

EU FLEGT FACILITY

IMPLEMENTING THE EU FOREST
LAW ENFORCEMENT, GOVERNANCE
AND TRADE (FLEGT) ACTION PLAN

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Reducing Illegal Wood Trade: the European Union Forest Law Enforcement, Governance and Trade Action Plan Developments

By Ed Pepke
Senior Timber Trade Analyst
EU FLEGT Facility
European Forest Institute

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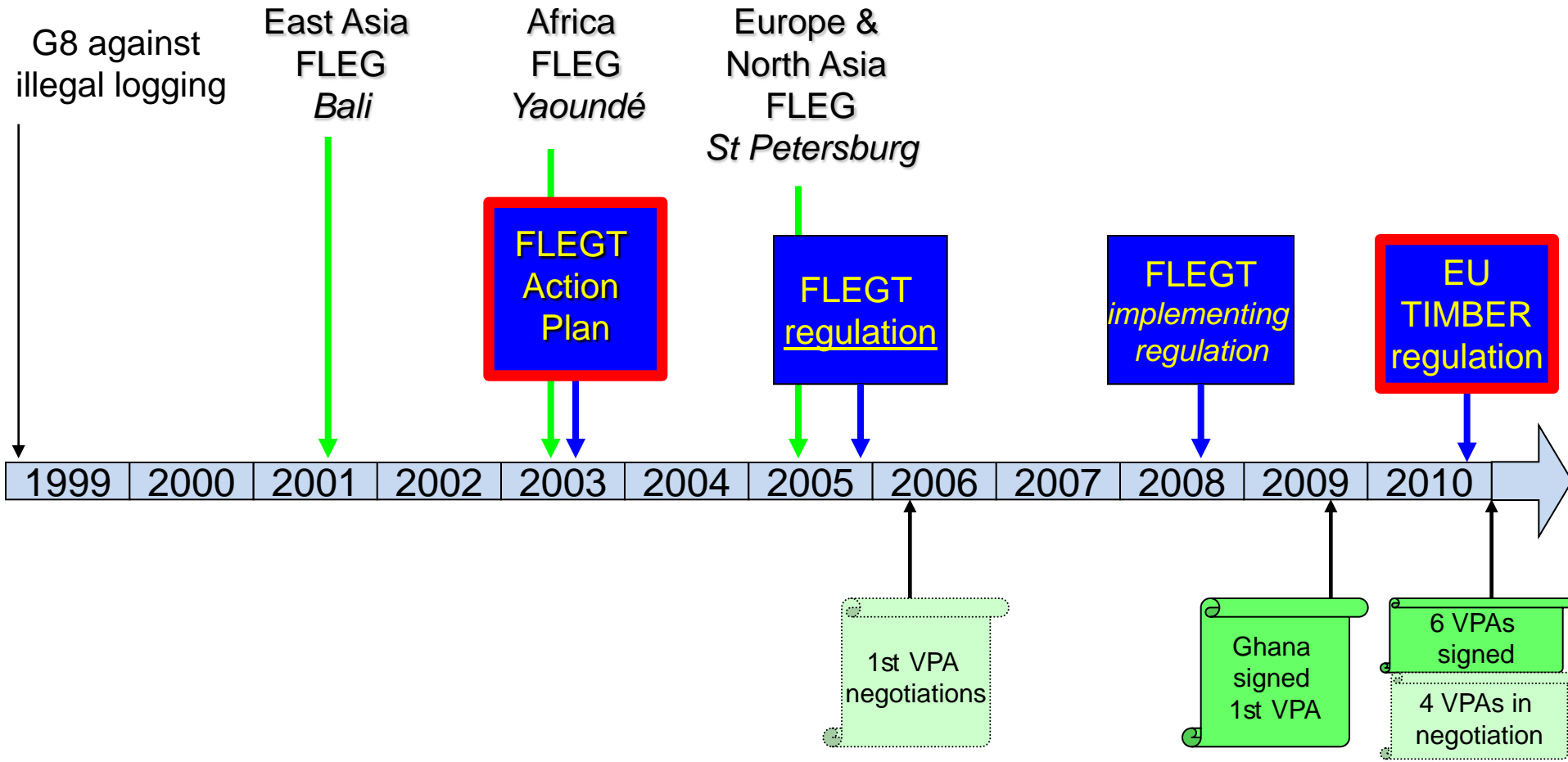


