The United States, Mexico and Canada are significant timber trade partners. Mexico imports nearly 70% of its timber from the United States, and exports as much as 75% of its timber to the U.S. (1). Illegal logging and deforestation, however, can negatively impact trade as well as weaken rule of law, damage and degrade critical ecosystems, and harm local communities. In Mexico, it is estimated that between 5 and 14 million m³ of illegally harvested wood are sold each year, and that the trade in illegal wood represents a business of $7,000 to $20,000 million pesos or $342 to $978 million USD (2,3,4).

The partnership between USFS and USTR is working to address these challenges and promote sustainable timber management in Mexico. This in turn helps all three USMCA trade partners to strengthen the timber market by combating illegal logging, deforestation and forest degradation.

### GOAL 1

Strengthen Mexico’s wood identification capacities, and integrate Mexico into regional and global wood identification efforts, including enhanced monitoring via Lacey Act declaration automation and analysis.

**Actions for Years 1-3:**

- Assess current resources, opportunities, and challenges related to wood identification and screening within Mexico.
- Provide advanced training and support to priority laboratories and government agencies on a variety of wood identification technologies such as wood anatomy, wood DNA, or wood chemistry.
- Automate Lacey Act Declaration processing and monitoring to identify fraud and illicit trade more consistently.

**Key Outcomes from Year 1:**

- Wood assessment report: Interviewed 114 relevant actors from the government, academia and the private sector to report on the current resources, opportunities, and challenges related to wood identification and screening within Mexico.
- Macro-scopic wood identification workshops: Conducted three webinars on wood identification tools and technologies for nearly 100 PROFEPA inspection agents, researchers, and other government personnel from Mexico.
- Network graph model of the Lacey Act declaration: Produced a fully implemented and auxiliary data with further refinement to continue throughout the project.

The USFS will strengthen monitoring and enforcement relating to USMCA Articles 24.15 (Trade and Biodiversity), 24.22 (Conservation and Trade), and 24.23 (Sustainable Forest Management and Trade). These Articles commit the Parties to exchange information and experiences on issues related to illegal trade in wild flora and fauna; improve inspection capabilities; strengthen government capacity and institutional frameworks to promote sustainable forest management; and promote trade in legally harvested forest products. The USFS is addressing these objectives through a Three Goal Plan to Promote Sustainable Forest Management and Combat Illegal Logging, over a three-year period.

**MAIN OBJECTIVES**

The USFS will strengthen monitoring and enforcement relating to USMCA Articles 24.15 (Trade and Biodiversity), 24.22 (Conservation and Trade), and 24.23 (Sustainable Forest Management and Trade). These Articles commit the Parties to exchange information and experiences on issues related to illegal trade in wild flora and fauna; improve inspection capabilities; strengthen government capacity and institutional frameworks to promote sustainable forest management; and promote trade in legally harvested forest products. The USFS is addressing these objectives through a Three Goal Plan to Promote Sustainable Forest Management and Combat Illegal Logging, over a three-year period.

[www.usfsmex.org](http://www.usfsmex.org)
Increase legal avenues for sustainable timber management and trade.

Actions for Years 1-3:

- Direct technical assistance to community forest enterprises in sustainable timber management.
- Consultancy to support business development plans.
- Grant(s) to NGO partner(s) to continue technical support to community forest enterprises.

Outcomes from Year 1:

- Identifying community partners: Collaborating with NGO partners to train communities in financial analysis tools, allowing small and medium enterprises to monitor and evaluate costs and income, negotiate fair prices, improve financial management and transparency, and strengthen their long-term sustainability.
- Technical assistance: Identified two priority timber-producing communities to provide technical assistance on sustainable timber management.