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# Tackling the Illegal Rosewood Trade in Madagascar

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26 March 2015

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### Introduction

Illegal logging of rosewood in Madagascar continues, fuelled by rising demand in East Asia and facilitated by inconsistent international legislation. In February 2014, Madagascar's new president, Hery Rajaonarimampianina, affirmed his commitment to tackling the illegal rosewood trade; however there have been few convictions over the past year.

At this private roundtable, Hon Ralava Beboarimisa, Madagascar's minister of environment, ecology, sea and forest, discussed political will and policy options for countering the illegal logging trade, and dealing with the stockpiles of confiscated wood.

The meeting and question and answers session were held on the record, and the views expressed are those of the participants. The following summary is intended to serve as an aide-memoire for those who took part, and provide a general summary of discussions for those who did not.

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### Ralava Beboarimisa

Madagascar is faced with a number of issues relating to rosewood (*Dalbergia*) species unique to the island, including the challenge of dealing with illicit stockpiles, improving law enforcement to prevent illegal logging and the need to prevent illegal exports of rosewood from Madagascar.

Madagascar has since 2011 received support from the World Bank to help tackle these challenges, including financial assistance, technical support and a conservation project. The government is now looking for further partnerships with international agencies to enhance these activities. The minister recently held a meeting in Madagascar with INTERPOL, the Convention on International Trade in Endangered Species (CITES) and the World Bank to discuss potential strategies.

In 2012 the Malagasy government established a rosewood steering committee, with input from civil society. In August 2014 the government set up an inter-ministerial committee on environmental protection, which will cover rosewood; its 11 members include the prime minister and the ministers of defence, foreign affairs, justice, internal security and environment, as well as the national gendarmerie; and the committee has a full-time executive secretary. From 2015 the environment minister will lead the inter-ministerial committee.

Madagascar must decide how to deal with illegal stockpiles of rosewood. The aim of the government is to dispose of all illegal stockpiles in a transparent manner. The World Bank has provided support for a series of studies on processes to achieve this, including inventory-making and disposal options. Illegal stockpiles that have been seized are to be transported to a central operation coordination centre, overseen by the environment ministry. Rosewood to the value of an estimated \$12 million worth has been seized so far. However, creating an accurate inventory of all Madagascan stocks remains a challenge.

Specialist satellite surveillance, financed by the World Bank, has helped to locate illegal stockpiles in Madagascar and abroad. Already this year, this has resulted in the seizure of some 12,000 logs in Madagascar; the same technology assisted in the seizure of 30,000 logs in Singapore.

The government is also working to improve law enforcement relating to the illegal trafficking of rosewood. New legislation is being prepared, and this is expected to be ready in around May 2015. A special tribunal to deal with cases of illegal trafficking of Madagascar's natural resources is also planned.

Malagasy rosewood species are now listed on CITES Appendix II;<sup>1</sup> and the government is obliged to report to CITES with regard to an embargo on the legal export of rosewood, which will be in place until the CITES Standing Committee has approved results of an audit of illegal stockpiles.<sup>2</sup> The government is preparing an action plan, to be finalized and submitted to CITES by January 2016.

## Summary of Questions and Answers

### Questions

Will Madagascar work with the International Tropical Timber Organization (ITTO), alongside CITES, to increase funding for the government's action plan to protect rosewood species?

The functioning and remit of the proposed special tribunal on illegal trafficking was discussed, with emphasis on the need for enhanced judicial capacity to ensure prosecution of smugglers.

### Ralava Beboarimisa

Madagascar is not yet a member of ITTO, but this is something that has been discussed with CITES. It is important that Madagascar enjoys the continued support of CITES so that the latter can introduce the country to ITTO.

There is a problem with power and corruption in Madagascar. As soon as the new government was established, the prime minister dismissed many ministers responsible for areas near the northeast coast, where rosewood is found. The new administration was aware that many members of government had been involved in illegal trafficking.

The installation of the special tribunal is part of these wider moves against corruption. This tribunal is located in Antananarivo, to centralize proceedings and prevent the practice of smugglers paying off local judges when caught. A special investigation commission will be expanded across all of Madagascar, with a particular focus in areas where illegal trafficking is endemic. Anti-money laundering agencies will play a role within this tribunal to ensure transparency and efficiency.

The government is also considering setting up a special jail for traffickers so they cannot pay their way out of local prisons aided by corrupt officials. This will cost a lot of money, so the government is considering international partnership options to help fund this.

### Question

What plans does Madagascar have to dispose of the illegal stockpiles identified through the World Bank funded study?

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<sup>1</sup> CITES Appendix II lists species that are not necessarily now threatened with extinction but that may become so unless trade is closely controlled.

<sup>2</sup> CITES action plan for *Diospyros* spp. and *Dalbergia* spp. Annex 3: <http://cites.org/eng/dec/valid16/Annex3.php>.

### Ralava Beboarimisa

Stockpiles have been identified, but the felling of rosewood still takes place. Furthermore, when a stockpile is identified, smugglers often replace stocks with ordinary timber, painted to resemble rosewood.

