EU demand-side measures

Create market incentives for legal timber through:

✦ Private sector initiatives;

✦ Support the implementation of VPA agreements;

✦ Green public procurement policies;

✦ Additional legal options.
Green Public Procurement I

- Procurement = EU Member State competency;
- Policies in place: BE-DE-DK-ES-FR-IT-NL-UK;
- 10-20% of market on average with main effects on construction, furniture and paper products;
- Most policies focus on sustainability only, some also recognise legality.
Green Public Procurement II

New Green Public Procurement Communication:

- Follows from earlier agreed initiatives;
- Identifies wood products as a priority category;
- Aims to develop a process of cooperation with the MS to identify applicable procurement criteria;
Green Public Procurement III

link to FLEGT in the New GPP Communication:

- MS are recommended to stipulate – as minimum – the use of legal timber;
- Advocates a stepwise approach from legality towards sustainability for developing countries.
Additional legal options I

The process on additional options (to reinforce VPA’s):

- **2006/07:** Internet and stakeholder consultations
- **End 2007:** Impact assessment study
- **June 2008:** Proposal in Inter-Services Consultations
- **3rd quarter 2008:** Proposal presented to Council and EP
Additional legal options II

- Option 1: VPA expansion
- Option 2: Voluntary private sector schemes
- Option 3: Ban on imports
- Option 4a: Prohibition on trading illegal timber
- Option 4b: mandatory private sector legality guarantee

Conclusion: all options have their limitations

- New Option: ‘due diligence’
Due diligence proposal I

Key characteristics of the proposed regulation:

- **Aim**: To recognize the efforts of producers/traders that invest in the legality of their timber products;

- **Product scope**: round wood; sawn timber; veneer, panels, wooden furniture, pulp, paper, wood chips;

- **Focus**: The act of placing timber products on the Community market.
Due diligence proposal II

- **Obligation**: traders to demonstrate due diligence in ensuring the legality of the produce traded;

- **Legality**: legislation applicable in country of harvest;

- **Systems**: traders may develop their own verification and COC systems or use existing systems;

- **Risk**: Use of risk assessment procedure;
Due diligence proposal III

- Guidance: Criteria for due diligence to be developed through an additional procedure, based on the work of an Advisory group
- Exemptions: FLEGT and CITES timber;
- Enforcement: Check on use of due diligence systems by the Member States;
Expected effects

- Level playing field: Requires all EU traders to use due diligence;
- Risk management: Provides an incentive to source imports from low risk rather than high risk suppliers;
- Incentive for FLEGT: Provides partner countries with an incentive to join FLEGT.
Thank you