Playing with Fire

HUMAN MISERY, ENVIRONMENTAL DESTRUCTION AND SUMMER BBQs
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Acknowledgements

We would like to thank the UK Department for International Development for its financial support. Views in this report do not necessarily reflect DFID’s official position.

Thank you to the many people in Namibia and the UK who have generously shared their time and information in the compiling of this report.

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August, 2015
Introduction

In March 2015, Fern published evidence showing how European consumption is behind the illegal destruction of tropical forests.

Building on research by the European Union and the Washington-based NGO, Forest Trends, the study, *Stolen Goods: the EU’s complicity in illegal tropical deforestation*, estimated that in a single year the EU imported EUR six billion worth of agricultural products grown or reared on illegally deforested land. Or viewed another way, Europe’s desire for palm oil, soy, beef, leather, cocoa, biofuels and other agricultural commodities, is spurring the illegal felling of a forest the size of a football field every two minutes.

But it is not just our hunger for the likes of palm oil – so pervasive, according to some estimates, that it is found in around half of packaged items on UK supermarket shelves – that drives deforestation, and it is not only tropical forests which are being destroyed.

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1 The illegality takes different forms, from forests being destroyed using forged or bogus permits, to companies and farmers pushing out local villagers, and a range of other environmental and human rights offences.
With temperatures soaring to record highs in parts of Europe this year, millions across the continent have enjoyed summer BBQs – and will continue to do so. The vagaries of northern summers aside, the popularity of BBQs is on the rise.\(^2\)

According to industry figures, in 2013 there were around 124 million BBQs in the UK, Europe’s leading BBQ nation. Meanwhile the market in alfresco eating and entertaining is reportedly expected to grow from £150 million in 1997 and to an estimated £2 billion in 2015. Add in the restaurant trade, and it is easy to see why the demand for charcoal – the source of BBQs’ distinctive, charred flavour – exceeds supply.\(^3\)

Around 90 per cent of the charcoal sold in the UK is imported, much of it from Africa and South America.\(^4\) This pattern is repeated across the EU.

The reason is simple: big supermarket chains buy in bulk from countries where production and labour costs are low.

If produced sustainably, charcoal – which comes from wood – need not be a burden on the planet. Yet examples of where it is doing precisely that are easy to find, indicating much of the charcoal imported into the EU is illegally-sourced.

Nigeria, a major supplier of charcoal to the Belgian, Dutch and German leisure markets, has some of the highest levels of deforestation in the world. Alarm at the charcoal industry’s role in this – as well as estimated losses of EUR 6.42 million (£4.5 million) because of illegal charcoal exports\(^5\) – last year prompted the National Council on Environment (NCE), a coalition of environmental officers, to call for the government to ban charcoal exports and production.\(^6\)

The vast trade in charcoal in Brazil, where it is used largely for making pig iron, has been plagued for years by reports of human rights abuses, illegal logging and increased emissions.

Somalian charcoal has not just fuelled environmental crimes, but funded the militant group Al-Shabaab – to the tune of US $25 million (£16 million) a year, according to the UN, which imposed an embargo on charcoal exports from the country in 2012. (This embargo has been flouted in the Gulf States.)

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2. The European charcoal market is highly dependent on weather. European companies buy charcoal and stockpile it mainly from December to April. If the weather is good, they buy again soon; with bad weather, they wait until the next season to purchase.

3. This is according to a 2013 report for Namibia’s Ministry of Trade and Industry.

4. The UK produces around 5,000 tons of charcoal a year and consumes around 60,000 tons. See: http://www.forestry.gov.uk/pdf/UKWPT14.pdf/FILE/UKWPT14.pdf


6. The ban on Nigerian charcoal production and exports has not been observed. By some estimates Africa is responsible for 40 per cent of all European charcoal imports. Nigeria is the EU’s biggest charcoal supplier and 43 per cent of Nigerian charcoal imported to the UK was said to be illegal in 2008. The grim impact of charcoal production on forest communities has been reported recently in the Nigerian press.
where the long-burning quality of Somalian charcoal is popular with *shisha* pipe smokers.)

