Session 1: US Government Initiatives

Chair: Jack Hurd, Director of Forest Trade, The Nature Conservancy

Overview of the President’s Initiative Against Illegal Logging (PIAIL)

Stephanie Caswell, Director, Office of Ecology and Conservation, US Department of State

Stephanie Caswell introduced the PIAIL, a policy framework that has allowed the USG to strengthen its position on illegal logging in international fora, as well as a foundation for inter-agency consultations and discussions between the US Agency for International Development (USAID), the US Forest Service (USFS), the US Trade Representative’s Office, the Department of Justice, the Council on Environmental Quality (CEQ) and the US Department of State (USDOS) Office of Ecology and Conservation, as well as industry associations, environmental NGOs and local USAID partners.

The PIAIL has catalyzed USG actions such as (a) strong USG negotiations at the treaty renegotiations for the International Tropical Timber Agreement in 2006 where combating illegal logging was ultimately specifically listed as one of ITTO’s overarching objectives; (b) the binding 2006 US-Indonesia Memorandum of Understanding (and associated $1 million in funding); (c) the US$4 million secured for the Liberia Forest Initiative in 2004, and (d) the establishment of the Global Coalition Against Wildlife Trafficking, a new USDOS initiative to complement CITES. Progress and outlook reports on PIAIL are available through e-mail requests to USDOS staff.

Enforcements Issues and Legislative Issues

John Webb, Assistant Chief, Environmental Crimes Section, US Department of Justice (US DOJ)

John Webb highlighted how the DOJ uses the Lacey Act and other existing statutes (conspiracy, money laundering, false labeling, white-collar crime, and smuggling) to combat illegal wildlife trade. However, equivalent laws do not exist for illegal logging and associated trade. While the Lacey Act applies to fish, wildlife and plants, the definition of “plant” is limited to indigenous US-species that are listed under CITES or states’ endangered species laws and therefore excludes most timber. A person can import hardwood into the US even if it is banned from export in the source country. An amendment to the Lacey Act to make the definition of “plant” apply to timber would close this loophole.

The only legal instrument currently at the DOJ’s disposal to prosecute imports of illegally harvested timber is CITES. Ramin is the only species with a completely effective listing covering all product types - logs, lumber, plywood, etc. – which are monitored. For other species, CITES does not apply to all product types (such as finished products of mahogany).
David Brooks, Director, Natural Resources Policy and Environmental Reviews, US Trade Representative’s Office

David Brooks spoke on the recently-concluded US-Indonesia MOU on Combating Illegal Logging and Associated Trade, an initiative under the existing US-Indonesia Trade and Investment Framework Agreement (TIFA). The MOU was signed in November 2006 by the US Trade Representative, the Indonesian Minister of Trade and the Indonesian Minister of Forests. Both governments have presidential-level commitments to address the issue of illegal logging.

The MOU offers opportunities to enhance collaboration for both Indonesian and US agencies, and is one example of how the USTR can use the international trade agenda to address environmental concerns. The MOU establishes a mechanism for bilateral consultations and cooperation under the TIFA. Its working group on illegal logging has already met twice on a number of agenda items, including identifying priority areas for the US$1m in U.S. funding for initial activities: cooperation on customs and law enforcement, cooperation in regional bodies, and enhancing partnerships between the commercial sector and governments to address illegal logging problems. The text of the agreement is available at [http://www.ustr.gov/](http://www.ustr.gov/).

Alex Moad, Assistant Director for Technical Cooperation, International Programs, US Forest Service

Moad reviewed over a decade of US Forest Service efforts to combat illegal logging. The USFS works internationally through its Office of International Programs, which coordinates technical cooperation, policy analysis, and training to improve forest management and governance worldwide. Partners include governments, NGOs and the private sector in 36 countries; cooperation focused on illegal logging includes Liberia, Central Africa, Madagascar, Russia, Indonesia, Mexico, Peru, and Bolivia. Efforts related to illegal logging focus on promoting sustainable forestry as an alternative to illegal logging, market mechanisms such as forest certification, and community-based management.

