



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, multistakeholder 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 AND PARTNERS,

Happy summer! We've been busy in the last few months. In March, we hosted a workshop in Guatemala on innovative technologies for timber traceability. Co-sponsored by the Government of Guatemala, IUCN and FAO, workshop participants included representatives from governments, technology innovators, NGOs and the private sector. Representation from Latin America was particularly robust, but participants hailed from as far away as Ghana and Indonesia. You can read more about the technologies discussed at the workshop on the next page.

As many of you may be aware, the current cooperative grant agreement between WRI and the U.S. Agency for International Development which has supported the FLA for the past seven years will end this coming September. First, we would like to express our gratitude to USAID for its sustained financial and technical support for FLA since 2010. Secondly, we would like to let you know that WRI will continue working on timber legality going forward – including maintaining many elements of the FLA. So we expect to continue working with many of you in the months and years to come.

On July 6 and 7, we will host the final FLA semi-annual member meeting under our agreement with USAID, in WRI's newly-renovated conference facilities. With the 17th meeting of the Conference of the Parties (COP17) to CITES being held in South Africa in the end of September – with timber species receiving unprecedented attention – we are focusing most of the upcoming meeting on CITES timber issues. Sessions will include:

- **Key timber issues at CITES COP17 (September 2016)** | Milena Sosa Schmidt, CITES Secretariat, will address some key issues on timber species to be raised at the next Conference of Parties (COP17) of the Convention on the International Trade of Endangered Species of Fauna and Flora (CITES).
- **Wood identification technologies for CITES implementation** | Shelley Gardner, Interpol, and Alex Wiedenhoef, USFS Forest Products Lab, will discuss the current state of wood identification technologies for the enforcement of CITES, with additional presentations by the US Fish and Wildlife Service; Royal Botanic Gardens, Kew; the Swiss Federal Institute of Technology; and WWF Russia.
- **CITES & timber: the case of Madagascar** | Continuing the first CITES discussion, representatives from the CITES Secretariat, the World Bank, the University of Antananarivo and WRI will take a deeper dive into the case study of CITES-listed timber species from Madagascar.
- **Reflections on the Forest Legality Alliance, 2009 – 2016, and the road ahead** | The founders of the Alliance, members, partners, and other participants will share their reflections on the successes and challenges of the Forest Legality Alliance, and where the Alliance is heading next.

All the best,
THE FLA TEAM

FEATURE: 5 Technologies Help Thwart Illegal Logging by Tracing Wood's Origin

by Loretta Cheung, Ruth Nogueron and Emily Kaldjian, *World Resources Institute*

The illegal timber trade creates problems for everyone. Governments lose valuable revenue and natural resources. Indonesia's Corruption Eradication Commission [reported](#) that the country lost \$9 billion in revenue to the illegal timber trade between 2003 and 2014. Meanwhile, businesses sourcing legal timber [lose profits and competitiveness](#) to illegal timber supplies sold at lower prices.

So governments and businesses are starting to do more to improve timber traceability, including adopting new and existing technologies that can help track timber, manage information, and eventually, help combat illegal logging.

WRI, [Instituto Nacional de Bosques \(INAB\)](#) of Guatemala and [IUCN Mesoamerica](#), with support from USAID, the European Commission, and FAO recently hosted a [workshop](#) in Antigua, Guatemala to explore technological applications for improving forest information management and traceability in timber supply chains. Participants discussed some of the most cutting-edge technologies available today or on the horizon.

Technologies that Track Wood's Roots

Some technologies target the tracking of timber as it moves through the supply chain to guarantee authenticity of the timber's origin, including:

- [Stardust](#) is a dust-like material that can be sprayed onto wood and detected only with a hand-held device. Stardust has the potential to be applied to timber and pulp and paper products as a cheaper alternative to barcodes, radio-frequency identification (RFID) and other tracking technologies. [Greenwood](#), an organization that connects buyers with producers of high-quality wood products from sustainably harvested trees, is now pilot testing Stardust's application to some of their wood supplies.