The subject of this report though, is the Namibian charcoal industry. If you buy a bag of charcoal in Britain, there are good odds that it has been packed into containers in the Namibian port at Walvis Bay, and shipped more than 5,000 miles across the Atlantic for around 35 days, before being unloaded in Felixstowe, the UK’s biggest container port.\(^7\) Namibia is the world’s sixth largest exporter of charcoal, and the biggest single importer of charcoal to the UK, with some estimates suggesting that as much as half of the charcoal sold in the country comes from there.\(^8\)

Few would know it though, as the country of origin does not generally appear on the packaging, and references to Namibian charcoal in the UK press have been fleeting.

There was the story in 2011 about how Britons’ summer BBQs were threatened by floods in Namibia, source of “about half the £100 million worth of charcoal bought by the British each year” (“African rains stop BBQ”); and a little tabloid flurry the following year when a Luton woman suffered minor burns after a bullet exploded in her BBQ (the charcoal was from Namibia, the bullet probably a legacy of the country’s independence war).

But a story which has not been told in the UK, is of how an industry which arose almost by accident, and which Namibia’s government now recognises can make a unique contribution to the country’s national development\(^9\), is dogged by destruction and desperate living and working conditions.

As such, the story of Namibian charcoal echoes that of other tainted agricultural commodities which are transported across the world to fill European supermarket shelves, and which form the tapestry of our lives as consumers.

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**Namibian Charcoal Facts**

- In 2013 Namibia was ranked the sixth biggest charcoal exporter in the world\(^10\).
- Namibian charcoal enters the world market under 23 different brands, only a few of which are registered in Namibia. Most are registered in South Africa.\(^11\)
- The wholesale price for a ton of charcoal produced in the UK is around £1400. In Namibia it is £76 (N$1500).
- Namibia produces around 150,000 tons of charcoal a year, at least 30 per cent of which goes to the EU.\(^12\)
- Major UK supermarkets stocking Namibian charcoal insist that it is FSC certified. This is not a pre-requisite for other EU buyers.

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\(^7\) The route of charcoal imports to the UK: Fern interview with Namibian producer 7.07.15.

\(^8\) www.telegraph.co.uk/foodanddrink/foodanddrinknews/8616062/Barbecues-face-charcoal-shortage-after-Namibian-floods.html Namibia exported £6.3 million worth of charcoal directly to the UK in 2014, more than any other nation. Source: HMRC trade stats. Since Namibian charcoal is also exported to the EU from South Africa, the true figure is likely to be higher.


\(^12\) Figures from Fern interview with the current Chairman of the Namibia Charcoal Producers Association, 15.07.15.
Namibia’s black gold

Head north along the main B1 highway from Namibia’s capital Windhoek and you pass landscapes of hypnotic beauty: the open expanse of one of the world’s least densely populated nations broken by the haunting contours of distant rock formations.

After about 250 km you enter the country’s charcoal heartland. Here thickets of thorny, twisted bushes dominate the terrain. Dotted around you will see rusty steel drums with smoke rising from them. And if you venture further back from the road, there are scatterings of black plastic sheet structures propped up by bits of wood. All three are directly linked to Namibia’s charcoal industry.

The thorny trees – known as bush encroachment or invader bush – are considered a threat to Namibia’s economy and environment. They suck water from the semi-arid land and cause desertification: depleting groundwater reserves, restricting biodiversity and cattle grazing, and placing Namibia in the paradox of suffering from both deforestation and bush encroachment. The latter is so virulent it affects 26 million hectares of the country, causing losses of around N$1.4 billion (£70.8 million) a year to the economy. One way to combat this epidemic – promoted by the government, environmental experts and farmers – is to cut the wood for charcoal.

