Brazil

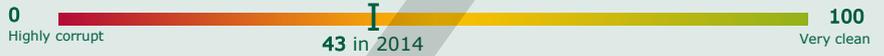## Illegal timber risk summary

Corruption perception index

The Corruption Perceptions Index ranks countries and territories based on how corrupt their public sector is perceived to be. A country or territory's score indicates the perceived level of public sector corruption on a scale of 0 – 100.

0		100
Highly corrupt	**43** in 2014	Very clean

Main species risk at a glance

Plantation	*Eucalyptus* spp. (Eucalyptus)	SPECIFIED
	Pinus spp. (Pines)	SPECIFIED
Native	*Tabebuia serratifolia* (Ipê-amarelo)	SPECIFIED
	Tabebuia impetiginosa (Ipê-roxo)	SPECIFIED
	Cedrela odorata (Cedro Vermelho/Ceda)	SPECIFIED
	Mezilaurus itauba (Itaúba)	SPECIFIED
	Cordia goeldiana (Freijó)	SPECIFIED
	Aniba roseodora (Brazilian Rosewood)	SPECIFIED

LOG EXPORT BAN - Brazil has a log export ban, but the export of logs from plantations is permitted.

Timber legality in Brazil

Brazil is the 5th largest country in the world and one of the most forested countries in the world (Traffic 2013). Forest land cover in Brazil has declined at least for the last 25 years, with a loss of around 0.5% forest cover occurring year on year. Between 1990 and 2010 forest cover declined from 574.8 to 519.5 mill ha. Natural forests are prevalent in the northern states of Brazil, namely: Acre, Amazonas, Rondônia, Para, Mato Grosso and Maranhão. Most plantations can be found in the south and southeast of the country, with Paraná and Santa Catarina being two states with significant plantation areas.

There are widespread reports of illegal logging of native species in Brazil. Illegal logging in Brazil is reported to be driven by poor governance of public, indigenous, protected, and community lands; a lack of inspection and enforcement capacity on the part of local authorities; high demand for timber, including high-value species; and illegal deforestation for agriculture with illegal timber as a by-product. Some precentages from different reports have highlighted the issue: 20% to 47% of all timber Brazil is reported to be potentially illegal (Traffic 2013); 35% to 72% of logging in the Brazilian Amazon may be illegal (ITTO 2011; Lawson and MacFaul 2010); 78% of harvesting in the state of Pará has been estimated to be illegal (IMAZON 2013), and the Brazilian Environment Ministry has acknowledged high levels of fraud in Pará, stating that it was responsible for the unlawful sale of 26.8 million cubic metres of forest products (Brazilian Environment Ministry 2014).

Forest statistics (FAO 2010)

	Area	% forest area	% total area
Primary forest	476 mill ha	92%	57%
Naturally Regenerated Forest	36 mill ha	7%	4.3%
Planted forest	7.4 mill ha	1%	1%
Total forest area	519 mill ha		
Total land area	832 mill ha		

62% Of Forrest Coverage

98% Uncertified

FSC FM/CoC **1,34%** total forest

PEFC (CERFLOR) **0,34%** total forest area

More information

For more information, references, examples of documentation and other Forestry Risk Profiles visit our webiste.

http://flegt-tools.org/toolkit-and-training-centre/

Brazil's trade in timber (FAO 2010)

Export (annual)

Wood pulp $5,179mill 65%

Paper and cardboard $1,178mill 22%

Compensated $429mill 6%

Import (annual)

Paper & Carboard $1,119mill 22%

Wood pulp $321mill 22%

Export values (annual)

USA	$2,105 mill
China	$1,727 mill
Holland	$1,095 mill
Italia	$544 mill

Common native species
- *Brosimum utile* (Amapa)
- *Dinizia excels* (Angelim)
- *Erisma uncinatum* (Cedrinho)
- *Dipteryx odorata* (Cumaru)
- *Goupia glabra* (Cupiuba)
- *Parkia* spp. (Faveira)
- *Apuleia leiocarpa* (Garapa)

Principal plantation species
- *Eucalyptus* spp. (Eucalyptus)
- *Pinus* spp. (Pines)

Other plantation species
- *Acacia* spp. (Acacia)
- *Tectona* spp. (Teak)
- *Schizolobium amazonicum* (Parica)
- *Hevea brasiliensis* (Rubber Wood)

Illegal Logging in Brazil

The following specific risks have been identified as relevant for Brazil in relation to illegal logging (Greenpeace 2014; Traffic 2013; EFTRN 2012, FSC 2015):

Legal rights to harvest: Cases of irregular property allocation and numerous instances of unlicensed forestry activity or illegally obtained licenses for forestry activity, are frequently reported for all forest types. In addition, natural forests are considered specified risk because of the probability of the forest activity occurring without authorisation, or not in compliance with the approved Forest Management Plan.

Taxes and fees: A study from 2013 has underlined issues related to underpayment of taxes in Brazil. Techniques used include the sale of products without the provision of a fiscal bill of sale; the issuance of the fiscal bill of sale incorporating a volume less than the actual volume delivered; or the issuance of a fiscal bill of sale with the stated value of the product less than the actual value (SINPROFAZ 2013).

