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Forest Legality Week

October 8–10, 2019 | Washington, D.C.

Event Summary

The Forest Legality Initiative, a project of the World Resources Institute (WRI), convened partners and stakeholders in October 2019 in Washington, DC, to advance dialogue and initiatives related to the international trade in timber. The three-day event drew 189 attendees from more than 20 countries. Topics under discussion included linkages between climate change and illegal logging, corruption and the timber trade, the island of New Guinea, consisting of Papua New Guinea and the province of Papua in Indonesia, Peru, and policy developments in the EU on the EU Timber Regulation and the EU Communication on Stepping up Action to Protect and Restore the World’s Forests. Side events held before the start and after the close of the main conference included a meeting on corruption and financial flows and illegal logging, a discussion on main takeaways for timber from the August 2019 CITES Conference of Parties, discussions on early warning systems and a coordination and exchange meeting among providers and users of due diligence support tools. The U.S. Agency for International Development and the U.S. Forest Service provided generous support for the event. Below is a summary of the conference presentations and discussions. The presentations from the sessions can be found [here](#). Please note that since the event was webcast and we share the presentations, the presentations are on the record, but we do not attribute any audience comments and questions to individuals. The contents detailed below do not necessarily reflect the views of WRI or conference participants.

Tuesday, October 8

Opening Statement

Principal Deputy Assistant Attorney General Jonathan Brightbill (statement [here](#))

Forest Legality and Sustainable Landscapes: Making the Connections

Moderator: Andrew Steer, President and CEO, WRI

Panelists:

Frances Seymour, Distinguished Senior Fellow, WRI

Rannveig Formo, Senior Advisor Forest Crime, Norway’s International Climate and Forest Initiative

Kathryn Stratos, Director, Office of Global Climate Change, USAID

Andrew Steer opened the meeting by describing his takeaways from the 74th Session of the UN General Assembly (New York, September 2019). He spoke about the discussions he had around the 2015 New York Declaration on Forests - a political declaration that brought together governments, companies and

civil society actors including indigenous people's organizations with the shared goal of halving the loss of natural forests by 2020 and striving to end it by 2030. There was a lot of excitement in 2015, while the statement was being drafted. But over the last five years the declaration has ultimately failed to meet its objectives. Mr. Steer posed a few questions for looking ahead, including what happened over the course of these last five years, and how we failed. He ended his intervention by reminding the audience that the stakes are high, and that forest legality is a capstone issue that needs to be addressed in any convention focusing on climate change, biodiversity and the like.

Frances Seymour began her presentation by asking where forest legality fits into the overall picture of forest loss. She went on to make five propositions, starting by stating that we cannot protect the earth from climate change or adapt to climate change without forests. But, she said, we can stop deforestation and allow forests to grow back. Ms. Seymour went on to discuss the IPCC Special Report on Climate Change and Land, and reiterated the importance of forests for ecological stability and temperature stability for adaptation.

Ms. Seymour's second proposition was that the lack of policy and law enforcement allows for forest degradation loss and that enforcement must be improved. The positive effect of better implementation of laws can be seen in Brazil, where the government was able to dramatically reduce deforestation rates. Ms. Seymour then went on to discuss the economics around mitigation to climate change, and pointed out that climate mitigation strategies are more cost effective if forests are included. She then highlighted the importance of getting deforestation out of commodity supply chains, with the red trend line of deforestation (primary tropical forests) still rising because of the wholesale clearing of land for commodities. As final proposition, Ms. Seymour focused on governance, markets and finance and the need to offer carrots, such as price premiums, to encourage good actors to participate in best practices in forest-risk commodity markets. Additionally, she said, we needed to call out actors complicit in the illegal clearing of land.

Ms. Seymour reiterated that to survive climate change we need to protect forests. And that one of the most imperative approaches to protecting forests comes good governance on the ground for forest risk commodities.

Kathryn Stratos introduced the overseas work that USAID has been supporting on sustainable forest management in more than 100 countries in Southeast Asia, Latin America and Africa. She mentioned that Forests and Land program spent 8-10% of their funds on work to mitigate global carbon emissions. She also stated that biodiversity and forest-dependent people are threatened by bad management practices and that we desperately needed good transparency tools to assist in good governance and management. Ms. Stratos finished her statement by underlining the need to support and recognize good actors doing the right things to preserve forests and that she was excited about the new partnership with WWF to deal with corruption in the forest sector.

Rannveig Formo briefly introduced the work of Norway's International Climate and Forest Initiative (NICFI) related to reducing deforestation and illegal logging. She mentioned that NICFI had been working on these topics for more than 10 years, mostly through bilateral partnerships with rainforest countries. She also mentioned that NICFI is very interested in protecting the Oceans and Cryosphere (the frozen parts of the world), which are in substantial decline regardless of carbon emissions. Ms. Formo went on to say that oceans are warming, fisheries are falling apart and the IPBES report (biodiversity and ecosystems) states that 1 million species will become extinct soon. She reiterated that maintaining

forests - especially tropical rainforests - is our best defense to mitigate climate change and stop mass extinctions. But rainforests, Ms. Formo said, are on the decline and most logging is illegal. Criminal networks are laundering timber and hiding money overseas through illegal tax evasion schemes. Ms. Formo pointed out that forestry crime is driven by criminal networks who also are substantial financiers of terrorist groups. She mentioned that arrests and seizures are not enough, but what is needed is more research to understand how to most effectively combat these criminal networks. Additionally, Ms. Formo stated that CSOs have a very important role to play through investigations and transparency tools such as the Open Timber Portal and Global Forest Watch. She finished her presentation by stating that forests are disappearing at an alarming rate, and that we need to look at all factors impacting forest loss to assess the changes we need to make, such as food production, which has caused much of the world's forests to be cleared.

Q&A

Andrew Steer began the Q+A session by asking the panel why we haven't achieved our objective set 5 years ago to end deforestation by 2020, asking why and how we failed, and what should we do.

Frances Seymour: We are not doing the wrong things, we are doing the right things at too slow a pace. We need to ratchet up this pace to mobilize more funding and we need to change markets to preferentially open opportunities for good forest products and close opportunities to the bad forest products.

Kathryn Stratos: What we've seen is the difficulty of working at different scales. We need to come to the table with much more humility and figure out ways to work more closely across agencies, institutions and sectors to defeat forest crime.

Rannveig Formo: Forest crime hasn't gotten enough attention. We need to invest in financial investigations and build more close collaborations between law enforcement and CSOs, so that customs and enforcement agents are much more connected to investigators and investigations.

Question: Can philanthropy play a role to add resources directly to law enforcement?

Frances Seymour: We need to professionalize law enforcement and it seems there is risk aversion from philanthropy. But somehow, we must do better to creatively tackle these gaps.

