

What We Do

The efforts of many emerging nations to protect biodiversity are undermined by various forms of illegal logging—felling of trees in contravention of national and local laws. To address these challenges, the World Resources Institute (WRI) and the Environmental Investigation Agency (EIA) launched the Forest Legality Alliance in 2010 with support from the U.S. Agency for International Development (USAID) and private donors. The Alliance is an international, multi-stakeholder initiative designed to achieve better forest governance, sustainable management of forests and biodiversity conservation by reducing the demand generated by global market pressures for illegally harvested forest products, increasing transparency in forest product supply chains, and supporting supply chain efforts to deliver legal wood and paper.

The Alliance seeks to help all actors along supply chains—both large and small—understand and respond to emerging demand-side, forest-product legality policies by leveraging the professional expertise, market power, networks, and resources of Alliance members.



DEAR FOREST LEGALITY ALLIANCE MEMBERS,

The Forest Legality Alliance hosted its tenth semi-annual membership meeting on December 3-4, 2013, at the World Resources Institute headquarters in Washington, DC. We invited expert guest speakers to provide updates on the wood products trade and policy activities in China, Mexico, Brazil, and Central America. We also invited representatives from companies and organizations to provide their perspectives on private sector responses to legality measures. Other topics of discussion included latest technology developments for identification of timber species and origin of products, U.S. and international law enforcement and cooperation, and small- and medium-enterprise compliance with legality requirements. We are excited to continue the conversation at the next FLA meeting in early May; invitations and details will be sent out shortly.

Over the last few months, FLA staff have continued our engagement with stakeholders and partners around the world. In November, we attended the INTERPOL International Environmental Compliance and Enforcement Conference, held in Nairobi, Kenya, and presented on methods to help determine the origin and identity of wood in internationally traded products and U.S. efforts to support the global trade in legally produced timber. In December, FLA staff attended the EUTR and CITES Implementation Workshop in London to discuss measures that responsible agencies and NGOs can take to integrate CITES-listed species into the EUTR and the Lacey Act.

The Alliance has a very exciting year ahead of us. Later this year, we will be releasing our fourth case study looking at supply chains of small- and medium-sized enterprises (SMEs) in Colombia and Guatemala. We will be officially launching the Risk Information Tool, which will feature profiles of over 80 species and 15 producer countries. We will also be hosting, in collaboration with Reforestamos Mexico, a meeting later this year as a follow-up to the outreach event held in Mexico in August 2012. The objective of this meeting will be to continue the dialogue and share new insights on the latest developments in the demand for legal forest products in major international markets.

As always, we are looking for guest contributors to the newsletter—if your company or organization has a useful new tool, publication, or event that may be of interest to members, please let us know.

All the best,
THE FLA TEAM

DNA Analysis Can Reshape Thinking on Supply Chains

By Jonathan Geach, DoubleHelix Tracking Technologies

Most people think of supply chains as simple, linear processes that are easy to follow and control. They're not. Particularly for the timber trade.

Buyers usually shop around, approach multiple suppliers for the best deal and then when they've settled on a supplier, demand the goods for the cheapest price. Suppliers almost never have large volumes of logs in stock, so a large order triggers a mad scramble for timber from local traders. Documentation is often an after-thought.

The reality is that supply chains, which are really more like supply webs, are complex and continually shifting, making it hard to track where wood is going. Chain-of-custody systems help but are only as good as the data submitted and the verification systems in place. Few companies can actually see down the supply chain into the realm of the traders.

DNA analysis creates new opportunities to solve age-old problems by allowing buyers, law enforcement agencies and others to rethink how to view and manage supply chains. Accurate and affordable screening across a supply chain can easily detect fraud and quickly verify legality claims. DNA is in every piece of timber and can't be defrauded by unscrupulous traders.

DNA Analysis Put to Use

Trade in merbau products from Indonesia is about US\$60 million a year based on a value \$2,000 per cubic metre (prices may fluctuate). Most of the products are outdoor decking and flooring for homes. The high value of merbau creates incentive for introduction of illegally logged merbau into a legal supply.

DoubleHelix recently pioneered a timber screening project that used DNA analysis to examine the legality claims of merbau timber products imported into Australia. Most of the certified merbau imported into Australia comes from Indonesia. DNA analysis relies on a genetic map that can show where in Indonesia, or elsewhere in Southeast Asia, a piece of merbau came from. Merbau populations have regional genetic variations that can be analysed and read like a postcode.

