

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 5th Semi-annual Members Meeting on May 8-9, 2012 at the World Resources Institute in Washington, DC, bringing together a wide range of international guests including representatives from private companies, trade associations, governments, academic institutions, and non-profit organizations. Partnering with The Nature Conservancy's Responsible Asia Forestry and Trade (RAFT) program, we invited experts from Asia and Brazil to share their experiences on the ground. Panelists from Asia shared their challenges to and motivations for certification, and the changes to perception, with increased clarity and guidance, towards compliance with laws. Panelists from Brazil provided insight into the country's production process and emphasized the importance of having traceability systems and transparency of product supply chains to ensure legality at every step. The meeting also provided two sessions for open discussion and exchange of different perspectives among the panelists and the audience on various issues surrounding forest legality and law compliance.

Aside from the meeting, the FLA has also been reaching out to new organizations and trade associations in Colombia, Guatemala and Dubai, and gaining more insight into the national and regional timber trade in these countries. In August, the FLA will be partnering with Reforestamos Mexico to host a multi-stakeholder conference in Mexico City to gather leading representatives from government, small and large forest enterprises, and civil society to discuss challenges to compliance with the Lacey Act and the EUTR and the impacts of illegal timber trade in Latin America.

Additionally, the FLA officially launched the Declaration Tool and the beta version of the Risk Tool, as well as the second edition of the Sustainable Procurement Guide website (links and details are provided on the next page). Over the next several months, we will be working on updating the content and design of the FLA website. Finally, we are also happy to welcome two new members to the Alliance: the Forest Stewardship Council (FSC) and the Instituto Floresta Tropical (IFT).

As always, we are open to ideas for guest speakers for our next meeting in December. We are also always looking for guest contributors to the newsletter—if your organization has a useful new tool, publication, or event that may be of interest to members, please do not hesitate to let us know.

All the best,
THE FLA TEAM

Launch of New Tools

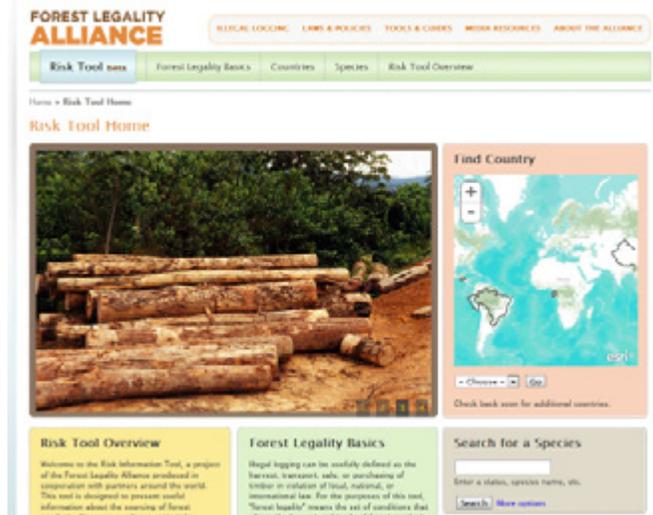
THE DECLARATION TOOL

The declaration tool is a step-by-step tutorial that explains the rationale for the declaration requirement and helps importers understand the required information on the declaration form. With the information input by the user, the tool generates a completed PDF that the user can submit to APHIS. The tool includes a general "help" section, and provides information to users in a hands-on fashion based on information provided by APHIS and other resources, such as U.S. Forest Service databases and the Harmonized Tariff System lists.



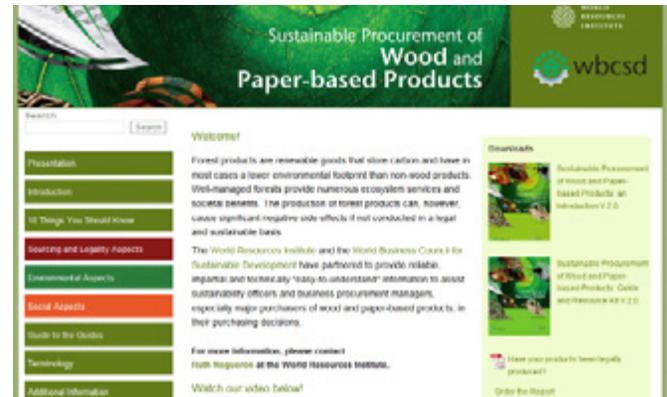
THE RISK TOOL (BETA TEST VERSION)

The risk tool provides useful information on forest products trade and legality to assist companies in making informed decisions on where to source their wood products. The information is presented by countries and by species. The tool also features a section on forest legality basics, with up-to-date information on national and international timber trade laws. Information on more countries and species will be added in the coming months. The next phase of the tool development will add interactive supply chain profiling tools, such as decision trees and flow charts.



