

PRESS RELEASE

Is it legal? New tool available for the timber industry

Improved and updated legality verification standards released by the Rainforest Alliance

Timber traders are increasingly faced with demands that the products they offer are produced on a legal basis. Based on legislative and procurement policy developments in important consumer markets as well as widespread consumer concerns about the negative impacts of illegal logging, buyers are increasingly demanding assurance for the legal status of wood products.

Rainforest Alliance offers high-quality legality verification

The Rainforest Alliance has revised its generic legality verification standards, helping trading companies and forest operations to demonstrate the legal status of forest products. NEPCon and the Rainforest Alliance offer third-party verification according to these standards.

Rainforest Alliance Verification Services Manager Christian Sloth says: "The concept of "verified legal" for wood products has gained new importance in recent years. To meet demands, companies find themselves hard at work to document the legality of wood products and reduce the risk that illegal material enters into their supply chains. We are determined to provide the gold solution in terms of the assurance level we offer. That is why we have updated and improved our legality verification standards, Verification of Legal Compliance (VLC) and Verification of Legal Origin (VLO)".

The Rainforest Alliance operates these two standards to allow a phased approach towards ensuring legality. VLO is the more basic standard, while VLC includes a range of legality aspects in addition to the core question of legal harvesting operations.

"We assess that the VLC standard provides an assurance level that best meets the requirements set out in the US Lacey Act and the expected EU Due Diligence regulation", says Sloth. "One of the key improvements of the new VLC standard is the inclusion of broader legality requirements related to proper classification and taxation of wood. In addition, both the VLO and VLC standard now include requirements for legal company registration, proper tax payments, and adherence to applicable transport and trade regulations applicable to forest managers as well as processing industry and traders".

Recognized by Keurhout and Greenpeace

The Rainforest Alliance's legality verification system is one of the most well-established schemes on the marketplace and enjoys recognition by important stakeholders.

The revised standards have immediately been accepted by the Dutch legality scheme Keurhout, providing companies joining the VLO or VLC verification schemes with an advantage on the Dutch timber market. (<http://www.keurhout.nl/english/news.htm>).

Already in 2007, [Greenpeace carried out an evaluation of existing legality verification standards](#) and the Rainforest Alliance's legality verification program received the highest score of all systems evaluated.

The Rainforest Alliance verification program has developed quickly over the past year. The program has verified almost 20 companies and forests in Indonesia, Philippines, China and Malaysia. New verification clients are pending in Laos, Brazil, Honduras, Cameroon, Congo and Paraguay.'

"We see the greatest interest in legality verification among European companies", says Sloth. "The commitment of European timber traders to act responsibly as regards their resource base is developing fast. This was also brought out in a recent report on companies' "forest footprinting", published by the Forest Footprint Disclosure project. European companies were found to be in front when it comes to accountability for their impact on forests".

According to Sloth, demands for legal wood have important impacts on the ground: "Third-party verification of legal wood could prove to be one of the most efficient tools to combat illegal wood trade and widespread deforestation in the short term. With an estimated value of 15-20 USD billion per year, illegal wood trade constitutes an enormous amount of unfair competition for operations and companies that trade in legal wood. We need good legality verification tools in order to ensure fair market conditions and ultimately promote good forest management and sustainability certification such as FSC".

Contact

To obtain more information on legality verification services provided by the Rainforest Alliance and NEPCo, please contact Christian Sloth at csloth@ra.org.

Download the Rainforest Alliance legality verification standards

The Rainforest Alliance's SmartWood program updated legality verification standards can be downloaded at www.rainforest-alliance.org/forestry.cfm?id=legal_verification.

BACKGROUND

Why legality of wood products is important

Illegal logging is widely recognized as a serious threat to the world's forests and the people and wildlife that they support. In addition, it is now believed that deforestation, where illegal logging is a major factor, directly leads to about 17% of global greenhouse gas emissions. For these reasons, the issue of illegal logging is attracting an increasing amount of attention.

Throughout the world's forests, illegal logging continues to undermine efforts to promote social equity, environmental conservation and sustainable economic growth in many nations. In developing countries alone, it has been suggested that illegal logging may result in lost assets and revenues of more than US \$10 billion annually.

Increased efforts have been undertaken on international, national and private levels to address the problem of illegal logging. In the United States, the government has amended the Lacey Act to include a ban on illegally harvested wood and wood products. The European Commission's Action Plan on Forest Law Enforcement, Governance and Trade (FLEGT) has focused on promoting the availability, utilization and trade in legal forest products imported by the European Union (EU). New regulations are under development to define the requirements for timber importers who place wood and wood products in the EU markets.

"In order for those voluntary initiatives to be credible, third-party auditing is critical," said Christian Sloth, verification services manager for the Rainforest Alliance. "We developed standards for verification of legality to respond to a growing need for companies to provide assurances – to customers, owners, investors, or the general public – that answer questions about the legal status of timber sources."

VLO and VLC: A phased approach to sustainability

SmartWood has established its legality verification system to meet demands for reducing the risk of illegal timber entering the supply chains and thus helping to curb illegal logging, while supporting the expansion of the FSC system. Companies verified to the SmartWood VLO or VLC standard are required to undertake activities for attaining FSC certification.

The Rainforest Alliance approach to legality includes a step-by-step approach starting with two levels of legality assurance; the first level is Verification of Legal Origin (VLO). Verification of Legal Origin (VLO) verifies that timber comes from a source that has a documented legal right to harvest, according to the laws and regulations of the local government. Suppliers of VLO timber must follow and maintain documented chain-of-custody systems.

The second level of legality verification is called Verification of Legal Compliance (VLC). The VLC standard expands upon the basic component of VLO by verifying that timber harvesting complies with all applicable laws and regulations related to forestry, including laws relating to environmental protection, wildlife, water and soil conservation, harvesting rules, worker health and safety, and fairness to communities.

About the Rainforest Alliance

The Rainforest Alliance works to conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices, business practices and consumer behavior. For more information, visit www.rainforest-alliance.org. The Rainforest Alliance is an FSC-accredited certification body and world leader in FSC certification of forest operations.

About NEPCo

NEPCo is a non-profit company focusing on responsible use of natural resources. A long-term partner of the Rainforest Alliance, NEPCo manages the Rainforest Alliance's forestry program in Europe, Russia and Israel and has comprehensive experience in forest and wood industry certification. NEPCo currently services more than 700 FSC- certified companies and forest operations covering more than 13 million hectares. Learn more about NEPCo, visit www.nepco.net.