

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.



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Recent Events

THE YEAR IN ILLEGAL LOGGING: A LOOK BACK AND AHEAD

By Craig Hanson

As it turns out, 2010 was an important year for global efforts to tackle illegal logging. And 2011, the International Year of Forests, holds a lot of promise.

Long a problem in many of the world's forests, illegal logging does not benefit many. It deprives governments of tax revenue. It puts law-abiding companies at a competitive disadvantage. And it impacts forest-dependent peoples, not to mention the world's biodiversity and climate.

But progress is being made to tackle this perennial problem. 2010 brought encouraging news on the illegal logging front, and from both ends of the supply chain.

Let's start with producers. In July, the world learned from a Chatham House [report](#) that illegal logging fell by 50-75 percent during the past decade in Indonesia, Cameroon, and the Brazilian Amazon. Better law enforcement, improved forest monitoring systems, use of plantations, and increased transparency all contributed to these improvements. More recently, Indonesia announced that it will [deliberate a bill](#) to toughen penalties for those involved in illegal logging, while Malaysia [revised its Forest Act](#) to stiffen penalties for illegal logging.

These are significant reductions and actions. These governments, many in the private sector, and civil society should be congratulated for their respective roles in these accomplishments.

2010 brought good news from consumer countries, too. It became clear this past year that the United States was serious about using the [amended Lacey Act](#) to curtail trade in illegal wood. For instance, reports came to light of a U.S. Fish & Wildlife Service [seizure](#) of tropical hardwoods from Peru and of movement on the [investigation](#) into Gibson's alleged purchase of illegal wood from Madagascar.

Likewise, the European Union (EU) approved the EU [Illegal Timber Regulation](#) in 2010. Similar to the amended Lacey Act, this law prohibits the sale in Europe of timber logged illegally under the rules of the country of origin. Furthermore, the Australian government recently [announced](#) plans to introduce a Lacey-like ban on sourcing illegal timber products.

Climate agreements regarding "Reduced Emissions from Deforestation and forest Degradation in developing countries" (REDD+) have the potential to reinforce existing efforts to curtail illegal logging. The same is true for the visionary forest-climate bilateral agreements between forest-rich countries such as Indonesia or Brazil and nations such as Norway. Curbing illegal logging is inherently linked with reducing deforestation and greenhouse gas emissions.

The groundwork, therefore, appears to be laid for another year of progress.

If producer and consumer countries can sustain the commitment, 2011 will take a further cut at the illegal cut.

RISK FREE? PAPER AND THE LACEY ACT

The amended U.S. Lacey Act has already impacted the wood industry, from the investigation of [Gibson Guitars](#) to a recently-reported [seizure of Peruvian hardwood](#). Both of these cases involved solid wood products. But what about paper? Paper poses the challenge of linking an illegally harvested tree in a faraway forest to a piece of paper purchased in the United States—after all the mixing and bleaching. Companies in the [Forest Legality Alliance](#) and others asked whether or not it is even possible to find Lacey violations in paper products.

Tests identified vessels with anatomical features consistent with those of [ramin](#) (*Gonystylus spp*) in a page of a coffee table book and in the cover paper of a children’s book. These books were purchased from a U.S. retailer and published by U.S. firms but were manufactured in and imported directly from Indonesia. Increasingly rare, ramin trees have been protected internationally since 2003 under the [Convention on International Trade in Endangered Species](#) of Wild Fauna and Flora (CITES). Likewise, the Indonesian government has imposed an export ban on all ramin products. In other words, ramin fibers should not be found in paper.

In the cover of another children’s book, the tests found vessels consistent with those of [mangrove](#) trees (*Rhizophora spp*). Import/export trade databases indicated that this book, too, was manufactured in Indonesia. Mangrove trees are protected from harvest under Indonesian coastal protection, conservation, and forest management laws.

These results demonstrate that it is possible to detect potential Lacey violations for paper, thanks to modern technology. In addition, they suggest that the prevalence of illegally harvested fiber in paper products may be more common than assumed— 3 of just 32 products had suspicious fibers.