THE SUSTAINABLE PROCUREMENT GUIDE WEBSITE - 2ND EDITION

The second edition of the Guide to Sustainable Procurement of Wood and Paper-Based Products was released June 2011. The Guide was developed to assist sustainability officers and business procurement managers in their purchasing decisions by providing information on central issues and useful tools to consider. The website is now updated to match the content in the paper version of the guide. In addition, several improvements have been made to the website to enhance the user experience. The website now supports a search function for all contents and Spanish and Chinese translations.



The Global Timber Tracking Network (GTTN): Using DNA and stable isotopes technologies to fight illegal logging

By Marius R.M. Ekué, Bioversity International

Despite various legal initiatives and other preventive measures, such as educating consumers, promoting reforms on forest tenure and timber rights, and certification, illegal logging is still growing. Some common practices associated with illegal logging are the false declaration of species and origin. Unfortunately, the lack of practicable control mechanisms to identify the origin of wood and timber products means that an undetermined amount of illegal wood and wood products makes it to the market.

Advances in science over the last years have made possible the use of new technologies, namely DNA and stable isotopes, to enhance existing timber tracking systems, which are currently opened to tampering. Genetic markers and stable isotopes use characteristics inherent to the timber instead of externally applied marks. They cannot be manipulated, reducing the possibility of falsifying accompanying chain-of-custody documents and laundering timber from unsustainable and illegal harvests.

To promote the use of such innovative tools at a global level, Bioversity International and the German Federal Ministry of Food, Agriculture and Consumer Protection (BMELV) have initiated the project "Identification of Timber Species and Origins". The project will facilitate the practical application of timber species identification and timber tracking tools using genetic and stable isotope markers for a number of priority timber species. Bioversity International will coordinate a network of experts and institutes working with these tools to develop internationally accepted standards for genetic and stable isotopes fingerprinting of timber species, and to develop and maintain an online database with geo-referenced data on genetic structure and stable isotopes of major commercial timber tree species. To

lay the groundwork for the project, an inception meeting was held April 24-25, 2012 in Kuala Lumpur, Malaysia. An important output of the workshop was the creation of the Global Timber Tracking Network (GTTN).

GTTN will host the global database and will promote the integrated use of genetic and stable isotope fingerprinting techniques with the existing timber species identification and tracking systems, certification standards, regulations and legislation to curb illegal and unsustainable logging.

A two days meeting was organized in Rome (19-20 June) recently to discuss the overall structure and architecture of the GTTN database and issues related to security, storage and exchange of data. More information will be available on the [GTTN website](#) soon.

Marius R.M. Ekué is the scientific coordinator of the project, "Identification of Tree Species and Geographic Origin" at [Bioversity International](#). For more information, please contact him at m.ekue@cgiar.org.

Local communities unite: Community cooperatives sell certified wood directly to U.S. companies

By Tom Bewick, Environmental Investigation Agency

The Forest Legality Alliance recently visited Guatemala in order see how certified Small & Medium Enterprises (SME's) were faring in the lush and biologically diverse—but threatened—forests in El Petén. The FLA team, accompanied by Rainforest Alliance, toured several community cooperatives that were sustainably harvesting mahogany and other tropical hardwoods, processing them in the their own sawmills, and creating flooring and furniture with their own carpenters. The communities then sold their products directly to American importers such as Nawpi and Rex Lumber. By sustainably managing their forests, processing the wood, and negotiating directly with importers, these communities were able to harvest protected trees legally, compete in the international market, and provide jobs and revenue for their communities.

