



Australian Government

Department of Agriculture, Fisheries and Forestry

Australian initiatives for combating illegal logging



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Options to combat illegal logging

Australia's multi-tiered approach to combat illegal logging will be discussed

- Use of multilateral forums (ITTO, UNFF, APFC, APF-Net)
- Seek consistency with other processes and efforts
 - East-Asia Pacific FLEG
 - ASEAN
 - EU-FLEGT
- Use of bilateral forums (China, Indonesia, Malaysia, New Zealand, South Korea, Papua-New Guinea)
- Australian government's domestic commitments
- Promoting the use of certification and chain-of-custody standards
- Working with regional governments and capacity building
- Domestic regulatory system design



Use of multilateral forums

- **Identify in existing forums and processes where it is possible to obtain the greatest return from efforts to combat illegal logging**
 - Not all processes can address the problem
 - Usually quite good at addressing components
- **There are multiple processes running at present, making it difficult for exporters, importers, compliance agencies (customs)**



Consistency with other processes

- **East Asia Pacific FLEG**
 - potentially important but slow progress
- **Pan-ASEAN certification scheme for legality verification**
 - 6 elements in chain of custody
- **EU-FLEGT**
 - Important definition of legal
 - Operates on bilateral basis
 - Australia would have to negotiate such a definition with 106 countries to be truly effective with no trade restrictions



Australia's bilateral efforts

- **Bilateral cooperation through government-to-government working groups**
 - with China, Indonesia, Malaysia, South Korea, New Zealand, PNG
- **overseas aid programs (Pacific Island Countries, such as, PNG, Solomon Islands and Vanuatu)**



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Australian domestic issues

- Recognise illegal logging as a significant global issue
- Seek to address the adverse environment, social and economic impacts of illegal logging
- Be wary of potential trade agreement implications
 - GATT/WTO, Technical Barriers to Trade, Free Trade and other multilateral agreements
- Seek to establish systems and processes that will promote trade in legally logged timber and wood products
- Recognise capacity building needs that, in the long term, will promote trade in timber and wood products from sustainably managed forests
- Consider potential impacts of illegal logging measures on forest-dependent communities in foreign countries
- **Don't add to the confusion**



Australia's domestic policy setting

The Australian Government's 2007 election commitment on illegal logging:

To encourage sourcing of forest products from sustainable practices and seek to restrict the sale of illegally logged timber imports in Australia



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Election commitments

1. Build capacity within regional governments to prevent illegal harvesting
2. Develop and support certification schemes for timber and timber products sold in Australia
3. Argue that market-based incentives aimed at reducing emissions from deforestation and forest degradation should be included in a future international climate change agreement



Election commitments (cont)

- 4. Identify illegally logged timber and restrict its import into Australia**
- 5. Require disclosure at point of sale of species, country of origin and any certification at point of sale**



Whole of Government Policy Links

- **Relationship of policy with government's broader policy objectives:**
 - **conservation of biological diversity**
 - **reduction of carbon emissions from deforestation and forest degradation**
 - **promoting sustainable livelihoods of communities within developing countries**



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What is Australia doing now?

- Capacity building – industry and regional governments
- Develop and support forest certification & chain of custody schemes
- Asia Pacific Forestry Skills and Capacity Building Program
- Climate Change - REDD
- Domestic regulatory system design



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Building capacity with industry and regional governments

- skills-based training, technology transfer, information exchange and research
- promote legal and sustainable forest management, wider adoption of forest certification & chain of custody schemes
- Bilateral working groups, task forces, ministerial forums and development aid programs e.g. China, Indonesia, Malaysia, Korea, PNG



Asia-Pacific Forestry Skills and Capacity Building Program

Phase 1 projects in Indonesia, PNG, Solomon Islands, Kalimantan and Vietnam

- Developing guidelines & implementation of training packages for verification of legality of tropical timber
- Developing chain of custody systems for forest products
- Capacity building in the design and use of forest certification & legality verification standards
- Training in Reduced Impact Logging (RIL)



Market-based emissions reduction from deforestation and forest degradation (REDD)

- International Forest Carbon Initiative (IFCI) administered by Department of Climate Change and AusAID
- Seek to increase regional forest management expertise through overseas development aid programs
- Play a key role in UNFCCC meetings
 - action on deforestation in developing countries as part of a future response to climate change



Domestic policy development (08-09)

- **Regulatory Impact Statement**
- **Assess current value, volume and origin of illegally-logged imports**
- **Compare forest certification, chain of custody and alternative legality verification schemes for use by importers**
- **Cross-sectoral code of conduct for importers**
 - Build on existing industry codes and purchasing policies



Regulatory Impact Statement

Purpose

- **Aim to assess impacts of proposed regulation**
 - Domestic consumers and producers, importers, overseas suppliers, costs of compliance
- **Avoid problems of designing a regulation and adding significant amendments later**
- **Implement government's principles on best practice regulation**



Regulatory Impact Statement

RIS Requirements

1. *Problem* – identify fundamental problems to be addressed
2. *Objectives* – clearly explain purpose of government action
3. *Options* – identify range of viable options to meet objective, regulatory and non-regulatory



Regulatory Impact Statement

RIS Requirements

4. *Impact Analysis* – provide adequate analysis of costs and benefits
5. *Consultation* – outline objective, methodology and views
6. *Conclusion and recommendation* – identify and justify preferred option
7. *Implementation and review*



Regulatory Impact Statement

Regulatory options to consider

- **Self-regulation**
- **Bilateral measures (EU-Voluntary Partnership Agreements)**
- **Co-regulation**
- **Explicit government regulation (black letter law, US Lacey Act)**
- **Multilateral processes**



Multiple options to consider and mix

Options to be determined	Industry voluntary process	Partnership agreements	Tiered Co-Regulatory	Black Letter Law	Multilateral Process*
Measure	Industry code of conduct	Define 'legal' bilaterally	1. Sustainable 2. Legal 3. No CoC	Declaration prove not illegal (Lacey)	Regional agreement on FLEG
Product range	Timber, paper, furniture, not miscellaneous	RIS and bilateral negotiation	Determine by RIS and timeframe	Determine by RIS	Possibly all wood products
Capacity	Current standards Improved	Limited at present; rely on other processes	Reasonable with tier 3 comply in 5-7 years	Limited at present	Very limited (snail pace)
Compliance (Gov't perspective)	Nil	Difficult-assess legal in foreign countries	Industry audit Gov't to audit of standards with regulation	Very large to onerous	Substantive to prove illegality of source
Capacity building needs	Limited to importers	Substantial o/s and for import compliance	Significant in developing countries	Substantial requirement in all countries	Significant domestic and o/s
Gov't policy commitments	0	5 (over long term)	5 (long + short term)	5 (over long term)	5 (over very long term)



Regulatory Impact Statement

- Formalises and documents process of good policy development
- Quantitatively assesses costs and benefits
- Recommendation effective of and efficient option(s) for government consideration



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Multi-staged and partnered process

- **No single component will be effective on its own**
- **Have to combine**
 - Domestic regulation
 - Operate in a consistent manner
 - Multi, bi and uni-laterally
 - Capacity building - add to/complement existing systems and processes wherever possible
- **Avoid adding to the confusion**



THANK YOU



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