fleeing from increasing control measures and growing scarcity of the rosewood resource. Once the regional population of kosso is commercially exhausted, these networks will likely focus on "new" rosewood species for the trade, triggering once again ephemera cycles of over-exploitation. Several Chinese exporters (Figure explained to EIA investigators how their insatiable appetite for rosewood led to the commercial extinction of *Pterocarpus erinaceus* in many countries, leading them to move repeatedly from one country to another:

**Mr. F.** <sup>116</sup>: In Benin I was also dealing with this wood, kosso. It started out in Benin, when it was exhausted we moved here.

**EIA:** What about here [Nigeria]?

**Mr. F.:** It will also be exhausted here, at this speed, maybe another four to five years. This is a small country and kosso is not growing everywhere.

**Mr. P.:** Nigeria wood, I guarantee you, will be exhausted in two years! No more left. Maximum in two years, no more left!

**Mr. T.:** Kosso from Ghana and Benin is becoming almost extinct. Chinese started out from Ghana. When trees were out, people moved to Nigeria. Really it is a matter of three to four years. And going along at this speed, Nigeria will be out [of kosso] in two years. At the speed in Ghana... One year.

**EIA:** When did you start your business?

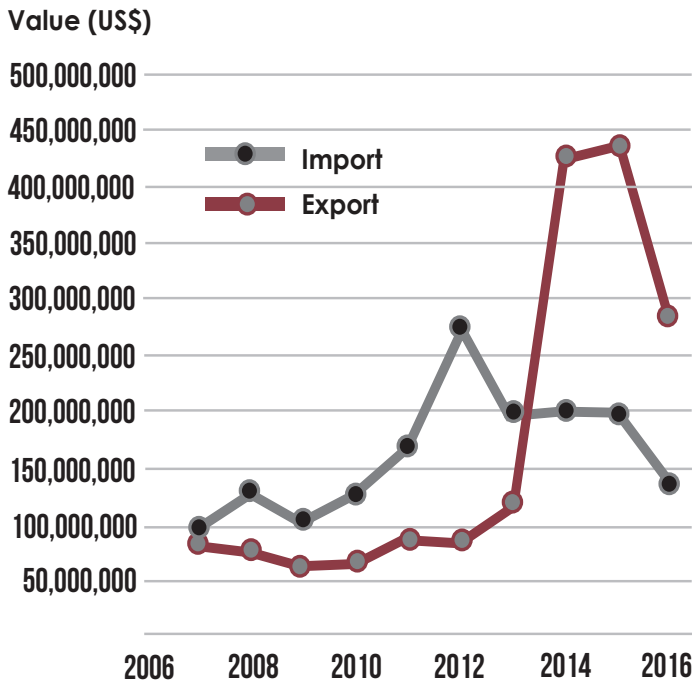
**Mr. Y.:** A year ago. We entered the business pretty late. [...] When we started, the [Nigeria] West side's kosso was already gone. People already started to cut near Cameroon.



Source: EIA, 2017

Figure 6. Mr. F. (left) and Mr. P. (right)





Source: EIA, 2017, based on UN Comtrade data

Figure 7. Evolution of Nigeria's wood import and export, by value (US\$)

northeastern Nigeria. Since the end of 2015, the main centers of exploitation have been the states of Benue, Taraba, Adamawa and Borno. In these regions the kosso populations are particularly concentrated in mountains and shallow lands.<sup>115</sup> Exporters explained to EIA investigators how they have moved from one West African country to another, predicting now the upcoming commercial extinction in Nigeria (Box 3).

Although logging has been going on in several regions of Nigeria since the post-colonial era as a result of its rich natural endowment of forest resources, the level of indiscriminate felling witnessed in recent years has been described by many as unprecedented.<sup>117</sup> According to Ahmed et al. (2016, p.45-48): "The savanna lands of the central part of Taraba state which holds the last remnant patches of forests have been besieged by platoons of illegal merchants who either come with their own chainsaw operators from the southern part of the country, or engage local young men to fell rosewood to service their illegal rosewood trade.[...] This selective logging of *P. erinaceus* has led to the depletion of most mature tree stands in the local community where it is produced. The exploitation of the species is spreading fast

like wild fire into the neighboring communities in the state."<sup>118</sup> As a result of the indiscriminate logging and the export of the rosewood logs to China, Nigeria has transformed from a net importer of wood to a major exporter, after the value of its export increased by 350% (Figure 7).

Rosewood trees constitute an important shade tree in the woodland savanna landscape<sup>119</sup> and as such, targeted felling of this tree will mean high surface area temperatures in places previously shaded by these trees, with implications for wildlife, understory saplings, and fire intensity.<sup>120</sup> Critical forest remnants that serve as refuge for wildlife species have been destroyed by the indiscriminate logging. The piles of residue left behind by the traders will be combustible for fire hazards during the dry season. Wildfire episodes are very likely to increase drastically over the coming years with disastrous social, economic, and ecological impacts.<sup>121</sup> Deforestation in the upper reaches of the tributaries of the Benue river can trigger a series of environmental, social, and economic detrimental effects.<sup>122</sup> Erosion may lead to increased sedimentation downstream, change in the aquatic ecosystem, blockage of the river channels, and flooding. When canopies are removed, most of the water upstream evaporates within a short period of time, reducing the ground water recharge downstream, and posing a threat to water security in several major towns.<sup>123</sup>

It is striking that the timber, generating millions of dollars for traders in Nigeria and China, is from one of the poorest regions in Nigeria where it is threatening local livelihoods.<sup>124</sup> All indicators of poverty for Nigeria's northeast are alarmingly high and far above the national average. Taraba state for instance has a poverty prevalence rate close to 70% and unemployment rate over 25%.<sup>125</sup> Northeastern states have the highest infant and maternal mortality rates in the country, the lowest rate of child enrollment in schools, and the highest number of unemployed young people.<sup>126</sup> The rosewood rush aggravated this distressing situation by increasing the level of poverty and food shortage in the region.<sup>127</sup> Because of the meagre but quick cash obtained – a day of tree felling being paid less than US\$2, the members of the predominantly agrarian communities, especially the youth, have shifted their attention and energy from the subsistence agro-pastoralism tasks to the forest activities.<sup>128</sup> In northeast Nigeria, the rosewood boom is both poverty-driven and a driver of poverty.

This region also faces the challenge of inter-ethnic and inter-religious conflicts, including the Boko Haram insurgency. By December 2016, the Boko Haram insurgency had claimed more than 17,000 lives, destroyed more than 1,000 schools, and displaced more than 1.5 million people.<sup>129</sup> The government has retaken most of the territory previously seized by Boko Haram, and has declared the insurgents "technically defeated."<sup>130</sup>





# PARTNERS IN CRIME: THE WORKINGS OF THE SINO-NIGERIAN SUPPLY CHAIN

In the course of a few months, a well-organized network has emerged as smuggling precious rosewood logs from the most remote forests in Nigeria to Chinese furniture makers. Fueled by an unprecedented demand for rosewood in China, these “partners in crime” have been continuously adapting their practices, taking advantage of weak law enforcement in Nigeria and undermining authorities on both the supply and demand side to expand their illegal business – often with the complicity of government officials.<sup>131</sup>

## THE KOSSO ROAD

The Sino-Nigerian kosso supply chain encompasses a number of routes and geographies (Figure 8). Because the forests in Nigeria’s southwestern and central states have been largely exhausted, kosso trees are now being cut in the remote northeastern region, frequently from community areas (Figure 9). The logs are dragged to logging yards accessible by road (Figure 10), trimmed into squared logs and loaded onto trucks for transport to the town of Sagamu (Ogun state) in the southwestern region (Figure 11).

Most of the kosso logs harvested in Nigeria over the past four years have been transported through Sagamu, turning the little town on the outskirts of Lagos into one of the biggest rosewood trading hubs in the world (Figure 12). In Sagamu, the squared logs are unloaded from the trucks and piled up on “beaches” used by

traders as showrooms for the potential buyers, or immediately reloaded onto 20-foot containers. The containers are then transported to the port of Apapa near Lagos, where – often invalid – export papers (see Section 3) are issued for shipment to Vietnam and China.<sup>132</sup>

After six to eight weeks, the shipments reach destinations in Vietnam or China. Most kosso logs destined for China arrive at the ports of Guangzhou and Shanghai.<sup>133</sup> Upon arrival, the containers loaded with African logs (Figure 13) are transported to local markets located close to the three major rosewood furniture processing hubs in the country: Xinhui (Guangdong Province), Zhongshan (Guangdong Province), and Dongyang (Zhejiang Province) (Figure 14). Xinhui has emerged as the major processing hub of kosso in China, home to over 4,000 factories, according to sources.

The logs are then transformed into furniture in nearby processing factories (Figure 15), and less than a month later the finished products are sent to customers and retail shops (Figure 16). In retail shops, labels indicate the Latin name of the species, along with the price of the furniture, dimensions and its denomination (Figure 17). As a basic rule, Xinhui and Zhongshan factories primarily supply the southern regions of China and Dongyang factories are principally oriented toward the eastern and northern markets. If the supply runs smoothly, a set of kosso furniture can be installed in the home of a Chinese family less than six months after the trees have been cut in northeastern Nigeria (Figure 8).<sup>134</sup>



Figure 8. The Kosso Road

Source: EIA, 2017

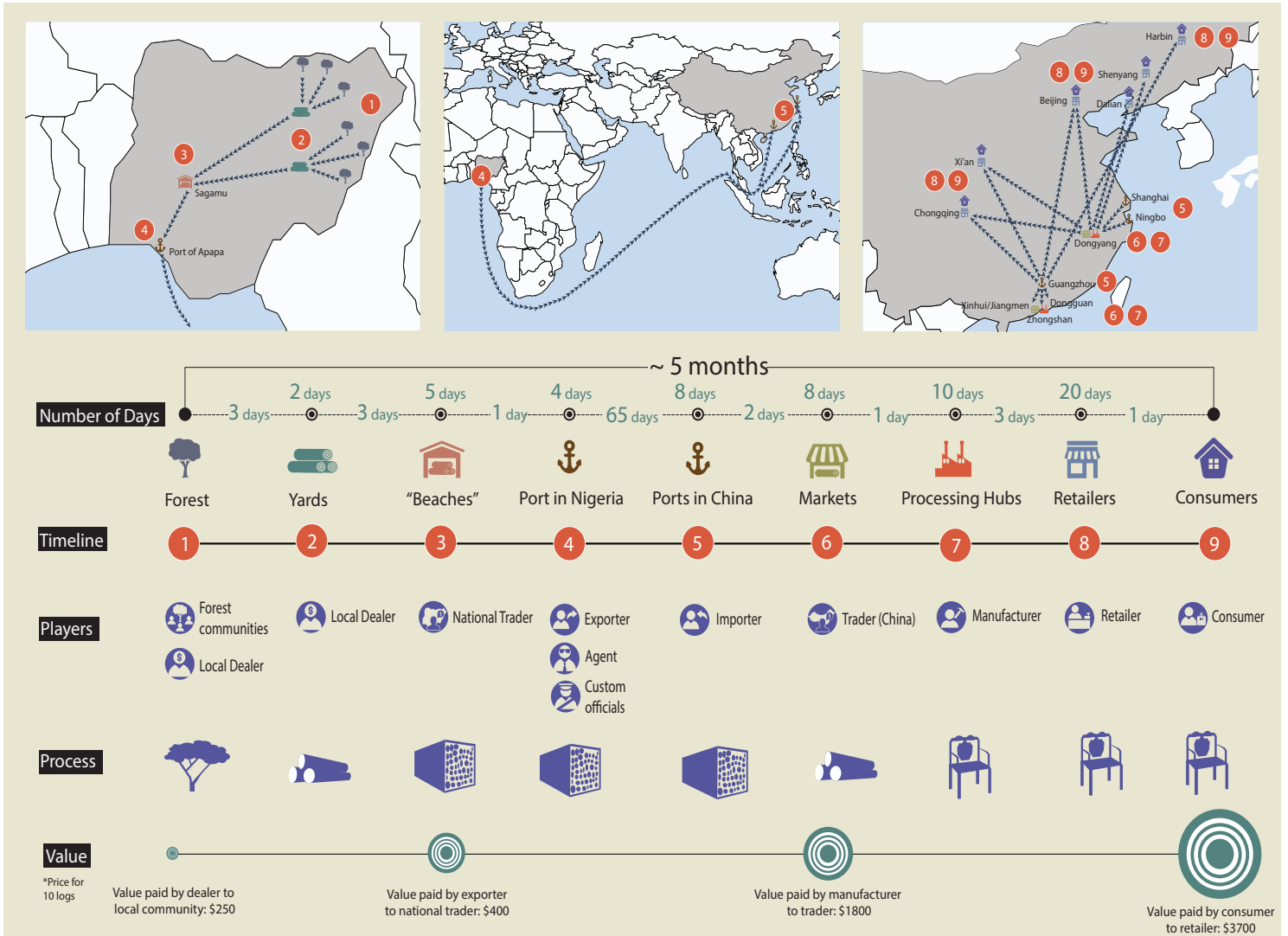


Figure 9.  
Kosso logs  
freshly  
cut and  
trimmed  
(Taraba  
state,  
Nigeria)



