

Policies, Laws and Regulations Governing Forest Products Trade in the United Kingdom



International Workshop on Responsible Practices for Trade in Timber and Timber Products

Beijing

6 December 2008

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Overview

- Background to UK policy on timber product trade
- The UK Forest Governance and Trade programme
- The EU FLEGT Action Plan
- UK Public timber procurement policy
- UK Private timber procurementT



Why care about illegal logging and associated trade?

- Worsens poverty ...
 - Undermines livelihoods in developing countries (1.6 billion people depend on forests)
- Distorts legitimate trade ...
 - AF&PA estimate: depresses world prices by 7% - 16%
- Undermines governance – loss of state revenues...
 - WB estimate: >US\$15 billion annually
- Causes and sustains conflict...
 - Cambodia, Liberia, DR Congo
- Causes environmental damage...
 - Loss of biodiversity, exacerbates impacts of droughts and floods and contributes to climate change



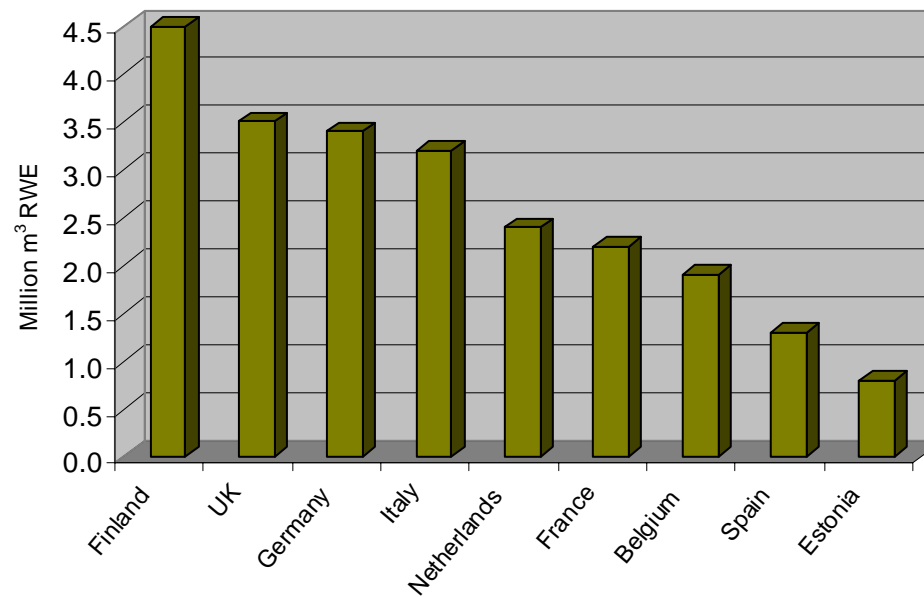
Why is forest governance and trade an issue for the UK?

- As a major timber importer, we probably contribute to the problem..
 - WWF report: 16-19% of EU timber imports derive from illegal or suspicious sources
- Through forest degradation, it's linked to climate change - an important policy issue for the government
- As a member of the EU and G8, and a leader in international development, we are well-placed to facilitate solutions



Illegal timber imports to the EU

Top 10 countries of illegal or suspicious wood imported into the EU (WWF Report, 2008)



Forest Governance and Trade Programme

Aim:

“...to tackle illegal logging and trade in illegally-logged timber, by facilitating reforms that address the underlying failures of governance, policies and markets...”



Main activities

- Supporting reforms in timber-producing countries...
 - through **Voluntary Partnership Agreements (VPAs)** under the EU's Forest Law Enforcement, Governance and Trade (**FLEGT**) programme
- Working with the private sector...
 - to promote practices that favour trade in forest products from legal and well-managed sources
- Working with other major timber importing countries...
 - to influence demand for products from responsibly managed forests
- Investing in communications and lesson learning...
 - to maintain the momentum for change.



