

The Amazon's silent crisis

METHODOLOGY

Greenpeace's investigation into timber laundering in the Brazilian Amazon began with a systematic review of every Logging Authorisation (AUTEF) on record in the state of Pará.

Between 2006 and 2013, 1,325 AUTEF applications were made. Excluding applications whose approval was still pending, and AUTEFs that had been cancelled or suspended, these applications resulted in the issuing of 1,036 AUTEFs that were still 'active',¹ 146 extensions of pre-existing AUTEFs, and 15 AUTEFs that had been concluded without suspension or cancellation as of September 2013. These 1,197 AUTEFs formed the pool that we began to filter in order to arrive at a shortlist for closer investigation. They were refined using a three-stage process, which produced a shortlist of 18 AUTEFs that appeared to involve overestimation of the volume of Ipê [<http://www.chegademadeiralegal.org.br/doc/doc01pt-br.pdf>] present in the corresponding Annual Production Unit (UPA) – probably far fewer than had actually been involved in illegality.²

The identification of these 18 AUTEFs was conducted as follows. In the first phase, Greenpeace identified those AUTEFs whose forest inventories listed Ipê trees. This produced a longlist of 763 AUTEFs.

In the second phase, these AUTEFs were examined for possible overestimation of Ipê in the forest inventories. First, AUTEFs that declared a large overall volume of Ipê – 3,000m³ or more – were marked for further investigation. Then, for those AUTEFs that did not meet this criterion, the total volume of Ipê declared was assessed against a benchmark volume per hectare figure derived from known figures for average population density and average volume of wood per tree.³ In total, 104 of the AUTEFs on the longlist (nearly 14%) either declared over 3,000m³ of Ipê, or declared a volume of Ipê per hectare that was more than 60% above the average of 2.4m³/ha.

At this stage Greenpeace undertook aerial inspections of several Sustainable Forest Management Plan (PMFS) areas to assess their state of conservation and note any logging activities. Finally, the 104 remaining AUTEFs were

filtered using a number of criteria, including property size and the year of validity of the AUTEF.

Points were awarded for each of these criteria, and priority given to those AUTEFs that were most recent and contained the most Ipê, while ensuring that both large and small properties were represented. The 18 AUTEFs with the highest scores were selected for field visits, which were carried out in November 2013. These AUTEFs related to 15 PMFSs.

Two teams were assembled to run the field visits, each consisting of Greenpeace staff and a representative from the Pará State Environmental Secretariat (SEMA). One of the teams also included a representative of the Federal Public Ministry (MPF). One team covered the region of Altamira, and the other covered Santarém.

The field visits were conducted under the legal compliance assessment criteria outlined in the *Guide for Forest Management Plan Field Inspections*, the official handbook used by the Brazilian Enterprise for Agricultural Research (EMBRAPA) and the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA).⁴

On the basis of these criteria, Greenpeace concluded that 14 of the 18 AUTEFs had enough infractions to warrant a recommendation of suspension. These 14 AUTEFs related to 12 PMFSs, which belonged to 11 owners. The 18 shortlisted AUTEFs are shown on a map below.