Credit: Mathias Rittgerott/Rettet den Regenwald



Figure 10.  
A depot in  
North-East  
Nigeria  
(Taraba  
state)



*Credit: Mathias Rittgerott/Rettet den Regenwald*

Figure 12.  
The express  
development  
of hundreds  
of log yards  
in Sagamu  
(Ogun state,  
Nigeria),  
(below)



*Source: Trader in Nigeria, 2017*

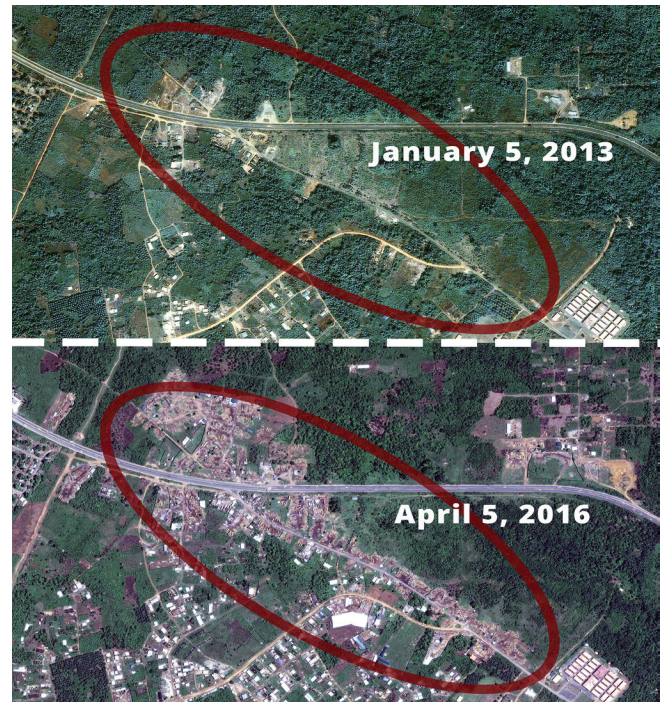


Figure 11. Loading of a truck in Taraba before he  
leaves to Sagamu (Ogun state, Nigeria), (left)

Figure 13.  
Kosso logs  
recently  
arrived from  
Africa at the  
Yiwu timber  
market  
(Zhejiang  
province)



*Source: EIA, 2017*





Figure 14.  
A market  
in Xinhui  
(Guangdong  
province)

Source:  
EIA, 2017



Source: EIA, 2017

Figure 15. A factory in Xinhui (Guangdong province)



Source: EIA, 2017

Figure 16. A retail shop specialized in kosso  
furniture in Shanghai

## KEY ACTORS OF A WELL-OILED SUPPLY CHAIN

The opaque kosso supply chain connects the remote forests of northeastern Nigeria to chic boutiques in Shanghai. It relies on well-defined roles between actors and a domino effect financing system that has its roots in the government-led fiscal policies in support of the largest importing companies.<sup>135</sup>

### In Nigeria: Cutting Team, Local Dealers, National Traders, Exporters and Their Agents

The forests are usually logged by local community members and loggers working for local dealers. Local and regional dealers primarily employ local workforce in order to facilitate their access to the forest. Once felled by chainsaw, the trees are rolled from the stumpage point to the dumping areas, where workers cut them into two+ meter-long square logs, which are transported to depots on trucks.

The local dealers serve as intermediaries between forest communities and national traders. Most local dealers are either self-financing or obtain credit from national traders. A high quality square log of at least 2.2 meters in length are paid approximately 7,000 Naira (US\$25) while poorer quality logs are sold at 6,000-6,500 Naira (US\$16-US\$23).<sup>136</sup> On average, two square logs of the above dimensions can be cut out of a single tree, depending on the height and shape of the tree.

National traders buy the squared logs from local dealers and supervise the transport from the depots in the northeastern states to Sagamu. When working on their own, national traders will source rosewood logs and put them on display on their “beach” in Sagamu (Figure 18), allowing them to sell to exporters at a better price. Most of the time however, national traders lack the necessary cash flow to source on their own and depend on the advance given by an exporter. This advance will then be passed on to the local dealers, who use it to pay local fees and workers.<sup>137</sup>



The exporters are almost always Chinese nationals living at least part of the year in Nigeria. Some Vietnamese and Nigerians are also involved in exports to Asia. At the peak of Nigeria's kosso boom in late 2015, between 200 and 300 exporters were allegedly involved in the trade. Information collected by EIA investigators in 2016 indicates that the majority of kosso exports were handled by five major players, who were exporting approximately 4,000 containers per year.<sup>138</sup> The exporters select the type, size, and quality of trees to be cut according to their clients' requirements in China. They finance the hunt for the kosso trees through advance payments and turn a blind eye to the origin of the logs even when they are coming from the area controlled by the terrorist group Boko Haram (Box 4).

In order to handle the export process and related paperwork, exporters contract logistics agents. These Nigerian entrepreneurs have been granted the right by the Federal Ministry of Environment

to officially export timber. Once the exporter has bought the merchandise from the national trader, she or he contacts an agent who arranges the containers needed, prepares the export paperwork (certificate of origin, phytosanitary certificate, and CITES documentation if needed) and pays all the required fees. The agent plays the role of the "consignee" on behalf of the Chinese exporter and fills the bill of lading accordingly.<sup>139</sup>

**In China: Importers, Traders, Manufacturers and Retailers**

Importers are based in the main Chinese harbor cities of Guangzhou, Shenzhen, and Shanghai. Typical importing companies handle a variety of products, from wood to wines and minerals. These companies offer customs clearance services to their customers, the traders. The major importing companies provide services to several dozen or hundreds of small to medium scale traders. Upon arrival at the Chinese harbor, the shipment is

**Box 4. Chinese entrepreneurs about the terrorist organization Boko Haram**

Chinese exporters directly fuel the cutting of trees in areas controlled by the terrorist organization Boko Haram. Despite having close financial relationships with the local traders and being fully aware of the risks associated with sourcing from Boko Haram territory, the exporters such as Mr. T. (Figure 19) showed no concern or tendency to avoid wood from that region:

**EIA:** But if the logs are coming from there [area controlled by Boko Haram], what do you do?

**Mr. F:** What the heck do I have to do with this? We are here. Who cares about where it comes from! As long as the logs are in good quality, we are fine. We do not go in person there anyway.

**EIA:** So there are people who go over to the BH [Boko Haram] controlled areas to cut?

**Mr. T.:** Yes, there are people who go there, these guys usually stay in hotels and buy from local traders.

**EIA:** So there are logs from that area?

**Mr. T.:** Yes, most of the wood comes from that area. [...] Wood from Benue are of bigger size but core is not as hard. We will be able to tell if wood not from Taraba. Logs are becoming smaller and smaller, therefore, the cutting is moving up to the North.

**EIA:** Are you not afraid?

**Mr. T.:** No, we are not going there! The local traders from Sagamu buy from people over there, we just wait here to buy from the traders.

**EIA:** So you buy woods from BH controlled areas, you are supporting terrorism, no?

**Mr. T.:** Well, you can't say that, and it is really beyond our concern.

The little concern expressed by exporters about the origin of the wood and its link to the terrorist organization Boko Haram reflects the no-question-asked prevalent on the import side. As explained by importers, neither authorities nor members of the industry care about the origin of the timber or its connection to terrorism:

**EIA:** I have some wood from Taraba, you know it is illegal, all the war, rebel stuff going on... Do you think it will be a problem?

**Mr. H.:** No problem! As long as you have paperwork, nobody cares where your wood is from.

**EIA:** Does China investigate that?

**Mr. H.:** Does not matter. I can find a state-owned company to do it for you. They [government] will not touch state-owned company. I cannot do business if I don't have these channels. [...] Chinese law is weak, so we usually find a state-owned company or shell companies that are approved by the customs. These companies are shell companies that were created by state-owned companies as well.



Source:  
EIA, 2017



**Figure 18.**  
Loaders working at the "beaches" in Sagamu (Ogun state, Nigeria)

Source:  
EIA, 2017



released to the importer, who will clear customs, handle the CITES procedures when necessary, and deliver the shipment to traders' warehouses.

Major importing companies play an essential financing role in the supply chain, providing "financial assistance" to their clients. In practice, this means major importers loan funds to Chinese manufacturers who have often limited cash flow available, thus enabling them to obtain raw material very rapidly from Nigeria even if their stock has not been sold in China. This financial flexibility allows traders in China to accumulate significant stocks in a matter of a few months, fueling the insatiable demand of the traders in Nigeria, thus indirectly financing the blitz harvesting operations in Nigerian forests. According to EIA sources, the loan services provided by importers represent the core component of their business model. Lastly, importers represent a "shield" for potential illegalities by the wood traders. As explained by one source, if "something goes wrong" (illegal goods are seized by authorities) the importing companies will use the "special relationship" they have built with officials "to make sure that nothing bad really happens" to their clients.<sup>140</sup>

Traders of vastly different sizes are based near the processing hubs of Xinhui, Zhongshan or Dongyang. Major traders turn over the equivalent of 100 containers per month, smaller traders between five to ten containers. Traders are in direct contact with the exporters, and arrange the import process through the importers. Upon receipt of the cleared timber shipments, traders store and eventually resell them or show them in dedicated "markets."

Manufacturers buy their raw material from the traders and are concentrated in a few rosewood processing clusters in the provinces of Jiangsu, Zhejiang, Fujian, Guangdong, Hebei, Tianjin and Beijing.<sup>141,142</sup> Xinhui area alone would count more than 4,000 factories, of which about 3,000 are declared with the rest operating off the books. The largest factories have the capacity to process up to thirty containers of kosso per month, employing around 300 skilled workers. On average companies process between half a container to one container each month. The plants are commonly structured by level of transformation: the cutting, the curving, the assembling, the polishing, the varnishing areas, and the inventory.

Kosso furniture retailers are concentrated in the manufacturing clusters, where investigators found tens of them within just a few blocks (Figure 20). Other retailers are located in the principal shopping malls. Over the past few years, retailers specializing in kosso have appeared in most shopping malls, presenting a wide variety of furniture made of the African species.

The rosewood furniture industry in China has for years been focusing on the reproduction of antique furniture styles, often relying on a handful of models that all retailers were selling. With the increase in Chinese demand, a new kind of retailer has emerged since 2014, offering more modern product lines geared towards the growing upper middle class (Figure 21). Kosso has become the symbol of high quality yet affordable rosewood furniture for a younger generation (Figure 22). The typical price for a high quality furniture set including a bed, two night tables, and one bench varies between 10,000 to 12,000 Yuan [US\$1,500-1,800].

