

Policy context

From April 2009 departments will only accept timber that has been verified as legal and sustainable, or licensed under FLEGT agreements. From April 2015 only legal and sustainable timber will be accepted.

Some of the potential impacts to date post April 2009 are identified below:

Potential issues identified to date

Small forest owners

Small forests owners are reluctant to embrace certification because the costs and complexity often outweigh the benefits to them. Without certification or a FLEGT licence there will be no access to UK Government business even though many small producers operate in countries with good governance, no significant corruption and laws that ensure good forest management. The question therefore arises as to whether it would be desirable to find ways of ensuring that small forest owners are not excluded from the supply base, particularly given their potential as future suppliers of biomass.

Legislation as evidence of Sustainable Forest management

It would also be useful to address whether evaluating the legislation of producer countries would be an appropriate mechanism to determine whether the sources were sustainable. If this were seen as a useful mechanism, the current criteria for sustainable sources as specified in our model contract terms would need to be reviewed to determine whether they would be a barrier to progress in this respect and, if so, whether changes would be appropriate and acceptable.

Threshold for content of sustainably produced timber


The current policy defines a sustainable source as one containing at a minimum 70% from a sustainable forest source¹, with the remainder from legal sources. It needs to be clarified and agreed whether the remaining 30% could continue to come from sources that only meet the current requirements for legal harvesting.

Contract award

When the policy changes in 2009 the specification will have to reflect that timber covered by a FLEGT license will be deemed to meet the requirement as an alternative

¹ We understand that the reason a 70% threshold was included is that forest certification schemes produce labelled products at that threshold, and though many of them are moving towards a mixed sources label (effectively 100%), there remain some products on the market that are available at less than 70% content from certified sustainable forests.





to timber that has been independently verified as from a sustainably managed forest. Since many FLEGT licenses are likely to provide assurance of legality only there is the possibility that the two means of assurance could be offered by competing tenderers.

Independent verification

Currently a contractor is only required to produce independent verification of the timber source if a department so requests. It is only when a department is not satisfied with the evidence that it has recourse to asking for independent verification. The policy announcement indicates that from 2009 all timber not covered by a FLEGT licence will need to come from 'independently verified sustainable sources'; so the implications of this change in practice will need to be identified and considered.

FLEGT

The FLEGT licensing system provides a useful mechanism to exclude illegal timber produced in a number of 'high-risk' countries from EU markets. It is based on a series of bilateral agreements with producer ('partner') countries. Coverage is incomplete in that it only applies to one major global consumer (EU). It is also liable to 'circumvention' (trans-shipping of illegal products from VPA countries via non-VPA countries to evade the controls) and 'laundering' (the import of illegal products from elsewhere into VPA countries and then their re-export to the EU) unless partner countries apply reforms to all their trade and not just that with the EU. Consideration is being given to additional legislative options to exclude illegal timber from EU and global markets.

Additional legislation would increase incentives for timber exporting countries to enter FLEGT partnerships or for companies in those countries to adopt existing certification systems. This would lead to a higher proportion of guaranteed legal timber in EU markets and result in improved forest governance in exporting countries.

A global effort to tackle illegal logging through licensing and legislation would further help to establish a level playing field for legal and sustainable timber, ensuring that markets are not undercut by illegal competition.

Consultation

It is imperative that in addition to raising additional potential issues, stakeholders should also identify practical solutions that will facilitate the implementation of the policy revision in 2009.

Submissions will be accepted from the 5th of July, 2007. Further details are available on the CPET website, <http://www.proforest.net/cpet/review-comments-1/current-reviews-and-consultations/>.