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I. Introduction

Developments against illegal logging and trade



Illegal logging

- Harvesting without permit
- Logging against harvest laws
- Evading taxes, fees
- Removing protected species, undersized
- In protected areas
- Not following management plans

Illegal trade

- Buying & selling illegal timber
- Illegal transport
- Illegal processing
- Illegal exporting

Illegal logging and trade

- **\$15 billion loss annually**
 - Revenues to crime, but
 - Not to industry
 - Not to people
 - Not to governments

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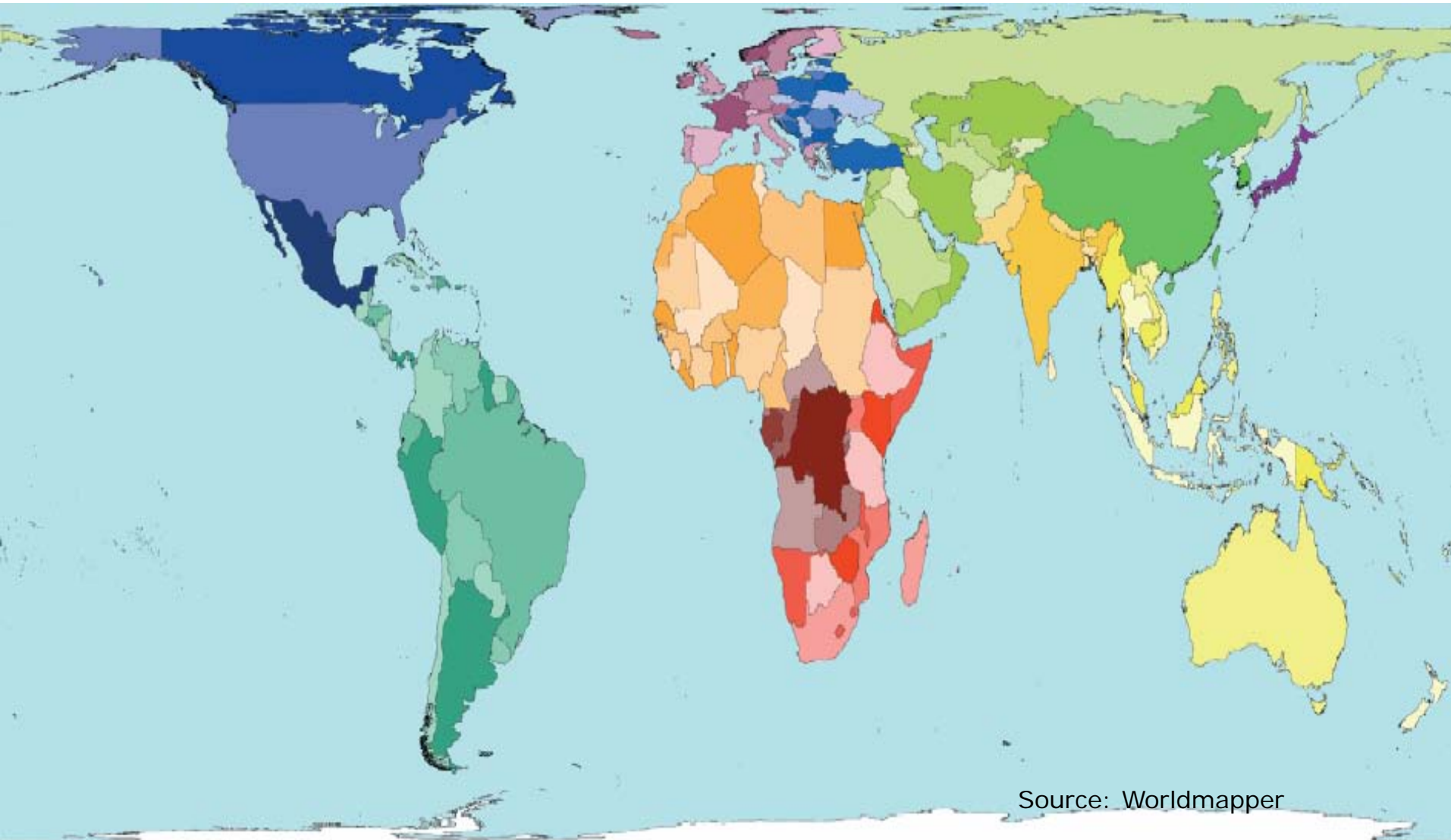
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Why Europe?