Figure 19.  
Figure 19. Mr. T., exporter (left) and Mr. H., importer (right)



Source: EIA, 2016



Source: EIA, 2017

Figure 20. Concentration of furniture retailers in Xinhui (Guangdong province)



Figure 21.  
Modern version of a typical four piece kosso set

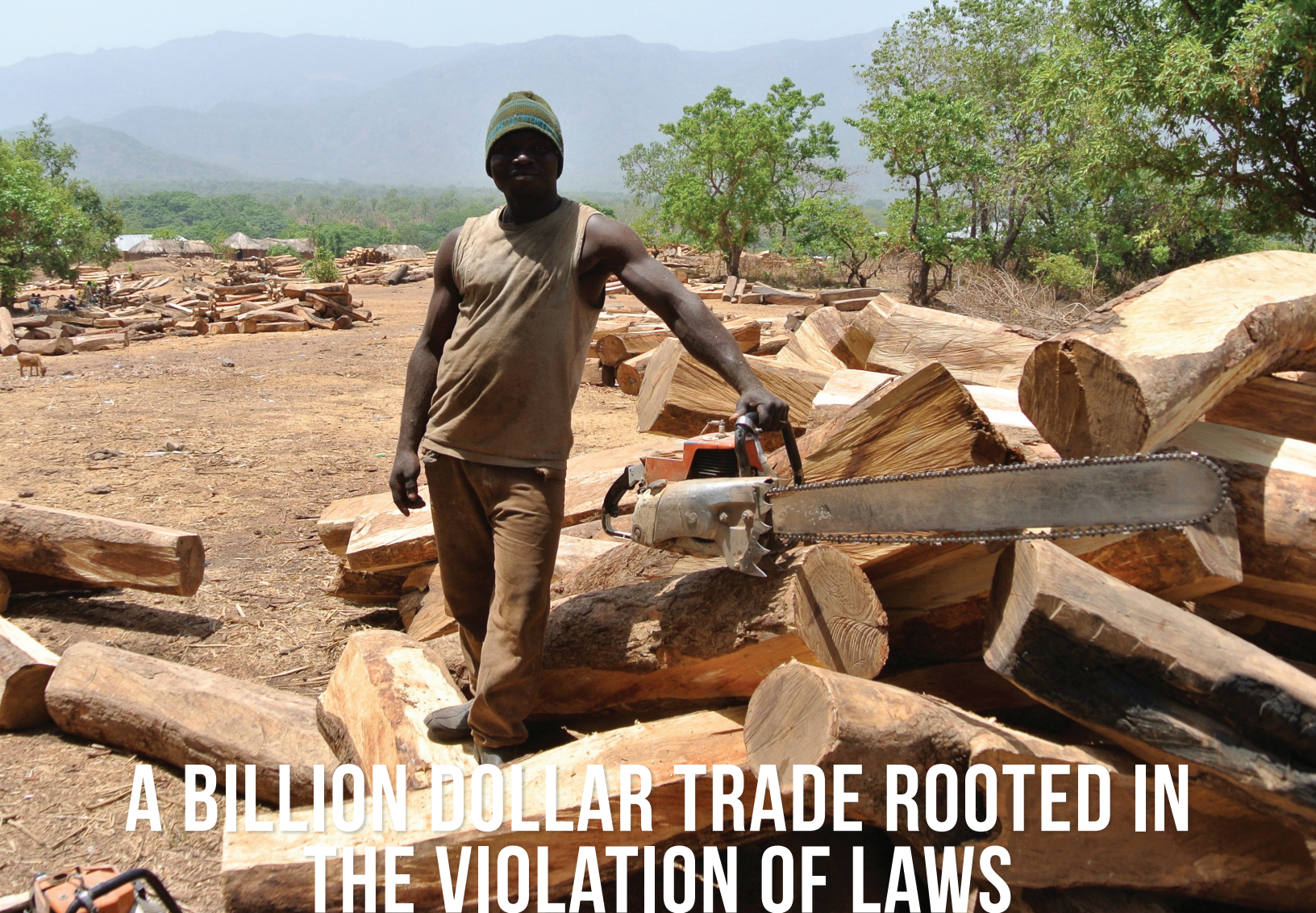
Source: EIA, 2017



Figure 22.  
Kosso as a symbol of the emergent middle class

Source: EIA, 2017





# A BILLION DOLLAR TRADE ROOTED IN THE VIOLATION OF LAWS

*Credit: Mathias Rittgerott/Rettet den Regenwald*

In order to meet the growing international demand, the Sino-Nigerian commercial networks are breaking multiple laws. This situation is reminiscent of the illegal harvest and export inherent to the development of the rosewood trade in Asia and Latin America.<sup>143,144,145,146,147</sup>

In both Nigeria and China, the criminal actors who are driving the rosewood trade have been benefitting from a lax regulatory and enforcement environment, weak forest governance, and widespread corruption.<sup>148</sup> In a conversation with EIA investigators, one of the primary Chinese exporters in Nigeria, described how he takes advantage of the chaotic timber sector: “Right, it is very unregulated. Of course it has its advantages and disadvantages, but for Chinese, there are many advantages. Chinese really enjoy a lawless system.”

Addressing journalists, the Director General of the Raw Materials Research and Development Council (RMRDC), Dr. Hussaini Doko Ibrahim, explained the main causes of the rosewood rush: (1) the economic recession that has led a number of unemployed Nigerians into hunting for kosso wood; (2) the deliberate exploitation of loopholes in national laws by Chinese businessmen; and (3) the unwillingness of the Nigerian government to enforce existing trade and export laws.<sup>149</sup> According to Mr. Ibrahim the uncontrolled logging and trade is decimating forests, weakening forest governance, and heightening tensions as local governments find themselves unable to control it.<sup>150</sup> Impacts also include the degradation of forests belonging to the West Africa’s largest national

park, and the critical habitats for elephants, big cats, and one of the last refuges for the Nigerian chimpanzee.

## ABUSE OF STATE HARVEST BAN

As the national traders explained to EIA investigators, most of the logs exported from Nigeria in 2016 came from Taraba state. Kosso is commonly called “Taraba wood” by traders for its origin. In an effort to curb rampant illegal logging and promote reforestation, the Taraba state government has banned the felling of trees, as well as trading and export of all timber species since August 2014.<sup>151</sup> Soon after the law was passed, enforcement operations resulted in the arrest of more than 100 offenders and the confiscation of their equipment.<sup>152</sup>

Growing pressure by the timber mafia eventually broke the state’s determination. Incentivized by the booming prices paid for kosso logs and the aggressive advances by Chinese exporters, scores of loggers rushed to the forests, penetrating even the most remote areas of the state.<sup>153</sup> The Taraba state government appeared powerless to stop the destruction. The Taraba state Minister of Environment reportedly asked the Federal Ministry to stop all rosewood exports by mid-2016, in order to protect Taraba forests and communities.<sup>154</sup>

Overwhelmed by the rosewood rush and unable to effectively police the vast forest areas in the state, Taraba state government officials stopped seizing logs. Instead, officials started collecting



additional fines (US\$1,430 per trailer load of rosewood) for illegal wood at checkpoints while waving them through without further consequences, thereby de facto legitimizing the illegal trade.<sup>155</sup> To local, regional, and national traders, this resembles a royalty more than a penalty, and it has no deterrent effect on illegal logging in the area.<sup>156</sup> Usman Madu, the Taraba state Director of Forestry, explained the state's powerlessness in the face of the illegal logging invasion: "Just like bunkering, you cannot stop it 100 percent. If you are in one part [of the forest] today, tomorrow they will move to another part. Some of them do the illegal logging at night and in the morning, you just see logs all over the place."<sup>157</sup>

The Nigerian Conservation Foundation (NCF) has expressed grave concern about the lack of political will on the part of the Taraba state government to curb the illegal logging or the number of truckloads of timber leaving the state on a daily basis.<sup>158</sup> The illegal nature of the logging activities in Taraba is perfectly understood and acknowledged by exporters:

“**EIA:** Do you know if the logs you buy are illegal or not?  
**Mr. W.:** According to law, it is illegal.  
**EIA:** Why?  
**Mr. W.:** Now it is banned by the [Taraba] state government, but they [the suppliers] can settle it through paying money and thus continue moving logs down to here. There is one thing that is good about Africa: money can resolve all problems!”

The situation in Taraba is summarized by Ahmed et al. (2016, p. 47): “This high exploitation of *P. erinaceus* is like a gold rush in which the activity is highly organized in a coordinated network that has challenged all existing forestry regulations in the state.”

## ILLEGAL HARVEST FROM THE LARGEST WEST AFRICAN NATIONAL PARK

With the progressive exhaustion of the resources that are easily accessible in the heart of the Taraba state, networks have shifted their activities to new sites adjacent to the Gashaka-Gumti National Park.<sup>159</sup> The largest single conservation area in Nigeria and the largest national park in West Africa that covers an area of 6,650 square kilometers, is now directly threatened by poaching and illegal logging.<sup>160,161,162</sup> Lions (*Panthera leo*), leopards (*Panthera pardus*), cheetahs (*Acinonyx jubatus*), buffalos (*Syncerus caffer*), several species of antelope (family *Bovidae*), elephants (*Loxodonta africana*), hippopotamuses (*Hippopotamus amphibius*), and crocodiles (family *Crocodylidae*) are all native to the park. The park is known to be one of the most promising African sanctuaries for primates and one of the last refuges for the Nigeria-Cameroon Chimpanzee (*Pan troglodytes ellioti*), known to have the smallest geographic range and the smallest population of all the Chimpanzee subspecies (figure 24).<sup>163</sup>

As found by EIA investigators, intrusions into the national park for illegal logging of kosso increased in 2016. As local traders explained, the teams of loggers sent into the park usually stay there for days or make quick incursions at night, playing the game of “hide and seek” with the park rangers who are fighting the illegal logging. In 2016 and 2017, the park represents an untapped

stock of timber, when most of the trees outside of the park have been already harvested. Proximity, ease of access, and quality of the trees in the park were mentioned as the main reasons behind the explosion of illegal logging inside the emblematic protected area. Several trucks loaded with rosewood have been seized by rangers inside the park in 2016 and early 2017 (Figure 23). As explained by rangers, encounters with illegal bands of loggers are frequently violent.<sup>164</sup> The recent seizure of logs and trucks inside the park reflects the increased number of patrols launched by authorities to curtail logging in the protected area.



Source: EIA, 2016; EIA, 2017

**Figure 23. Truck full of kosso seized by rangers inside the Gashaka-Gumti National Park**

## STOLEN TREES FROM CAMEROON

As forests are being exhausted in Nigeria, where bigger trees are now only left in remote areas, local traders in Taraba and Adamawa states have been moving into neighboring Cameroon on a quest for more kosso. Meeting major traders, including the Chairman of the Northern Adamawa Wood Association, in one of the key regional markets of the Adamawa state located approximately 25 kilometers from the Cameroon border, EIA investigators were told that most of the export quality kosso logs were nowadays cut in Cameroon, and smuggled through Nigeria. EIA investigators were offered a guaranteed supply of 20 trailers per month, equivalent to 7,000 logs per month. Traders noted that the trees available in Cameroon are far bigger than in this part of Nigeria now. The trees are smuggled from Cameroon to Nigeria by way of bribes to police and army at the border and on the road.<sup>165</sup> According to the Chairman, the market started in late 2016 and has since been serving as a trading hub for timber illegally smuggled from Cameroon. In order to secure access to the Cameroonian forests, traders pay small fees to the local communities in Cameroon. According to the Nigerian Anti-Deforestation Task Force (ATF), smuggling threatens forest governance on both sides of the border and results in considerable loss of revenue for states and countries.<sup>166</sup>



## VIOLATION OF NATIONAL LOG EXPORT BAN

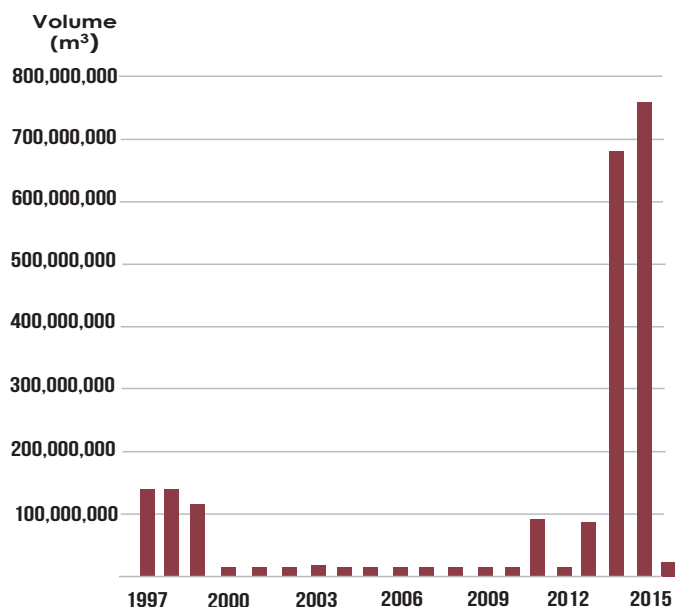
The vast majority of kosso is exported from Nigeria in violation of the long-standing export ban on logs.<sup>167</sup> Until very recently, only a few countries had reported log imports from Nigeria (Figure 24). However, since 2014 the situation has changed dramatically, and reported log imports from Nigeria in destination countries have suddenly increased tenfold both in volume and value.<sup>168</sup> The explosion of log exports from Nigeria is largely caused by Chinese demand for rosewood, while other categories of timber products continue to be exported at a marginal level.