The charcoal is made in the smouldering, ancient-looking steel drums, or kilns. Each kiln is a mini charcoal factory, portable enough for workers to carry to their heaps of harvested wood. They feed the wood into the kiln, and burn it with the lid ajar, so that it eventually carbonises and collapses into piles of coals.

The black plastic shelters are the grim shacks many of the charcoal workers and their families call home.

Two charcoal workers stop to talk. They are thin young men in ragged clothes, and carry the Katana machetes they use to hack trees. Eighteen months ago they came here from Ohangwena, which borders Angola in the north and is one of the poorest regions in the country. “We came to make a living at any cost,” says the more talkative of the pair. They work as contractors for a farmer who supplies charcoal to a company which exports charcoal to Europe.

The farmer pays them N$700 (£35) for every ton of charcoal they produce. They can make up to five tons a month, but mostly produce less. The problem, says the more effusive worker, is that they get their food ‘on account’ from the farmer: “After he deducts money for what we have eaten we are only left with a few hundred dollars.”

The work is punishing: chopping trees, cutting it into small pieces to burn, then after it has simmered in the kiln, removing the charcoal after a few days. The living conditions the men describe are wretched: they say they sleep in black plastic shelters with their young children, and do not have access to even basic toilets or showers. “Although it is tough, we have no other choice. There is no alternative.”

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13 See: C BENDS Combatting Bush Encroachment for Namibia’s National Development. In Afrikaans, certain invasive bush are known as Wag ’n Bietjie, or wait a while, since this is what you will be doing if their thorns catch you.

14 The farm where the two men work is not FSC certified, but the company it supplies charcoal to sells both FSC and non-FSC charcoal, with Europe as its main market.
A troubled history

Charcoal is one of Namibia’s fastest growing business sectors\(^\text{15}\): providing a vital foreign currency stream and employment for anything between 5,500 – 30,000 people\(^\text{16}\), depending on whose statistics you accept.

But an industry which grew haphazardly from the idea of thinning bush on commercial farms to reclaim land for cattle, to one where “farmers realised they were sitting on gold mines”\(^\text{17}\), has well-documented troubles.

A 2003 fact-finding mission to charcoal producing areas by Namibia’s Ministry of Labour and Social Welfare reported that workers were being maltreated and their human rights ignored\(^\text{18}\). Two years later, another government-led investigation reached the same conclusion, with a briefing paper later describing workers’ living conditions as deplorable. In 2010, a comprehensive study, Namibia’s Black Gold? Charcoal Production, Practices and Implications, by the Namibian NGO the Legal Assistance Centre (LAC) described workers’ dire circumstances, and how protected trees were being harvested for charcoal.

Since then, the local press has continued to highlight the controversies surrounding the industry – including this year in a series of articles in the newspaper Informanté, which revealed uncontrolled charcoal production and widespread violations of the country’s Forest Act\(^\text{19}\).

\[\text{In 2009 the then chairman of Namibia’s Charcoal Producers’ Association requested that the houses of the charcoal workers should not be put up next to roads as it “creates a poor image for the industry”.} \]


The four issues blighting Namibia’s charcoal industry are:

**Illegal harvesting.** Anybody harvesting, transporting or exporting charcoal requires a permit under the country’s 2001 Forest Act – and these stipulate clearly that “trees with more than 15 cm in diameter should not be harvested for charcoal production.”\(^\text{20}\) But manually cutting invader bush for charcoal is highly labour-intensive, and since workers are paid by the amount of charcoal they produce and not the hours they work, and larger and protected trees yield more charcoal for less effort, reports of widespread illegal harvesting are not surprising. “The workers are not reliable. As soon as you turn your back they cut big trees,” one farmer complains.\(^\text{21}\) A local environmental lawyer points out that the workers have little idea which trees are protected, not surprising considering there is still confusion on the issue among local experts – particularly over the status of the mopane tree (*Colophospermum mopane*) – following the repeal of the country’s previous Forest Act.\(^\text{22}\)