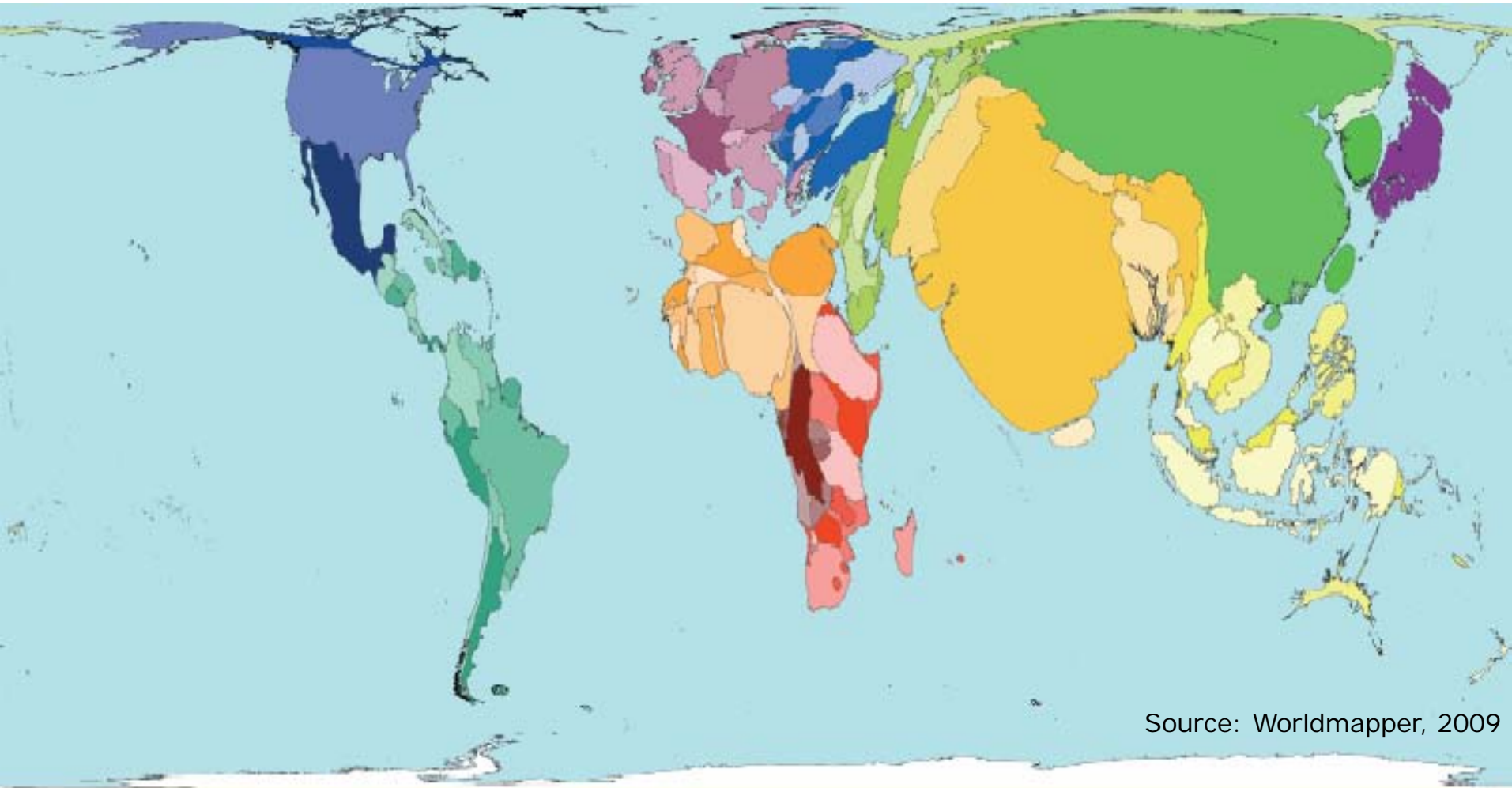


World shaped by political boundaries



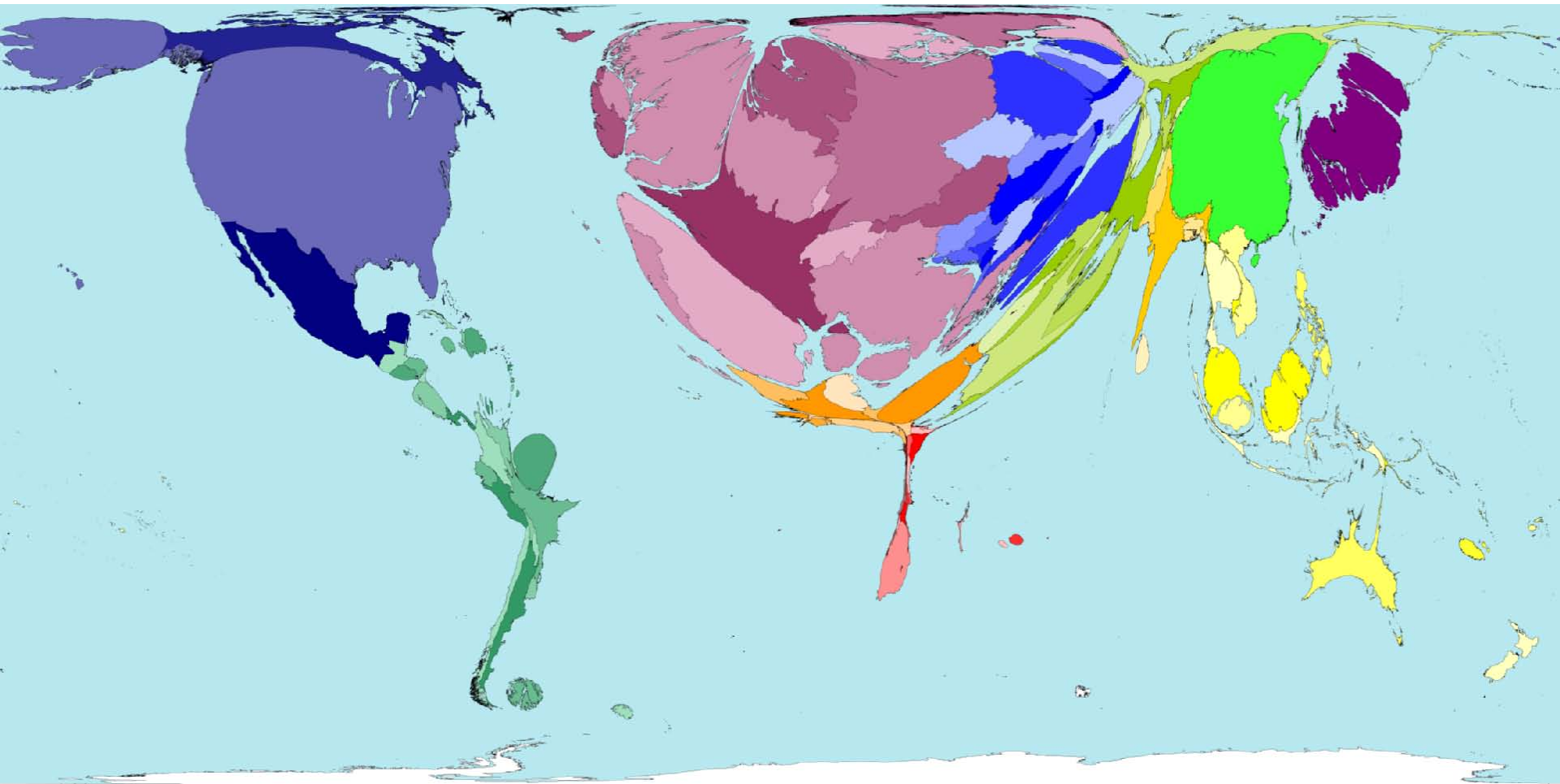
Source: Worldmapper