Further analysis of available data shows a major discrepancy between exports reported by Nigerian customs versus import data reported by the customs in China beginning in 2014. Nigerian authorities have consistently declared zero log exports, while Chinese authorities have registered the equivalent of US\$350 million worth of imported logs from Nigeria in 2014 and 2015 (Figure 25).



Courtesy: National Science Foundation/Paul Sesink Clea

**Figure 24. The Gashaka-Gumti National Park is one of the last refuges for the most vulnerable chimpanzee (*Pan troglodytes ellioti*)**

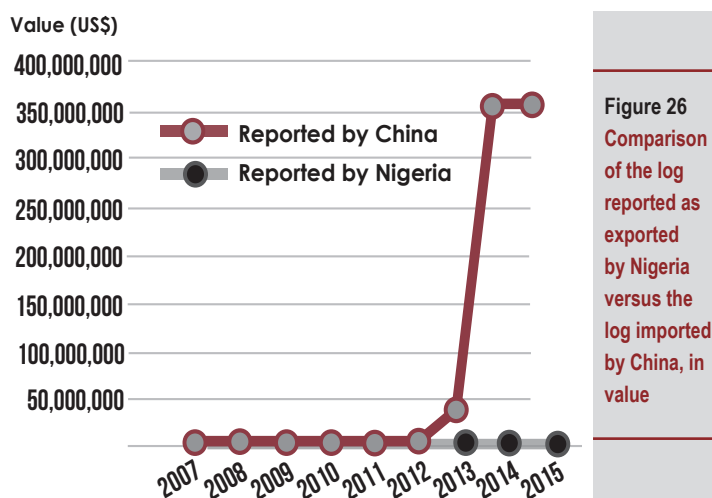


Source: EIA, 2017 based on Chinese customs data, obtained from the GTA

**Figure 25. Logs imported from Nigeria registered by partner countries, by volume**

The discrepancy illustrates the systemic lack of enforcement, prevailing corruption, and the absence of transparency in the Nigerian timber sector. According to existing legislation, only processed and “semi-processed” wood products, which meet a certain size and criteria defined by the Ministry of Environment (indicated on the license delivered by the ministry to the exporters) can be exported. Such laws tend to be passed to both better control export of illegal wood, create jobs in producing countries, and keep more value from the resource in these countries.

Both traders and their agents admitted to EIA investigators that the dimensions of squared logs exported to China are far larger than the law allows, and that the illegality of the business is well known by the customs officials, who are in turn paid by the exporters’ agents to look the other way (Box 5).<sup>169</sup> As explained by traders, the trimmed logs are of standardized size, the three most common types are of three different sizes which share the same length (minimum of 210 centimeters) and vary by the size of their sides (width and thickness



Source: EIA, 2017, based on UN Comtrade data

**Figure 26 Comparison of the log reported as exported by Nigeria versus the log imported by China, in value**

Source: EIA, 2016; EIA, 2017

**Figure 27. Licenses to export delivered by the Ministry of Environment to exporters**



**Figure 28.**  
First layer of  
kosso logs  
loaded into  
a container,  
well  
above the  
dimension  
authorized  
for export



Source: Trader  
in Nigeria,  
2017

### Box 5. The Nigerian timber open secret

The blatant violation of the export ban, permitted by corrupt customs officials, is an open secret freely admitted by exporters and their agents (Figure 28).

**EIA:** In theory this is all illegal, right?

**Mr. F.:** In theory, the government does not allow to ship these woods.

**EIA:** So it is illegal then?

**Mr. F.:** Well, it is illegal but the customs allows you to ship. Therefore, it is very hard to define if this is illegal or not. Because some of the documents we used are bought, then someday, all of sudden the government accuses us of smuggling. You see, they let you export, but then sometimes they say you are smuggling. So what should we do?

**EIA:** Is your wood illegal?

**Mr. Y.:** In theory, it is illegal, because the government issued regulation to ban it. But in Africa everything can be solved by money. That's how they operate. Whatever source or good that is easy to sell, they put a ban on these goods, not just wood. Fabric, etc. are also on the ban list. That way, you need to bribe customs and other officials in order to export.

**Mr. B.:** So by law, logs cannot be exported, even squares that are big size. We try to store inside the container, leaving the smaller size outside in case the government checks. Smaller ones we call them "planks," they are really not planks.

**EIA:** Isn't it by law one could not export logs, but what you export isn't it logs?

**Mr. S.:** Well this is very ambiguous: by law, this is timber not log, it [Nigerian government] could easily get you into trouble, or not.

**EIA:** Oh it could get you into trouble...

**Mr. S.:** Well it would not get us into trouble. If they decide to do something, they will get our agents!

**Figure 29.**  
Mr. B., agent  
(left) and Mr.  
S., exporter  
(right)



Source: EIA,  
2017

being roughly equivalent): 47 centimeters (known as "5 by 5" loading), 39 centimeters ("6 by 6" loading) and 34 centimeters ("7 by 7" loading). These dimensions are well over the maximum size authorized by the government, despite a substantial change between 2015 and 2016 from 35 to 360 centimeters in length (Figure 26), strongly supported by wood and exporters associations to cover their practices.<sup>170,171</sup> Figure 27 presents the first layer of a typical "6 by 6" loaded container.

As one trader explained to EIA investigators, the business of rosewood export in Nigeria is considered by many officials as "contraband" because it is done in contravention of the national law. Due to the upsurge of unprocessed woods exportation which negates the national regulation on timber export, a specific workshop "Sensitization of Exporters on Wood Exportation" was organized by the Nigeria Customs Services (NCS) with participation of the exporters and their agents in April 2016.<sup>172</sup> Speaking during the workshop, the Customs Area Controller of the Apapa port, Willie Egbudin explained: "We are not against anyone exporting wood but it must be done within the ambit of the law. [...] Sit down. Check the processes and see where you are getting it wrong and amend it. We cannot bend the rule or the procedure because it is difficult for you. It is a procedure designed by the FG [Federal Government] and it has to be done that way."<sup>173</sup> He particularly highlighted the fraud related to the export of squared logs, talking to journalists: "You can see the difference between unprocessed and the processed wood. The wood here are roughly sawn and that is what the FG said should not be exported."<sup>174</sup>

## MISDECLARATION AND FALSIFICATION OF OFFICIAL DOCUMENTS

EIA investigators discovered that over the past few years the official documents accompanying rosewood shipments from Nigeria have frequently been forged or invalid. An influential exporter based in Lagos, Mr. Y., summarized the common practice: "Certificates of origin are all fake, Chinese side know, and they don't care. Everyone knows that. Unless you want to go through Vietnam, you need to pay extra money to get a real one." The large scale fraud was later confirmed by another major exporter:

“ **EIA:** So what documents are required to export?

**Mr. T.:** Certificate of origins, packing list, BL, etc. The certificates of origin are basically all fake.

**EIA:** Why all fake?

**Mr. T.:** Well, to obtain real ones, first it is complicated in terms of formality and second it costs more money.

”



**ORIGINAL**

**NIGERIA AGRICULTURAL QUARANTINE SERVICE**  
**PLANT HEALTH**  
**PHYTOSANITARY CERTIFICATE** (CERTIFICATE PHYTOSANITAIRE)  
**N° 0030573** **TSC No.**

**1. NAME OF EXPORTER AND OFFICE ADDRESS (NOT P.O. BOX OR P.M.B.)** **2. CERTIFICATE OF ORIGIN**

**3. NAME OF CONSIGNEE AND OFFICE ADDRESS**

**4. PARTICULARS OF TRANSPORT (WHERE REQUIRED)**

5. ITEM NO.	6. MARKS & NUMBERS	7. NUMBER AND KIND OF PACKAGES AND DESCRIPTION OF GOODS	8. ORIGIN CRITERION (SEE OVER-LEAF)	9. WEIGHT GROSS NET	10. F.O.B. VALUE

**11. DECLARATION BY EXPORTER/MANUFACTURER/SUPPLIER** **12. CERTIFICATE**

The undersigned hereby declares that the above details and statements are correct, that all the goods are produced in Nigeria.

Signature of Declarant \_\_\_\_\_ Place and Date of Issue \_\_\_\_\_

It is hereby certified that the above mentioned goods originate in Nigeria.

Authorized Signature of Certifying Body \_\_\_\_\_

**OFFICIAL STAMP**

**NIGERIA AGRICULTURAL QUARANTINE SERVICE**

**WARNING: Any alterations and/or mutilation will render this certificate invalid.**  
**N'importer quel changement inutile la validité de cet certificat Phytosanitaire.**

Figure 30. Blank, signed and stamped phytosanitary certificate and certificate of origin

Source: EIA, 2017

A logistics agent who met with EIA investigators in Apapa demonstrated how he obtained, in less than twenty minutes, a blank and pre-signed phytosanitary document and certificate of origin from officials, noting that this is how things are usually done (Figure 29). When asked by investigators, the agent confirmed that nowadays it is indeed very easy, quick, and cheap to obtain blank certificates from officials and complete them with whatever information is required by the shipper and her/his agent without having to worry about control by the authorities.

One exporter explained that even the information on the bill of lading could easily be falsified: "Nobody writes down the real weight. If you have good relations with shipping company, you can ship more wood." The Importers Association of Nigeria (IMAN) publicly condemn the routine issuance of invalid export document for wood products by customs officials alongside officials of the National Drug Law Enforcement Agency (NDLEA).<sup>175</sup> The Deputy Chairman of the association for Lagos, Mr. Prosper Okolo, reported that some officials, particularly those in the seaport, aid and abet the illegal exportation of wood. Okolo noted that the export of prohibited wood items has been on the increase following the collusion of Nigerian officials: "Currently, Nigerian and some Asians exporters in collaboration with Nigerian freight forwarders, shipping firms are involved in this illicit export."<sup>176</sup>

Despite the well-oiled system of falsification and misdeclaration in Nigeria, some shipments still make their way to China without documents. It is then the importers' and their agents' job to falsify legal documents in order to clear customs in China. As explained by one of the importers, the absence of a law in China prohibiting

the import of illegally sourced or traded timber leads customs officials to be lax when it comes to controlling documents. As one importer explains, "This is pure formality." EIA investigators learned that logistics companies have frequently "photoshopped" – aka "PSed" – documents that should be produced by the authorities of the country of origin in order to facilitate entry of the timber into China. A Chinese trader specialized in the kosso business (Figure 30) explained:

**Mr. A.:** We can get certificates very easily. For example, if you need a certificate of quarantine, we can do it for you. Customs don't really check that. [...]

**Mr. A.:** Now it is in Guangzhou [port], so we still have channels, China is all about relationships, it is hard to explain...