Furthermore, they portend the possible use of this technology by third parties to uncover Lacey violations. [Some NGOs](#) have [already used fiber analysis](#) to determine whether books were made from plantation wood or from natural tropical rainforests. Now we know they can find potentially illegal species in paper, too.

Note: This article received a lot of interest from companies in the forest product supply chain and from civil society organizations working to reduce illegal logging. In response, WRI has created a document responding to frequently asked questions about fiber testing and how one might use the technology to manage risk in the paper supply chain. For the full FAQ analysis, [go here](#).

LACEY: EXPECTATIONS OF DUE CARE

In 2010, the Forest Legality Alliance partnered with Bernuth & Williams to conduct research reaching out to leaders in the affected industries, especially those with a high stake in wood and wood products. The discussion group and in-depth interviews brought in the anonymous opinions of nearly 50 industry leaders, and, with thanks to the trade associations who are working within the Alliance, the survey brought in another 160 and counting.

With regards to the problem of illegal imports, concern remains high, even as other factors, most notably the economic downturn, have come into play. More than 60% of survey respondents were “very

concerned,” or, as one of the importers summed it up, “On a scale of 1 to 10, I would say that it is an 8 or 9.”

Douglas Meyer of Bernuth & Williamson summarized what he and his colleagues heard in the interviews by saying, “There is support for the intent, concerns about the breadth, and questions about the effectiveness.” And what was heard in the interviews was also reflected in the survey, with positive feelings about how the act is intended to help industry and the environment, but also concerns, especially when it comes to compliance.

In the words of one importer, “People know the basics, but how do we actually comply with this?” This was a common question raised in the interviews, and is one of the key questions the FLA now will be addressing in partnership with its member trade associations.”

SOUNDS OF SUMMER: SUSTAINABLE SOUNDS

Alexander von Bismarck, executive director of the Environmental Investigation Agency was recently interviewed by ABC news regarding the use of exotic woods in musical instruments. “Many of us love our guitars. I myself have a beautiful ‘68 Martin that I treasure and we have to do our best as the final consumers to think about what those impacts are on the ground, to do our best to ask questions when we buy a guitar at the retail level. But we also need help from our governments who need to set rules so that the makers of guitars in fact have a level playing field, that they can act responsibly and are rewarded for that rather than punished.” For the full interview, [go here](#).

VOLUNTARY PARTNERSHIP AGREEMENT UPDATE

Source: European Forest Institute. For additional information, please visit their [website](#).

Cameroon

On 6 October, the EU and Cameroon [signed](#) a VPA in Brussels. It is foreseen that, from July 2012, all wood products entering the EU from Cameroon will be required to carry a FLEGT license demonstrating their legal origin. Cameroon is Africa’s biggest exporter of tropical hardwood to Europe, and is currently developing its national timber tracking system.

Central African Republic

The Central African Republic and the EU are close to finalization of an agreement: a successful final round of official VPA negotiations took place in Brussels on 12-13 October. Final adjustments are expected to be completed in the next couple of months. The official initialing of the VPA is scheduled to take place in Bangui before the end of the year.

Democratic Republic of Congo (DRC):

On 20-21 October, the Minister of Environment, Nature Conservation and Tourism of DRC, in charge of forests, visited Brussels to open negotiations for a VPA between his country and the EU. DRC is the tenth country to enter VPA negotiations (agreements have been signed with Ghana, Cameroon and Congo, and are presently in negotiation with Malaysia, Indonesia, Liberia, CAR, Gabon and Vietnam). (Sources: [COMIFAC](#), [EFI](#) WFSE).