World shaped by population



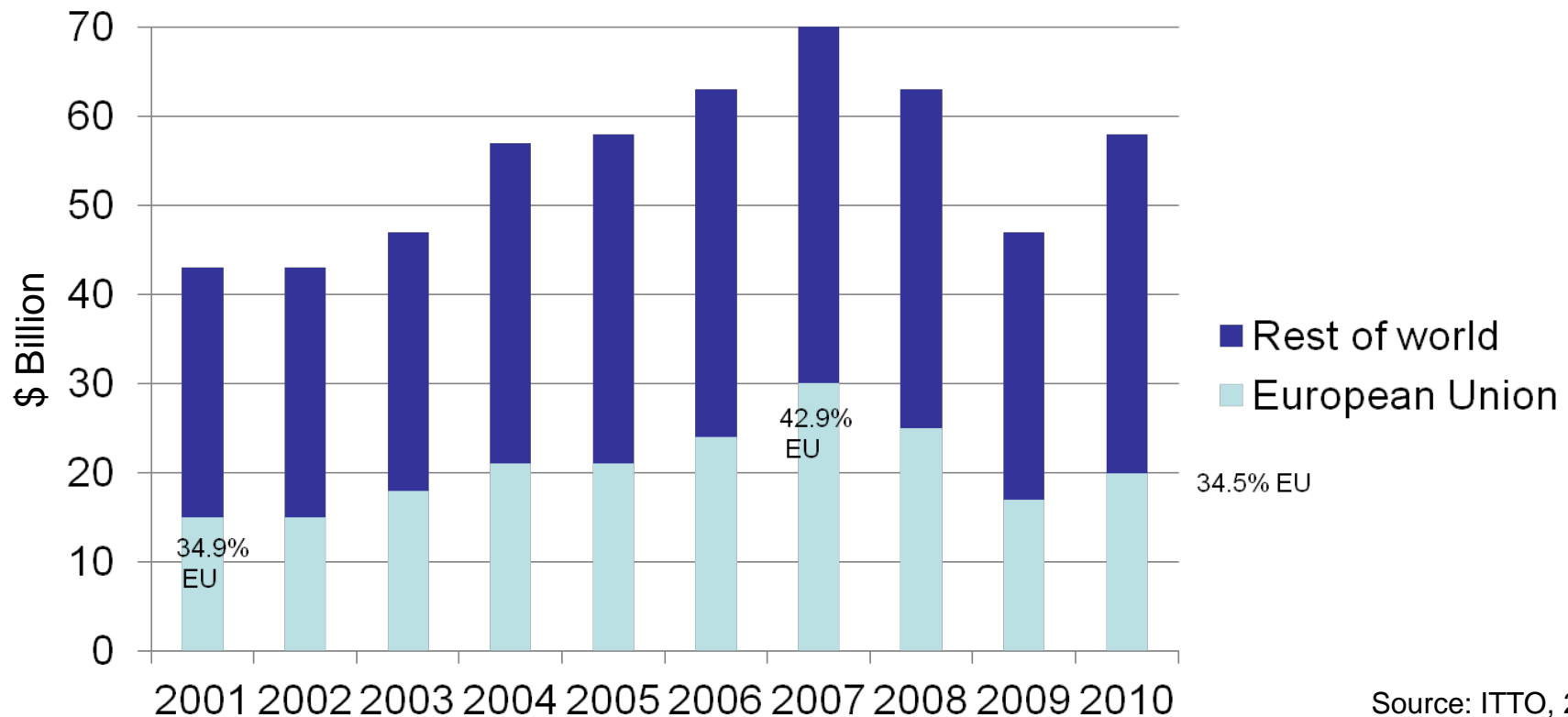
Source: Worldmapper, 2009

As shaped by forest products imports



EU forest products imports vs global imports

(Only industrial roundwood + sawnwood + veneer + panels)



Source: ITTO, 2012.