**EIA:** What is the price [for fake certificate] per container?

**Mr. A.:** Ten thousand [Yuan, US\$1,500]. Before October 1<sup>st</sup> it was five thousand. It will keep going up.

**EIA:** How many containers have you helped [in this way] this year so far?

**Mr. A.:** Around 300. [...]

**EIA:** What is the price for containers with certificate?

**Mr. A.:** One thousand five hundred per container for certificate, one thousand six hundred and fifty per container for customs.



17. Scientific name & common name of specimen	18. Appendix				
A <i>Pterocarpus erinaceus</i>	II	W	67.200 CBM	98,000.000	
B African Rose wood (Kosso)					

23. Authorisation: This permit was issued by:

Ahmed Nige 16/11/17  
 Place Signature & Date Security Stamp

#### 24. ENDORSEMENT AT PORT OF EXPORT/RE-EXPORT/IMPORT

See block 17 above	Quantity
A <i>Pterocarpus erinaceus</i>	67.200 CBM
B African Rose wood	

Endorsed by: BAKUT T. AYURA  
ASSISTANT DIRECTOR  
 (Name, Signature & Rank)

Date: \_\_\_\_\_ Name of Port: \_\_\_\_\_

Official Stamp/Seal:



## CONNING THE CONVENTION

The systematic plundering of *Pterocarpus erinaceus* quickly raised concern among West African States, who decided to act in concert to stop it. As in several other countries of the region, kosso trade had been linked to violence and political instability in Senegal, fueling rebel forces in the Casamance region, and quickly becoming a matter of national security requiring decisive governmental action.<sup>177,178,179,180</sup> Senegal listed all populations of the species on Appendix III of CITES, which entered into force on May 9, 2016.<sup>181</sup> Looking for a greater degree of protection (see Box 6 for details on CITES listings and consequences) for a quickly disappearing species, West African States jointly submitted a proposal for the listing of *Pterocarpus erinaceus* on Appendix II of CITES, which was approved at the 17<sup>th</sup> meeting of the Conference of Parties (CoP17) in Johannesburg in late 2016, and came into force on January 2, 2017.<sup>182</sup>

The listing of *Pterocarpus erinaceus* on Appendix II, along with more than 300 hundred timber species from Dalbergia genus and several species from Gibourtia genus<sup>183</sup> at CoP17 was a watershed moment for the protection of heavily traded endangered tree species around the world, building upon the encouraging trend initiated at CoP16 in Bangkok in 2013.<sup>184</sup> The significance of these listings was summarized by John E. Scanlon, the Secretary General of the Convention: "Conferences, declarations and reports highlight the scale of the challenge of sustainably and legally regulating trade in valuable timber. Yet, there is only one international agreement that obliges states across the value chain to ensure

legal and sustainable trade in timber, and that is Cites. [...] the battle to axe illegal logging is being won."<sup>185</sup>

Evidence collected from March 2015 to September 2017 – before and after both Appendix III and Appendix II listings – strongly indicates that politically influential networks of Sino-Nigerian smugglers placed at least 1.4 million illegal logs of kosso onto the Chinese market less than six months after the Appendix II listing of *Pterocarpus erinaceus* came into force. The case raises legitimate questions about the challenges that the highly organized multinational timber mafias pose to the Convention and its implementation. EIA's research reveals that the piles of logs, after being stopped for months by Chinese authorities, were released because of the retrospective issuance of approximately 4,000 CITES permits<sup>186</sup> that were reportedly signed in January by the former Nigerian Minister of Environment, Mrs. Amina J. Mohammed, just before she left her post in the country to be sworn in a few days later as UN Deputy Secretary-General in New York.<sup>187</sup> The independent and converging allegations from Chinese and Nigerian traders, exporters, and agents who disclosed to EIA investigators the existence of over US\$1 million equivalent of bribes paid to Nigerian ministers, senior officials from the administration in charge of CITES, and congressmen – some of them facilitated by Chinese diplomats –<sup>188</sup> indicate the true power of the criminal networks operating the lucrative business of illegal logging and related trade.



## WHEN CHINESE AUTHORITIES STOP MORE THAN 1.4 MILLION ILLEGAL LOGS

Prior to May 9, 2016, when the Appendix III listing of *Pterocarpus erinaceus* came into effect, forging practices and fraudulent use of official documents, both in Nigeria and China, focused on a variety of paperwork required for timber shipments to leave Nigerian ports and enter the Chinese market, including certificates of origin, phytosanitary certificates, and bills of lading.<sup>189,190</sup> With the entry into force of the Appendix III listing, the falsification of official documents or the use of invalid official documents were extended to the required CITES certificate of origin (see Box 5 for details about CITES implementation).<sup>191</sup>

Routine falsification of CITES certificates of origin developed quickly in Nigeria and China. By July 2016, the Nigerian Federal Director of Forestry at Federal Ministry of Environment, Mr. Philip Bankole, stressed publicly that some people are in the habit of “distributing fake documents associated with wood export.”<sup>192</sup> After reminding that Nigeria is a CITES Party, he explicitly warned exporters and their agents: “Because of the way we Nigerians are exporting woods against the rule and if it is banned there is no way we can lift it here in Nigeria [...] CITES is an international law signed by so many countries and once people are exporting wood that they don’t get CITES where it is supposed to; first the item will be seized and they will see Nigeria in the bad light.”<sup>193</sup>

The situation was no different in China. As logistics companies working for importers explained and demonstrated to EIA investigators, they had obtained the template of the CITES certificate of origin that they used as a blueprint for forged documents only a few weeks after the implementation of the Appendix III listing.<sup>194</sup> According to several importers, the Appendix III listing has never been a real issue for the timber mafia since the templates are so easy to falsify and Chinese customs do not check the validity of the document.<sup>195</sup> As summarized by a trader, “It is very much business as usual.” In a matter of a few weeks, Chinese customs were presented with a wide variety of fraudulent CITES certificates of origin by importers. EIA investigators collected several certificates of origin from Nigeria showing obvious differences (Figure 30).

Literally flooded by dubious CITES certificates of origin produced both in Nigeria and in China, CITES Management Authorities of these countries (see Box 5) decided to take specific measures of verification, as the Nigerian CITES authority explained to EIA investigators. Guided by the recommendations from the CITES Secretariat,<sup>196,197</sup> Nigerian and Chinese Management Authorities established an efficient and rapid system: for each certificate they were presented, the Chinese Management Authority contacted the Nigerian Management Authority via email in order to obtain confirmation of the validity and veracity of the permit.<sup>198</sup> Only once the permit was deemed authentic by Nigerian authorities was the shipment authorized to enter the Chinese domestic market. In contrast, when the permit presented to Chinese authorities was not recognized by Nigerian officers, the shipment was stopped at the border until a valid document could be presented. This mechanism established between China and Nigeria increased the time needed for importers of verified CITES-authorized wood to clear Chinese customs by only a few days, but proved to be particularly effective in identifying and stopping illegally traded timber.

Over a period of approximately six months, commencing soon after the implementation of the Appendix III listing, a growing number of containers were stopped at the Chinese border and began to accumulate in Guangzhou and Shanghai ports.<sup>199</sup> By the end of 2016, several traders and importers reported to EIA investigators that a total of 10,000-12,000 containers were stopped, equivalent to 1.4-1.6 million logs.<sup>200</sup>

Importers and their agents explained to EIA investigators how they reacted quickly to the increased level of enforcement, by using their contacts in CITES and customs administrations, and bribed officials, to clear the stopped containers or avoid detention in the first place.<sup>201</sup> One logistic agent confirmed he bribed local CITES officials, for a value of 10,000 to 12,000 Yuan (US\$1,500-1,800) per container, in order to have a “small” number of containers – no larger than 100, released. Another agent admitted smuggling:

Figure 31. The spectrum of CITES certificates of origin presented to EIA investigators

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA		1. Permit Certificate No. 18734	
2. Valid until: 18th October, 2018		3. Country of Import: CHINA	
4. Country of Export	5. RE-EXPORT	6. IMPORT	
8. Exporter/Re-Exporter (Full name and address): Ocean Star Service Limited, Suite 201 NPA Plaza, Apapa, Lagos		9. Importer (Full name and address): Mr. Chen Shulian, Email: shulianchen@qa.com	
10. Special conditions: Transport of live animals must conform with relevant CITES guidelines and the International Air Transport Association (IATA) regulations		11. Issuing management authority: CITES MANAGEMENT AUTHORITY, FEDERAL MINISTRY OF ENVIRONMENT, P.O. BOX 1204, AGUSTUS AWOYE WAY, UTAKE DISTRICT, ABUJA, NIGERIA	
12. Purpose: Wood Work	13. Country of (last) export: CHINA	14. Country of origin: NIGERIA	
15. Security stamp No: US38674	13a. Certificate No: 187356	14a. Permit No: 18734	
13b. Date of issue: 12-JAN-2016		14b. Date of issue: 12/1/2016	
16. Details of specimen (including identifying marks): NONE			
17. Scientific name & common name of specimen: A. Processed Wood	18. Appendix: Kasso	20. Quantity: 120	21. Weight(kg): 24000 Kilos
23. Authorisation: This permit was issued by:			
24. ENDORSEMENT AT PORT OF EXPORT/RE-EXPORT/IMPORT: See block 17 above			
Endorsed by: Musa Shela, Signature & Rank, Date: 3/8/2016, Name of Port: Lagos			

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA		1. Permit Certificate No. 18734	
2. Valid until: 18th October, 2018		3. Country of Import: CHINA	
4. Country of Export	5. RE-EXPORT	6. IMPORT	
8. Exporter/Re-Exporter (Full name and address): Abnash International, Kigali, Rwanda		9. Importer (Full name and address): Zhongshan Zhongsheng Import & Export Co. (Jin), Room 1001, 100, Zhongshan Road, Yuhua District, Ningbo City, Zhejiang Province, China	
10. Special conditions: Transport of live animals must conform with relevant CITES guidelines and the International Air Transport Association (IATA) regulations		11. Issuing management authority: CITES MANAGEMENT AUTHORITY, FEDERAL MINISTRY OF ENVIRONMENT, P.O. BOX 1204, AGUSTUS AWOYE WAY, UTAKE DISTRICT, ABUJA, NIGERIA	
12. Purpose: Wood Work	13. Country of (last) export: CHINA	14. Country of origin: NIGERIA	
15. Security stamp No: US38674	13a. Certificate No: 187356	14a. Permit No: 18734	
13b. Date of issue: 12-JAN-2016		14b. Date of issue: 12/1/2016	
16. Details of specimen (including identifying marks): NONE			
17. Scientific name & common name of specimen: A. Pterocarpus erinaceus	18. Appendix: Kasso	20. Quantity: 285	21. Weight(kg): 48,000 Kilos
23. Authorisation: This permit was issued by:			
24. ENDORSEMENT AT PORT OF EXPORT/RE-EXPORT/IMPORT: See block 17 above			
Endorsed by: Musa Shela, Signature & Rank, Date: 3/8/2016, Name of Port: Lagos			

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA		1. Permit Certificate No. 18734	
2. Valid until: 18th October, 2018		3. Country of Import: CHINA	
4. Country of Export	5. RE-EXPORT	6. IMPORT	
8. Exporter/Re-Exporter (Full name and address): Ocean Star Service Limited, Suite 201 NPA Plaza, Apapa, Lagos		9. Importer (Full name and address): Mr. Chen Shulian, Email: shulianchen@qa.com	
10. Special conditions: Transport of live animals must conform with relevant CITES guidelines and the International Air Transport Association (IATA) regulations		11. Issuing management authority: CITES MANAGEMENT AUTHORITY, FEDERAL MINISTRY OF ENVIRONMENT, P.O. BOX 1204, AGUSTUS AWOYE WAY, UTAKE DISTRICT, ABUJA, NIGERIA	
12. Purpose: T	13. Country of (last) export: CHINA	14. Country of origin: CHINA	
15. Security stamp No: US38674	13a. Certificate No: 187356	14a. Permit No: 18734	
13b. Date of issue: 12-JAN-2016		14b. Date of issue: 12/1/2016	
16. Details of specimen (including identifying marks): NONE			
17. Scientific name & common name of specimen: A. Pterocarpus erinaceus	18. Appendix: Kasso	20. Quantity: 11	21. Weight(kg): 14,000 Kilos
23. Authorisation: This permit was issued by:			
24. ENDORSEMENT AT PORT OF EXPORT/RE-EXPORT/IMPORT: See block 17 above			
Endorsed by: Musa Shela, Signature & Rank, Date: 3/8/2016, Name of Port: Lagos			