- [TreeTAG](#) is an emerging smartphone-based supply chain traceability system developed by Earth Observation Systems that tracks the location of logs transported from the forest to the mill. It requires all authorized personnel—from those cutting trees to those processing logs—to report activities and volumes, raising alerts when there is suspicious activity. Only trees previously authorized for logging can enter the system. Earth Observation Systems is currently working with Sociedad Civil Custodios de la Selva (CUSTOSEL), a sustainable mahogany producer, to pilot test the system on wood used by Bedell Guitars.

- Several government agencies are also developing systems for supply chain traceability. The Forestry Commission of Ghana is piloting [Ghana Wood Tracking System \(GWTS\)](#), developed by [Ata Marie](#), a data platform that centralizes all formerly paper-based documentation, and allows users like auditors to upload information from their phones and computers. The Guatemalan Forest Service is developing [SEINEF \(Sistema Electrónico de Información de Empresas Forestales – Forest Enterprises Electronic Information System\)](#), a web platform that requires actors along the supply chain to enter volume and authorization information. The system allows government officials and law enforcement officers to follow the flow of timber products from the forest to buyers, and identify discrepancies in volumes, species and products reported. The Brazilian Forest Service also uses a traceability and information management system that not only tracks trees as they are logged and sawn into timber, but also uses remote sensing data to monitor forest management.

Other technologies focus on aggregating, analyzing, visualizing and verifying supply chain information:

- [Global Traceability Systems' Radix Tree](#) is a platform that enables buyers to collect information from suppliers to establish a chain-of-custody. Radix Tree also performs legality risk assessments based on information provided, a required step for compliance with the [European Union Timber Regulation \(EUTR\)](#). Furthermore, it also helps users manage their inventory of products and shipments, provide secure encryption and private data storage and import data from multiple formats. Some of its users include Unilever and Bureau Veritas, a leading global certification body.

- [BVRio's](#) Responsible Timber Exchange uses big data to assess whether potential sellers are complying with U.S. and European legal wood requirements. The database not only draws information from official documentation, such as logging permits and sawmill operating licenses, but also legal records of forest owners, loggers and even forest engineers involved in a shipment to assess the risk of illegality. With this information, the exchange allows buyers to evaluate sellers based on the traceability of their timber and compliance with specific legal, environmental, social and labor criteria. A [similar system](#) is under development in Brazil, led by the nonprofit [Imaflora](#).

These technologies and systems can significantly bolster the efforts of governments and businesses to better track timber supplies and prevent illegally sourced timber from entering supply chains.

However, while timber traceability technologies and platforms can provide much needed information, it's only worthwhile if governments and businesses translate this data into action. For governments, that means eradicating corruption, implementing systems that work for all stakeholders, and allocating more funding and resources to enforcement. For businesses, it means working with suppliers to gather information and communicate legal sourcing policies, as well as cutting ties with bad actors.

Loretta Cheung leaves FLA

It is with sadness that we announce that Loretta Cheung, longtime FLA staff member, has departed for a new opportunity. In her own words:

"It's been an amazing five years working on this team and I'm grateful to have had the opportunity to be part of the FLA and to see its incredible growth, the change in conversation on the Lacey Act and the progress made to halt illegal logging. I will miss seeing you all at FLA meetings!

For my next endeavor, I will be moving home to New York City and taking up a position at [PCI Media Impact](#), managing part of their environment portfolio of projects.

It's been a great pleasure working with all of you, and I'm sure our paths will cross again! Please feel free to reach out to me at lcheung@mediainpact.org.

Warm regards,
Loretta Cheung"

This article originally appeared on [Insights](#), the World Resources Institute blog.

Recent Publications

China's Logging Ban in Natural Forests Impacts of Extended Policy at Home and Abroad | In March, [Forest Trends](#) released this Information Brief exploring some of the anticipated economic and ecological implications of the forthcoming expansion of restrictions on commercial logging in China's natural forests. Full report [here](#).

Timber Regulation Enforcement Exchange Newsletter Spring 2016 | [Forest Trends](#) surveyed government agencies in the EU, Australia and the US about their enforcement activity during the previous 6 months (September 2015 – March 2016). Responses were collected from fourteen EU Member States, three US Lacey enforcement agencies and the Department of Agriculture and Water Resources in Australia. Of those that responded, all but one is a regular participant in TREE meetings. The survey will be repeated and data published biennially. Full report [here](#).