Because of these 'elastic stockpiles', the government has decided to restart the process of identifying and marking stockpiles before moving these to a central, safe location to ensure an accurate inventory. The government is finalizing the budget for this process, and will ask international organizations to assist with enhancing transparency. The objective is to begin this process by the end of June 2015, with an inventory to be completed within one-and-a-half months.

Following the World Bank study, Madagascar has three options to deal with illegal stockpiles: destruction of all illegally felled wood; the transformation of felled rosewood into manufactured products for sale; or auctioning off raw materials.

The government is considering selling manufactured products created from illegal stockpiles. The government wants to attract investors and set up a wood industry which will create jobs. When the stocks have been transformed, there will be an auction witnessed by CITES and other international agencies.

### Questions

It was noted that the original date for the submission of the CITES action plan was August 2015, to tally with the meeting of the CITES standing committee. However, the meeting has now been moved to January 2016. Given the extended deadline for the submission of the action plan, will the embargo on rosewood exports also be extended?

Will the revenue accrued from the sale of goods manufactured from illegal stockpiles be used to alleviate extreme poverty in Madagascar?

### Ralava Beboarimisa

It would be a good idea to postpone the ending of the embargo until the Standing Committee meets at the end of January 2016. This is being discussed with key agents in Madagascar and with the prime minister.

The government is still considering how to utilize revenue gained from an auction of manufactured wood products. One option is to fund a community-level youth project in areas where rosewood is found. Having held consultations with people from the north and eastern regions where rosewood grows, it is clear that these people feel they should be stakeholders in any proceeds gained. Another option is to support the officials who seize illegal stockpiles to prevent them turning to corruption.

### Questions

Can rosewood samples be taken from the stockpiles in order to improve DNA identification tools? DNA tests need to be conducted in forensic laboratories to support successful smuggling prosecutions.

It was noted that research facilities find it difficult to obtain genuine rosewood samples, especially to help in identification between *Dalbergia* and *Diospyros* (ebony) samples. It was suggested that a reference collection of wood samples could be based at the University of Antananarivo.

### **Ralava Beboarimisa**

It would be helpful to have enhanced DNA banks – this can be discussed with CITES. Talks are ongoing with the Silo National des Graines Forestières (SNGF), which is interested in obtaining samples to have rosewood DNA banks.

### **Questions**

Would allowing the legal export of manufactured rosewood products hinder attempts to combat illegal smuggling of raw materials? This could affect other endangered timber species where there is also an identification problem.

Will there be a full cessation in the trade in manufactured rosewood following the sale of the current stockpiles, or are there plans to implement regulated trade in certain rosewood species?

Is there a rough estimate of the potential revenue that could be made from selling manufactured rosewood goods based on the current stockpiles?

### **Ralava Beboarimisa**

Only once the special tribunal and law are in place will it be possible to permit a manufacturing industry for rosewood in Madagascar. There is political will to combat trafficking. The special tribunal wants to make an example of the most prominent smugglers and will sentence smugglers to at least 10 years in jail, regardless of the amount seized. The tribunal will be able to put in place specific penalties.

The plan is to deal with the stockpiles and then stop trade related to rosewood from Madagascar. At present, the estimated total sale value is around \$12 million, based on the value of the raw materials. As many stockpiles are hidden, the actual total is expected to be at least 50 per cent higher.

### **Questions**

Would stockpiles be burnt as a powerful public statement against illegal trafficking, in a method similar to those used by African countries combating the illegal ivory trade?

Does the government know who the most prolific smugglers are?

Have there been conversations with other countries on leveraging anti-money laundering legislation in countries where money has been accrued due to illegal trafficking?

### **Ralava Beboarimisa**

Destroying stockpiles is unlikely to happen, as burning precious woods is not supported by the general population. The manufacturing option is the most likely for the benefit of the Malagasy people, but this cannot take place without investors interested in an industry based in Madagascar.

The most prominent smugglers are very powerful, and operate in mafia networks. The minister noted that he has himself received threats; the smugglers know that the government is cracking down on illegal traffickers. Madagascar needs support from its international partners to combat this trade. The government has spoken with international agencies such as INTERPOL regarding the freezing of bank

accounts of known smugglers. This is a simple process, as INTERPOL only needs the names of the smugglers.

Another problem is trying to use international protocol to get stocks of Malagasy rosewood seized abroad back to Madagascar. Stocks have been seized in Kenya, Tanzania, Singapore and Mauritius.

### **Question**

Have there been talks with the Chinese ambassador to Madagascar regarding China's involvement in the illegal rosewood trade?

### **Ralava Beboarimisa**

China's ambassador has stated that he is willing to work with Madagascar to fight against the illegal trade, but nothing concrete has been put forward yet. One idea was to establish a tripartite agreement between the US, China and Madagascar to stop rosewood trafficking; however, this was not accepted by the Chinese ambassador, who preferred a bilateral China–Madagascar agreement.

The Malagasy government has also requested technical support from China to improve logistical capacity in capturing smugglers. China has a responsibility to help Madagascar stop the trade in illegal rosewood. The problem is that it is not illegal to buy rosewood in China, with the exception of rosewood from Madagascar.