The EU FLEGT Action Plan

Key components:

- Voluntary Partnership Agreements between EU and timber-producing countries:
 - **Development assistance** for legality assurance and governance reforms
 - Implementation of a **timber licensing scheme** by both parties to control trade in illegally harvested timber
- Additional measures:
 - Promoting private sector initiatives
 - Promoting public procurement policies
 - Better financial due diligence
 - Further EU legislation



FLEGT Licensing Scheme

- VPAs are **legally-binding bilateral trade agreements** between the EU and timber-producing countries
- Under VPAs, partner countries will develop and implement a **Timber Legality Assurance System**:
 - Legality definition – what laws are relevant?
 - Verified compliance in the forest – are laws being complied with?
 - Verified traceability from forest to export – is unknown or illegal timber excluded?
 - Licensing of verified legal exports to the EU
 - Independent monitoring of whole system – is the system working as intended?
- **EU Regulation** (2005): border control authorities allow entry of products from partner countries *only* if FLEGT licensed
 - EU buyers are assured that imports from partner countries are legal



Current status of VPAs

- Negotiations started in 2006...
 - Concluded with Ghana: September 2008
 - Conclusion with Malaysia and Cameroon: early 2009?
 - Conclusion with Congo: April 2009?
 - Indonesia... end 2009?
 - Liberia, Central African Republic, Gabon... to start before year end?
 - Vietnam... formal discussions to start 2008
- First FLEGT-licensed timber – mid-2010?



Public procurement in the EU

- for 10-20% of market on average, with main impact on construction, furniture and paper products
- European government purchasing procurement of legal and sustainable timber is a key part of the FLEGT Action Plan – but is voluntary for Member States.
- 7 Member States (NL, UK, DK, DE, FR, BE, ES) now have timber procurement policies.
- Policies vary: most focus on sustainability - some also recognise legality.
- New EU Green Public Procurement guidance recommends legality as a minimum requirement for timber products. FLEGT recognised as evidence of



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Public procurement in the UK

- UK policy since 2000: central government departments **must** seek to buy timber from sustainable and legal sources.
- Legal timber is a condition of contract; sustainable preferred
- From 2009, policy will change to **sustainable timber only... or FLEGT-licensed timber**
 - FLEGT-licensed timber **processed in third countries** will be acceptable, if (1) *not* mixed with non-sustainable timber and (2) has chain of custody back to partner country



Legality and sustainability – definitions

- *Legality* refers to compliance with relevant laws in the country of origin of the timber.
- *Sustainability* encompasses most elements of international definitions of sustainable forest management.
- Suppliers can use certified timber or other credible means of demonstrating legality & sustainability.



The Central Point of Expertise on Timber Procurement (CPET)

- Established in 2005 to provide advice to public sector and suppliers on UK public timber procurement policy
- Assesses certification schemes and other evidence against government definitions of legality & sustainability.
- Provides workshops, promotion, monitoring and guidance for procurement officials
- Reference Board includes government, trade and ENGOs



Impacts and influence of the policy

- 60% of timber imports into UK are certified – significant increase since policy adopted.
- Other national governments have followed suit
- Raising the standards of SFM (through modifications to certification schemes)
- Timber Trade Federation: 'policy is a significant driver for removing illegal timber from the supply chain'.



Private procurement



- The UK **Timber Trade Federation** (TTF) represents the timber industry's views to government and other stakeholders.
- Through its "**Forests Forever**" campaign, TTF promotes the environmental advantages of timber and timber products, and encourages environmentally responsible trading practices.
- TTF's **Environmental Code of Practice** commits its members to the highest standard of environmental practice, particularly in relation to the sourcing of wood and wood products from legal and well-managed forests.
- Members must implement within their business, company or group a system of **environmental due diligence**
- TTF's **Responsible Purchasing Policy** is a toolkit to assist members manage their supply base and meet the requirements of policies and guidelines they face, including its Environmental Code of Practice



Thank you!

Some web links:

DFID - Forest Governance and Trade Programme:
www.dfid.gov.uk/mdg/forest-govern-trade.asp

European Commission - FLEGT Action Plan:
ec.europa.eu/environment/forests/flegt.htm

European Commission - Green Public Procurement:
ec.europa.eu/environment/gpp/index_en.htm

UK Public Procurement Policy
www.defra.gov.uk/wildlife-countryside/forestry/procure.htm

Central Point of Expertise on Timber
www.proforest.net/cpet

UK Timber Trade Federation - Code of Conduct
www.ttf.co.uk/buying/conduct/

UK Timber Trade Federation - Responsible Purchasing Policy
www.ttfrpp.co.uk