Source: EIA, 2016



**EIA:** You mentioned there are 1,000 containers at Huangpu, how do they handle it?  
**Mr. U.:** “Special ways” to get certificate...  
**EIA:** So the reason they are stopped at the border is probably because they did not use “special ways” successfully?  
**Mr. U.:** Sometime it is because they did not find the right person. It is not that easy to find the right person.  
**EIA:** It is consider as smuggling.  
**Mr. U.:** Yes, it is like smuggling. ”

A trader, with personal contact with customs officials in Beijing, explained how his seized containers were released after he bribed officials:

**Mr. J.:** The key is to find something to argue with. In my case, I could say that my documents are real, it is the black people in Nigeria who made the mistake this is the reason why certificate number and order number don’t match. It is not my mistake. [...] Ultimately it all depends on how much money you are willing to pay. Last time we spent 20,000 [Yuan, US\$3,000] per container. ”

According to several importers, the scam was not worth the money invested given the high value of the bribe – due to the involvement of Central Administration officials from Beijing – and the limited number of containers that could be laundered each time. One importer clarified to investigators the problem most importers faced at that time:

**EIA:** What’s your situation in Nigeria?  
**Mr. A.:** I have fifty “empty containers.” And I have seventy others at sea. ”

**EIA:** What does “empty containers” mean?  
**Mr. A.:** It means that I got wood first in Nigeria and I am trying to get certificate at the same time.  
**EIA:** So your seventy on the sea have no certificate as well?  
**Mr. A.:** Right.  
**EIA:** Then you might be in trouble...  
**Mr. A.:** We can find people to go through customs... It’s just too expensive now.  
**EIA:** How much?  
**Mr. A.:** Ten thousand, twelve to fifteen thousand [Yuan, US\$1,800 to US\$2,250].  
**EIA:** Ok.  
**Mr. A.:** Yeah, so worst case I don’t make any money. Before, I was able to make twenty thousand [Yuan, US\$3,000] per container, but if I need to pay that and other fees... I can earn three thousand [Yuan, US\$450] the most. My goal is to break even. I am a lucky one, my friends have wood in the harbor for months now. They don’t know what to do. We have “channels,” but if the number [of containers] is too big, we cannot do it. You can use “ways” for ten containers out of one hundred, then it’s still a relatively small number. ”

Due to the small number of Nigerian rosewood shipments that successfully made their way onto the Chinese market, the unclear fate of the stopped containers, and the steady demand in China, the price of kosso abruptly rose by 50% in the last quarter of 2016.<sup>207</sup> As rosewood factory owners and retailers explained to EIA investigators, the detention of multi-million dollars’ worth of raw material placed strong pressure on the rosewood supply chain in China, leading to losses for businesses and even a cascade of bankruptcies in the sector.<sup>208</sup> In other words, CITES was having the desired effect of a better controlled international trade. But it did not take long for influential Nigerian and Chinese businessmen to find a solution to their problem.

#### Box 6. CITES in brief<sup>202</sup>

CITES is a legally binding convention for its Parties, but each Party must adopt legislation to implement the treaty at the national level. Under the Convention, each Party has the obligation to monitor and control trade by requiring all imports, exports, and re-exports of specimens of species covered by the Convention to be authorized through a mandatory global licensing system.

Trade is licensed with permits and certificates issued by trading countries in accordance with criteria specified in the Convention. Parties must designate at least one management authority responsible for licensing and at least one scientific authority responsible for assessing the effects of proposed and actual trade on the status of the species. Scientific authorities are supposed to be independent of management authorities.

Trade controls vary depending on the listing, with Appendix I being the most stringent and Appendix III the least. Appendix I lists “all species threatened with extinction which are or may be affected by trade.”<sup>203</sup> Trade for “primarily commercial purposes”<sup>204</sup> is strictly prohibited. Other forms of trade are authorized under exceptional circumstances.

Appendix II includes “all species which although not necessarily

now threatened with extinction may become so unless trade in specimens of such species is subject to strict regulation.”<sup>205</sup> For species included in the Appendix II, commercial trade is allowed but subject to conditions. Appendix II trade requires the issue of an export permit (or re-export certificate) by the management authority of the exporting state and its presentation upon exit.<sup>206</sup> Conditions for granting the permit include, inter alia, a Non Detrimental Finding (NDF) by the scientific authority and a legal acquisition finding. Appendix III includes species listed unilaterally by Parties as being subject to regulation within their jurisdiction and for which international cooperation is needed to control trade. Requirements for Appendix III trade vary depending on whether exports originate in the listing country or in another range state. In the case of listing country or listing countries, trade requires an export permit granted subject to a legal acquisition finding, to be presented prior to export. In the case of other range states, trade is subject only to the grant of a certificate of origin.

Each Party must record all trade in species listed under CITES and report it annually to the CITES Secretariat. The aggregated data is made publicly available through the online CITES trade database, managed by the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC).



## HOW 1.4 MILLION ILLEGAL LOGS GOT CITES PERMITS

Statements from exporters, agents and importers obtained during the investigation point out a grand corruption scheme, which allegedly involved several Nigerian high level officials (Figure 31), as the principal factor for the retrospective issuance of several thousands of CITES documents used to smuggled the detained containers into Chinese market. The full scale of the corruption scheme still needs to be elucidated.

When thousands of containers exported to China were detained and traditional bribery of customs and CITES officials could not solve the problem, the members of the Chinese Wood Association of Nigeria pooled money together in order to bribe the senior officials directly involved in the CITES permitting process in Nigeria. According to the CITES issuance procedure in Nigeria, these officials belong to the Federal Department of Forestry and Ministry of Environment.<sup>209</sup> Two members of the association admitted to investigators:

**Mr. L.:** A lot of things can be handled... Big [Chinese] companies flood officials who are issuing CITES certificates with dollars. It was so huge that officials lost their mind completely. In theory, you need to have a quota for certificates, but the money they gave to officials was just too huge for them to say no. ”

**Mr. X.:** Many Chinese companies went there [Abuja] before the New Year to throw money to officials. Whoever throws more money will get certificates. Three Chinese companies [put together], 1 million Yuan [US\$150,000]. ”

A logistics agent who has been working with Chinese exporters for years told investigators that influential Chinese merchants reached out to the Chinese consulate in Nigeria for help. The agent explained that the Chinese businessmen possibly gave money to the consulate “and all of them went to the Vice-President”.<sup>210</sup>

Worried by the loss of profit and the impact on their highly lucrative business, logistics agents moved swiftly to make sure the detained containers would be allowed to enter the Chinese market and a positive signal was sent to potential investors in the Nigerian rosewood business. A member of the wood exporters association reported to EIA investigators that, using their long-established connections and influence, a group of representatives from his association met with members of the Congress to ask for their urgent help in order to obtain the much-needed CITES documents. He also told investigators that during a behind-closed-doors discussion that followed an official meeting in the capital, Abuja, the parliamentarians assured the agents that they could solve their problem with money. The logistics agent (Figure 32) detailed to investigators:

**Mr. C.:** I know when that one [meeting] took place. That was a time that was a meeting in the House of Rep., in the National House of Rep.

**EIA:** In Abuja?

**Mr. C.:** Yes. After the meeting there was another meeting, in-house meeting. It was resolved that we should give them three hundred million [Naira, equivalent to US\$1 million]. [...] Now, we asked them to give us some time to raise this money. They gave us two weeks. [...] Now, we raise the three hundred million and gave to the House of Rep.

**EIA:** To the Minister?

**Mr. C.:** No, to the House of Rep. The Minister's money is different. [...]

**EIA:** The three hundred million [Naira] came from Chinese?

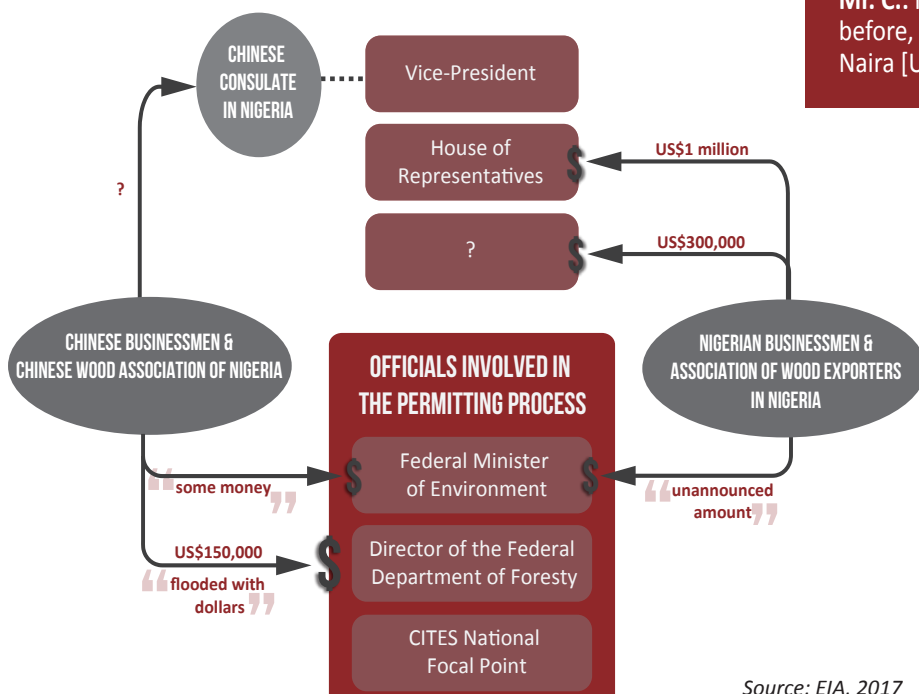
**Mr. C.:** No, from my association.

**EIA:** How do you get the money back?

**Mr. C.:** Now they allow us to do work. So what we did is that we increased the [logistics] service charges.

**EIA:** So how much are you charging now?

**Mr. C.:** It was one million [Naira, equivalent to US\$2,800] before, now it is one million and two hundred thousand Naira [US\$3,300] for each container. ”



**Figure 32.**  
The corruption scheme reported to EIA investigators by well-placed sources

Source: EIA, 2017



Exporters and agents stated repeatedly to EIA investigators that the bribes paid to senior officials in Nigeria were the single triggering factor for the issuance of several thousands of CITES permits by the Nigerian Management Authority. Sources clarified that the documents issued in Nigeria were quickly shared with Chinese importers who used them to clear one seized shipment after another in China. An agent demonstrated in practice how he used a recently obtained CITES document – January 2017 – to retrospectively legitimize his client's shipment that left Nigeria several months before – October 2016. In order to keep track of the laundering operation, the exporter systematically associated

in its files two documents: the newly issued CITES permit and the bill of lading with the inscription of the serial number of the CITES permit in the top right corner (Figure 33).

After months of investigation and evidences cross-checking, EIA uncovered strong evidence that approximately 4,000 permits were retrospective issued by the Nigerian Management Authority in early 2017 (Box 7). The permits were used by importers and their agents to clear more than 10,000 containers detained at the Chinese border. This volume dwarfs the importation of Nigerian rosewood logs during the same period the year before (Figure 33).