Question: What are we doing wrong with the New York Declaration on Forests, and what do we need to change or do more of?

Frances Seymour: We need subnational jurisdictions to do more holistic land use planning.

Rannveig Formo: We need more creativity and more collaborative approaches. We need to use a "stick and carrot" approach with law enforcement, market incentives and international collaborations.

Comment: We underestimate the complexity of the issue on how to stop deforestation and the trade in illegal wood. The differences in complexity between countries are vast. Brazil, for example, consists of mostly large producers. Peru, on the other hand, consists of mostly small producers. In Peru, we have five authorities to oversee the forests which makes coordination, prioritization and design extremely difficult to implement.

Kathryn Stratos: In the work that USAID has supported in Peru, our objective has been to bring ministries together for greater transparency and effectiveness

Frances Seymour: We must tailor the response to deforestation and illegal logging to each country or situation. This is a great example of the differences that need to inform how we tackle these issues.

Question: Does engaging the private sector need to be a bigger part of the solution?

Kathryn Stratos: We must work up and down the supply chain to understand what incentives there will be in the end for the private sector. Each country and each jurisdiction must figure out what's right for them. Every stakeholder needs to have a voice.

Frances Seymour: 10 years ago, leaders wanted to position themselves as forests "heroes". Fast-forward to the present, we see nationalist, populist sentiments in governments across the globe. The demand side measures and commitments that were made 10 years ago to combat the trade and unlevel the playing field in favor of the committed hasn't worked.

Question: How high a priority is tackling political corruption?

Rannveig Formo: Corruption is a huge problem that needs to be fought from many angles. CSOs have a key role to play by documenting and publishing their findings.

Question: I'd like to know more about where you see governance fitting into to this issue?

Frances Seymour: 20 years ago we addressed alternative livelihoods, but not governance. It's politics. We need to be doing better on the communications side. For example, we need to talk to locals in Indonesia. Most locals don't know how much of their forests are disappearing or how fast they are disappearing and how much corruption is taking place with their taxpayer money. If they did, locals would be angry.

Corruption: a Key Obstacle to Reducing Forest Loss and Illegal Logging

Moderator: Amy Smith, WWF US

Panelists:

Lisa Handy, Environmental Investigation Agency US

Art Blundell, Forest Trends

Timer Manurung, Yayasan Auriga

Jeanne Cook, Center for International Private Enterprise

Amy Smith introduced the panel by providing a definition of corruption as the abuse of entrusted power for private gain. She highlighted various types of corruption (e.g. nepotism, bribery) and the relation between corruption and illegality. She stated that in the forest sector, corruption undermines global development and biodiversity conservation as well as public faith in the system. Further, Ms. Smith listed a number of opportunities to address corruption, including: regulatory reform, leveraging technologies, tracking the money, law enforcement through investigations and prosecutions, as well as

infusing more transparency in public and private sector reporting. Ms. Smith wrapped up her introduction by discussing the World Wildlife Fund's Targeting Natural Resource Corruption Project.

Lisa Handy, from the Environmental Investigation Agency US (EIA), provided a general overview of corruption based on EIA's work in the Republic of Congo, Gabon, Nigeria, and the U.S. On the Republic of Congo example, Ms. Handy focused on corruption involving the allocation of 5 timber concessions; in Gabon, she highlighted corruption in cutting deals and bribing the forest administration. The Nigeria example focused on CITES permits for trade of rosewood timber exported to China. In her U.S. example, she focused on corruption on the import side highlighting the case of a US company whose owner stated that he did not care where the timber came from despite the Lacey Act. Ms. Handy wrapped up her presentation by going over potential ways forward for corruption in the timber sector including enforcement collaboration between buyers and producers, monitoring by bodies fully independent from the forestry administration (e.g. OSINFOR in Peru) and greater transparency in the forest sector.

Art Blundell presented on the application of the Extractive Industry Transparency Initiative (EITI) for the forest sector in Liberia and Myanmar. Mr. Blundell introduced the EITI as a transparency tool in which actors at every step of the supply chain disclose how much money they invest and receive in their operations. Because this disclosure applies along the supply chain, it is possible to compare and identify discrepancies between what is declared as invested and what is received by the other actors. Initially designed as a tool for accountability in the oil and gas sector, some countries are incorporating the forestry sector in their EITI commitments. Mr. Blundell presented an analysis of EITI data from Liberia to document how a forest company and its owner funneled money and arms purchases not only to the Charles Taylor regime but also to his personal account in exchange for forest concessions. In his Myanmar example, Mr. Blundell discussed discrepancies between government revenues and companies' profits, which points to undervaluing of high-value species and resulting in billions of dollars in losses. The speaker wrapped up his presentation by calling for EITI data availability, building capacity to analyze the data, and additional political will to maintain the EITI reporting and data availability for local advocacy partners to use.

Timer Manurung from Yayasan Auriga Nusantara spoke about the organization's work with the Indonesian Anti-Corruption Commission (KPK in Indonesian). Mr. Manurung explained that in Indonesia, corruption and governance issues in the forest sector are considered a wide-spread problem, and he introduced the KPK to the audience: its origins, its authority on law enforcement and improving mechanisms to avoid and prevent corruption, and how it focuses on deforestation. Mr. Manurung also described how Auriga supports the KPK: Auriga staff is appointed to the KPK team, develops an independent dataset on mapping land use and commodities supply chains, and monitoring illegal deforestation. He also provided a very brief overview of some of the results of KPK/Auriga investigations and highlighted that there are only 1,000 investigators for the entire country. He also discussed the Corruption Impact Assessment throughout the businesses along the forest products supply chain. The speaker closed his remarks by making recommendations for Indonesia: improve forest gazettement, encourage the One Map policy, strengthen the bureaucracy in the licensing process, and use the national forest monitoring system as a law enforcement instrument.

Jeanne Cook from the Center for International Private Enterprise (CIPE) started her remarks with a brief introduction to CIPE, which is an organization working to combat corruption and improve democratic governance through integrated compliance, and anti-corruption collective action among others. She

stated that law enforcement is absolutely necessary, but it is important to also support efforts to deal with issues from the supply side in a positive manner. She then provided an overview of CIPE's integrated compliance program, an initiative to support businesses in implementing sustainable, responsible, and ethical business practices in high-risk environments. Ms. Cook explained that corruption can take place simply because companies are not willing nor prepared to deal with the regulations. CIPE's integrated compliance program works with businesses to make the case for anti-corruption and equip them with methodological tools to implement compliance systems with specific focus on labor and environmental matters. In partnership with the KPK, CIPE designed a training course for companies in the palm oil sector to support company efforts to comply with the regulatory environment in the country. In Peru, CIPE conducted focus groups and surveys to identify business needs to develop a risk assessment and mitigation matrix focusing on corruption, legality and money laundering as barriers that keep companies from reaching legality-sensitive markets in Europe and the U.S.

