

EU Actions on illegal logging



3rd INTERNATIONAL
SOFTWOOD
CONFERENCE
HELSINKI • 2008



Why deal with legality issues?

- Need for fairness and equal treatment of all actors
 - Illegal material leads to market distortion and unfair competition
- Public pressure
 - From ENGOs
 - From local and national authorities
- Image issue
- Origin of discussion: tropical deforestation (now spread to other regions too)





EU FLEGT Action Plan

- Forest Law Enforcement, Governance and Trade action plan
- Aims
 - Take a step-wise approach towards sustainable development
 - Provide guarantee of legality to EU consumers
 - Strengthen governance by enhancing forest sector transparency, participation and independent oversight
 - Provide incentives to make such changes





EU FLEGT Action Plan

- How? Through voluntary partnership agreements between EU and timber producing countries
- Aims
 - Increase trade in guaranteed legal timber between FLEGT countries and EU
 - Set up control and licensing systems to provide guarantee of legality
 - Provide financial, technical and institutional support to improving forest governance





Voluntary partnership agreements

- Legality assurance system
 - Definition based on the laws of the timber producing country and defined by that country
 - Covers also chain of custody, verification, licensing and independent monitoring procedures



How to define legality?

- Partner countries propose set of laws
- Stakeholder consultation process
- Content to be
 - Consistent
 - Objectively verifiable
 - Operationally workable



How to define legality?

- Definition to reflect three pillars of SFM
 - Granting of legal rights to harvest
 - Compliance with forest management regulations incl. environmental and labour laws
 - Taxes, fees and levies
 - Respect for tenure rights of other parties
 - Trade and export procedures



Where is the EU?

- Ghana: Signed on 4 October 2008
- Malaysia: target End 2008
- Cameroon: target End 2008
- Indonesia: status unclear
- Congo and Liberia: start of negotiations
- Brazil has declined the offer to negotiate
- Need to work on South-America (EU mission?)





A regulation on illegal logging

- EU Commission was to launch proposal officially on 15 October 2008 (now today?)
- Submission to European Parliament and Council
- First reading in EP before elections in June 2009?



A vertical strip on the left side of the slide shows several stacks of light-colored wooden planks, likely pine or spruce, stacked in a neat, organized manner. The wood grain is visible, and the stacks are separated by thin gaps.

Additional measures

- Background
 - Timeframe of implementation VPA's
 - Risk of circumvention & laundering risk
 - Important timber-producing countries will not enter in VPA's

A vertical image on the left side of the slide showing several stacks of light-colored wooden planks or lumber, arranged in a grid-like pattern.

Impact assessment

- Options reviewed:

- Expanded coverage of the bilateral approach (VPA's)
- Voluntary measures by the private sector further developed
- Border measures to prevent the importation of illegally harvested timber
- Prohibition on the placing on the EU market
 - Option A: legislation which prohibits the trading and possession of timber and timber products harvested in breach of national law
 - Option B: legislation which requires that only legally harvested timber and timber products be placed on the market
- Legislation which requires due diligence by all operators




Proposed regulation

- Regulation laying down the obligations of operators who place timber and timber products on the market
- Focus on the moment that timber and timber products are made available on the market
- Due diligence: all operators must minimise the risk of placing illegally harvested timber on the market



Due diligence system(art. 4)

- Provide access to the following information
 - Description
 - Country of harvest
 - Volume / weight
 - Where applicable, name and address of the operator who has supplied the timber
 - Information on compliance with the requirements of the applicable legislation
- Include a risk management procedure
- Provide for audits to ensure effective application of the due diligence system

- 
- Commission shall establish criteria for implementation
 - In particular for assessing whether there is a risk
 - Monitoring organisation to be appointed by competent authorities
 - Committee on Timber Trade to assist the Commission



Some considerations on the proposal

- Reversed burden of proof (presumed suspect until proven unguilty?)
- Impact on bona-fide companies?
- Creation of red tape and extra administration
- Woodworking companies cannot perform policing
- EU wood bound to be legal (considering the applicable forest laws)
- Impact on competitiveness
- Bad image on operations of the sector



GREENPEACE position on proposals

(available before publication)

- No requirement that legal timber fulfils the principles of sustainable forest management. Definition to the narrow context of national standards.
- The possession, trading or placing of illegal timber products on the market is not explicitly made a punishable offence.
- Operators are not required to prove the legality of products marketed to consumers. Their only obligation is to have 'due diligence systems' in place to minimise the *risk* of placing illegal products on the market.
- Wood and wood products used for energy production exempted



GREENPEACE

demands

(available before publication)

- Define a strong legality standard for wood and wood products to help protect forests and biodiversity, mitigate climate change and respect the rights of forest-dependent people.
- Make the import, selling and possession of illegal timber a legal offence and require operators to provide real proof of legality for products on the market.





GREENPEACE

demands

(available before publication)

- Establish the rules for a reliable traceability system, tracking wood products from forests to retailers, that requires third party verification, an independent public monitoring system to assess the performance of private schemes, and a public information system to help operators identify high-risk products or suppliers.
- Equip the regulator with the powers to control timber products, investigate crime and alleged infringements, and prosecute offenders.
- Delete the loophole for wood products used for energy production.