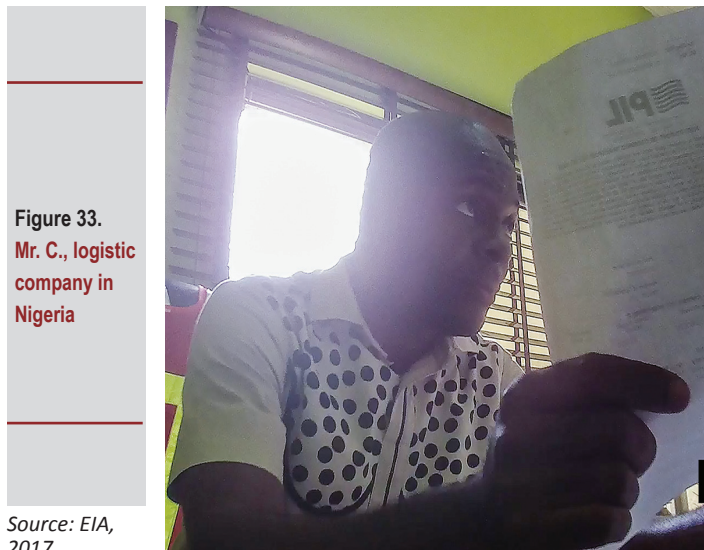


Figure 33.  
Mr. C., logistic  
company in  
Nigeria

Source: EIA,  
2017

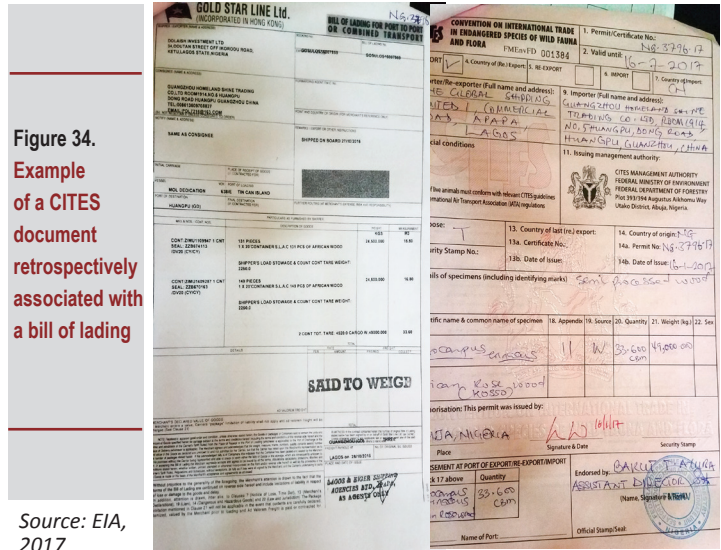


Figure 34.  
Example  
of a CITES  
document  
retrospectively  
associated with  
a bill of lading

Source: EIA,  
2017

### Box 7. How EIA established that approximately 4,000 CITES permits were signed

EIA investigators have not seen all the CITES documents retrospectively issued by the Nigerian CITES authority. But a step-by-step analysis of a variety of evidences strongly indicates that approximately 4,000 CITES permits were issued and then used for the release of the containers held in China.

**Element 1.** EIA investigators were told multiple times by rosewood log importers and agents in China that according to their knowledge, over 4,000 CITES permits were issued in early January 2017. Sources explained that the permits were used to clear customs for more than 10,000 detained containers.

**Element 2.** The Chinese CITES Management Authority confirmed to EIA's source that they were presented with more than 2,000 CITES permits for Nigerian kosso between January and March 2017.<sup>211</sup> The Management Authority also clarified that these documents were primarily used to clear customs for shipments that had previously arrived and been detained.<sup>212</sup>

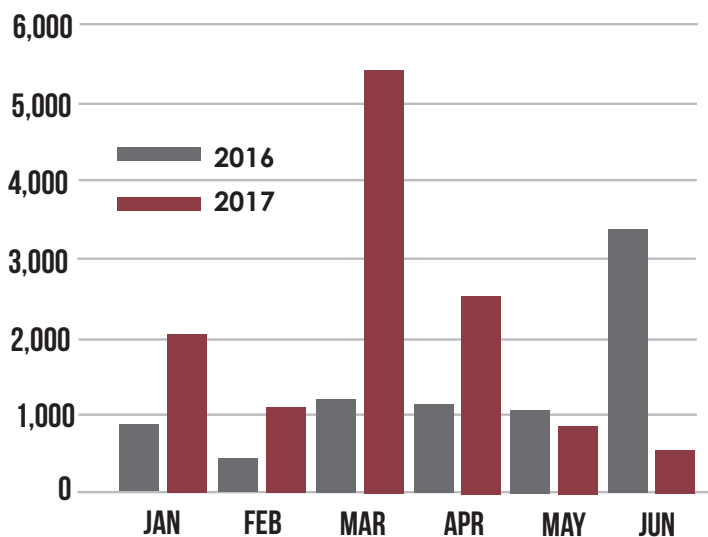
**Element 3.** Exporters, importers, and logistic companies provided EIA investigators with a series of CITES permits signed in early 2017 (Figure 36). The Management Authority in Nigeria

confirmed to EIA that they issued each of these documents. The analysis of the document numbers, based on the CITES Secretariat recommended codification,<sup>213</sup> indicates that the documents were all dated the same day, January 16, 2017, with the serial numbers: 1,581; 1,615; 2,789; 3,796; and 3,815. Assuming the Nigerian Management Authority started the numbering from zero at the beginning of the year 2017, this indicates that at least 3,815 CITES permits or certificates of origin, all dated the same day, were issued early 2017. Given the boom of the kosso trade in Nigeria and limited trade in other CITES listed species according to the CITES Trade Database, it is plausible to assume that the majority of the permits were for the export of this particular species.<sup>214</sup>

**Element 4.** Traders and importers in China explained to investigators that each retrospectively issued permit was used to launder between one and five containers. Accepting that on average three containers were cleared by each permit, the approximately 4,000 permits altogether would have allow the laundering of approximately 12,000 containers. The analysis of Chinese customs data<sup>215</sup> confirms that between January 2017 and June 2017, the volume equivalent to 12,484 containers of rosewood logs from Nigeria entered China.<sup>216</sup>



Number of containers



Source: EIA, 2017 based on Chinese customs data, obtained from GTA

**Figure 35. Rosewood logs imported from Nigeria into China in the first half 2016 and 2017, in 20-foot container equivalent**

Evidence suggests that the 10,000+ containers, equivalent to at least 1.4 million logs and over US\$300 million, were exported in violation of both CITES rules and Nigerian national law. As presented in the previous section, the vast majority of the kosso squared logs have been exported in breach of Nigeria's federal log export ban, which only allows "processed products" of a certain dimension to lawfully leave the country. Moreover, the wood had left Nigeria without valid CITES certificate of origin, required under Appendix III upon exiting the country of origin (when the State did not include the species in Appendix III, as is the case for Nigeria).<sup>217</sup> And for this reason it had been detained at the Chinese border, it was not compliant with the CITES regulation. Under the Convention, the movement of listed specimens, such as rosewood logs, can occur without permit or certificate only under very particular circumstances such as travelling zoo, circus, menagerie, or traveling exhibition.<sup>218</sup> The thousands of shipments that left Nigeria in the second half 2016 do not fall into these categories.

Regarding the retrospective issuance of permits by the Nigerian Management Authority, the CITES Secretariat issued notice on several occasions that "the retrospective issuance of permits and certificates has an increasingly negative impact on the possibilities for properly enforcing the Convention and leads to the creation of loopholes for illegal trade."<sup>219,220</sup> As a consequence the Secretariat has formally recommended to the Management Authorities of exporting countries not to issue CITES permits or certificates retrospectively and to the Management Authority of importing countries, not to accept permits or certificates that were issued retrospectively.<sup>221</sup> Whenever exceptions are made, according to CITES recommendations: (1) they should be issued only in specific circumstances identified by the Secretariat, (2) the permit or certificate should clearly indicate that it is issued retrospectively, (3) a copy should be sent to the Secretariat.<sup>222,223,224,225</sup> To EIA's knowledge, the Nigerian Management Authority neither sent a copy to the Secretariat, nor clearly indicated the retrospective issuance on the documents. Moreover, the export of rosewood logs does not correspond to any of the specific circumstances identified by the Secretariat. These elements strongly suggest that

the Nigerian Management Authority violated the Convention's recommended procedures when it retrospectively issued several thousand permits in early January 2017.

Nigerian CITES authorities themselves were extremely clear when they met the representatives of the Tropical Wood Exporters Association of Nigeria (TWEAN) in July 2016. Deputy Director and Head of Wildlife and CITES Management Division, Dr. Elizabeth Ehi-Ebewere, publicly urged the shipping companies and agents in the wood export business to ensure that exporters obtain the CITES document before exporting,<sup>226</sup> adding "CITES certificates will not be given to any exporter who had already exported the goods before requesting it."<sup>227</sup>

Joining forces in what is probably one of the largest timber smuggling operations in history, Chinese and Nigerian businessmen managed to place more than 1.4 million logs traded illegally onto the Chinese market. The traffickers "flooded" officials with money in order to obtain retroactive CITES permits that they used as the pivotal instrument of their plan. These facts clearly demonstrate the timber criminal networks' power and reach.

## UN DEPUTY SECRETARY-GENERAL'S APPARENT ROLE IN THE ILLEGAL ROSEWOOD TRADE

Mrs. Amina J. Mohammed (Figure 35) has had an extraordinary career and is described as an exemplary public official revered by many.<sup>228,229</sup> She has come to assume the highest responsibilities in Nigeria and at the international level, and her recent remarks on World Wildlife Day demonstrate her unique understanding of the impacts of illegal timber trade: "Over the past four decades the planet has lost as much as 50% of its wild animals and plants – and in some areas even more – due to climate change, habitat loss, over-exploitation, poaching, and trafficking. The illegal trade in wildlife and wildlife products, including elephant ivory, high value timber, and marine species, is a threat not only to sustainable development, but to peace and security."<sup>230</sup> According to EIA's investigation, Mrs. Mohammed was the Minister of Environment in Nigeria who appears to have signed several thousands of retroactive CITES permits. The CITES Management Authority is part of the Federal Department of Forestry, under the Federal Ministry of Environment



Credit: UN Photo/Devra Berkowitz

**Figure 36. Mrs. Mohammed, former Minister of Environment in Nigeria, current UN Deputy Secretary-General**



in Nigeria. At the time the retroactive CITES documents were issued, Mrs. Mohammed was formally responsible for the actions of the Management Authority. As explained publicly by the Federal Director of Forestry from the Federal Ministry of Environment, Mr. Philip Bankole, and confirmed by the Management Authority to EIA investigators, the Minister of Environment is the sole signatory of CITES permits and certificates.<sup>231,232</sup> The perceptible variations between the different signatures that appear on the sample of permits collected by EIA investigators (Figure 36) – with serial numbers NG-1581-17, NG-1615-17, NG-2789-17, NG-3796-17, NG-3806-17 and NG-3815-17 – indicate that these permits were actually signed by hand and not through a stamp. A striking aspect of the sample of permits collected by EIA is that they all are dated the same day: January 16, 2017. Furthermore the signature that appears on the sample of permits is extremely similar to the one shown in an official document signed by Mrs. Mohammed in her new position, and obtained by EIA.<sup>233</sup> A source close to the former Minister of Environment stated to EIA investigators that it took hours and days, until late at night sometimes, for Mrs. Mohammed to sign the vast quantity of documents a few days before she left her position with the Nigerian government, to go to New York and assume her new role of UN Deputy Secretary-General (Figure 37).<sup>234,235</sup>

The statements and documents obtained during the investigation strongly indicate that Mrs. Mohammed signed the sample of six permits with serial numbers between 1,581 and 3,806, and so suggesting that the current UN Deputy Secretary-General signed approximately 4,000



Source: UN Photo/Mark Garten

Figure 38. UN Secretary-General António Guterres swears in Deputy Secretary-General Mrs. Mohammed

permits that were used to facilitate the entry of 1.4 million illegal logs stopped at the Chinese border. The details about the bribes allegedly paid to senior Nigerian officials, provided to EIA investigators by exporters and agents, appear to implicate Mrs. Mohammed. The position of Minister of Environment, which Mrs. Mohammed occupied in the Nigerian government at the time the CITES

Figure 37. Sample of CITES documents collected by EIA investigators

The figure displays six CITES permits and certificates, all dated January 16, 2017, and signed by Amina Mohammed. The documents are for the export of African Rosewood (Pterocarpus erinaceus) from Nigeria to China. Each document includes fields for permit/certificate number, validity, country of origin, exporter/importer details, and specimen information. The signatures are remarkably similar across all documents.