Q&A

Question: Recognizing that enforcement is a fundamental piece to reduce corruption, how to incentivize the good actors?

Response: By giving exposure to actors who are exhibiting good stewardship and presenting either certifications or other kinds of best practices. In addition, driving consumer demand and communicating what is possible. Also, working together –private sector and civil society organizations–to communicate about the good practices that are taking place and encouraging other businesses to follow suit. Further, push governments to implement the good practices as well. Sometimes, private sector and civil society organizations are making the same recommendations, but individually they do not have critical mass. On the side of the carrot, there is a role for transparency and traceability. There are companies that are working very hard to get this right, and they have to have an opportunity to reach consumers and end-buyers so that they can get more market recognition.

Question: As it relates to natural resources, where should we focus our attention?

Response: within the EITI, the private sector wants to report on the benefits that they give to communities; this gives them recognition because it helps them with their social license to operate. In addition, we need to win the course and win the discourse as civil society organizations. We could also take advantage of communication technologies to do so.

Question: Given the scale of government corruption, how does Indonesia maintain its FLEGT license?

Response: Auriga continues to expose illegality and presenting these results to national and international actors. We need international actors to have a stronger negotiation position with the Indonesian government.

Question: Corruption in Mexico is a series issue; it is estimated that at least 75% of the timber production is considered to be illegal. Do you have any recommendation of an effective way/instrument to add to the legislation to help achieve more legality?

Response: In Indonesia, the KPK has worked, and the commission is recognized and trusted among other similar commissions (e.g. for human rights, children, etc.). So, perhaps it is not just establishing a new

unit, but, strong regulations with very capable anti-corruption institutions. The freedom of the press is also very helpful in Indonesia. Also, you need to reduce the amount of opportunities for corruption. When the KPK was set up, there was a real reformasi, which brought a new crop of actors. It was just not recycling judges, for example. That is the genius of the KPK and they also hired excellent people that are not necessarily bureaucrats, but engineers, process people. Indonesia decided that anti-corruption was a national priority. Finally, having independent monitoring of the management/function of the forest sector is very important.

Wednesday, October 9

The Last Great Forest of Southeast Asia: Part I – Indonesian Papua

Moderator: Zuraidah Said, WRI Indonesia

Panelists:

Arief Wijaya, WRI Indonesia

Timer Manurung, Yayasan Auriga

Deborah Lapidus, Mighty Earth

Sam Lawson, Earthsight

Arief Wijaya began his presentation by providing some background on the province of Papua, which is distinguished by cultural and biological diversity: there are hundreds of languages, 44 uncontacted tribes, and 40.5 million hectares of intact forests in Indonesian Papua. Deforestation has increased since the turn of millennium with the Trans-Papua Road development as one main contributing factor. WRI analysis has identified emerging hotspots of deforestation, mostly in the lowland areas. In South Papua there is a special situation of wetland/forest conflict. While 85% are still forested, a 2018 Tempo investigation found that more than 9 million ha are already under license for development of one kind or another. So, cutting/clearing there could be considered “legal” since there are permits in place. Sometimes there is illegal deforestation inside a “legal” concession. Mr. Wijaya ended his presentation by mentioning that there is a commitment to conserve 90% of forest cover in the province through the Manokwari Declaration, and showed a short video showcasing community experience of forest loss in Papua.

Timer Manurung began his presentation by providing some statistics on land use. The total land area of Indonesian Papua is 42 million hectares, of which about 20 million are covered by a concession or permit for development. This includes 8 million hectares of logging concessions, and 9.5 million hectares are under mining permits. If you overlay planned roads with a map of villages, you see that the roads are not designed to serve villages but rather to serve the permitted areas slated for concessions. Revoking permits in Indonesia is challenging.

Mr. Manurung explained that Policy developments provide a good basis; e.g. recognition of community rights; One Map policy, the development of the Timber Legality Assurance System (SVLK) for timber, and the special autonomy law (OTSUS). However, the problem remains the lack of meaningful implementation on the ground. Mr. Manurung then turned to the KPK, which has been active in Papua

to coordinate law enforcement, to conduct a post-audit for timber industry, to work toward recognition of customary forest, and on improving regulation of timber.

However, Mr. Manurung stated that non-performing logging concessions are a problem. The government has done an analysis to identify those concessions but has not revoked them. Almost 2.3 million hectares of concessions are not active. This is a key source of illegal timber coming from Papua. He mentioned that when they conduct audits, they found that the traceability tags were not right; e.g. a barcode tag will say that a cut log is still standing stock and that barcodes are falsified. He pointed to corruption along the supply chain in Papua, for example, 500 containers of timber were seized so far in 2019. Independent monitors catalogue the violations but mostly there is no follow-up from the government. Mr. Manurung ended his talk by sharing some suggested follow-up measures from KPK.

Deborah Lapidus began her talk by showing drone footage of the Merauke palm oil plantation on the Korindo & Posco Daewoo concessions. Korindo is a Korean-owned and Jakarta-based company, the largest palm oil company operating in Indonesian Papua, which is also involved in various timber concessions. Ms. Lapidus then showed remote sensing imagery of deforestation caused by Korindo in 2015, including clearing of primary forest and systematic burning. Mighty Earth published this in their 2016 “Burning Paradise” report. In addition to clearing and fire (with 900 hotspots between 2013-2015) they also found human rights violations and that the company had not undertaken FPIC.

After this report was released, it achieved widespread media attention, and some buyers suspended purchases from Korindo. Mighty Earth also engaged with renewable energy buyers since Korindo also is involved in wind power. They also convinced Samsung to break off a planned joint venture with Korindo. Korindo announced a moratorium on clearing, and then broke it as Mighty Earth could see from remote sensing imagery. Ms. Lapidus stated that Mighty Earth filed a complaint with FSC in June of 2017, and after two years of FSC investigations, they found that the allegations were accurate and placed conditions on Korindo for continued association with FSC. Korindo claimed FSC decision was a victory, and sent a “cease and desist” memo to prevent the release of the FSC report on their investigation which remain unpublished.

Ms. Lapidus wrapped up her presentation with a short note on another campaign focusing on Posco International, in southern Papua. They are working on divestment strategies with investors including a Dutch pension fund and other investors. Posco has made a lot of promises but has yet to follow through.

Sam Lawson’s presentation focused on the Tanah Merah palm oil project, which he described as the single largest project threatening Papua’s forest. The project covers an area twice the size of London. In Mr. Lawson’s description, the project “stinks”: the permits were signed by a Bupati who was in jail and the ownership was deliberately obscured by using unwitting nominees and offshore jurisdictions (holding companies in UAE). Environmental Impact Assessments are being withheld, likely deliberately, and illegally. The project also includes a number of “politically exposed persons” including an ex-Police Chief and the Malaysian Ambassador.