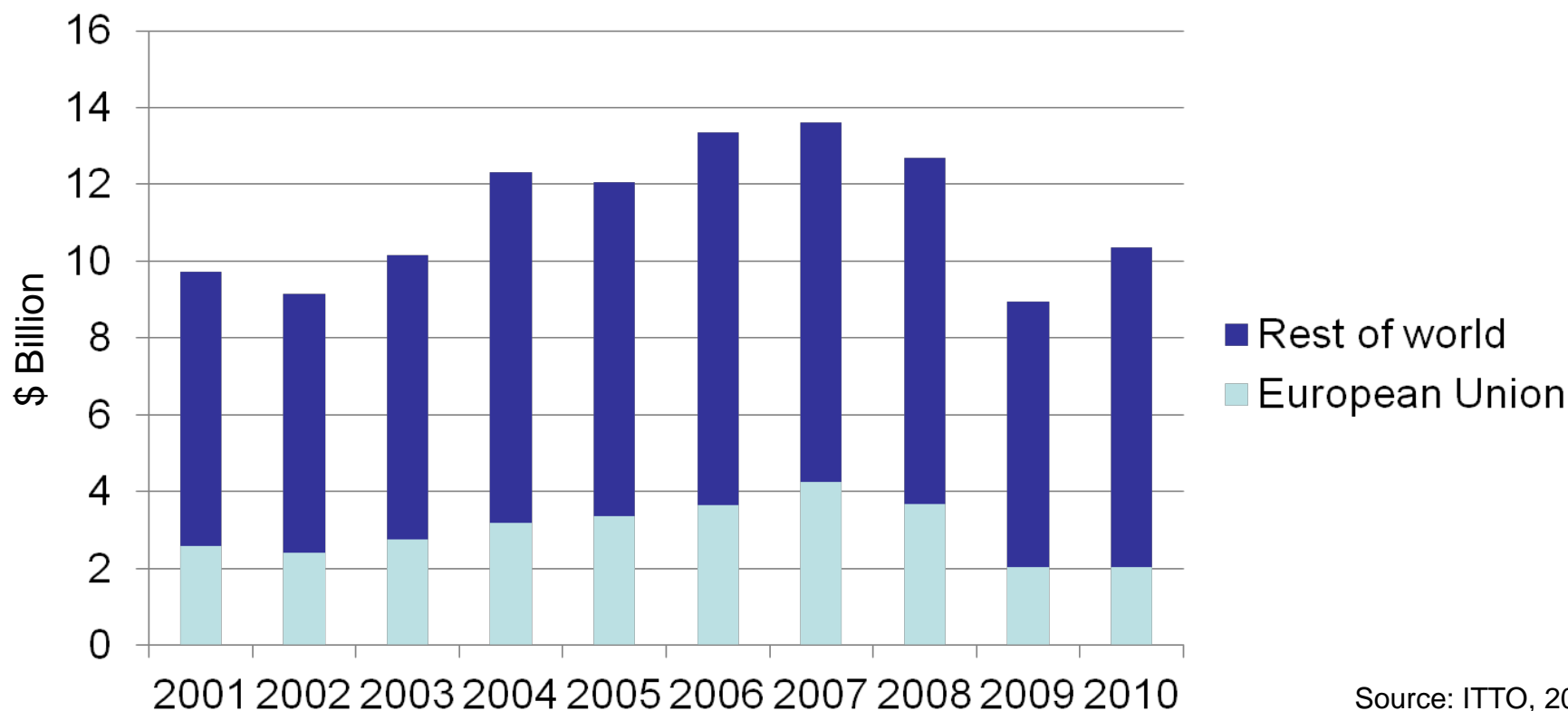
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EU vs. global *tropical* forest