

## 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 FLA team has kept busy these past few months, continuing to engage with stakeholders worldwide, build capacity, and form partnerships to further the goal to support the trade of legal wood products. In collaboration with Reforestamos Mexico and the European Forest Institute, FLA co-hosted an outreach event in April in Mexico. This event was a follow-up to the first FLA Mexico event held in August 2012 that served as a launchpad for raising the issue of forest legality in Mexico to the prominence it has achieved now.

These efforts have contributed to a number of actions that the Mexican government is now undertaking. A legality performance indicator has been added to Mexico's national forest policy. According to the indicator, by 2018, 100 percent of the timber traded in Mexico will be of known and legal origins.

In early June, the Forest Legality Alliance hosted its 11th Semi-annual Membership Meeting at the World Resources Institute in Washington DC. We welcomed many new participants and welcomed back our valued members and partners. Topics discussed include the U.S. government's latest efforts to support legal trade in forest products and enforcement of the Lacey Act, the implementation of the EUTR in Germany and the United Kingdom, civil society efforts to improve market access for producers of legal wood products, and private sector implementation of measures to ensure legality in the supply chains.

Additionally, team members attended Chatham House's 24th semi-annual "Illegal Logging Stakeholder Consultation and Update Meeting" in London in June to build and strengthen relationships with European partners, and the 23rd session of the UN Commission on Crime Prevention and Criminal Justice in Vienna to present on the suite of emerging technologies available for timber tracking. FLA is also partnering with the Center for International Development and Training (CIDT), providing materials and lectures for training courses held at the University of Wolverhampton in Telford, UK. The latest course, "Improving Forest Governance", was attended by private sector representatives, trade and finance ministries, civil society, and development agencies from thirteen producer countries.

The next FLA meeting will be held on January 20-21, 2015 and will have a particular focus on China. Agenda and more details about the meeting are forthcoming. As always, we welcome suggestions from our members on topics to cover and on how these meetings can serve you even better.

We are always 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**

## The Lacey Act and the Governance of the Brazilian Forest Sector

By Frederico Brandão, WWF Brasil

About 30 representatives from different sectors gathered in February at the offices of the Attorney General's Office (PGR), in Brasilia, with prosecutors from the Department of American Justice, Tom Swegle and Rocky Piaggione, to discuss the U.S. Lacey Act amendment of 2008 and the implications for the Brazilian forest sector, and the future prospects of its implementation.

The Lacey Act establishes a number of conditions for entry of foreign timber in the United States. The Act prohibits all trade in illegally sourced plants and plant products, including furniture, paper and wood. The American prosecutors presented the Law, informed the group on the application of the law in the United States and the history that led to its creation. Furthermore, it was discussed how the government of Brazil deals with the issue of illegal logging, what the challenges are and what the Brazilian government is doing to curb this problem.

"It was a great opportunity to establish a dialogue with several Brazilian segments. We hope this is the beginning of a good relationship between Brazil and the USA with regard to improvements to the timber sector in the two countries," said Tom Swegle.

For the coordinator of government relations for the Friends of the Amazon Network (RAA), FLA member and one of the organizers of the meeting, Carolina Reis, the event signaled a step forward in the discussion on the laws governing the trade of wood products, adding sectors that were less close to the debate as the private sector and some government agencies are.

According to Marco Lentini, coordinator of the Amazon Program of WWF-Brazil, the Lacey Act has an important role in preventing illegality in Brazil. "It is a significant contribution to the transparency of the governance of the export-oriented timber supply chain, which can also be used to bolster a larger debate on the legality and traceability of wood from the Amazon and the adoption of new environmental practices in the industry," said Lentini. However, although it may be an effective command and control measure, Lentini points out that the Brazilian industry also needs other additional tools for the protection and maintenance of standing forests.

Present at the event, Jair Schmidt, general coordinator of environmental supervision of IBAMA (Brazilian Institute of Environment and Renewable Natural Resources) emphasized that it is important to reflect on U.S. law, mainly because the United States is a main importer of Brazilian wood. "About 20% of our production goes for export to the United States. Certainly, we have an opportunity to work together to halt illegal activities," said Schmidt.

The meeting was organized by the Friends of the Amazon Network (RAA), Fundacao Getúlio Vargas (FGV), and WWF-Brazil, with support from the Forest Legality Alliance.

To read original and full article in Portuguese, visit [WWF-Brazil's website](#).