Evaluation of the EU FLEGT Action Plan (Forest Law Enforcement Governance and Trade) 2004-2014 | An independent evaluation report, published in May, confirms that the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan is a relevant and innovative response to the challenge of illegal logging and that the Action Plan has improved forest governance in all target countries. Full report [here](#).

Scoping Study on EU-China Relationships in the Forestry Sector | This study, released in May, was commissioned by [Fern](#) to inform us about China's efforts to tackle the trade in illegal and unsustainable produced timber and to provide us with some guidance for a possible strategy to inform EU-China efforts to control the trade in illegally sourced timber. Full report [here](#).

The rise of environmental crime: a growing threat to natural resources, peace, development and security | This June report from the [UNEP](#) and [INTERPOL](#) finds the scope and spectrum of the illegal wildlife trade has widened dramatically. Criminals now include in their trafficking portfolios waste, chemicals, ozone depleting substances, illegally caught seafood, timber and other forest products, as well as conflict minerals, including gold and diamonds. Full report [here](#).

Supply Change: Tracking Corporate Commitments to Deforestation-free Supply Chains, 2016 | This report, released by [Forest Trends](#) in June, looks at 566 companies representing at least US\$7.3 trillion in market capitalization who were identified as having deforestation risk tied to these four commodities within their supply chains. Of these companies, 366 have made coinciding commitments to shift to sustainable sources. Full report [here](#).

Upcoming Events

Real impact through timber purchasing policies ([more here](#)) European Sustainable Tropical Timber Coalition | June 23 | Rotterdam, The Netherlands

Summer 2016 Semi-annual Members Meeting of the Forest Legality Alliance ([more here](#)) World Resources Institute | July 6 - 7 | Washington, DC

IUCN World Conservation Congress ([more here](#)) International Union for Conservation of Nature | September 1 - 10 | Honolulu, Hawaii

17th Meeting of the Conference of the Parties to CITES ([more here](#)) Convention on International Trade in Endangered Species of Wild Fauna and Flora | September 24 - October 5 | Johannesburg, South Africa

In The News

Illegal logging “mafia” arrested in Peru | Joint action by the Ucuyali public prosecutor's office and a specialized environmental police force arrested 19 gang members, including two police officers and two regional forestry officials.

Cambodian Activist Wins Goldman Prize for Exposing Illegal Logging | Leng Ouch has risked his life to go undercover and gather evidence of collusion between timber companies and government officials.

Dutch Competent Authority for the EUTR takes action against timber importer | On March 8th, the Netherlands Food and Consumer Product Safety Authority (NVWA), using information provided by Greenpeace, filed a formal report on non-compliance with the public prosecutor about a Dutch timber importer who has breached the European Union Timber Regulation (EUTR).

U.S. agents move against illegal timber imports from Amazon | Government agents searched the offices of a California-based wood importer as part of a broadening government crackdown on imports of illegally harvested timber.

Extension of the illegal logging ‘soft-start’ compliance period | The Department of Agriculture and Water Resources of Australia announced that the illegal logging ‘soft-start’ compliance period has been extended from 30 May 2016 to a date yet to be determined, subject to a review currently underway.

2016 China-U.S. Strategic and Economic Dialogue strategic fact sheet | The United States and China reaffirmed their support for regional and global efforts to combat illegal logging and associated trade at the Eighth Round of the China-U.S. Strategic and Economic Dialogue (S&ED) June 6-7, 2016, in Beijing (section 67).

Holzindustrie Schweighofer's FSC certifier suspended | Certification body “Quality Austria” has been barred from issuing Forest Stewardship Council (FSC) certificates worldwide, following a complaint by WWF Austria regarding its recent Chain of Custody certification of Austrian-based company Holzindustrie Schweighofer (Schweighofer).

European Timber Trade Federation Spring/Summer 2016 Newsletter out now | The Spring/Summer 2016 edition of the ETTF Newsletter is published, including latest news from the Federation itself and members across Europe, opinion from the timber sector worldwide and latest EU trade analysis and statistics.

If you are interested in contributing to our next newsletter with information and stories concerning illegal logging, the Lacey Act, international forest policy, or any other related issues, please contact Emily Kaldjian (ekaldjian@wri.org). If you are interested in learning more about our organization or becoming a FLA member, please contact Jonathan Mason (jmason@wri.org) or visit [our website](#).