products imports

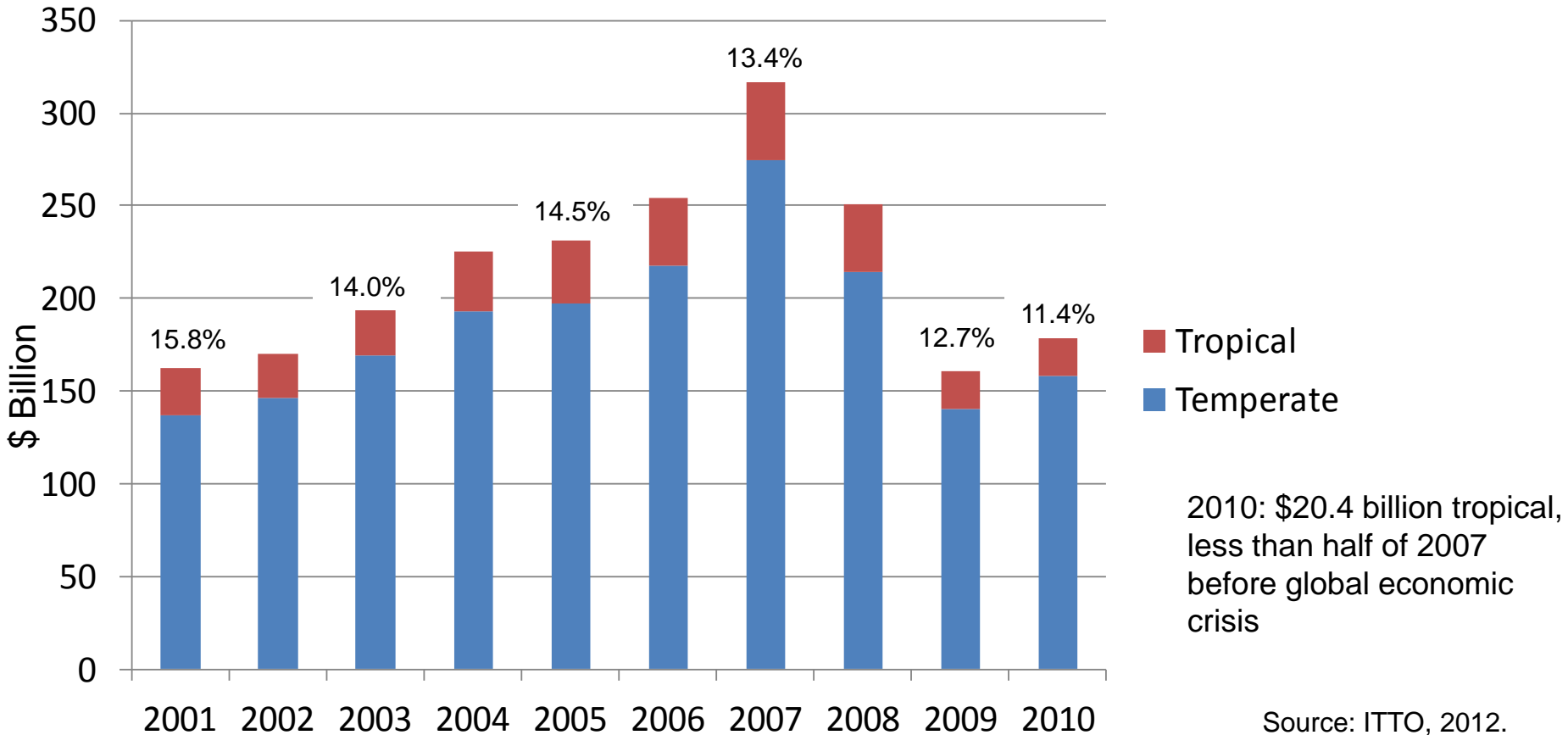
(Only industrial roundwood + sawnwood + veneer + panels)