Document Type	Permit/Certificate No.	Valid until	Country of origin	Country of destination	Quantity	Weight (kg)
Permit	NG-1581-17	16-07-2017	NG	CN	11	23000.00
Permit	NG-1615-17	16-07-2017	NG	CN	11	69000.00
Permit	NG-3815-17	16-07-2017	NG	CN	11	67200.00
Permit	NG-3796-17	16-07-2017	NG	CN	11	49000.00
Permit	NG-3806-17	16-07-2017	NG	CN	11	46000.00
Permit	NG-2789-17	16-07-2017	NG	CN	11	24000.00

Source: EIA, 2016; EIA, 2017



documents were issued is unambiguously referred to by the Chinese exporter who claims that the CITES permits were issued in January 2017 only after Chinese businessmen “flooded officials who are issuing CITES certificates with dollars” (see above). A member of the wood exporters association in Nigeria, close to the representatives who allegedly traveled to Abuja to resolve the problem of the detained containers, claimed that the “Minister,” apparently referring to the Minister of Environment, specifically received “some money” from wealthy Chinese entrepreneurs:

**EIA:** Have you heard, back in January [2017], the Chinese wood association went over to Abuja together with you and paid many dollars?

**Mr. D.:** I have to say, because of this job to be done, Chinese are coming, the association. Thirty five successful men and some money to the Minister.

**EIA:** To the Minister?

**Mr. D.:** Yes! Those things, the amounts, they are not throwing around air!

**EIA:** Like a lot of money?

**Mr. D.:** Thank you! ☺

Mrs. Mohammed has a track record of carefully cultivated relationships with Chinese institutions. She served on many international advisory boards and panels,<sup>236</sup> including the Institute of Scientific and Technical Information of China (ISTIC).<sup>237</sup> ISTIC is part of China's Ministry of Science and Technology and is officially responsible for gathering intelligence on scientific and technical advances abroad for the Chinese government.<sup>238</sup> Early in her new role of UN Deputy Secretary-General, she vocally supported China's Belt and Road Initiative<sup>239</sup> and met with the Vice Minister for Foreign Affairs of the People's Republic of China.<sup>240</sup>

A chronological analysis of the events during her last days in office as Minister of Environment suggests a stunning conflict between public statements, her own understanding of the severity of the problem, and her apparent role in a vast timber smuggling operation. At the same time the evidence suggest that Mrs. Mohammed signed the avalanche of CITES paperwork – dated January 16, 2017 – to legitimize the trade of more than 1.4 million logs of rosewood traded illegally, she was publicly promoting a timber export ban and a suspension of CITES permits. A January 13, 2017 tweet from @AminaJMohammed states that she spoke that day with Nigeria's Minister of Industry, Trade, and Investment on

“the ban on wood export.”<sup>241</sup> Two tweets from Esther Agbarakwe, a communications adviser to the Ministry of the Environment, gives further details on the meeting and the brief given by Mrs. Mohammed about the wood ban and CITES law.<sup>242</sup> On January 14, 2017, in her reply to a Nigerian conservation biologist asking for an update on the wood export ban, @AminaJMohammed explains that “We have put up a 3mth suspension for Cites.”<sup>243</sup> She also mentions the creation of a specific “committee” to respond to the “crisis” (Figure 38).<sup>244</sup> This exchange indicates that a suspension for the issuance of CITES permits was in place on January 14, two days before the date on the CITES documents with Mrs. Mohammed's apparent signature in red ink.

On February 3, 2017 Mrs. Mohammed inaugurated an inter-ministerial committee called the Committee on Afforestation, chaired by Senator Ahmed Abdulkadir. In the video tweeted by the Ministry of Environment (@FMENVng), Senator Addulkadir speaks of a “temporary stop” on wood exports and explains “we are working, and hoping, to get them back to real business.”<sup>245</sup> The temporary ban that was instituted in January was lifted in July, according to Nigeria's Management Authority. The solution to the “crisis” publicly defended by the former Minister of Environment and the Senator reflects faithfully the “agreement” that the traders claimed to have reached with the senior officials they allegedly bribed.<sup>246</sup> As several traders told EIA investigators, their representatives persuaded officials that the lucrative rosewood trade should be “managed” rather than purely prohibited, through a succession of stop-and-go that could be anticipated by the industry and would give the illusion of control by the authorities:

**Mr. E.:** Everyone is expecting for the work to start again. Because of the money that we paid. And the agreement is that as long as the work goes on, we continue to be paying them [senior officials] money. How they want to do: it is that 6 months work, 6 months stop, 6 months work... And that goes on [...]

**EIA:** So you're saying that I should plan on working from April to August or September? And then stop?

**Mr. E.:** Yes!

**EIA:** That's what you predict?

**Mr. E.:** Yes. That's what they told us.

**EIA:** Who told you that?

**Mr. E.:** The Minister. That is how they have programmed it now. The program is that it will be 6 months this, 6 months that. [...] That is the plan. ☺



Figure 39.  
Tweets from  
@AminaJMohammed  
related to the  
rosewood  
trade

Source: EIA,  
2017





# THE CONVENTION UNDER THREAT

**H**undreds of Chinese factories are currently turning over a million illegal kosso logs into chairs, beds, or tables that are going to be sold over the coming months to affluent customers in China. The 1.4 million illegal kosso logs were smuggled into China by powerful businessmen and traffickers after being stopped at the border for months. This massive operation rests upon the retrospective issuance of 4,000 CITES permits apparently signed – based upon the evidence provided to EIA – by the former Nigerian Minister of Environment, Amina J. Mohammed, a few days before she was sworn in as UN Deputy Secretary-General. This case fundamentally demonstrates the true degree of protection given to the most endangered trees and forests of the world.

CITES provided a unique space for collaboration and the guidance that allowed dedicated Management Authorities, in both Nigeria and China, to establish a robust and efficient mechanism to verify the authenticity and validity of the paperwork presented by the importers. As a result of this collaboration and implementation of the Convention, over 1.4 million logs were detained for months by Chinese authorities. This collaboration showed great promise for this species and how to effectively tackle enforcement of timber trade around the world.

However, this Nigerian and Chinese rosewood investigation also sheds light on the critical deficiencies and limits in the implementation and enforcement of CITES rules. Several thousand permits were allegedly retrospectively issued to legitimize the entry

of thousands of detained containers into the Chinese domestic market, without catching the attention of the Secretariat of the Convention.<sup>247</sup> Currently, the annual report that each Party is requested to send to the Secretariat or to UNEP-WCMC is “the only available means of monitoring the implementation of the Convention and the level of international trade in specimens of species included in the CITES Appendices.”<sup>248</sup> Under the terms of CITES, Parties are required to submit annual reports to the Secretariat of the Convention, by October 31 of the year following the one in which the trade occurred.<sup>249</sup> Not all Parties submit their annual reports on time.<sup>250</sup> As a result of the reporting issues, “the most recent year for which comprehensive trade statistics are available is normally two years before the current year”.<sup>251</sup>

EIA’s investigation demonstrates the challenge that the timber listed species represent for the implementation of the Convention: Nigeria has gone from exporting a few hundred specimens of species included in the CITES Appendices in 2014 and 2015 to more than a million in 2016.<sup>252</sup> And at the time EIA closed the investigation for this report, on September 15, 2017 no data for the trade in specimens of species included in the CITES Appendices exported from Nigeria in 2016 was publicly available (Figure 39). The current reporting practices and monitoring of the implementation of the Convention are inadequate to cope with the high flexibility and reactivity demonstrated by the international criminal networks.



**Figure 40.**  
No data  
available for  
the trade in  
*Pterocarpus*  
*erinaceus* from  
Nigeria in 2016,  
on September  
15, 2017

Source: EIA,  
2017

Sino-Nigerian criminal networks took advantage of the extreme decentralization and opacity of the licensing system, due to the Convention's lack of resources,<sup>253</sup> to launder illegally traded wood using CITES paperwork. Under its current permitting system CITES is unable to stop these abuses and to effectively combat the illegal trade in endangered trees.

The billion dollar business of threatened precious wood trade is ubiquitous and rooted in intricate routes, which tie together producing, processing, and consuming countries over multiples continents. In the case of the Sino-Nigerian rosewood traffic, EIA investigators were at the right place at the right time to witness and uncover what is probably one of the biggest timber smuggling operations ever. But it is likely only the tip of the iceberg.

In order to meet the challenge of the illegal trade and maintain the Convention's integrity, EIA firmly believes that CITES needs to

undertake profound reforms that will build on existing processes and discussions,<sup>254</sup> and will bring accountability and transparency into its licensing system. China, for its part, unrivaled center of the global trade in precious and vulnerable rosewood trees, needs to lead the support for such CITES reforms. It also needs to go beyond, as an international leader in the fight against global warming.<sup>255</sup>

The case of the Nigerian kosso demonstrates how for years Chinese demand has catalyzed the uncontrolled illegal logging and trade, which has led to the devastation of thousands of kilometers of forests and compromises Nigeria's capacity to fulfill its Sustainable Development Goals. As a committed global leader on climate change, China needs to institute a prohibition on importing illegally sourced timber, whether it is listed on CITES or not.

## RECOMMENDATIONS

### CITES

- Suspend trade immediately in all CITES-listed timber species from Nigeria.
- Conduct a thorough investigation into the export of *Pterocarpus erinaceus* from Nigeria to China, and make public the results of the investigation.
- Considerably improve transparency, accountability, and monitoring of the licensing system through the creation of a real-time electronic database for all CITES permits and certificates issued, accessible to the Secretariat, all Parties to the Convention, and third parties.

### Nigeria

- Conduct a criminal investigation with the support of INTERPOL into the allegations of grand corruption related to the issuance of CITES documents and into officials' complicity in the routine export of logs in breach of the national log export ban.
- Permanently prohibit the harvest (state level) and export (federal level) of *Pterocarpus erinaceus*.

- Suspend all wood exports until the investigation by the CITES Secretariat and INTERPOL are completed and the criminals involved in the illegal export of rosewood are convicted.
- Profoundly reform the timber sector from the allocation of forest rights to the export of forest products, in order to strengthen forest governance and effectively dissuade and combat illegal logging and related trade.

### China

- Enforce the second provision to Article 164 of the National Criminal Law<sup>256</sup> that criminalizes bribes given to non-Chinese public officials and to officials of an international public organization.
- Extend the systematic verification of the CITES permits and certificates validity with the authorities of the countries of origin to all CITES listed timber species.
- Prohibit the import of illegal timber, which has been harvested, transported, or traded in contravention of international or national laws.



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# ACRONYMS

- Center for International Forestry Research (CIFOR)
- Conference of the Parties (CoP)
- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
- Environmental Investigation Agency, Inc. (EIA)
- Food and Agriculture Organization of the United Nations (FAO)
- Global Trade Atlas (GTA)
- Information Document (Inf. Doc.)
- Institute of Scientific and Technical Information of China (ISTIC)
- International Union for Conservation of Nature (IUCN)
- The International Police Organization (INTERPOL)
- Plant Committee (PC)
- Resolution Conference (Res. Conf.)
- Standing Committee (SC)
- United Nations (UN)
- UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC)
- United Nations Educational, Scientific and Cultural Organization (UNESCO)
- United Nations Office on Drugs and Crime (UNODC)
- Unites States of America (USA)



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- 215 HS code 44039930 and 44034980 were used for the analysis.
- 216 Taking into account that on average a 20 ft. container is loaded with 23 ton of *Pterocarpus erinaceus* from Nigeria.
- 217 See Article V. of the Convention on International Trade in Endangered Species of Wild Fauna and Flora.
- 218 See Article VII, paragraph 7 of the Convention on International Trade in Endangered Species of Wild Fauna and Flora.
- 219 CITES, 2012. Res. Conf. 12.3 (Rev. CoP14). Available at <https://cites.org/eng/res/all/12/E12-03R14.pdf>. Consulted on August 15, 2017.
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