## Greetings from the new FLA Manager: Chip Barber



I would like to extend a big hello and my best wishes to the whole FLA family. I started at WRI as FLA Senior Manager at the end of March, and I look forward to working with all of you. I am not a stranger to FLA, or to WRI. I came to WRI from the State Department, where I was Forest Chief since 2009. In that capacity, I participated in numerous FLA meetings, promoted FLA's objectives and tools to other governments and intergovernmental bodies, and managed complementary funding for work on forest legality by the U.S. Forest Service, Department of Justice, and the Responsible Asia Forestry and Trade (RAFT) initiative led by The Nature Conservancy (TNC). From 2005-2009, I was with USAID in Washington, also working a great deal on forest legality issues. So it is great to be coming to WRI and FLA. I am also no stranger to WRI, as I worked here from 1989-2001, on forest and biodiversity issues – so in many ways, my "new" job is like coming home.

FLA has gone from an idea to an established and respected partnership and brand since 2009, and we are pleased that USAID appears very likely to continue its generous support for 2015 and 2016. From your survey feedback, I think FLA is doing many things quite well, but we need to do some things better, and also do some new things. We also all know that the forest legality landscape has changed considerably since 2009. Along with the 2008 Lacey Act amendments, we now have the EU Timber Regulation, the Australian Illegal Logging Prohibition Act, the Indonesian Timber Legality Assurance System, the draft Chinese Timber Legality Verification System, and similar initiatives in the works elsewhere. Intergovernmental bodies such as APEC, ITTO and the UN Crime Commission, Interpol, and FAO have taken up timber legality as a central theme of their work. While these multiple efforts are creating a more level playing field, they also raise new questions of comparability and harmonization. Advances in DNA, fiber analysis, forest monitoring and other technologies are opening new doors for more effective and less costly transparency in timber and pulp & paper supply chains.

It was a pleasure meeting many of you at the June FLA members meeting and I look forward to meeting many more of you and continuing our partnerships. My door is always open.

Sincerely,

Chip Barber

## Revelations on Indonesian Illegal Logging Send Clear Message to Governments and Buyers

*By Lafcadio Cortesi, Rainforest Action Network*

In March of this year, the former governor of Riau province in Sumatra, the epicenter of deforestation in Indonesia, was sentenced to 14 years in prison by Indonesia's anti-corruption court. He was convicted of taking bribes for illegally issuing logging permits to nine suppliers of logging giant APRIL's Andalan Pulp and Paper, and APP's Indah Kiat mills. This conviction follows similar convictions of Riau's Palalawan and Siak district regents (Bupatis).

The following week, a diverse and influential civil society network called the "Anti Forest-Mafia Coalition" released an in depth and ground-breaking analysis of the Indonesian "Forest Legality Verification System" (SVLK). The report finds numerous flaws in the SVLK standard and its application. These include: SVLK not being in compliance with various government regulations; it being weakened repeatedly since its inception; and independent monitoring of the SVLK process proving ineffective.

In addition, the report demonstrated that SVLK-certified companies had serious legality and sustainability issues in their forestry operations. It also details sweeping changes required for the system to be credible and contribute to improved forest governance in Indonesia.

### SVLK and the Lacey Act

The SVLK timber legality assurance system comes out of an agreement between the EU and Indonesian governments aimed at improving forest governance and ensuring that Indonesian forest products are produced, harvested and shipped in compliance with the laws and regulations of Indonesia. SVLK certification is intended to assure forest products (wood, paper, etc.) customers and trading partner governments that products are legal and to secure access to foreign markets.

In Europe, the intention is that SVLK certified products gain automatic access to the market.

In the United States, SVLK certification will not provide a guarantee that forest products imported into the United States will meet the requirements of the Lacey Act. Nevertheless, Indonesian forest product companies like APRIL and their customers are already promoting their SVLK certification and hoping that SVLK will fulfill the due diligence requirements of the Lacey Act.

However, given systemic governance problems and recent revelations from Indonesia, such assertions are premature. In fact, the Anti Forest-Mafia Coalition's report, "SVLK Flawed: An Independent Evaluation of Indonesia's Timber Legality Certification System", and the long list of forest crime cases being considered by Indonesia's Anti-Corruption Commission (KPK) suggests that the Riau former governor's crimes are just the tip of the iceberg.

### A Wake-Up Call

The Riau convictions and the Anti Forest-Mafia Coalition's report are a wake up call for governments, customers and investors alike. Indonesian forest governance and the SVLK certification system still have a long way to go before they can provide confidence in the rule of law, or any assurance that it is being implemented and enforced.

The take-away for customers, investors and importing governments around the world is that Indonesian forest products are rife with legal risks and links to corruption. It is clear that the current SVLK system does not provide adequate assurance that products are legal or produced in an environmentally or socially responsible manner.

The message to the Indonesian government and producers is that they must tackle corruption, improve forest governance, laws and enforcement and revamp the SVLK standard and its implementation if they are to be trusted and preferred in the international marketplace.