Timber Harvesting activities: There is risk of natural forest management being in breach of approved management plan. There is also a risk of infringements and lack of control related to protected species and environmental requirements in harvesting. In addition, evidence of frequent violations of health and safety codes and labor laws has been reported.

Customary and indigenous rights: Legislation exists that sets out requirements for consultation with Indigenous community-related entities. However, the large number, diversity and scattered nature of the traditional communities in Brazil, reportedly results in frequent legal non-compliances related to the laws.

Trade and transport: Incorrect classification of species, quantity or quality of wood products has been reported in relation to transport of timber species from natural forest. The reason is qouted to be fragility of the Document of Forest Origin (DOF) system and the high degree of corruption in Brazil (T

Supply chain risks

The risk of illegal logging tends to increase with the length and complexity of the supply chain. In Brazil there are national and state timber tracking systems: National Forest Origin Document system (Documento de Origem Florestal – DOF) and the System for the Commercialisation and transportation of Forest Products (Sistema de Comercialização e Transporte de Produtos Florestais SISFLORA). Timber is tracked along the supply chain and must be accompanied by a Guia Florestal GF. Inspection agents rarely check timber consignments in the field and the SISFLORA system does not capture data on end users of timber beyond the Amazon (Greenpeace 2014).

Options to mitigate risk

An option is to purchase timber from native forests in Brazil that are covered by FSC or PEFC certification. If the timber is uncertified, the high level of risk will mean that extensive risk mitigation will be necessary. This may include supply chain verification to forest level. The audits should be conducted at each level of the supply chain by a credible third-party auditor.

Is there low risk timber in Brazil?

For plantation material, the risk of illegality is somewhat reduced though some issues have been specified as carrying risks. As much as 50% of Brazilian plantations may be FSC or PEFC (CERFLOR) certified (ITTO 2011).

CITES and protected species

The following tree species are found in natural forest in Brazil and covered by CITES (Appendix I, II or III):

- *Dalbergia nigra* (Jacarandá/Brazilian rosewood)
- *Aniba roseodora* (Brazilian Rosewood)
- *Bulnesia sarmientoi* (Vera or Argentine/Paraguay Lignum vitae)
- *Caesalpinia echinata* (Brazilwood)
- *Swietenia macrophylla* (Big-leaf Mahogany)
- *Cedrela odorata* (Spanish Cedar)

Exported CITES species must leave the country via one of a limited number of ports. Two other natural forest tree species are protected and prohibited for export (TFT 2011; FLA) *Bertholletia excelsa* (Brazil nut tree) and *Araucaria angustifolia* (Paraná Pine/Araucáia)

Legally required documents

Harvesting
1. Operating License
2. Autorização de Exploração AUTEX or AUTEF - Operating Authorization

Transport
1. DOF / GUIA FLORESTAL (GF1, GF3)
2. CNPJ card
3. Invoice
4. DOF
5. Certificate of Good IBAMA

Export
1. Registro de Exportação (SISCOMEX) - Export Registration.
2. Phytosanitary Certificate of Origin (CFO) and Phytosanitary Certificate of Origin Consolidated (CFOC).
3. Declaração de Despacho de Exportação (DDE) Shipping Dec.
4. DOF / GUIA Florestal (GF1, GF3)
5. Customs Declaration
6. Sales Contract
7. Packing list
8. Invoice.
9. Bill of Lading

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Other Resources

- Forest Legality Alliance: http://risk.forestlegality.org/countries/brazil
- Global Forest Registry: http://www.globalforestregistry.org/related_files/download_related_file/90
- TTAP Legality Checklists – Brazil: http://clients.squareeye.net/uploads/ttap/documents/legality_lists/BRAZIL_Factory_En_July09.pdf
- Bureau Veritas OLB Certification: http://www.bureauveritas.com/wps/wcm/connect/bv_com/group/home/about-us/our-business/certification/sector-specific-solutions/forest-wood-products/olb/olb-certification-documents-and-standards
- FSC Certification information: http://info.fsc.org
- Transparency International: http://www.transparency.org
- NEPCon LegalSource Program: http://www.nepcon.net/4871/English/Certification/Timber_legality_services/
- PEFC certification statistics: http://www.pefcregs.info/statistics.asp
- Rainforest Alliance Timber Legality Verification: http://www.rainforest-alliance.org/forestry/verification/legal
- SCS Legal Harvest™ Program: http://www.scsglobalservices.com/timber-legality-verification
- Socioambiental.org - http://www.socioambiental.org/inst/esp/consulta_previa/?q=consulta-predicted-and-measures-legislative
- Amazônia.com Portal - http://www.portalamazonia.com.br/editoria/economia/amazonia-concentra-mais-da-metade-de-empresas-com-trabalho-escravo-no-brasil/
- Database of Federal Government legislation - https://legislacao.planalto.gov.br/legisla/legislacao.nsf/fraWeb?OpenFrameSet&Frame=frmWeb2&Src=/legisla/legislacao.nsf%2FFrmConsultaWeb1%3FOpenForm%26AutoFramed
- Database of Federal Government Legislation IBAMA - http://www.ibama.gov.br/areas tematicas/manejo-sustainable-forest
- Brazilian Forest Service - National Forest Management Portal - http://www.florestal.gov.br/pngf/manejo-florestal/apresentacao and SNIF - National Forest Information System - http://www.florestal.gov.br/snif/recursos-florestais/especies-forestry
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