Source: ITTO, 2012.

Percent tropical EU forest products imports

(Roundwood + sawnwood + veneer + panels)



Source: ITTO, 2012.



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II. European Union FLEGT (Forest Law Enforcement, Governance and Trade Action Plan evolution

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FLEGT

- **EU Forest Law Enforcement, Governance and Trade initiative**
- **FLEGT Action Plan published in 2003**
- **EU response to the issue of forest governance and illegal logging**
- **Actions aimed at both production and consumption**
 - Public and private sector procurement and investment policies
 - Regulation to allow control of illegal timber entering the EU, i.e. the EU Timber Regulation
 - Trade agreements between producer countries and the EU, i.e. Voluntary Partnership Agreements
 - Support for tropical producer country governments and industry

EU Voluntary Partnership Agreements

- **Assist countries to evaluate forest sector through inclusive stakeholder process**
- **Signed with 6 countries**
- **Negotiating with other countries for VPA**
- **Result in FLEGT-licensed timber**
- **EU conducting high-level dialogue on forest issues with other countries, including China**

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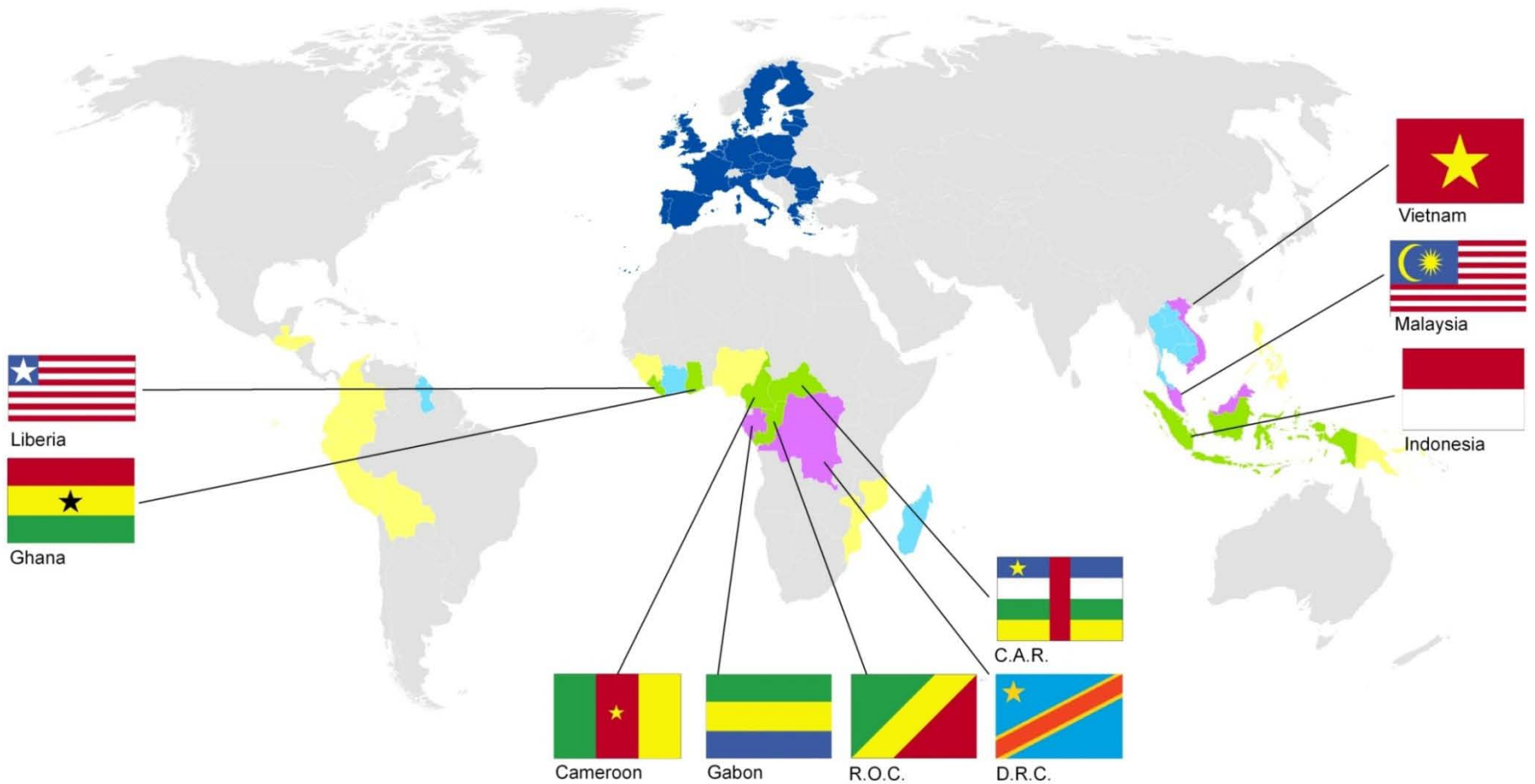
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FLEGT-licensed timber

- **Procedures to verify timber produced and exported legally**
- **Legality Assurance System**
 - Control and independently audit
 - From harvest to export
- **Independent Market Monitoring system**
 - Collect trade and policy information
 - Analyze market trends
 - Provide evidence for FLEGT Action Plan functioning

Level of EC FLEGT country interaction

- Information and awareness raising
- Pre-negotiation/consensus building
- Negotiation
- Implementation



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III. Causes of illegal logging and trade of illegal wood

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Causes of illegal logging and trade

- **Poor governance**
- **Poor enforcement of national legislation**
- **Corruption**
- **Commercial vs subsistence**
- **Export vs domestic use**

Source: World Bank, 2012.

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IV. Combating illegal logging and trade

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Combating illegal logging and trade: Policy recommendations

- **Awareness of problems, causes, extent**
- **Develop integrated justice strategy**
 - Improve domestic cooperation
 - Enlist private sector
 - Engage civil society actors
- **Include justice reforms in development assistance programs**

Source: World Bank, 2012.

Combating illegal logging and trade: Operational recommendations

- **Improve international cooperation**
- **Collaborate forest sector stakeholders and criminal justice sector**
- **Attack corruption**
- **Target vulnerable individuals, groups, companies, forests**
- **Enforce anti-money laundering**
- **Enforce due diligence system requirements**

Source: World Bank, 2012.

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V. EU Timber Regulation

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EU Timber Regulation

- **Published in 2010**
- **Comes fully into force in 2013**
- **Obligations for operators who place wood and paper products on the EU market for the first time**
- **Due diligence systems required**
- **FLEGT-licensed timber from VPAs automatically accepted**
- **Applies to intra-EU trade too**
- **Enforcement by each country's "Competent Authority"**

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Other timber regulations

- **US Lacey Act Amendment, 2008**
- **Australia's Illegal Logging Prohibition Bill, 2011**
- **Japan and other countries considering legislation**
- **Public procurement policies**



VI. Conclusion and discussion

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Ed Pepke
Senior Timber Trade Analyst
EU FLEGT Facility
European Forest Institute
Ed.Pepke@efi.int