**Living conditions.** Namibia’s relatively high per capita income masks one of the world’s most unequal income distributions, according to the World Bank, and unemployment runs at around 28 per cent. This explains the desperation of many charcoal workers – the majority of whom come from Kavango, Namibia’s poorest region, and who lack a strong voice to represent their interests. They are mostly employed as contractors without the benefits of housing or social security\(^\text{23}\); they get paid per ton of charcoal they produce (typically half the price that the farmer then

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\(^{16}\) This huge discrepancy is indicative of how unregulated the industry is and a dearth of hard data. The lower figure is from the 2013 Trade and Industry report, the higher figure is an estimate given to Fern by the chairman of the Namibia Charcoal Producers Association, 15.07.15.

\(^{17}\) Fern interview, 1.07.15.


\(^{19}\) The Forest Act, 2001 (No 12 of 2001) as amended by Act No 13 of 2005 is aimed at the sustainable management of forests and states: “The purpose for which forest resources are managed and developed... in Namibia is to conserve soil and water resources, to maintain biological diversity and to use forest produce in a way which is compatible with the forest’s primary role as a protector and enhancer of the natural environment.”

\(^{20}\) The Forest Act (12 of 2001) Amended Act 13 of 2005 requires anybody who needs to harvest, transport, and export or market forest resources to be in possession of a valid permit issued by the nearest forestry office.

\(^{21}\) Interview with Fern, 7.07.15.

\(^{22}\) Most charcoal workers are employed as contractors, see Report for Namibia’s Ministry of Trade and Industry (2013), which notes: “The legal status and the very common absence of written agreements with the workers are a matter of concern and may result in unsatisfactory working conditions or even exploitation.”
sells it on for); and since most of the farms are in remote areas with little access to shops (or health facilities) they buy their provisions on credit, sometimes at considerably higher prices from the farmers’ shops, leaving them with little money at the end of the month. As employers are not bound to provide housing, many workers live in black plastic sheet dwellings, often without access to proper toilet or shower facilities: conditions that have been considered in breach of section 10 of the International Labour Organisation’s Code of Practice (Safe and Health in Forestry Work – Shelters, housing, nutrition) by the Forest Stewardship Council (FSC).

Health risks. The authors of the Black Gold report found that two-thirds of the 205 charcoal workers they interviewed did not have any protective clothing – such as safety boots, gloves and masks – to protect them from cuts and snakebites, as well as the risk of heat stroke, sawdust and smoke inhalation. A later report for Namibia’s Ministry of Trade and Industry (which was generally positive about the potential benefits of the industry) also describes the lack of protective clothing among workers as “common”. One farmer argues that protective clothing is available “but the workers don’t want to wear it”. The health hazards associated with small-scale charcoal production are well-established, including “increased respiratory symptoms and decreased pulmonary function”.

Environment. As well as posing a hazard to workers’ health, converting wood to charcoal in archaic drum-style kilns has a serious environmental impact: studies have shown that carbonising wood this way is very inefficient, with 82 per cent of wood energy lost, resulting in noxious gases and products of incomplete combustion (PICs) entering the atmosphere. In other words, vast amounts of wood are wasted – leading to more trees being cut – since most of the wood is emitted as tars, smoke and gases. PICs also have a higher global warming potential than CO₂.

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24 A counter view is offered by the Chairman of the Namibia Charcoal Producers Association, who told Fern (15.07.15): “Charcoal contractors get about four times the minimum wages, therefore they are not willing to spend a lot of their money on accommodation because after three months they go back to their villages. They would rather spend money on their own house at home.”
26 Fern interview, 6.07.15.
Safeguards and the EU market

In theory, there are two main defences against the industry’s excesses: Forest Permits which are issued by the Directorate of Forestry, which are needed to harvest, transport, market and export charcoal; and certification by the international non-profit voluntary organisation, the Forest Stewardship Council (FSC). To varying degrees, both are deficient. A report for the Ministry of Trade and Industry states: “A lack of monitoring and law enforcement in all areas of the charcoal production is the main challenge of the industry.”