There is a lot of valuable timber on the Tanah Merah concession. Large Malaysian logging companies are interested in expanding to Papua, including Shin Yang which just constructed a large new plywood mill at Tanah Merah. Rimbunan Hijau also has a stake in the plantations as well. Mr. Lawson stated that indigenous rights have also been violated by the Menara Group and Tanah Merah officials, and that

there have been beatings, cash bribes and efforts to trick community members to sign off on the project.

The campaign was reported on in Tempo magazine last year. While there is a moratorium on issuing of new permits, there is no moratorium on deforestation. In this case, the permits are already issued. Mr. Lawson stated that while the moratorium regulation does mention a concession review there is no progress and the language is vague. He explained that Indonesia can't meet in greenhouse gas targets unless it reviews and cancels existing permits. Palm oil prices at all-time low, but long-term demand projections remain high. What happens with Tanah Merah should be seen as a test case.

Mr. Lawson ended his presentation by calling for the EU, Norway and the UK to put more pressure on the government of Indonesia, and for the Roundtable for Sustainable Palm Oil to change the rules to close loopholes. In addition, he called for indigenous land rights to be effectively recognized and protected, strengthening the KPK, examine electoral funding, and finally, increase transparency to understand the real ownership structure of companies.

Q&A

Question: What are the main challenges facing the province of Papua in terms of illegal logging and deforestation? What are the ways forward?

Responses: Speakers mentioned various points, including that it's important to realize that there is a difference between what Papua's people want, and what Jakarta wants for Papua. Also, there is an increase in migration to Papua, which may lead to indigenous Papuans being outnumbered. Secrecy was named as a key challenge, along with offshore tax havens. Transparency advances may need to come from working with the Papua provincial government. On law enforcement, there is a trend of increasing police and military presence. It's notable how little is known about Papua among the international news media, probably as a result of decades of access restriction for journalists. Some campaigners have been reluctant to focus on Papua because of the political instability. It's important to remember that there is increasing militarization, making accessing much of the province challenging.

Question: Can audits be designed to deal with social/HR concerns?

Response: Details on how audits should be carried out are under discussion. There are about 3 million hectares of forest concessions, but no formally recognized customary land has been titled.

Comment: The private sector has invested in the Roundtable on Sustainable Palm Oil (RSPO) quite a bit, and their goals are framed around RSPO. Given all the investment that has gone into a standard, it's important to note that this is not working.

Response: RSPO has indeed become "irrelevant" with respect to stopping deforestation, instead it would be better to use a no deforestation/peat/exploitation + HCS approach.

Question: There was a picture in the Auriga presentation with an SVLK tag photo that was mislabeled. Is problematic wood getting laundered into the EU? In the APEC Experts Group on Illegal Logging and Associated Trade (EGILAT), countries like Indonesia and Malaysia request that other countries rely on their standards & certificates.

Responses: Yes, timber is being laundered under the current system. The problem is that the system is operated in an opaque manner. That makes it easy to use loopholes in the system. Business should not just be asking for permits from the government but also consulting via the FPIC process. The goal should not just be legality, it should be responsibility, since Korindo has SVLK certificates.

The Last Great Forest of Southeast Asia: Part II – Papua New Guinea

Moderator: Geoffrey Blate, USAID

Panelists:

Reiner Tegtmeyer, Global Witness

Marjorie Warisaiho, Center for Environmental Law and Community Rights

Cosmas Apelis, The Nature Conservancy

Rufus Mahuru, Partners with Melanesians

The moderator **Geoffrey Blate** started with introductory remarks on Papua New Guinea, focusing on the megadiversity of both biodiversity and culture, and the need to address the dual crises of biodiversity loss and climate change in PNG.

Reiner Tegtmeyer then presented Global Witness' work in PNG, which focuses on land grabs and environmental destruction, and uses the results of investigations in advocating for international and national laws in producer but also consumer countries. Mr. Tegtmeyer began his presentation by providing some background information on illegal logging in PNG. The forest sector in PNG is marked by long-term illegalities, because the majority of land is controlled by rural communities, however mis-use of special land use permits such as the Special Agricultural Business Leases (SABLs) has led to massive land grabs for plantations. Oversight is difficult due to low transparency in the forest sector, with legal access to official information very limited, and the Forest Authority does not have the right capacity and systems to keep the necessary records and conduct oversight. However, it's important to note that the extractives sector has become more transparent since PNG joined the Extractive Industries Transparency Initiative (EITI) in 2014.

Mr. Tegtmeyer then summarized findings from Global Witness investigations from 2014 to 2019, which most recently have focused on drivers of deforestation by agribusiness companies and their financial backing. Violations are not challenged, and officers have difficulty accessing sites for control and oversight. Illegal extensions of Timber Right Permits are an ongoing issue. Results achieved so far include exposing land grabs and starting a dialogue with Chinese government on guidelines for timber importers for wood from PNG. To end his presentation, Reiner Tegtmeyer provided the following recommendations: improve transparency and the legal framework for access to information/FOI laws, protect law enforcement and anti-corruption teams and forestry investigators from reprisal, prohibit forestry officials and law enforcement officers from receiving benefits, hold officials, companies and individuals accountable – and ensure penalties are severe enough to dissuade illegal action; and request for moratorium on new permits and all existing operations.

Marjorie Warisaiho introduced the work of CELCOR, the Center for Environmental Law and Community Rights, which provides direct legal assistance, policy research, and community legal education and awareness raising. Ms. Warisaiho also provided an overview over the legal basis for forest ownership in

PNG. CELCOR works in 9 provinces, mostly with forest communities. PNG still has a lot of remaining forest, all of which is under customary ownership and is important for livelihoods. Forests are covered by three main pieces of legislation: the Forestry Act (1991), the Environmental Act (2000), and the Land Act (1996), along with forestry implementation regulations. In 1991, the previous Forest regulation was amended because of widespread problems with illegalities and signature fraud, and regulations replaced with a Forest Management Agreement (FMA) based on 34 steps to be completed by companies to obtain legal harvest rights.

Based on the law, land belongs to the customary land owners, and any activity on the land has to be based on a consultation process. Based on the FMA, there are different use permits: domestic use, harvesting for road clearance, clearing for agriculture and NTFPs. Ms. Warisaiho then turned to discussing Special Agriculture and Business Leases (SABLs). Obtaining an SABL requires fewer steps and is easier. However, companies can use the SABL to then apply to the forestry authority for a forest clearance permit. This particular loophole has brought about a large amount of forest clearance.