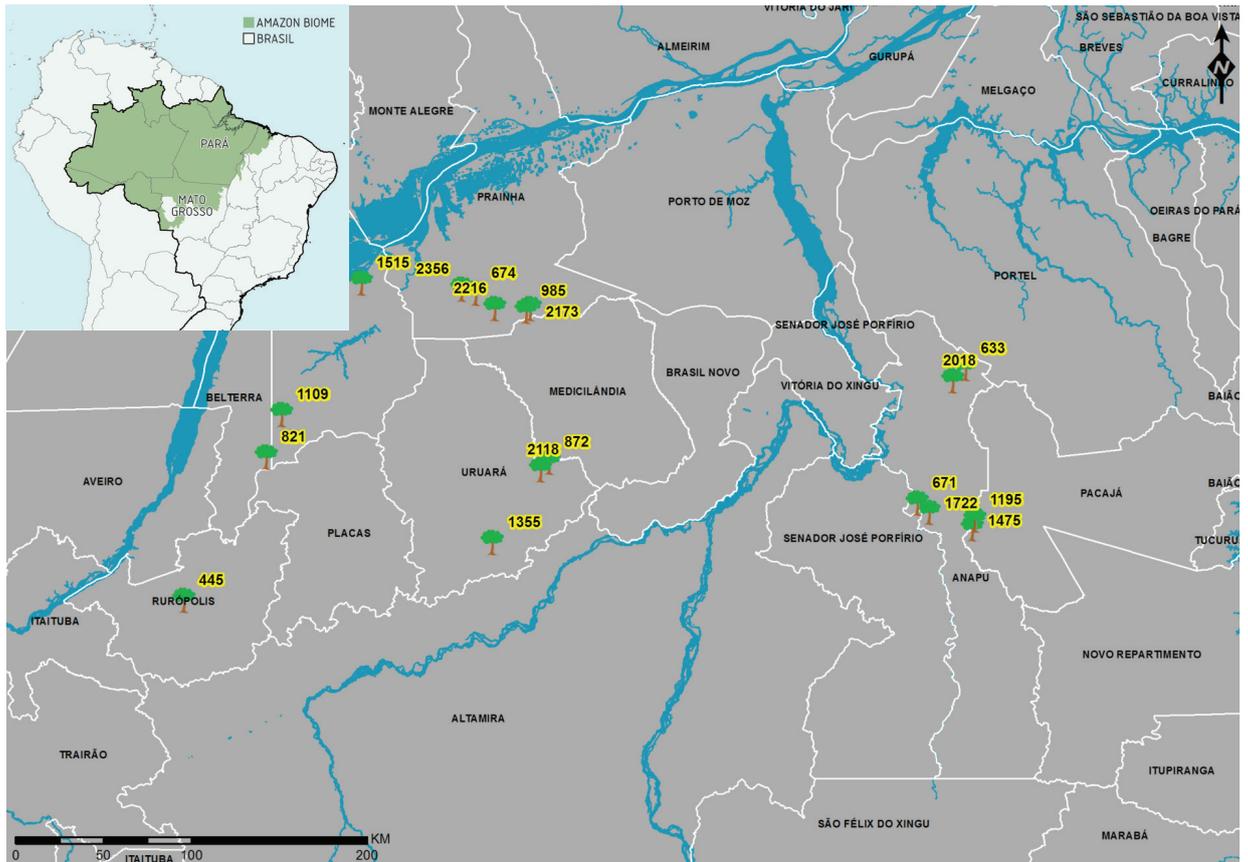
Following the field investigation, we selected four case studies for publication that best illustrated the different types of apparently fraudulent activities that we had uncovered. An additional case, not selected by the original filtering process, was added because of its size, ecological importance and significance as a location where SEMA had uncovered timber fraud too late to prevent it.

In each case, a majority of the credits generated by these AUTEFs had been traded,⁵ even though in some cases

there was no evidence that logging activities had taken place. This suggests that documentation relating to these AUTEFs was being misused to launder illegal timber.

Finally, our researchers mapped out the supply chains that linked our chosen cases to export markets. Using publicly available MPF data,⁶ we identified sawmills that had purchased timber covered by credits from the 12 PMFSs for which significant infractions had been found, then companies that were selling this timber to export markets.

Subsequently, we analysed Brazilian customs and export data, from which we were able to produce a list of importing companies worldwide that bought timber from these identified exporters in the period of March 2013 to February 2014. From this analysis we can therefore confirm that these importers have purchased timber from companies in Brazil whose supply chains have been contaminated by wood from sawmills that have processed (either knowingly or through wilful negligence) illegal timber that logging companies have laundered by means of fraudulent use of official documentation.



PMFSs inspected by teams. Source: Greenpeace Amazon timber investigation, 2013

Endnotes

- In other words, they have some remaining credits that have not yet been traded. An operator may apply at any time to extend such an AUTEF for a further year, even if its initial period of validity has expired. However, remaining credits of an expired AUTEF may not be traded until an extension has been approved.
- Ipê species, while among the most valuable trees in the Amazon today, are not the only ones whose numbers are inflated. The same thing occurs with other valuable species, meaning that a much larger number of AUTEFs can be assumed to be backed by some sort of false information concerning volumes of wood. The case of Ipê was chosen as emblematic of the wider problem.
- Schulze, M., Grogan, J., Uhl, C., Lentini, M. and Vidal, E. (2008) Evaluating ipê (*Tabebuia*, Bignoniaceae) logging in Amazonia: sustainable management or catalyst for forest degradation? *Biological Conservation* 141, pp2071-85.
- Embrapa and IBAMA (2006) Manual de vistoria de campo para planos de manejo florestal madeireiro na Amazônia http://bommanejo.cpatu.embrapa.br/arquivos/1-Manual_de_Vistoria.pdf
- MPF Pará, Investigation Procedure number 1.23.000.001187/2013-31.
- MPF Pará, Investigation Procedure number 1.23.000.001187/2013-31.