Permits. The charcoal industry is regulated by the Directorate of Forestry (DF), which falls under the Ministry of Agriculture, Water and Forestry (MAWF). A farm owner is meant to obtain permits from the DF before starting charcoal production, and regular inspections are then supposed to ensure that large or protected trees are not being cut – with the permits being cancelled if they are. But the DF is crippled by a lack of capacity. Some farmers are operating without permits, and a leading industry official told Fern that others drive into town themselves to have the permits renewed, since the DF do not have enough cars to go and inspect the farms. The upshot is that there is little control over the size and species of the trees being harvested.

Certification. The FSC’s global certification scheme has two elements, Forest Management and Chain of Custody, which it says, allow “consumers to identify, purchase and use timber and forest products from well-managed forests”. The major UK retailers which buy Namibian charcoal, including Sainsbury’s and Asda – via UK distributors with their own brands – insist on FSC certification. However, not all UK buyers of Namibian charcoal require certified charcoal, and other EU buyers demand it even less.

In any case, only around eight per cent of Namibian producers are FSC certified, and those that are, do not just sell certified charcoal, which they buy from farmers at about N$100 (EUR 7) more per ton than the uncertified product. This would seem to increase the possibility of producers mixing non-certified and certified charcoal, and selling the former as the latter.

Historically, doubts were raised about the rigour of FSC certification in the 2010 Black Gold report, which found a striking disparity between the satisfactory facilities and conditions described on FSC certified charcoal producing farms in audit reports, and the “dire living and working conditions” they observed on the ground.

33 The Black Gold authors wrote: “For one farm, the FSC report read as follows: “There are 500 charcoal workers working on this forest management site. Training has been done regarding the harvesting of encroachment bush. Living conditions on the unit are acceptable with access to clean running water. Ablution facilities are available. There is a first aid kit kept at the farm house. Workers are issued with protective clothing. Transport is regularly at their disposal for education and medical treatment. The nearest town where there is a clinic is at Outjo 5 kilometers [sic] away.” According to the observations in the current study, the living and working conditions were dire, and workers lived in plastic houses. They were not issued with protective clothing – but it was offered for sale to them. Furthermore, the producer produced charcoal on about 15 farms. Thus, the generalisation of the quoted findings is problematic. Additionally, although minimum wages were quoted for the three farms, it remains unclear how the wages were calculated since the workers were paid per ton.” The charcoal producer, Lazy Spade, was subsequently ejected from the FSC scheme – but on its website has continued to state that it supplies charcoal to other FSC approved suppliers (who deal in certified and non-certified charcoal).
Recently, however, more exacting standards appear to have been applied. In January 2015, Jumbo Charcoal – which makes “a substantial contribution to the Namibian economy” and supplies charcoal to major UK retailers including Sainsbury’s via its UK distributor – had its FSC certificate suspended after major concerns were found on some of the farms supplying it with FSC certified charcoal.

The FSC auditors found: the systematic harvesting of large trees (“well over the threshold imposed by the harvesting permit”) as well as protected species; workers receiving “very limited payments” because they were indebted to farmers; lack of records detailing the amount of charcoal harvested compared to that sold; and, in four out of the five farms audited, workers’ accommodation consisted of ‘shelters made of black plastic sheetings and wooden poles’ or ‘corrugated iron sheetings’. On one farm, the auditors discovered that “50 workers (some with their families) were accommodated on site [and] no separate toilet and no separate shower areas were provided. Drinking water was obtained directly from an open cistern, with no protection to ensure that the water was safe.”

Since then, a number of these problem farms have left Jumbo’s FSC group scheme, while Jumbo has provided proper houses for workers on others and taken further corrective actions, resulting in the suspension being lifted.