Ms. Warisaiho closed her presentation with a few comments on the failure to uphold a citizen's rights to property. Despite the legal requirements to do so, there is frequently no participation in decision-making, and lack of protections in dealing with customary land. The SABL is in direct violation of the constitution because of this lack of consultation. From CELCOR's experience, PNG needs more freedom of information. This should be one focus of legal reviews alongside the review of the 1996 Land Act 1996 and the 1991 Forestry Act 1991.

Cosmas Apelis began with some background information on PNG, which is resource-rich (mining, logging, oil palm), but weak governance means that despite enormous financial potential of these industries, over 40% of the population falls under poverty line of 2 USD/day. The economy is largely subsistence-based, with over 90% of land community-owned. TNC began to work with government and other stakeholders on National Timber Legality Framework and an agreed definition of what constitutes legal timber from PNG. The goal was to align a definition with requirements from international stakeholders in legality-sensitive markets.

Mr. Apelis then gave an overview over the timeline and outputs of the National Timber Legality Framework, starting in 2006. The process resulted in 2 documents with national and local standards. A first test of the Timber Legality Standard was conducted in one concession in 2014. However, ENGOs did not support this project because they felt that resource acquisition process was not addressed. TNC then supported additional field testing and provided a forum for stakeholders to provide input on standards. Forestry companies and ENGOs are becoming more involved in the process. The Timber Legality Standard was submitted to the National Forestry Board for approval but withdrawn.

Mr. Apelis mentioned that as the previous presentations had pointed out, the legal framework for forestry is set up to function under FMAs, but not SABLs, which have however been used to obtain rights for clearing in 5 million hectares. FPIC has been applied in FMAs but does not extend to the SABL provisions. The lack of coordination between government agencies in providing oversight of permits is one area for improvement.

Rufus Mahuru works for an NGO called Partners with Melanesians (PWM). He began by providing some background on PWM and their work, and then presented some examples of illegal logging in PNG and how illegal logging occurs in practice. PWM has four project sites in PNG, where they have worked for

more than 30 years. PWM. They are the only NGO in PNG working on conservation and community development. Their values include indigenous people, transparency and accountability, among others. In their project sites they work in current and proposed conservation and wildlife management areas. Activities include biodiversity conservation, mapping, community empowerment.

In one of these sites, Ifane, the area had already declared as conservation area in 2017 but a Malaysian logging company has encroached into the protected area. The process for awarding the harvesting permit was rushed, and the permit was awarded illegally. Between 2018 and 2019, the road network extended significantly and encroached into the conservation area. Another one of their sites, Inaina Wildlife Management Area, was declared as a small protected area in the Central province in 2017. However, local landowners have been encroaching on the local land use plan although logging is not one of the permitted forest uses in this area. Mr. Mahuru showed maps and pictures of the affected areas, and ended his talk with a request to work with PNG communities to maintain forests to preserve the way of life and culture for future generations.

Q&A

Question: What is the responsibility to determine legality among governments, companies, communities? Are companies knowingly violating regulations or are they faced with complex regulations that are difficult to interpret?

Responses: Resources are owned by people. The communities need to come together and to decide whether the development will benefit them or not. NGOs can help by working on consensus-building processes. There are requirements on government and company responsibilities. The challenge in PNG is a tenure system based on customary landownership. In most parts of the country, there is a lack of literacy and education. In their experience, companies take advantage of this because the communities don't always have the resources and education to understand their rights. Stakeholder workshops have concluded that the decision on what is legal/illegal seems to be arbitrary. FSC certification in PNG is still only starting out but provides a good foundation for improvement. However, while there are some confusions, the requirements are very clear. Companies may very well be using the lack of understanding of laws not just in communities but also in government agencies. The Timber Legality Standard is very important as a guide for all stakeholders in the forest sector, because it shows the people what steps they have to follow. Also, access of government to remote areas is very limited, and infrastructure and roads are not taken care of. Companies that promise roads can be appealing because they provide services to the population. They promise development which is not development.

Question: Who are the biggest companies, and what you know about their supply chains?

Response: 90% of the logging companies are Malaysian, with 90% of the timber going to China. Rimbanan Hijau is the biggest company, but more recently palm oil companies have arrived as well although he does not know where the palm oil is being sold. The plantation timber goes to Australia. There are a lot of subsidiary companies that all can be traced back to 1 or 2 companies.

Question: Is there a missing coordination process between land and forest authority?

Response: There is a shortcut process to apply for lease under the land act, and then to apply for permit from forest authority. The forest authority doesn't check to see if the proper process was followed for the lease and assigns permit for clearance. In this way, 2.5 million hectares of customary land has been

lost, and communities were displaced from their own land if captured under a SABL, due to a clear discoordination between agencies. Not only a lack of coordination between departments, but also between the central department and the provincial department. There have been cases where an FCA was issued on land of a revoked SABL, but which also encroached into another area. Global Witness informed the local authority, and they were very surprised to find out. There are loopholes in the responsibilities of the different agencies. The Forest Authority is supposed to be agency overseeing all forest work, but not SABLs because they are managed by the land agency.

Peru's Progress on Forest Legality - Accomplishments and Challenges for the Future: Civil Society Perspectives

At this year's Forest Legality Week two panels focused on Peru. The first panel provided insights from the civil society perspective whereas the second was made up of representatives from the government and private sector. The following participants made up the first panel:

Moderator: Nhaydu Bohorquez, FAO-FLEGT Programme

Panelists:

Magaly Avila, Proetica

Melissa Blue Sky, Center for International Environmental Law

Julia Urrunaga, Environmental Investigation Agency

Tom Bewick, Rainforest Foundation US

Magaly Avila's presentation focused on the efforts Proetica has made to increase transparency and good governance in the forest sector in Peru. Ms. Avila's presentation focused on their work with indigenous communities and the impact that private companies have had on their territory. Ms. Avila showed a video that highlighted one community in particular which has seen a lot of deforestation for palm oil plantations near their lands, which has led to a large increase in mosquitos. In addition, the company's presence has also decreased the amount of fish and animals and has made it harder to the community to hunt and fish in nearby waters. One of the major successes that was highlighted in the presentation was the work that investigative journalists have done to uncover these stories, but at the same time, these actors face threats from the organizations they are investigating.

Julia Urrunaga from the Environmental Investigation Agency spoke about the EIA's work in Peru since 2009. Since then, they have released two major publications. The publication titled "Moment of Truth" found that Peru has all the tools needed to stop illegal logging, but that there has been resistance from industry and government. In the publication they highlighted a few government agencies that have been trying to move the forest sector forward which include OSINFOR, FEMA, and SUNAT. With these various agencies, they have been able to identify millions of dollars in fees that weren't paid. The second part of the presentation focused on the Yaku Kallpa, a boat that was found to be sending illegal shipments to Mexico which then ended up in the United States. Since the illegal timber on the Yaku Kallpa has become the focus of enforcement agencies, there has been much more international scrutiny on the timber that comes out of Peru. One of Ms. Urrunaga's points was that if Peru diminishes their timber standards or makes it more difficult to identify illegal versus legal timber, the products will be banned in international markets. Ms. Urrunaga ended by speaking about traceability, and mentioned that within

Peru traceability is possible and should be mandatory. In addition, she highlighted the efforts SERFOR has made to strengthen and enhance their national timber traceability system.