Gabon

On opening VPA negotiations on 23 September in Libreville, Gabon became the ninth timber producing country to work towards a VPA with the EU. During a high-level ceremony the Gabonese Minister responsible for forests and the Head of the EU Delegation in Gabon signed a [joint declaration](#), confirming the commitment of both parties to tackle illegal logging and address forest governance challenges. At the first official negotiation session, starting on 24 September, Gabon presented its [framework](#) for ensuring participation of all stakeholders, and highlighted the country's main forest governance challenges. Both parties agreed on a [roadmap](#) for negotiations which foresees a technical session every month as well as three formal negotiation sessions in Libreville and Brussels.

Liberia

In mid October, representatives of the EU and Liberia met for a fourth negotiation session in Brussels, discussing, inter alia the Liberian national principles and indicators for defining legality of timber, procedures for the verification of the Legality Definition and chain of custody procedures as part of the Legality Assurance System. Furthermore, the negotiation team talked about a planned assessment of capacity building needs to implement the Legality Assurance System and the VPA.

Global Updates

NORTH AMERICA

[Lacey Act Declarations top 500,000](#)

The U.S. government has received more than a half-million import declarations listing the plant type or wood content of products since implementing the amended Lacey Act began in May 2009, an Agriculture Department official said.

[Has the Lacey Act made a difference?](#)

With the 2008 amendment to the U.S. Lacey Act outlawing illegally logged wood products, Congress with the stroke of a pen forever changed the flooring industry and the seemingly unending demand for endangered, exotic species. Two years later, the law is beginning to reap the environmental rewards it was designed to achieve, but effective enforcement is problematic and there is still a great deal of questionable product on the market.

LATIN AMERICA

[Climate Agreement Reached in Cancun](#)

Ministers meeting in Cancun, Mexico reached a series of agreements that include measures to reduce greenhouse gas emissions, a goal of limiting the global average temperature increase to 2°C, greater protections for forests, and a new U.N.-administered climate fund finance mitigation and adaptation activities in developing countries.

[Illegal Logging on the Rise in Peru](#)

Increasingly, much harvested wood is illegally logged, said representatives of the Peruvian government and Native organizations, and people are dying because of it.

[Honduran Supreme Court Investigates Illegal Mahogany](#)

The U.S. Company Milworks International, located in San Pedro Sula, has been found guilty of illegal mahogany acquisitions. This is the first time that the Honduras Supreme Court has issued a decision concerning the investigation carried out by the Monitoreo Forestal Independiente (Independent Forest Monitoring, or MFI in Spanish).

ASIA

[Revised Act to punish illegal logging offenders with RM1 mil fine in Kuala Lumpur](#)

The penalty for illegal logging will double to RM1mil and the jail term raised to between five and 20 years after amendments to relevant laws are made next year.

[In Indonesian draft bill, at least 1 year in prison for illegal loggers](#)

Legislators are set to deliberate the first-ever bill to combat illegal logging that will impose harsh punishments on rogue loggers, who now usually receive lenient jail sentences for their crimes. The bill, initiated by the House of Representatives, states illegal loggers would get a minimum sentence of one year in prison and a Rp 500 million (US\$55,500) fine.

AFRICA

[Rwanda government: one third forest cover coming seven years ahead of schedule](#)

Rwanda expects to reach its goal of 30% forest cover in three years, according to the Minister for Forestry and Mines, Christophe Bazivamo. If achieved this would be seven years ahead of the government's pledge for 2020.

EUROPEAN UNION

[The EU Illegal Timber Regulation](#)

The EU Council of Ministers formally adopted the regulation on the obligations of operators placing timber and timber products on the market ("Illegal Timber Regulation") on 11 October. The Regulation will be published in the EU Official Journal imminently, and will enter into force 20 days after publication. However it will not be applied in practice until early 2013, giving operators and authorities charged with enforcement of the Regulation time to prepare. Further information can be found in the Council's [press release](#) (page 17).

[Regional Support Program for the UE FLEGT Action Plan in Asia](#)

On 7 September, the EU and China discussed forest governance and related developments in a formal Bilateral Coordination Mechanism (BCM) meeting at the State Forestry Administration in Beijing. It was agreed to begin joint EU-China activities. [EFI's EU FLEGT Asia](#) will support the implementation. Activities currently under discussion include those relating to awareness-raising, timber tracking and tracing and timber and green public procurement in China.

