

TRANSPARENCY  
AND TRADE



**INVEST WITH US**

# Ending Illegal Deforestation



**FOREST  
TRENDS**

# WITH YOUR SUPPORT, WE CAN END ILLEGAL DEFORESTATION.

**Keeping forests intact is critical to the global response to climate change.** Better stewardship of forests and other natural climate solutions has the potential to achieve more than one-third of the emissions reductions we need in the next decade to keep global warming under 2° Celsius.

**Nearly half of all tropical forest loss in the first decade of the century was due to illegal clearing for commercial agriculture, undermining global efforts to fight climate change.** When we fail to address illegal deforestation, well-intentioned conservation policies become ineffective or even counterproductive. For example, criminal networks driven out by new regulations to protect forests for REDD+ may simply shift to a neighboring country or jurisdiction, resulting in ongoing or even increased emissions leakage.

**Illegal clearing to harvest timber is another major driver of forest loss.** Illegal logging is one of the most profitable natural resource crimes, generating criminal revenues of up to \$150 billion per year and accounting for 15-30% of the global trade in timber products. In addition to the obvious environmental degradation, illegal logging fuels corruption, abets human rights abuses, and costs governments billions of dollars in lost tax revenue — revenue that could be used to fund basic government services.



## Our Impact

**Nearly two decades ago, we opened up the dialogue with the Chinese government** on China's imports of illegally harvested logs. In our work with "consumer country" governments, we provide policy-makers with guidance and data to develop robust import regulations that prevent illegal timber from entering consumer markets.

**Our data on trade flows in illegal timber influenced a ban on unprocessed wood exports from Laos,** resulting in a steep drop in illegal trade. We encourage political leaders and policy-makers in forest nations to see illegal deforestation as a threat to their economies, people, and sovereignty, and take action against it.

**We were a driving force for the harmonized implementation of laws to prevent illegal timber imports** into the US and EU Member States, as well as the development of similar measures in Asian countries including the Republic of Korea and Japan.

**We generated the first-ever assessment of the extent of illegal deforestation worldwide,** which now underpins key multilateral and bilateral strategies for addressing deforestation. By documenting the role of consumer demand in perpetuating and financing illegal activity in the forest sector, we shed light on the risks — including financial risks — that buyers, companies, investors, and governments assume in unwittingly supporting it.



**Our Supply Change Initiative has promoted accountability by revealing corporate leaders and laggards on efforts to reduce deforestation in supply chains.** We profiled the commitment goals and procurement policies of 471 companies representing \$96.8 billion in “big four” commodity export values — a major step forward on creating transparency for corporate stakeholders on how companies’ actions affect forests.

Together with regulatory solutions in consumer countries, these actions are reinforcing efforts by forested countries to enforce their own laws and reduce emissions.

**Beginning with our work in Myanmar, Forest Trends is a pioneer in the new field of “environmental peacebuilding.”** We help countries improve forest governance during post-conflict transitions and prevent illegal deforestation before it happens. We can cripple illegal activity in the forest sector by supporting policy-makers in distributing benefits from natural resources equally and checking corruption.

### **Key Regions**

Southeast Asia, China, South Korea, Australia, EU, USA, and UK

Globally through our tracking of trade flows

## FOREST TRENDS' VISION

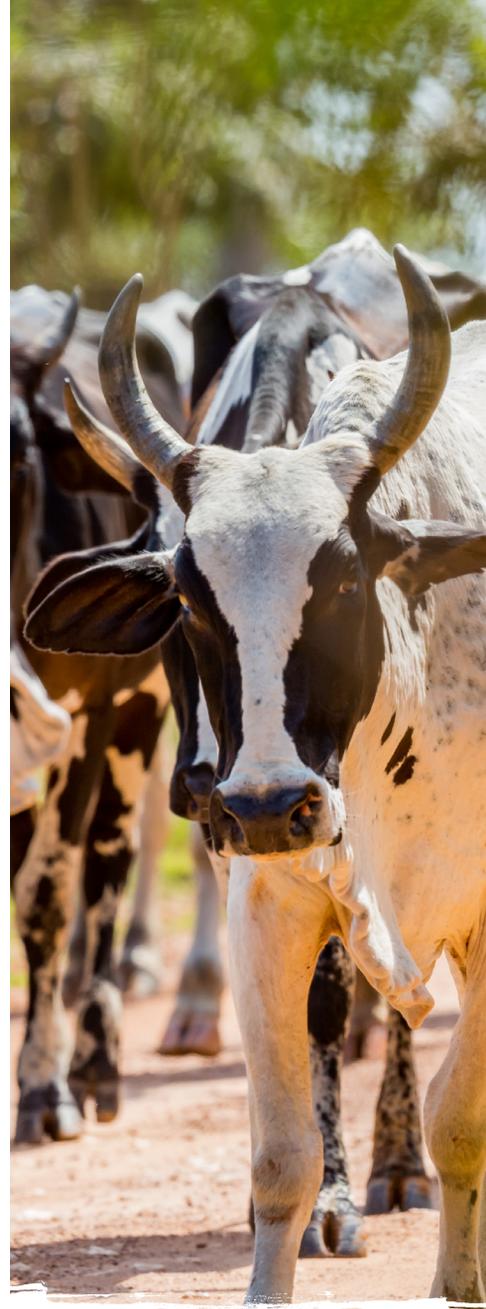
**We have nearly two decades of experience in stopping trade in illegal timber — and are positioned to transfer it to other high-risk commodities.** Our data shows that the timber import legislation we've influenced is helping keep illegally harvested wood off the market in the EU and the US.

We see tremendous opportunities to work with consumer country governments on similar strategies for beef, soy, and palm oil.

**At the same time, it will be critical to build transparency mechanisms beyond the “big four” commodities** to create a line of sight for companies and governments on how other commodities, such as rubber in the Mekong region, cocoa in Ghana, or avocados in Mexico, are also driving illegal deforestation.

**On the ground, we'll support a portfolio of proven “integrity mechanisms”** so that citizens in forest countries can hold authorities accountable for corruption.

**Finally, we will engage companies and governments in charting a path from voluntary corporate action to enacting legal standards.** Efforts to curtail the illegal timber trade have shown us that we need to build from voluntary action toward international regulations and agreements.



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T R E N D S**

## INVEST WITH US

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