Melissa Blue Sky from CIEL spoke about the high levels of illegal wood coming out of Peru and CIEL's work on that topic. Two Peruvian companies have been banned from exporting to the US. The advances that Ms. Blue Sky focused on in her presentation included the independent agencies that now exist to monitor forests including OSINFOR and SUNAT. Since the creation of these agencies, the amount of illegal wood coming out of Peru and exported to the US and Europe has decreased. In addition, there is a greater recognition between the linkages between illegal logging and transnational crime. The main challenge that was identified in the presentation is the pervasive nature of corruption within the private and public sector. Ms. Blue Sky closed by talking about the two reports on Peru that CIEL has released. The first showed that much more the wood in Peru was going to places that did not have demand-side regulations in place to protect against the import of illegal timber and wood products. The second report from earlier this year focused on forest management plans and found that 40% of the plans approved did not relate to an area that existed. Ms. Blue Sky explained that this happens when an individual creates a fake management plan, and a government official confirms that they have done a visual inspection. The plan is then approved, and fake permits are printed for trees that never existed which can then be applied to timber that was illegally extracted.

Tom Bewick spoke about Rainforest Foundation's work with community monitoring. He also spoke about a study conducted by Colombia University which found that communities which have access to monitoring technology see less deforestation in their lands when compared to those who don't. Mr. Bewick showed a video about the community monitoring and ended the presentation with a few positive next steps, including what happens when many of the communities don't see any deforestation alerts within their territory. FFUS has had to think about what other Payment for Ecosystem Service Programs they could participate in. One project that is being piloted is a restoration program that would allow the communities to track and monitor their progress through a mobile application. The communities will also get paid through the application and an agreement has been established that forgives the fines these communities may have incurred if they participate in a conservation project.

Peru's Progress on Forest Legality - Accomplishments and Challenges for the Future: Government and Private Sector Perspectives

Moderator: Nhaydu Bohorquez, FAO-FLEGT Programme

Panelists:

Alberto Gonzalez, Peruvian Forest Service (SERFOR) Executive Director

Jessica Moscoso, Director, CITEmadera

Alberto Yusen Caraza, Environmental Prosecutor (FEMA), Loreto

Jhoana Canales, Forest Regent, COMASAC

Alberto Gonzalez from the Peruvian Forest Service (SERFOR) provided an overview of how the forest sector operates in Peru, the different agencies involved, and the coordination between these different actors, including the National Forest System (SINAFOR), the National Forest and Wildlife Control and

Oversight System (SNCVFF) as well as the National Forest and Wildlife Information Management System (SNIFF) and its Control Module. He highlighted efforts to mainstream the SNCVFF with other platforms to involve other actors such as the offices of environmental prosecutors (FEMAs), the ministry of environment, the ministry of culture and the police. Mr. Gonzalez also highlighted progress in forest legality including a policy definition of the traceability system (which was lacking), the deployment of two tools to support internal traceability in sawmills and forest operations (books of operations), and electronic transportation guides. He stated that the next challenge in deploying these tools is to connect the books of operations with the transportation guides. The speaker also reported on progress sanctioning forest regents that have been found to be corrupt. This information is now publicly available on SERFOR's website. In addressing progress implementing the SNIFF, Mr. Gonzalez stated that SERFOR recently concluded an evaluation on the status of implementation of the Control Module and that if resources are made available, the module could be completed by the end of 2020.

Jessica Moscoso started with a brief overview and mandate of CITEmadera, a government agency responsible for providing technical support to the processing industry to improve their competitiveness. She also presented a pilot to train private sector actors in exercising due care and in law compliance. Among others, the results of the training Ms. Moscoso highlighted include an increase on the understanding about global markets' legality requirements and their impacts on the supply chain; an interest from industrial producers to comply with legality, traceability and formalization. The speaker also highlighted some of the lessons, including generation of interest from producers, but very short amount of time to cover a lot of materials, as a result, CITEmadera is now making available technical capacity to work with individual companies as requested; another lesson is that there are many trade associations but they do not provide technical support to members, thus it is important to build associations' capacity to provide technical trainings. Ms. Moscoso wrapped up with a recommendation to take the information from the books of operations to create measures and analyses on the culture of the private sector to create incentives to increase productivity and competitiveness to implement traceability within the businesses.

Alberto Yusen Caraza introduced the Environmental Prosecutors' Offices (FEMA) including their origin, mandates and inter-institutional coordination. He also highlighted how, as an independent law enforcement body, FEMA not only prosecutes and investigates claims brought by third-parties or the public, but they also have the capacity to initiate their own cases and investigations. He then went two emblematic law enforcement cases prosecuted by his office. The recent Cacao del Peru Norte SAC case is the first environmental sentence issued in Peru. It sets a precedent not only because it was the first illegal logging conviction, but also because of the size of the fines and the fact that three people were sentenced to prison. However, Mr. Caraza explained, this was a difficult case in which it took 11 months to convince a judge that environmental crimes had been committed. The illegalities the company was found guilty of include among others: lack of environmental impact assessment and lack of land use conversion and logging permits. All of this resulted in about 1,950 hectares of illegal conversion in the Peruvian Amazon. Mr. Caraza also highlighted FEMA's lack of capacity to prosecute crime in an area that could fit the entire District of Columbia more than 2,000 times. There are only three environmental prosecutors in the region, and FEMA lack staff, technology, funding, technical capacity, vehicles, boats and helicopters for traveling.

Jhoana Canales introduced COMASAC, an FSC-certified company operating in the Peruvian Amazon. Ms. Canales explained that, as a forest regent, she supports concessionaires, individual forest owners and

native communities in preparing and executing forest management plans. She stated that, as forest regent, she has a legal liability to do good work, but that it is important to strengthen regents to achieve sustainable and responsible forest management. The strengthening should not be limited to forest regents, but also extend to government institutions. Ms. Canales stated that traceability starts from the census and ends in the trade of the products. She explained that COMASAC currently has an FSC Controlled Wood Timber certification, but it is expanding towards a full FSC certification and, as such, the company is collecting information at different levels of the supply chain. Ms. Canales provided a comprehensive overview of the progress COMASAC has made in moving towards full certification including traceability, labor and employment benefits, and increased and streamlined productivity. In addressing the remaining challenges, Ms. Canales highlighted land invasions to concessions and/or forest management operations. These invasions not only damage the forests under the stewardship of the company, but also the reputation of the sector.