The results of the screening showed that several had genetic markers showing they came from a different area from where they were claimed to have originated from, suggesting log swapping arising from the action of traders. The results, at between 99.6 and 99.9 percent certainty, contradicted the stated origin by a respected and well known supply chain provider. Several other results needed further testing.

This is the first time a geographic map has been used in this "real-life" way for legality purposes. The initial results show its great promise, but further sample collection and testing would help to continually refine genetic markers used in interpreting the merbau postcode map. Additional sampling locations for the map will better support legality issues and, crucially, support major conservation projects by being able to clearly identify timber from protected forest areas.

A Saavy Investment

Creating the geographic map took three years to create and cost 450,000 euros (\$616,000) with funding from the German and Singapore governments. It was built by Double Helix Tracking Technologies in Singapore and the Thünen Institute in Germany.

That represents less than one percent of the annual trade in merbau products from Indonesia, creating an asset that can be utilised over the long term for uses beyond legality and into issues of biodiversity and climate change. What's more, the map will be relevant for centuries and evolve as more testing agencies and others use it, helping protect forests and the forest communities that rely upon them.

The map comprises 2,707 samples from 51 populations across nine countries, with the majority of samples from Indonesia, Malaysia and Papua New Guinea. It relies on combinations of markers from nuclear and chloroplast DNA to build up different layers of data. Further samples from specific locations can build up the map when needed, adding richness to the genetic detail.

DNA testing is a powerful tool that can accurately and cheaply test legality claims of timber origin and test species claims to prevent mislabelling. Retailers and wholesalers importing timber and timber products can use these tests to tighten their supply chains and law enforcement agencies can tighten borders against imports of stolen goods.

Growing Application of DNA Screening

The results of the project have global ramifications. The methods are simple and operate in real-life and shift the paradigm by allowing new thinking and new technologies to fight fraud. It also mimics how screening is used in many other aspects of life, from spot checks for breast cancer, random drug tests for athletes to airport screenings for explosives.

The reality is that DNA testing and analysis has evolved enormously and retailers and law enforcement agencies are already using it. The Australian government is likely to use DNA spot checks for selected timber imports supporting the actions of regional partners such as Indonesia in their own legality measures. The real-world example in Australia shows it can be easy to identify retailers who are either knowingly or unknowingly selling timber from falsely declared origins.



Building Capacity to Implement Legal Timber Trade in Ghana

By Peter Mach, Environmental Investigation Agency

Ghana was the first country to sign a Forest Law Enforcement Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA) with the European Union on legal timber. Ghana also established its Timber Legality Assurance System (TLAS) to bolster Ghana's forest management through monitoring, control and verification and to ensure only legal timber is produced and exported from Ghana.

The timber sector provides direct employment to 120,000 people and indirectly provides supplementary income to about 2.5 million people. However, forest cover in the last century has diminished from 8 million ha to roughly 1.6 million ha. Such rampant decreases in forest cover can be traced to illegality, with estimated annual harvests at 3.5 million m³ despite the Annual Allowable Cut (timber harvest) set at 2 million m³ per year. While many in the industry are hopeful that the VPA will reduce illegal logging, significant concerns surrounding permits, independent monitoring and government corruption pervade.

Fall last year, FLA collaborated with the Center for International Development and Training (CIDT), Kumasi Wood Cluster (KWC), and Civic Response to lead a TLAS workshop in Takoradi, Ghana. The workshop aimed to inform stakeholders, including the private sector, civil society, community based organizations, and the Forestry Commission of Ghana, about demand-side measures such as the EUTR and the Lacey Act. Additionally, participants engaged with relevant legality standards used for TLAS assessments and learned to conduct internal audits with reference to Ghana Legal Timber Verification manuals.

After a week of in-class participation, the field became the classroom and two site visits were made to enhance learning. The first site visit was to a wood processing plant (JCM manufacturing) and second was a port in Takoradi, where participants were engaged in discussion with customs officials regarding the legality of exports. Participants reflected on how their organizations would respond to legality requirements and presented how they would address the necessary changes due to the implementation of FLEGT-VPA and the TLAS. In the final days of the workshop, participants were trained in communication skills, which enabled them to practice communicating the requirements, including monitoring and auditing, to their colleagues. This will allow them to effectively contribute to VPA implementation activities in Ghana.