Encouragingly, there is good news that Indonesians and the international community alike can take heart in and support. First, the Riau prosecutions themselves demonstrate the importance and success of Indonesia's Anti-Corruption Commission (KPK), an institution that has repeatedly demonstrated its integrity, veracity and worth in the face of significant opposition from many powerful interests.

And second, Joko Widodo (or Jokowi as most know him), perhaps the nation's most well-known and important political reformer for clean and improved government and the rule of law, recently won Indonesia's presidential election. This could mean more anti-corruption measures are soon to come.

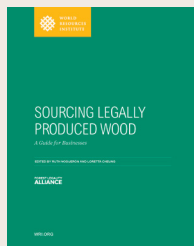


Photo credit: Rainforest Action Network

## Publications

### Sourcing legally produced wood: A guide for businesses

This booklet provides an overview of key legality issues in the global wood trade that businesses should consider when purchasing wood and paper-based products. Topics covered include trade regulations (e.g., the Lacey Act, the European Union Timber Regulation, and the Australian Illegal Logging Prohibition), public and private procurement policies, trade bans, and resources for meeting legality requirements.



### A new chapter for the publishing industry: putting promises into practice

This Rainforest Action Network (RAN) report analyzes the progress of leading publishers in implementing better practices to remove illegal materials from their supply chains. Results from analyses of survey responses, company paper policy and statements, and results of fiber testing of books indicate that companies are making good progress and demonstrating strong commitments to socially and environmentally responsible practices, though with room for improvement.

### Chinese views of African forests: evidence and perception of China-Africa links that impact the governance of forests and livelihoods

In contrast to the Chinese government's perception of China's investment in African forestry as a 'win-win' situation, Chinese NGOs, academics and other stakeholders point to the negative social and environmental impacts on local communities and the need for more information and building of relationships with organizations working in Africa.

### Rosewood and the illegal logging crisis in Belize

Despite a moratorium on the harvest and export of rosewood since March 2012 and an Appendix II listing under the United Nations Convention on International Trade in Endangered Species (CITES), Belize continues to see alarming rates of illegal logging of rosewood due to lack of enforcement actions.

## In the News

### Singapore intercepts massive illegal shipment of Madagascar rosewood

Despite a moratorium on trade of Madagascar rosewood, Singapore just seized the largest-ever illegal shipment of nearly 30,000 rosewood logs.

### High exotic wood prices driving illegal logging in Panama

Containers of cocobolo logs, disguised as scraps and destined for Hong Kong, were seized at the Port of Balboa, Panama. The 13 containers of cocobolo are worth \$4 million in the Chinese market.

### Laos launches plan to stem illegal logging after revenue drop

Due to the loss of large financial profits, Laos authorities have launched a program that requires all logs in sawmills and wood-processing plants to be inspected for documentation before export.

### Indonesia eyes Europe-like VPA in timber trade with Australia

Similar to the FLEGT VPA system, Indonesia is looking to establish an agreement with Australia that will allow products certified by the domestic timber legality verification system (SVLK) to be imported into Australia and considered legal.

### Japan needs tougher laws to end illegal timber imports, NGO says

Japan's current law that requires checking the origin of wood products, its 2005 Green Purchasing Law, applies only to public work contracts, which covers less than 5% of Japan's timber purchases. EIA urges Japan to pass more comprehensive legislation like the Lacey Act and the EU Timber Regulation.

### Discarded cell phones to help fight rainforest poachers, loggers in real-time

Rainforest Connection (RFCx) developed a technology that uses re-purposed mobile phones to detect the sound of chainsaws, gunshots and other noises and send signals to an alert system in real-time. The technology is now being tested in Cameroon and will monitor 10,000 hectares of rainforest.

## Upcoming Events

### Sustainable Forestry Initiative Annual Conference

September 16-18, 2014; Montreal, Quebec, Canada

### RILA's Retail Sustainability Conference 2014

September 29-October 2, 2014; Minneapolis, MN, USA

### RISI's 29th Annual North American Forest Products Conference

October 8-10, 2014; Boston, MA, USA

### 50th Session of the International Tropical Timber Council (ITTC)

November 3-8, 2014; Yokohama, Kanagawa, Japan

### 72nd Session of the ECE Committee on Forests and the Forest Industry

November 18-21, 2014; Kazan, Russia

### 12th Semi-annual Forest Legality Alliance Membership Meeting

January 20-21, 2015; Washington, DC, USA

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](mailto: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 Loretta Cheung at [LCheung@wri.org](mailto:LCheung@wri.org) or visit <http://www.forestlegality.org/about/members>.