Q&A

Question: What is the timeframe for the implementation of the SNIFFS Control Module?

Response: SERFOR estimates that about 30% of the current infrastructure for the Control Module is helpful in completing the build of the module. If there is enough financial support, the module could be completed by the end of 2020. There is political will, it is a matter of financial resources. It is estimated that about 5-6 million USD are needed to complete the module. It is important to note that, from the law enforcement perspective, traceability does not start at the tree, or the field, it starts on the desks of the government staff that approve forest management plans. This is where there is a link with corruption of government officials. Traceability is achievable. Companies can track a market product to the stump to the tree from which the product originates.

Thursday, October 10

Regulating forest-risk commodities: what lessons from regulating timber trade by the EU?

Moderator: Tina Schneider, WRI

Panelists:

Giuliana Torta, EU Delegation to the United States

Marigold Norman, Forest Trends

Clotilde Henriot, Client Earth

Faith Doherty, Environmental Investigation Agency

Giuliana Torta highlighted why 2020 is a big year for Forests. The CBD and UNFCCC are considering 2020 a “Super Year” because of all the pledges and commitments that have been made. In addition, Ms. Torta spoke about the institutional changes that have occurred within the EU as a result of the parliamentary elections that took place earlier this year. Hearings on the new European Commission ended this week, and for the first time, the commission has an equal gender balance and a female president. The proposed commissioners still have to go through the “grilling” process in front of the parliament, so

some changes might still be made. Ideally, the new Commission will be ready to kick off by November 1st. It's worth noting that Frans Timmermans has been named the VP for the European Green Deal (EGD).

Also, in late July the EC released a communication on Stepping up EU Action to Protect and Restore the World's Forests, which will be discussed in more detail in the next panel.

Then, Ms. Torta shifted to talk about the two pillars of the FLEGT Action Plan: the EU Timber Regulation (EUTR), which came into force in 2013, and the 2003 FLEGT Action Plan including the Voluntary Partnership Agreements (VPAs). The EUTR brought the concept of due diligence into EU law for the first time. Ms. Torta highlighted that there are many challenges in enforcing the EUTR prohibition, the due diligence requirement and need for traceability, but there are also quite a few resources to assist importers and traders. The EC has also commissioned the World Conservation Monitoring Centre to compile country risk profiles to assist the competent authorities.

Currently, Indonesia is the only VPA country that is exporting FLEGT-licensed timber. However, Ghana is expecting to have FLEGT-licensed timber soon. Support for FLEGT remains strong despite the fact that only one country is issuing licenses, but Ms. Torta made it clear that the delay is not because the program has failed. Instead, the VPA process is not just a licensing scheme but a policy reform process that can take many years.

Vietnam is currently working on implementing the VPA. The implementation is complex, with 1.4 million smallholders growing eucalyptus and acacia in plantations and timber imports from 90 countries and \$8 billion dollars of forest product exports in 2018.

Marigold Norman of Forest Trends began her presentation by providing an overview of the Timber Regulation Enforcement Exchange (TREE) which is a series of meetings that Forest Trends hosts every 6-12 months. These meetings are government-only, with some outside resource persons invited for specific sessions. The purpose of the sessions is informal peer-to-peer dialogue and cooperation. Forest Trends has a "core" TREE with USG agencies, EU Member States, Norway, Switzerland and Australia. Forest Trends is currently working on setting up a second network in Asia (Japan, Korea, China, Indonesia, Thailand and Vietnam).

Ms. Norman then shared three lessons from the TREE experience for what needs to be in place for effective implementation, including: Peer-to-peer information and regular access to current information on source country risk for all countries globally. NGO reports are critical for the latter point. The report from Earthsight on Ukraine had a significant effect on EU Member State import scrutiny, behavior, and actual imports. The problem is that NGOs are donor-funded and tend to work on donor priority countries, which leads to gaps.

Another important factor is oversight from the EC and intervention when member states are found to be inconsistently enforcing the EUTR; In 2017, a common enforcement position on teak from Myanmar began to be developed, with a policy in place in 2018. However, imports from Myanmar increased, with most going to Italy, with some to Germany and Belgium.

Finally, due diligence system enforcement checks need to evolve to go beyond audits of systems to spot check the validity of document claims. Enforcement agencies are now also conducting more testing to find documentary fraud. To determine validity of a document, enforcement checks are likely going to have to address the question of document fraud, which means there needs to be investment in the

technologies that can verify claims. The main challenge in these technologies are the gaps in the reference samples.

Clotilde Henriot provided an update on enforcement actions under the EUTR, starting with a snapshot of the number of operators placing timber on market in different EU member states. In the EUTR, there is a provision that allows NGOs to submit information on due diligence concerns about operators. The Competent Authorities on EUTR enforcement in the different EU member states have no obligation to follow through on such concerns, and initially there was little follow up to NGO submissions. But in recent years, there has been progress in responding to NGO concerns. Looking at data from 2017-2018, it appears that enforcement action is increasing, with the number of countries performing enforcement actions up from 17 to 27. There has been a mix of desk-based reviews and site visits. Overall, the data shows an increase in remedial notices issued to importers, an increase in financial penalties applied, and an increase in court cases. There has also been an increase in the substantiated concerns received by Competent Authorities.

Ms. Henriot ended her talk by providing a summary of the status quo and making some recommendations. Overall, it seems as if the phased approach to enforcement over time has been popular, with Competent Authorities initially providing guidance through formal notices with opportunities for companies to improve their practices before levying penalties. However, at this point, there are widely varying penalty regimes across EU member states. There is a need to step up enforcement and to design harder enforcement actions, and to harmonize approaches across the EU since right now companies do not operate on a level playing field.

Faith Doherty began her presentation by highlighting that nothing that was covered in the presentations on this panel existed in 1999. Ms. Doherty spent much of her career in Southeast Asia and mentioned that during that time, one could not even use the word corruption, and that much of what we refer to as “trade” is actually “crime”. Back in 1999, all responsibility was placed on Indonesia, since no demand-side regulations were in place. The only instruments in place were UN Security Council resolutions related to human rights. In the 2000s things started to change, in 2001 the Bali Declaration was signed, in 2003 FLEGT was rolled out, in 2008 the US amended the US Lacey Act, and in 2013 the European Union Timber Regulation went into effect.

After focusing on the increase in demand side policies, Ms. Doherty shifted to talk about Myanmar. Myanmar is home to many very high value timber species, some of which are used for very expensive yachts. The Myanma Timber Enterprise (MTE) is a key institution in Myanmar, with all legal exports processed by MTE. However, there are also illegal timber flows that leave the country without MTE approval. EIA submitted substantiated concerns on Myanmar, Vietnam and Laos to use the EUTR to help those within a country who want to reform forest governance. Myanmar banned log exports in 2014 and in 2016 issued a national logging ban (which was subsequently revised for some exceptions). However, large amounts of teak were still being smuggled into China. China Customs recorded \$500M worth of imports of teak.