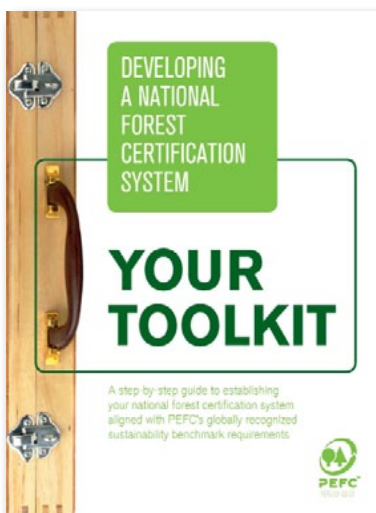
As the VPA process shifts from the negotiating phase to the implementation phase in Ghana, facets of the TLAS will need to be collaboratively addressed to ensure its long-term success. Institutional transparency, consistency and credibility in institutional actions, accountability, and the implementation of a procurement policy will require assiduous planning and actions on behalf of all stakeholders.



Publications

DEVELOPING A NATIONAL FOREST CERTIFICATION SYSTEM: YOUR TOOLKIT

Designed to address the needs of organizations currently leading standard setting processes, the [Toolkit](#) provides a step-by-step guide to developing a national forest certification system aligned with PEFC's globally recognized sustainability benchmark requirements. It gives hands-on advice for practitioners, summarizes complex requirements with innovative graphics and captures recommendations from PEFC and its existing members who have completed the same process.



For what can often be a lengthy process, the toolkit provides a roadmap to ensure people don't lose sight of where they are at and differentiates 5 key phases of the process: Your organization, Developing your System, PEFC Council membership, PEFC Endorsement and Running your System.

[Evaluation and scoping of EU timber importers from South America](#)

http://www.traffic.org/forestry-reports/traffic_pub_forestry27.pdf

Report provides preliminary baseline data on changes in timber trade between the South America and Europe and other world export markets.

[Imports of Composite Wood Products into the EU and Implications for the EU Timber Regulation - Furniture Sector Focus](#)

<http://bit.ly/Lz08RK>

Publication outlines current and likely future significance of a range of composite products in the EU wood import trade and the implications of EUTR implementation.

[Tropical Hardwood Flows in China: Case Studies of Rosewood and Okoumé](#)

http://www.forest-trends.org/publication_details.php?publicationID=4138

Report analyzes two commodity chain case studies to understand the complex tropical log product flows in China.

[Identifying Illegality in Timber from Forest Conversion: A Review of Legality Definitions](#)

<http://bit.ly/1c4ShEo>

Publication examines the definitions of legality in the six countries implementing VPA to determine if the definitions would enable the identification of illegality in wood sourced from conversion of forest to non-forest uses.

In the News

FLA MEMBER IN THE NEWS

[Taylor Guitars Honored with the Award for Corporate Excellence](#)

[from U.S. State Department](#)

<http://bit.ly/LQIuvw>

Taylor Guitars was presented with the Award for Corporate Excellence for the company's commitment to responsible forestry management and improving the lives of its employees in Cameroon.

[Ivory and Illegal Timber Seized in INTERPOL-coordinated Operation across Africa](#)

<http://bit.ly/1kUHqTt>

Month-long INTERPOL-led operation uncovers major networks involved in the smuggling of elephant ivory and timber in Africa.

[As Drug Traffickers Move In, Tropical Forests Fall](#)

<http://bit.ly/1emdspB>

A new Science journal article details a connection between drug trafficking and the destruction of forests in Central America and the impact on local and forest-dependent communities.

[Madagascar's forests vanish to feed taste for rosewood in west and China](#)

<http://bit.ly/K1vNNE>

Political instability since 2009 enables rampant illegal logging and decimation of rosewood in Madagascar.

Upcoming Events

[2nd World Forests Summit](#)

March 20, 2014; Stockholm, Sweden

<http://bit.ly/18Xi45V>

[55th Session Advisory Committee on Sustainable Forest-based Industries](#)

June 10-11, 2014; Saint Petersburg, Russia

<http://www.fao.org/forestry/industries/9530/en/>

The FLA newsletter hosts guest writers every quarter. If you are interested in contributing to our next newsletter with information and stories concerning illegal logging, the Lacey Act, international forestry policies, or any other related issues, please contact Loretta Cheung at LCheung@wri.org.

If you are interested in learning more about our organization, becoming a FLA member and continuing to receive this newsletter, please contact Caitlin Clarke at CClarke@wri.org or visit <http://www.forestlegality.org/about/members>.