The USFS also works closely with governments and NGOs to disseminate and make the best use of information and systems already available, and convenes workshops where practitioners can share lessons learned. Recent examples include a forest transparency workshop in Peru, incorporating a Mercado de Ideas (Market of Ideas) fair, and annual meetings of forest agencies from the ten most forested countries in partnership with the Rights and Resources Initiative. The USFS supports community forestry operations in Mexico to secure independent certification and prevent illegal logging. The USFS is also a central partner in efforts to restructure the previously corrupt forest sector in Liberia to eliminate illegality. Moad concluded by observing that combating illegal logging requires multidimensional approaches tailored to specific national situations (“no silver bullets”), that pressure from legitimate businesses and local communities is critical to generating political will to combat illegal logging within producer countries, and that a desire to become certified and/or verify legality is often the predominant motivator for partners to seek USFS assistance to improve forest governance.

Alicia Grimes introduced USAID’s role as the USG’s foreign assistance agency, noting that its field presence has allowed for an informed evolution of USAID’s work in the forest sector. USAID and its partners have been involved for several years in diverse initiatives to address illegal logging. New innovative programs focus on community-based actions and strengthening local governance in the
Philippines, Guinea, Madagascar and Bangladesh. Regional programs are also underway in the Congo Basin, Central America, the Amazon Basin and South-East Asia. USAID recognizes that illegal logging is closely related to unclear property rights and conflict which detract from positive investment climates -- a major interest of the US. USAID has helped to build local capacity to meet certification and other standards and make links to global markets. Through the Sustainable Forest Products Global Alliance, USAID works with the WWF’s Global Forest and Trade Network, Metafore, and private sector partners like Andersen Windows and Home Depot. Under the PIAIL, USAID also supported TNC’s work on establishing a legality standard and piloting timber tracking system in Indonesia. A new program called the Responsible Asian Forests and Trade has similar objectives and several private sector partners. From a policy perspective, the USG has questions on the effectiveness and feasibility of implementing timber tracking schemes in a global market and its potential impact on legitimate producers. However, USAID supports the testing different approaches to verify legality and sustainability to extract lessons. USAID reports to Congress each year on their tropical forest work, and summaries of all programs publicly available.

Session 2: US Legislator Initiatives
Chair: Michael Jenkins, President, Forest Trends

Insights from the Legislative Perspective
Congressman Earl Blumenauer (D-OR), Representative, Oregon’s 3rd District (representing Portland)

Representative Blumenauer took explained his views on legislative options for combating the trade in illegally logged wood. Government should lead by example and work to level the global playing field in ways that support communities, biodiversity and governance. Some members of Congress are taking action along three fronts:

- **Amending the Lacey Act**: The goal of updating this century-old legislation is to extend the definition of “plants” to include timber. Such an amendment would be a direct extension of a long-established law and could be done without placing undue cost burden on legitimate businesses.

- **Making existing trade legislation functional**: Current trade agreements, plus others currently in the pipeline, could be used to help build the rule of law in partners countries, such as the existing Free Trade Agreement with Peru, where an estimated 85% of mahogany exports to the US are illegal, or the Singapore Free Trade Agreement in regards to transshipments of illegal timber.

- **Public procurement policies**: Regulation of government purchase of wood products could institute a certification or verification requirement and demonstrate that government can “lead by example.

In closing, Rep. Blumenauer recognized that the problem of illegal logging is a complex of interrelated issues with diverse impacts, but sees much promise in legislation, trade and procurement policies, declaring that these approaches to illegal logging are “an area that, this year, can have tangible results and can make a world of difference.”
Steve Gretzinger introduced GFTN Latin America’s work which seeks to amplify the demand for sustainable and legal wood products as well as boost the supply by connecting buyers and sellers from among their 327 full members in 31 countries. GFTN looks for markets of all types of verified timber products, from commodities to niche markets, as well as stabilize the flow of raw materials and keep track of their material through supply chains. In the US, GFTN is working with BlueLinx (one of the largest distributors of construction materials), Wal-Mart, and Johnson & Johnson to improve supply chains and provide positive incentives to forest producers. In Latin America, GFTN provides technical assistance, market linkages and access to finance to diverse products lines with responsible supply lines.