In 2019, after a number of other reports were published, EIA released the “State of Corruption” report, and soon after there was a big border clampdown, which resulted in the confiscation of 100,000 tons of teak and rosewood. Ms. Doherty ended with a few lessons learned and recommendations: focusing on legality and law is helpful, because it helps reinforce sovereignty; market levers are important in shifting the debate; and indiscriminate markets provide ongoing challenges to improving forest governance.

Q&A

Question: How do we do a better job of communicating successes as well as frustrations and barriers?

Responses: Communication not the strongest point of the forest community, nor of the EU. It takes time to make progress, and we can't gloss that over. We do have some good anecdotal evidence, but after 7 years of EUTR implementation we should find out how can we do this more systematically. There is some skepticism as Indonesia is only the success story. But, the engagement of CSOs in forest policy is a really good story. FLEGT VPAs are not just about FLEGT licensing; it is more about what direction a country is going in on forest policy, rebuilding institutions, reforming law, pushing for transparency. Vietnam, for instance, is in a crucial process.

Question: Why it is so hard to get import data from the EU countries? Why can't you identify the companies who are the importers? In producer countries, export countries are identified. We need to know that information on the demand side too.

Responses: There are confidentiality issues, but Eurostat should have trade flows data. There are EU laws in place that prevent sharing some types of information. But there are ways to find some of this information.

Next steps in the EU and other jurisdictions on forest-risk commodities

Moderator: Tina Schneider, WRI

Panelists:

Giuliana Torta, EU Delegation to the United States

Heli Hyypia, Finnish Embassy in the United States

Sylvain Maestracci, French Embassy in the United States

Clotilde Henriot, Client Earth

Rick Jacobsen, Environmental Investigation Agency

Giuliana Torta presented an update on EU approaches to commodities and deforestation. Ms. Torta began by presenting the Communication on Stepping up EU Action on Protecting and Restoring the World's Forests, which was issued in July 2019. The communication lays out proposed actions in priority areas and aims to reduce the EU footprint on deforestation. Priority areas include supporting deforestation-free supply chains, partnership with producing countries, international cooperation, financial flows, and information about forests.

Ms. Torta provided a summary of deforestation embodied in international trade of commodities, and the portion of this deforestation linked to consumption in the EU. Ms. Torta went over the history of the debate on EU action on deforestation, beyond the FLEGT Action Plan, and also shared some information about the EU conflict minerals regulation, which entered into force in 2017. Ms. Torta ended her presentation by speaking about the next steps in determining what specific EU actions could look like.

Heli Hyypia began by stating that forests in the EU are a national competency, and that there is no common EU forest policy. However, forests are of central importance in Finland and the Finnish

government believes that forests should play a big part of the European Green Deal which is being drafted as part of the new EU Commission's mandate.

Ms. Hyypia then presented an update on the discussions in the EU on potential actions on forest protection and supply chains as part of the EU Communication presented by Giuliana Torta. Finland currently holds the 6-monthly rotating presidency of the EU Council, and as such provides leadership in the various council meetings, including the ministerial meeting on Agriculture and Fisheries scheduled for the following week, which also included the follow up actions to the Communication on the agenda.

Currently, a broad process of consultation with stakeholders and EU Member States is underway to discuss the proposal development for follow up actions to the Communication. Reports from her colleagues in Brussels state that the initial reactions to the Communication have been quite positive. Finland hopes to have draft Council Conclusions on what these follow up actions could look like by December, when the Finnish rotating presidency ends. Ms. Hyypia pointed out that particular items to pay attention to are the future of the EU-Africa Alliance, and a new EU Observatory on forests, as well as the discussions on the European Green Deal.

Sylvain Maestracci presented an update on the French National Strategy on Imported Deforestation and an update on the implementation of existing EU regulations in France. Enforcement of the EU Timber Regulation is led by the Ministry of Agriculture, and based on a risk analysis and checks on a subset of operators.

Mr. Maestracci then turned to the French National Strategy on Imported Deforestation, and provided the context of voluntary commitments and other policy responses, and went on to provide France's position on the EU Communication. France welcomes the EU Communication and recommends the establishment of precise targets for the actions proposed. The French National Strategy on Imported Deforestation aims to stop deforestation due to commodity consumption in France by 2030, focusing on soy, palm oil, beef, rubber, timber and wood products. The strategy consists of 5 themes, including improving knowledge, promoting sustainable supply, promoting demand for sustainable products, encouraging commitment to the targets, and ensuring targets are met by establishing a multi-stakeholder steering committee on monitoring progress. Across these topics the strategy includes a total of 17 objectives.

Clotilde Henriot provided a civil society perspective on the EU Communication and began her talk by pointing out that there had been extensive discussions and research leading up to the publication of the communication, starting in 2008. Client Earth welcomes the Communication, and Ms. Henriot pointed out that support would be needed from other EU institutions to implement the Communication. Client Earth supports a regulatory approach to forest-risk commodities, and Ms. Henriot provided a summary of the reasons for this stance, including rising tree cover loss and support from some of the affected companies to help manage material risks in sourcing these commodities.

Client Earth and Global Witness issued a policy brief this year suggesting the most suitable approach would be a mandatory due diligence process, based on a risk assessment, risk mitigation and risk monitoring approach. Ms. Henriot finished her presentation by sharing key questions for the policy measures under development, including the need for clear standards, including a wide product scope in any regulatory measures, defining the scope of companies covered, ensuring transparency of reporting, and effective enforcement of measures adopted.

Rick Jacobsen began his presentation by stating that voluntary corporate commitments are good but not enough, and that we need legislative incentives and frameworks to prevent commodity-driven deforestation. With a lot of interest in the Amazon fires, it seems like a good time to push this. He also mentioned that the US market is not as big of an importer of raw commodities as the EU, but that it is a huge importer of finished commodities. There are various precedents and building blocks for potential policy responses in the United States, including the Lacey Act prohibition and declaration requirement, as well as regulations applied on supply chains in the fisheries sector, and regulations on forced labor and slave labor in supply chains.

There is a bill under development by Senator Schatz (D-Hawaii) on forest-risk commodities, with some interest in the House of Representatives to take the draft bill forward. EIA is working with a range of civil society actors to convene a coalition in support of this draft bill.

Q&A

Question: How can we ensure that forest products receive a price that covers the cost of legal production and verification?

Response: This is a key issue, and consumer engagement is important for solving this problem.

Question: Are consumers really “enlightened” and can we rely on them to make informed decisions, especially in the US?

Response: There are certainly consumer-led developments pushing for more transparency in supply chains, and a significant share of consumers in EU member states are asking these questions. More remains to be done, but the interest exists.