REDD+ and FLEG

(Chatham House Contribution)

By Jon Buckrell, Chatham House

Deforestation and forest degradation result from the complex interaction of economic, social and political factors but fall broadly into two categories: unplanned and planned. The precise effect on forests will depend on the circumstances at any given time. Each country differs.

One driver of unplanned deforestation and forest degradation, illegal logging, has received a great deal of attention over the past decade, most notably under the regional [Forest Law Enforcement and Governance \(FLEG\)](#) initiatives (in East Asia, Africa and Europe and North Asia) and the European Union's work on [Forest Law Enforcement Governance and Trade \(FLEGT\)](#). Chatham House has published more than 30 FLEG-related papers since 2001; all of which can be downloaded from the [illegal logging](#) website. Despite all the attention however, and the fact that the root causes are well known, illegal logging remains a serious problem.

According to the 2010 Chatham House report, '[Illegal Logging and Related Trade: Indicators of the Global Response](#)', the amount of international media attention paid to illegal logging is now falling, partly owing to a shift in attention towards the role of forests in climate change. This in turn is at least in part due to a reduction in NGO attention paid to the problem. The shift in attention is perhaps not surprising given the potential catastrophic impacts of climate change and the fact that more than 18 per cent of the greenhouse gas emissions which drive global warming derive from deforestation (see for example [The Stern Review on the Economics of Climate Change \[2006\]](#)).

The need to include measures, in any future international agreement on climate change, to reduce greenhouse gas emissions from deforestation was first recognized by parties to the United Nations Framework Convention on Climate Change (UNFCCC) in the 2007 [Bali Action Plan](#). This plan called for, "policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries."

Since December 2007, Reducing Emissions from Deforestation and Forest Degradation in developing countries (REDD+) text has been developed at the UNFCCC and REDD+ related activity has increased significantly. For example, many countries have started the process of getting REDD-ready with technical support and finance from the UN's [UN REDD Programme](#) and the World Bank's [Forest Carbon Partnership Facility \(FCPF\)](#) and [Forest Investment Program \(FIP\)](#).

At the UNFCCC 15th Conference of the Parties (COP15), which took place in December 2009, 114 of the parties agreed the [Copenhagen Accord](#), calling for "scaled up, new and additional, predictable and adequate funding [...] including substantial finance to reduce emissions from deforestation and forest degradation [...]". Agreement on the REDD+ text was finally reached at UNFCCC COP16 which took place in Cancun, Mexico, in late 2010. The text of this agreement can be found in the '[Outcome of the work of the Ad Hoc Working Group on long-term Cooperative Action under the Convention](#)' (pages 10-12 and 24-25).

Meanwhile, on 27 May 2010, 58 countries adopted the [REDD+ Partnership document](#) (the total number of partner countries now stands at 71). The objective of the Partnership is to serve as "an interim platform for Partners to scale up REDD+ action and finance." Total pledges, of initial public finance over the 2010 to 2012 period, currently stand at US\$4 billion.

Past and Upcoming Events

COP 16

Cancún, Mexico

November 29-December 10, 2010

HAWA TRADE FAIR

Ho Chi Minh City, Vietnam

10-14 March 2011

SVLK TRADE FAIR

10th March, 2011 – Jakarta

14th March, 2011 – Samarinda

NAMM

California, USA

13-16 January 2011

6TH FLEGT ANNUAL COORDINATION MEETING

Brussels

12-14 January 2011

CHATHAM HOUSE: ILLEGAL LOGGING UPDATE AND STAKEHOLDER CONSULTATION

London, United Kingdom

27–28, January 2011

The FLA newsletter will host one guest writer 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 fionamulligan@eia-international.org.

If you are interested in learning more about our organization, becoming a FLA member and continuing to receive this newsletter, please contact us at CClarke@wri.org or visit http://www.wri.org/fla/about_membership.php.