A production chain between Peruvian companies and Armstrong, a large US flooring retailer, via Yingbin Nature, a flooring manufacturer and a member of the China FTN was presented. Several Peruvian forest concessions have recently been consolidated into one company with US funding to create a FSC-certified source that can provide lumber or flooring blanks to Yingbin in China as well as other FTN members around the world. This company will provide source-verified, processed products for export to companies in the US. GFTN also helped connect Wood Flooring International, a US-based manufacturer, importer, and distributor of solid wood floors with a Costa Rican flooring manufacturer (Pan-American Wood who then exports to Wood Flooring and high-end furniture markets in the US) to Nicaraguan sources of FSC-certified timber. Specifically, the long-time WWF partner Kiwastingni (an indigenous forestry enterprise in the Layasiksa community) supplies timber to a Costa Rican flooring manufacturer, Pan-American Wood, who then exports to Wood Flooring and the high-end furniture market in the US. The Bolivian company Multi-Agro with 10,000 ha of community plantation forests that are completing requirements for FSC-certification. The company is able to compete with cheap Chilean imports in the domestic market for pine, while also exporting niche products like cremation urns and providing wood to other Bolivian companies to produce toys for the fair trade markets in the US and EU. Gretzinger hoped that these cases would demonstrate that there exist many interesting examples of timber trade that is both environmentally sound and economically attractive, changing paradigm in the global forest product trade.

Brent McClendon presented the perspective of IWPA’s 220 members, representing hardwood and softwood importers, furniture makers, port authorities and certifying bodies such as Rainforest Alliance and WWF in over 30 countries. Most members are small family businesses, with only 3 companies publicly traded. The IWPA issued its first statement condemning illegal logging in 1993, with statements on certification and chain of custody dating back to 1994. IWPA has been increasingly involved in talks with supplier governments, including a USDOS funded workshop in Panama and discussions with NGOs in Bolivia and Peru to identify how importers can help on the ground.

A priority in IWPA’s position on illegal logging is that importers should not have to shoulder the burden of additional reporting measures to make up for governance problems in supplier countries. If the existing documents that verify legality are insufficient, the solution is not to create more documentation requirements, but to address what they see as the root cause by increasing the capacity to effectively implement and enforce measures against illegal land use conversion and
logging. This calls for both support for good governance efforts and technical assistance on enforcement. Other measures IWPA supports include due diligence, certification, legality verification, and public-private partnerships.

**The US Forest Industry: Combating “Illegal” Logging**

*Mike Virga, Acting Executive Director, American Forest and Paper Association*

Mike Virga noted that AF&PA was one of the first trade associations to recognize the importance of sustainable forest management in international forest trade, and developed an explicit policy on illegal logging. In 2004, AF&PA supported the 2004 study by Seneca Creek Associates, which found that illegal activity depresses timber prices between 7%-16% depending on product type. Another study by WRI with Seneca Creek examines the global fiber supply for pulp and paper, finding that 37% of fiber comes from plantations, with a high percentage certified. The three biggest problem areas are Russia, China, and Indonesia, which account for 8% of global pulp and paper production. AF&PA has partnered with CI to build protected area enforcement capacity in Indonesia.

Legitimate US companies are impacted by competition from low-cost competitors, who often use illegal tactics to lower prices. In the US, SFI or CSA certification is a condition for AF&PA membership. SFI has included requirements that importing member companies must have procurement policies to combat illegal logging, and protect workers and indigenous peoples’ rights. However, AF&PA believes more attention needs to be paid to the governance and enforcement problems that they see as the root causes of illegal logging, rather than procurement policies. These policies should not impede the competitiveness of US producers by inducing additional costs to prove legality – costs that do not pertain to substitute competitors in the steel and plastics industry. International markets shift easily, and a procurement policy in one country might only serve to transfer the supply of illegal wood to another, less-stringent importers.

**Session 4: Policy Initiatives in the UK**

*Chair: Michael Jenkins, President, Forest Trends*

**Linking Timber Trade and Forest Practice: How the UK Uses Market Power to Tackle Illegal Logging**

*Hon. Min. Barry Gardiner, Minister of Biodiversity, Landscape, and Rural Affairs, UK*

Minister Gardiner described UK policies to combat the illegal logging and associated trade with the declaration that forests are a global public good. Though belonging to individual sovereign nations, forests affect people over the world due to their role in the global carbon cycle. The UK has decided to take responsibility for promoting legal and sustainable forest management to not only mitigate the impacts of climate change, but also the economic impacts of cheaper, illegally-sourced timber products which undermine legitimate business in the US and Japan, and cost billions in lost tax revenue in supplier countries.

