Dealing with illegal logging: the state of international initiatives

MegaFlorestais, Peru 2015
Context

• Tropical timber trade
• EU FLEGT Action Plan
• Voluntary Partnership Agreement (VPA)
• Regulatory approached
  – EUTR, Lacey Act and other similar initiatives
• REDD+ jurisdictional approaches
Some history

- 1985 – 1995 campaigning against import of tropical timber
- 1998 G8 Forestry Action Program
- 2001 Bali Action Plan - regional FLEG declarations
- 2003 EU FLEGT Action Plan
- 2006 Green Purchasing Law (Japan)
- 2008 US Lacey Act Amendment
- 2012 Australian Illegal Logging Prohibition Act
- 2013 EU Timber Regulation comes into effect
Recognise the role of global timber market in driving illegal logging through consumption
Global tropical timber trade
Global timber trade, last 20 years

Quadrupled from 1993 to 2012

Note: Primary- and secondary-processed wood and paper products. Globally imports = exports = “trade”

Source: UN Comtrade, 2014.
Chart S3: Global tropical timber trade by VPA status of suppliers - years 2004 to 2013

Value in billion US$ (constant 2013 prices)

Source: IMM analysis of Global Trade Atlas/COMTRADE
Chart S4: Global tropical timber trade by product group - years 2004 to 2013

- Other/unknown
- Composite panels
- Plywood & veneer
- Sawnwood & mouldings
- Saw and veneer logs
- Biomass
- Other added value
- Wood furniture

Source: IMM analysis of Global Trade Atlas/COMTRADE
Chart S6: Global tropical timber trade by import region - years 2004 to 2013

Source: IMM analysis of Global Trade Atlas/COMTRADE
EU FLEGT Action Plan
The EU FLEGT AP

aims
to reduce illegal logging
by strengthening sustainable and legal forest management, improving governance and promoting trade in legally produced timber.
Seven broad areas:

1. Support to timber exporting countries
2. Voluntary Partnership Agreements
3. EU Timber Regulation
4. Public procurement policies
5. Private sector voluntary schemes
6. Safeguards for financing and investment
7. Addressing the problem of conflict timber
Support to exporting countries
VPAs
### EU Timber Regulation

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<th>Observation</th>
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**Legend:**
- New Accession List
- New Accession List

[Table image]
Public procurement
Voluntary forest certification
Finance and investment
Voluntary Partnership Agreement - different trade agreement?
<table>
<thead>
<tr>
<th>Purpose: Timber and timber products exported to the EU come from legal sources</th>
<th>Timber-producing country agrees to control and license its timber exports as legal</th>
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<td>EU agrees to accept only licensed imports from that country</td>
<td>Legality is assured through an agreed timber legality assurance system</td>
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Once VPA is in full implementation, the partner country’s exports to the EU carry a FLEGT-license.
15 VPA countries globally
Six implementing countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Informing</th>
<th>Preparing to negotiate</th>
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Nine negotiating countries

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Lessons from VPA processes

• National ambitions frame the VPA
• Defined through national multi-stakeholders processes
• Country specific and based on national laws and policies
• VPAs are a driving force pushing governance in the EU FLEGT Action Plan
http://www.euflegt.efi.int/vpa-unpacked
1. Clear, uncontested, verifiable description of legality
2. Capacity to demonstrate compliance
3. National consensus and transparency
Free trade agreements - environmental standards to level the playing field
Case: US – Peru Trade Promotion Agreement (PTPA)

Annex on Forest Sector Governance

• Aims to strengthen forest sector governance and combat illegal logging and illegal trade in timber and wildlife products

• Includes concrete steps the Parties will take, like helping to develop Peru’s National Forestry and Wildlife Information System (SNIFF)
Regulatory approaches - regulations that prevent the sale of illegally harvested timber
• EU Timber Regulation (EU TR)
• Lacey Act Amendment
• Australian Illegal Logging Prohibition Act
Main obligations

1. Prohibits the placing on the market of illegally harvested timber and products

2. Requires traders to exercise 'due diligence'

3. Traders must keep records of their suppliers and customers
REDD+
Jurisdictional scale

- establish models of REDD+ at a jurisdictional scale
- overcome the shortcomings of project-based approaches
Result-based finance

• Results-based finance is potentially an incentive that can help build political will and drive change.
Sustainable development pathway

- Need to move from the original payment for opportunity-cost approach to a transformational development model
- In-country finance and incentives such as domestic subsidies and rural assistance programs are the most important driver of change
THANKS for your attention

European Forest Institute
www.efi.int
EU FLEGT Facility
www.euflegt.efi.int
jussi.viitanen@efi.int