The issue though, is not with Jumbo – which, as Fern saw on a visit to its processing plant in Okahandja – provides rare (in a Namibian context) benefits to its employees including cooked meals, bicycles and a kindergarten for workers’ children – but an industry where dismal standards prevail.

Moreover, what little protection the FSC does offer could be under threat, since some farmers’ appetite for the scheme appears to be waning.

“People are turning away from FSC because there are too many conditions,” a manager at another charcoal processing factory said. “You have to build people proper houses and toilets. No one wants to deal with it.”

“We as Namibians are sick of standards measured in other countries or points of view that are not necessarily the same in Africa,” added a prominent Namibian charcoal farmer.

“Although monitoring of forest resources is the pre-condition for harvesting it is only done sporadically and often not adequately. The lack of farm inspections and law enforcement are the cause of poor harvesting practices (including illegal harvest) and are the overriding challenge of the charcoal industry.”

Report for Namibia’s Ministry of Trade and Industry

34 Fern interview with official from Namibia Agricultural Union, 2.07.15.
36 Fern interview with the chairman of the Namibia Charcoal Producers Association, 15.07.15.
The way forward

The problems identified with Namibian charcoal are not unique and occur in other countries which import charcoal to the EU – for instance, Nigeria, which supplies an estimated 24 per cent of Europe’s charcoal, and where there is rampant deforestation.

It is also important to note that the Namibian charcoal industry offers jobs to unskilled labour in a country with desperately high levels of unemployment, and brings foreign currency into an economy which is heavily reliant on neighbouring South Africa. Hence, the point is not to close this industry down but to help ensure that it does not lead to increased forest loss, addresses existing illegalities and improves workers’ rights.

While it is not – as some of those interviewed for this report point out – for Europeans to impose their systems on Africa, if EU companies and consumers are buying charcoal that is the result of illegal harvesting and human rights abuses, then they must also bear some responsibility for it. Fern argues that the charcoal imported into the EU must be legally and sustainably sourced, respecting international laws and standards.

One way of ensuring this – and of giving consumers greater certainty that charcoal from Namibia is sustainable – is for the EU to require that all imports are legally and sustainably sourced.

At the moment the EU Timber Regulation (EUTR) requires all timber and most timber products that are placed on the EU market to be legally sourced. However, it excludes charcoal. It would be advisable to add charcoal to the list of products that fall under the EUTR to make it a criminal offence to import illegal charcoal from Namibia.

Combined with European consumers paying a better price for Namibian charcoal, this could support Namibia to put controls in place to ensure legality and help it increase its capacity to enforce its own laws. The difference in price between a ton of charcoal wholesale in the UK and the price in Namibia is reflected in the dire conditions of workers, and in the Namibian government’s lack of resources to regulate the industry.

Few EU Member States’ timber procurement policies include charcoal. Although charcoal is rarely bought by government agencies and hence the direct impact of such policies, were they to include charcoal, would be minimal, the indirect impact may be significant. Public procurement policies, as Fern has shown, have a significant impact on the overall direction of the market and market share of particular products.

Supermarkets that claim to be ‘green’ or ‘responsible’ should only sell charcoal that comes from legal and well-managed sources. At the moment the best standard available is the FSC, although as this report shows, the implementation of the FSC standards in Namibia has been imperfect.
Recommendations

● For the EU and the EU Member States: Charcoal should be included in the EU Timber Regulation (EUTR). This would also make the EUTR similar in terms of products with existing laws banning illegal timber in the USA (the Lacey Act) and Australia.

● For EU supermarkets and companies with no deforestation commitments: EU supermarkets must commit themselves to only sell charcoal coming from well-managed sustainable sources, as proven by a third party independent certification scheme like the FSC.

● For the FSC: The FSC must tighten its system so it does not allow producers to sell FSC labelled products that are not produced in line with FSC standards.

● For EU Member States: Ensure that independent certification schemes meet their own procurement standards and develop procurement policies that assess the certification schemes.