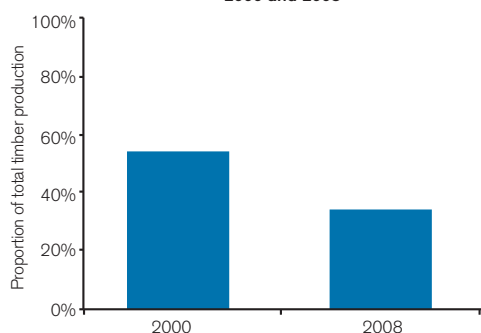


Brazil

Chatham House illegal logging indicators country report card

Wood-balance estimates of illegal log production, 2000 and 2008



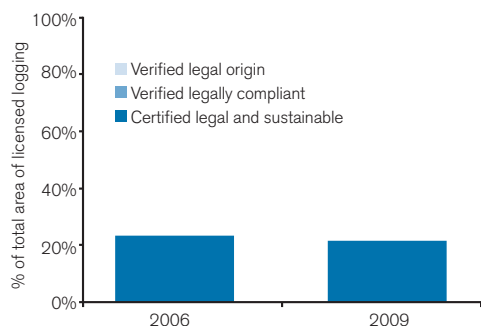
Policy Assessment Results

(green = relatively good / red = poor)

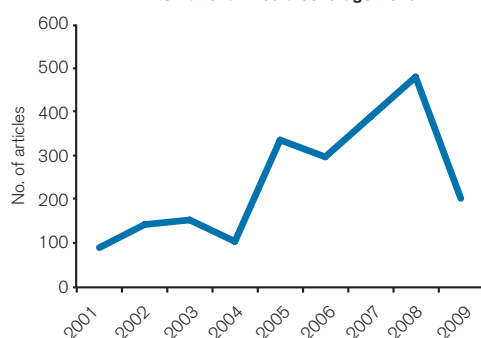
High-level policy	Green
Legislative framework	Yellow
Checks and balances	Green
International trade cooperation*	Red
Supply and demand	Red
Tenure and use rights*	Orange
Timber tracking	Green
Transparency	Yellow
Resource allocation*	Green
Law enforcement	Yellow
Information management	Orange
Financial management	Red

*Because of the nature of the scoring method, the results for international cooperation give a more negative impression and those for tenure and resource allocation a more positive impression than they should.

Independently verified log production



International media coverage trend



Levels of Illegal Logging

- Wood-balance analysis suggests that illegal logging in the Brazilian Amazon has declined by 50–75% since 2000. Most of the reduction occurred in the last five years, and is closely correlated with a similarly dramatic decline in deforestation.
- Experts surveyed about Brazil had the strongest perception of improvement of the five producer countries.
- Improved laws and regulations and greater enforcement were important factors in reducing illegal logging.
- Wood-balance analysis suggests that around 34% of harvesting in the Brazilian Amazon is still illegal, but surveyed experts believed it to be much worse (72% of production).

Government Response

- Chatham House's assessment shows Brazil has the best relevant laws, policies and regulations of the five countries studied, thanks to a major overhaul during the last five years.
- The country scored particularly well in the assessment for its sophisticated timber-tracking system, good transparency and well-designed regulations regarding allocation and management of rights to harvest. An independent monitor is in place in Pará, the largest timber-producing state.
- Brazil also has the best high-level policy – a review of the problem has been conducted, an action plan is in place, and stakeholder engagement is quite good.
- There has been a dramatic increase in enforcement, with the number of officials involved increasing from 400 in 2003 to more than 3000 in 2007. Fines have increased eightfold.

Private-sector Response

- No production forest in the Brazilian Amazon has been independently verified as legal, while the proportion certified for sustainability (21%) is low relative to some other countries and declining.
- Most experts surveyed nevertheless felt that large timber rights holders in Brazil had either taken action or were under pressure to do so.
- The muted response is due to the importance of less demanding domestic markets and fewer demands for certified and verified wood; difficulties in demonstrating land rights have also been a problem.

Media Attention

- Although international media attention to illegal logging rose steadily during the last decade, it fell back dramatically in 2009. Domestic media attention continued to rise in 2008, as a result of widespread coverage of major enforcement operations.

Areas for Improvement

- Systems do not yet exist for identifying and investigating discrepancies in revenue collection, and there is no independent audit of the forest agency. Systems are also needed to ensure that the capacity of processing industries does not exceed legal supply.
- Enforcement follow-up needs to be improved – data indicate that only 2.5% of fines are collected.
- Brazil's international engagement on the issue is quite limited compared with other countries; negotiation of an agreement with the EU and/or US would be beneficial and help prevent timber exports shifting to less sensitive markets.
- Increased international engagement may help spur the growth of certification and verification.