Guatemala's forests have been threatened on many fronts for decades, suffering from agricultural frontier advance, cattle ranching, and illegal logging. Local enforcement authorities are under-resourced and Guatemala's borders with Mexico and Belize are porous, leaving plenty of opportunities for illegal loggers, particularly in the vast northern jungles of El Petén. Historically, communities living Petén's Maya Biosphere Reserve were forced to cut and sell trees to unscrupulous intermediaries below market value, or watch helplessly as illegal timber rackets stole their trees. Communities that attempted to harvest and sell legal wood were undermined by the illegal market, where prices were artificially low.

Frustrated by the chaotic market and wanting to act legally, local communities united. In 2007, with the support of a USAID-funded program implemented by Rainforest Alliance, several Mayan communities united to form FORESCOM (Community Company of Forest Services), a collection of 11 community enterprises. The objective is to harvest certified wood, get better prices by dealing directly with U.S. companies, and provide jobs and services for the communities that inhabit Maya Biosphere Reserves forests. The FLA team visited an outlet selling beautiful furniture and Mayan craftsmen gave the team a tour of sawmills that were providing jobs and business skills to young community members. Community leaders explained that they are able to monitor their forests and had created over 1,600 local jobs. Profits are used to provide health and education services, low-interest loans, and an annual cash payment to families.

The FLA was encouraged by the community-driven efforts of FORESCOM and hopes to promote more best practices throughout the region. U.S. importers

working directly with forest communities is a sure way to ensure legality and drive sustainable development in countries throughout Latin America that are working to improve forest governance and protect threatened tropical species.

News Updates

GLOBAL

[INTERPOL launches Project LEAF to combat illegal logging worldwide](#)

Project LEAF (Law Enforcement Assistance for Forests), a collaborative efforts between INTERPOL and the UN Environment Programme, is an intelligence-led law enforcement initiative aiming to combat forestry crimes by improving transnational coordination and creating new tools to enhance global enforcement of illegal logging and timber trade laws.

[Global timber and wood products market update](#)

2011 saw an increase in international trade of softwood lumber, following two years of decline in demand due to the global recession. While imports of softwood between 2010 and 2011 by major importers (US, UK, Italy, France and Egypt) decreased, import volumes of China, Japan, Spain and South Korea rose.

[Logging in tropical forests: Not all is lost](#)

Recent studies found that the impacts of selective logging on biodiversity can be relatively modest if these forests are managed sustainably. Putz et al. (2012) recommends a mixed strategy that employs sustainable timber harvesting practices, enhances the benefits of forest certification, and improves multiple-use forest management.

NORTH AMERICA

[Musicians, forest industry, labor, and environmental groups take stand against Bills to undercut U.S. efforts to address illegal logging](#)

At the hearing held before a subcommittee of the U.S House Natural Resources Committee on May 8, musicians, forestry industry, and labor and environmental groups showed strong support for the Lacey Act and opposition against the two bills, the RELIEF Act and the FOCUS Act, that are aiming to weaken the provisions of the Lacey Act.

[NRF calls on Congress to reform law regulating imported products containing wood or plant material](#)

At the congressional hearing, the National Retail Federation (NRF) urged for revisions to the Lacey Act, arguing that importers who have exercised due diligence should be allowed to regain possession of seized merchandise and materials harvested before 2008 should be exempt under the law, as well as other revisions to ease pressure of businesses. NRF is working on another bill with the Natural Resources Committee that will include these revisions.

[Canada surpasses Russia as China's largest lumber supplier](#)

In 2011, Canada replaced Russia as the largest exporter of softwood lumber to China, and the trend is expected to continue. Canadian lumber producers are now more cautious of dependence on the U.S. market and will most likely further grow their presence in the Chinese market. Still, 63% of Canadian lumber exports go to the U.S. and 26% go to China.

ASIA

[Asia Pulp & Paper to temporarily suspend rainforest clearing in Indonesia](#)

Facing heavy criticism for clearing rainforests and peatlands and loss of a number of major customers, APP established a moratorium on forest clearing in Indonesia, which applies to concessions owned by its subsidiaries and will take effect on June 1.

[Blood rosewood: Thailand and Cambodia team up to tackle illegal logging](#)

Cambodian and Thai officials met to devise a plan to halt Cambodian illegal loggers from crossing into Thailand to harvest rosewood. Confrontations between loggers and Thai rangers have led to fatalities.

