

NEWS RELEASE: Global Alliance Launched to Curb Trade in Illegal Wood

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The [Forest Legality Alliance](#) was launched today to support private sector efforts and policies to reduce trade in illegally harvested wood. The Alliance is a global public-private initiative open to businesses, industry associations, financial institutions and civil society organizations with a stake in legal forest product supply chains.



Legal logging road, East Kalimantan, Indonesia. Photo: Adam Grant, World Resources Institute

Joining the [World Resources Institute \(WRI\)](#), the [Environmental Investigation Agency \(EIA-U.S.\)](#) and the [U.S. Agency for International Development \(USAID\)](#) in the Alliance are the [American Forest & Paper Association](#), the [Hardwood Federation](#), [IKEA](#), the [International Wood Products Association](#), [NewPage Corporation](#), the [Retail Industry Leaders' Association](#), [Staples Inc.](#), and the [World Business Council for Sustainable Development](#).

"Some companies are not aware of the need to ask questions about the wood they are buying or the consequences of letting illegal wood enter their supply chains," said [Craig Hanson](#), director of WRI's [People and Ecosystems Program](#). "The Alliance seeks to build confidence that imported wood and paper products are legal. Done right, trade supports environmental protection and the Alliance recognizes the role trade plays in protecting our world's great forests."

Responsible forest management delivers renewable raw material for a wide range of products, such as timber and paper. It also provides livelihoods for millions of people and contributes to preserving biodiversity.

In many regions, however, illegal logging is having unsustainable impacts. Much of the illegal logging taking place is directly connected to land conversion activities, for instance, when forests are cleared to make room for agriculture and ranching activities. This illegal logging contributes to deforestation, biodiversity loss and greenhouse gas emissions, deprives nations of much needed public revenue, and can lead to social conflict and human rights violations.

Any illegal wood from these activities that makes its way into international trade creates an unlevel playing field for the private sector, allowing a few bad actors to put companies with legal operations at an unfair disadvantage. It also affects poor, rural residents in developing countries who rely on forests for food, fuel, and other benefits.

In response, major wood importing regions are enacting policies to reduce demand for illegal wood. In 2008, the U.S. government amended the [Lacey Act](#) to prohibit trade within the United States of products made from illegally harvested wood. With this amendment, the United States became the first country to ban imports of illegal wood and related products.

The European Union is in the final stages of approving a "due diligence" regulation to curb illegal timber entering the European market, and Australia is also considering legislation to prohibit trade in illegal wood.

"From musical instruments to textbooks, legislation in the United States and abroad is fundamentally changing how wood and everything that is made from wood is traded and produced," said [Sascha von Bismarck](#), executive director of EIA in Washington, D.C. "Suppliers unaware of these emerging policies could face financial repercussions in addition to reputational risk. The Alliance will work to provide businesses and civil society groups the information they need to avoid risks and create change in the world's forests."

The Alliance will ensure that importers and supply chains know and understand the emerging new trade policies. It will develop new online resources that help companies assess the risk of encountering illegal

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wood, conduct due care, and complete import declarations. It will work with suppliers to document best practices and unforeseen challenges associated with purchasing legal wood and complying with import regulations. It will focus on the capacity for legal trade in the sector as a whole, rather than on the performance of individual companies, and complement existing initiatives that certify legality and sustainability.

"USAID is pleased to be a central partner in the Forest Legality Alliance," said James Hester, director of the USAID's Office of Natural Resources Management. "Eliminating illegal wood from supply chains will help developing country producers compete in developed country markets while maintaining biodiversity in their forests and strengthening forest governance."

USAID helped catalyze the formation of this new partnership under its Global Development Alliance initiative which seeks to leverage the resources, expertise, creativity and market access of corporations, industry associations, civil society organizations and others to jointly address pressing development challenges around the world.

For more information on the Alliance, please visit www.forestlegality.org.

The World Resources Institute is an environmental think tank that goes beyond research to create practical ways to protect the earth and improve people's lives.

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Michael Oko
Director of Media Relations
moko@wri.org +1 (202) 729-7684 [follow on twitter](#)



Jessica Forres
Media Officer
jforres@wri.org +1 (202) 729-7736 [follow on twitter](#)

10 G Street NE Suite 800, Washington, DC 20002, USA / Phone +1 (202) 729-7600 / Fax +1 (202) 729-7610



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