The EU Forest Law Enforcement, Governance and Trade (EU FLEGT) Voluntary Partnership Agreements include support for partner countries to develop systems to identify legal products and ease their entry to EU markets while excluding unlicensed imports. Coupled aid for in-country capacity building, this approach can address both supply and demand. While the agreements will not solve all illegal logging problems – many products are not covered, trade flows can be diverted through non-VPA countries – it is the start of an evolving system. Recognizing that legality is only a stepping stone towards the real goal of sustainable forest management, the UK may soon be looking at options to alter its public procurement policy to require all government procurement be both verifiably legal and certified as sustainable, or licensed through FLEGT.
Responding to industry criticisms that supply chain tracking is too burdensome and complex, the Minister cited examples of requirements for government computer purchases, which are manageable despite the great degree of specification and chain-of-custody control requirements. Even if the regulations caused a 15-20% price hike, the impact on overall government procurement costs would be minimal since timber composes only a small part of construction costs. Although UK central government procurement is currently estimated to be only 1% of internationally traded wood products, FLEGT VPAs and harmonization of EU member state policies could lead to the development of a critical mass. Minister Gardiner encouraged the US – EU – Japanese collaboration during the G8 dialogue which includes the topic of illegal logging and associated trade.

Session 3.2: The Chain from Producer to Retailer (Part 2)
Chair: Michael Jenkins, President, Forest Trends

Stemming the Flow of Illegal Wood: Experience from Indonesia and the Region
Jack Hurd, Director of Forest Trade, TNC

Jack Hurd presented some of the lessons learned by TNC from their work on illegal logging in Indonesia and the South East Asian region. TNC worked with a variety of organizations in Indonesia to help a concession achieve FSC and LEI certification and successfully piloted a new legality standard. An enabling environment with positive incentives for companies and the “high conservation value framework” was useful in focusing attention on lands with the highest conservation value, and working with others on existing supply chains is easier than starting from scratch.

TNC is launching the Responsible Asian Forest and Trade initiative for all of South East Asia on April 1. This work includes a focus on high-conservation value forests, the promotion of FSC certification, building cooperation and encouraging the exchange of information among customs agencies in the region, and an attempt to establish an ASEAN-wide principle of legality. TNC is also strengthening it program in China aimed at building transparency into the forest products industry, promoting green procurement, and securing a domestic supply of legal and/or sustainable wood. In the US, TNC will pursue legislative and administrative options to promote legality and certification in public procurement while also working with the private sector to respond to consumers’ increasing interest in obtaining legal and certified product.

Recent Findings and Initiatives on Trade in Illegally Logged Timber by the EIA
Alexander von Bismarck, Campaigns Director, Environmental Investigation Agency

Alexander Von Bismarck presented two film segments of EIA’s on-the-ground investigations. In 2005, undercover interviews with a Honduran timber baron, Guillermo Noriega, showed how corruption is an integral part of their business operations. As a result of the film and accompanying report, and pressure from large retailers in the U.S. including Home Depot, substantial changes have occurred in the Honduran forestry sector, including investigations into local timber barons and a government-driven afforestation project. However, tension between corrupt loggers and local communities has apparently led to the December 2006 killing of two Honduran environmentalists, Heraldo Zúñiga and Ivan Cartagena.

In South East Asia, EIA has tracked the regional timber smuggling operations since 2000. Undercover interviewers in 2003 caught a Singapore-based member of the timber mafia, Frankie Chua, discussing his smuggling operations -- including the supply of false documents for the transshipment of timber through Singapore. Other EIA investigations led to operations in Papua, Indonesia, in 2005 where the government seized 385,000 m3 in illegal merbau logs. Though this
action caused a spike in global merbau prices, there have been only limited convictions of lower-level players.

**Session 5: Recent Developments in Europe and Their Impacts**
*Chair: Tapani Oksanen, World Bank*

**Recent Initiatives and Trends in Europe: The EU FLEGT Action Plan, European Government Procurement Policies and Legislative Options Under Consideration**
*Duncan Brack, Associate Fellow, Chatham House*

Duncan Brack described a series of activities that are being undertaken to tackle demand-side drivers of illegal logging under the EU’s Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan and its timber legality licensing scheme and Voluntary Partnership Agreements (VPAs). Under the VPAs (bilateral agreements between the EU and timber-supplying countries), unlicensed products from those countries will be barred entry into the EU. VPAs are currently being negotiated in Ghana, Indonesia and Malaysia, with Cameroon set to join soon and other countries expressing interest. The effectiveness of VPAs will increase with wider acceptance.