[Illegal logging in Kalimantan 'cost state \\$35b in 2011'](#)

Within the Kalimantan province, Central Kalimantan accounted for about half of the USD\$35 billion (Rp 321 trillion) in potential losses to the province in 2011, largely due to a high number of firms holding "flawed permits" and weak law enforcement efforts.

Recent Publications

[Tracking the Trade in Illegal Precious Woods - Chatham House's Precious Woods Workshop](#)

Chatham House hosted a meeting in April to bring representatives of producer and consumer countries to the table to discuss lessons learned in tackling the illegal harvesting of precious woods. The resulting series of papers from this meeting are available online:

- [Precious Woods: Exploitation of the Finest Timber](#)
- [Producer Country Measures: Lessons in Trade Controls and Enforcement to Facilitate Legal Trade in Precious Woods](#)
- [Consumer Country Measures: Best Practice in Facilitating the Legal Trade in Precious Woods and Lessons Learnt](#)

[Logging and the Law: How the U.S. Lacey Act Helps Reduce Illegal Logging in the Tropics](#)

This report by the Union of Concerned Scientists highlights the economic and societal impacts of illegal logging in the United States and producing countries, and the efforts by the U.S. government and businesses to combat illegal logging. The report also discusses the global economic, societal and environmental benefits of the Lacey Act and concludes with recommendations of various approaches (i.e. law enforcement, market-based, etc.) to reducing illegal logging.

Upcoming Events

[Chatham House Illegal Logging Stakeholder Update Meeting](#)
July 5-6, 2012; Chatham House, London, UK (Registration closes July 2nd)

[2012 IUFRO Conference: Forest Products](#)
July 8, 2012; Lisbon, Portugal

[7th Annual Latin American Pulp & Paper Outlook Conference](#)
August 27-29, 2012; Sao Paulo, Brazil

[Sustainable Forestry Initiative \(SFI\) Annual Conference](#)
September 11-13, 2012; Milwaukee, Wisconsin, USA

MEMBER SPOTLIGHT:

FSC BUSINESS ENCOUNTER JAKARTA 2012: A BOOST FOR THE TRADE IN INDONESIAN FSC WOOD PRODUCTS

By Wim Ellenbroek, *The Borneo Initiative*

"The opportunity to meet with certified forest concessionary holders and manufacturers who spoke openly about the costs and challenges of FSC certification and meeting market demands was particularly engaging. Such events, that aid improved transparency and understanding of FSC certification and the associated challenges and opportunities, deserve the support of all who, like Marks and Spencer, are working towards making timber from responsibly managed sources the market norm."

-Mark Saunders, Marks & Spencer

On June 12-13th, The Borneo Initiative and the Indonesian Association of Forest Concessionaires (APHI) jointly hosted an event in Jakarta, Indonesia, to promote the trade in wood products certified by the Forest Stewardship Council (FSC). The objective was to create new market contacts for new market entrants. In total, 61 companies from seven countries participated, representing local timber producers, national processing industries and overseas buyers. Products on offer included plywood, mouldings, flooring, decking and furniture. In total around 250 market contacts were facilitated.

Before The Borneo Initiative became operational, around 1.1 million ha of forest were FSC-certified in Indonesia - or about 2% of its total production forest area. Since our start in 2010, we have signed support contracts with 31 forest concessions, five of which resulted from the June event. These forest concessions manage a total of 3.2 million ha of forest in Indonesia. Of this group of forest concessions, six have already achieved FSC certification while another three are expected to follow soon. FSC certification is now gaining traction in Indonesia, so it is timely that we offer the timber producers some support in finding new market outlets for their FSC wood products. At the end of the day, these forest companies need to see a compensation for their due diligence in the market, so the involvement of the market is key for the success of our initiative. This event helped link the European market to Indonesian wood producers. Later this year, we hope to initiate activities in the USA to raise the profile of our work and repeat this FSC business encounter on a bigger scale one or two years from now.

The Borneo Initiative is a non-profit foundation based in The Netherlands and with a mission to halt forest loss and forest degradation in the tropics via the promotion of responsible forest management based on the principles and criteria of the FSC. For more information, please visit their website [here](#).

WANT TO BE A GUEST CONTRIBUTOR?

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, please contact Caitlin Clarke at CClarke@wri.org or visit http://www.wri.org/fla/about_membership.php.