The VPA approach, however, cannot deny illegal imports from non-VPA countries. Thus, the EU FLEGT also supports an investigation of the applicability of domestic legislation, such as theft or money-laundering statues, to illegal logging and associated trade. Studies of existing legislation in timber-importing countries have indicated a variety of potential options, yet most pose serious practical problems. The focus now, therefore, is potential new legislation, including legislation to make foreign illegal products illegal domestically, similar to the Lacey Act. The European Commission is shortly to announce its conclusions on legislative options.

Belgium, France, Germany, Denmark, Netherlands and the UK all have requirements for legal or sustainable products in central government purchases; the latter three are attempting to harmonize their standards. The documentation required varies, but the major certification schemes are generally accepted. In the UK, government accounts for 15-20% of timber purchases, and their policy has created price premiums for legal and sustainable tropical hardwood imports.

**EU Demand for Verified Legal and Sustainable Timber**
*Rupert Oliver, Director, Forest Industries Intelligence, Ltd.*

Rupert Oliver’s presentation described the scale and the main drivers of EU demand for verified wood. A 2006 UK Timber Trade Federation study showed that while 56% of primary wood product imports were certified, only 10% of customers of the companies surveyed actually required that their wood be certified. The certified product imports are heavily skewed towards softwood, with high availability in Russia, North America and the EU and therefore relatively easy secure. Supplies of certified hardwood are inconsistent, with a 5-30% higher price for certified tropical hardwood. With uncertified but inexpensive Chinese plywood readily available, full commitment to certified wood can be a risky strategy for companies.

Private sector procurement policies are the main driver of demand, with companies planning for long-term sustainability or avoiding bad environmental publicity. The market impact of public procurement may be limited with only the central government (but not local authorities) of a minority of EU countries subscribing. Nevertheless these countries are setting a leadership role by setting standards and by accepting a variety of certification approaches they are expanding the market beyond just FSC. Future development of both demand and supply of certified timber can be achieved through the VPA process, harmonization of European government procurement policies, and supporting trade association procurement policies such as that of the UK TTF. Despite the
challenges, purchasing standards based on risk assessment could allow companies to adjust procedures in a way proportionate to their level of risk and limited resource.

**US Hardwood Exports and International Procurement Policies**  
*Jameson French, CEO, Northland Forest Products*

Jameson French presented how the hardwood sector in the US is populated by thousands of small family businesses with a strong record of sustainability and good management. While the average hardwood producer is not stereotypically an environmentalist, they do own the land and take good care of their forests. The American Hardwood Export Council and the Hardwood Federation (representing 30 different trade groups) are two industry associations that are investigating the impacts of illegal logging in the US.

Hardwood producers in the US desire a level playing field. The Hardwood Federation is considering supporting an amendment to the Lacey Act to include wood products, recognizing the need to support more substantial enforcement measures. Retaining a presence in EU markets is another key issue; exports to the EU are the sector’s greatest value market, making producers anxious about policy changes (e.g. UK procurement standards). A flagging domestic economy, competition from China, and the loss of US manufacturing capacity compound these worries. The domestic hardwood industry, which has been sustaining communities for generations, hopes to work with partners to reach a common goal.

**Session 6: China and the Global Market for Forest Products**  
*Chair: Alex Moad, USDA Forest Service*

**China and the Global Market for Forest Products**  
*Kerstin Canby, Director of Forest Trade and Finance, Forest Trends*

Kerstin Canby presented results from over five years of work researching the role of China in the global market for forest products. China’s domestic production of wood has not been able to keep up with overall demand (domestic plus exports). No longer interested in importing processed forest products, China seeks out raw materials, with most tropical hardwoods destined for export as plywood and furniture to US, EU, and Japan, and softwood for the domestic construction industry. However, China’s industry could increasingly vulnerable to both supplying country problems (loss of natural forests, illegal logging crack-downs) as well as shifts in demand for verified legal / sustainable wood products in its major export markets (EU and North America).

Sino-Russian border trade accounts for almost half of China’s timber imports, mostly softwood logs. Russia however has explicitly stated its desire to decrease log exports and encourage value-added processing within Russia itself. Russia has introduced a phased log export tax. China’s Ministry of Commerce recognizes the need to ensure sustainable forest trade relations with their northern neighbor, and Chinese investment in Russia’s forestry sector and infrastructure to increase access to timberlands is anticipated. China is also increasing investment and trade with Africa, with major forest product trade relations established with Gabon, Cameroon, Equatorial Guinea, Rep. of Congo (Brazzaville) and Mozambique. While China is an important and growing market for Africa, their supply is only a small fraction of China’s total imports. Nearly all African timber exports to China are unprocessed logs. The EU continues to dominate imports of Africa timber overall.
Supply Chain Management: Experience with Chinese Mills
Scott Poynton, Executive Director, Tropical Forest Trust

Poynton introduced Tropical Forest Trust and their recent efforts towards achieving good wood supply chains with processors in China. Since 1999, TFT has advised forestry projects and timber processors throughout the tropics on improving forest management and integrating supply chains. TFT links these suppliers to responsible importers and retailers who have committed to sustainable and legal sourcing and seek control over the origin and status of their wood. In the past two years, TFT has taken the methods and experience developed in Central Africa, the Amazon, and South East Asia to China, beginning in 2005 with an assessment of a plywood factory and studies on the flooring supply chain in China. Today, TFT has a larger staff assisting more mills, raising awareness and extending FSC-certification programs for plantations.

The work in China has highlighted both challenges and opportunities. Discovering the origin of wood sourced overseas has been difficult, due to the lack of existing supply chain control, complicated domestic distribution systems, and insufficient tracking and monitoring capability. All the plywood export from China is not illegal, but it is difficult to document that it is legal. Chinese factories are, however, very efficient, productive and timely, with fair quality and a highly competitive price, and could respond to environmental market pressures quickly. Not all factories lack the capacity to monitor supply, nor are all factory owners insensitive to the need for responsible sourcing. With the right incentives and a few “first-movers” as catalysts, manufacturers could rapidly adapt to new standards, especially if their markets began demanding legality verification.

Session 7: Global Initiatives
Chair: Kerstin Canby, Forest Trends

The GLOBE G8 Dialogue on Illegal Logging
Mike Packer, Program Director, GLOBE International

Mike Packer introduced the G8 Dialogue on Illegal Logging, an initiative of GLOBE International (Global Legislators Organization for a Balanced Environment) which has similar programs on climate change as well as biodiversity and ecosystem services. Launched in September 2006, the Dialogue assembles legislators from major forest product producer and consumer countries (along with civil society and progressive industry) to develop proposals to fight illegal logging and associated trade, said Packer. The Dialogue aims to foster high-level in-country support for sustainable forest management and trade, and to obtain a robust place for illegal logging on agenda of G8 meetings – particularly under the Japan presidency, beginning July 2008.

The Dialogue includes an international advisory board that formulates key issues for working groups to examine. The Dialogue on Illegal Logging has four working groups on Governance, Markets, Finance, Legislation (each chaired by a Minister) that will each deliver to the advisory board a proposal on practical options to address illegal logging. GLOBE International itself acts as a secretariat for these bodies, finding committed individuals to feed into the process and presenting the working groups’ proposals in other forums. The proposals aim to provide a range of potential policy actions that have been politically tested and can feasibly be introduced at G8 events. At the upcoming Berlin Legislators Forum, GLOBE members will discuss the draft policies, define a work program and prepare a policy statement.
FLEG Initiatives Supported by the World Bank

Tapani Oksanen, Senior Forestry Specialist, World Bank

A member of the World Bank’s Forest Law Enforcement and Governance team, Oksanen spoke on World Bank efforts to improve global forest governance: (a) coordinating regional FLEG ministerial processes, (b) incorporating illegal logging concerns into World Bank policy dialogue with borrower countries, and (c) supporting action against illegal logging in 32 out of the WB’s 51 active forestry projects. WB financial support for FLEG is over $300 million dollars, with the majority focused on prevention, some assistance given for detecting of illegal activities, but very little on its suppression. Prevention is considered a necessary foundation for other enforcement measures, and focuses on the quality of legal and regulatory frameworks and the structure of domestic institutions and incentives.

The World Bank services as a secretariat for the FLEG work in East Asia, Africa, and the Europe-North Asia regions which are co-organized by producing and consuming countries in recognition of a shared responsibility to combat the problem of illegal logging and associated trade. FLEG processes include analytic work and multi-stakeholder meetings on the country-level, and regional conferences to establish partnerships, share best practices, and tackle specific challenges. Regional FLEGs have raised the awareness about the causes and impacts of forest crime, a better understanding of the responsibilities of different stakeholders, and the creation of a political platform for pursuing further negotiations. The World Bank believes the FLEG agenda is worth pursuing, yet recognizes that ministerial negotiations lack concrete implementation. Patience will be necessary, as political commitments are always slow to translate to impacts on the ground.