

## **1. Background**

Following the recent announcement on changes to the government timber procurement policy, CPET is running a consultation exercise to explore issues associated with practical implementation of the changes in 2009. The consultation was launched at a meeting on 5<sup>th</sup> July attended by over 40 people including a range of stakeholders including NGO's, trade and government officers.

Following a presentation by Defra and CPET of key issues raised to date, stakeholders were given an opportunity to raise further points, which were recorded and have been outlined below.

## **2. Key Issues identified by stakeholders**

### **2.1 Operational Issues**

Several traders highlighted the current complexities of operating Chain of Custody practices for certified products and raised concerns over the additional burden of including FLEGT and Category B products. The main issue identified was the mixing of products that were physically the same, but classed as different under the rules set by the different schemes. CPET were asked to consider implementing a 'CPET Approved' label that could be applied by a trader to all timber that meets the Government's requirements, in order to address the issue of having to operate multiple chain-of-custody systems within a single organisation.

### **2.2 Discrimination against tropical countries**

Stakeholders raised concerns over the exclusion of legality verification schemes and transition/stepwise certification programmes, as they felt it would discriminate in particular against tropical producers from countries that were not part of a FLEGT agreement. It was identified that certification could be challenging in these countries, and producers need market incentives to encourage them to embark on the certification through these programmes. Additionally, it was noted that some of these programmes are funded in part by the UK and the EU, and thus excluding them would be counterproductive, and send confusing market signals.

Several suggestions were put forward including extending the policy to include FLEGT *or equivalent* to address this issue, inclusion of a *progressing towards certification* category (in addition to sustainable and FLEGT licensed) or changing the definition of sustainable sources to encompass transition/stepwise programmes.

### **2.3 Discrimination against small forest owners**

It was noted that whilst small forest owners may currently be able to meet the requirements for legality through use of Category B evidence, that they would not be able to provide sufficient evidence of sustainability to meet the Category B criteria (which are equivalent to certification) currently in use. In particular, small forest owners in countries such as America felt they would effectively be blocked from supplying the UK after 2009 as certification is proving too expensive and operationally difficult to attain. However, other stakeholder noted that some progress by the certification schemes is being made to address the issues raised by small forest owners.

It was acknowledged that issues related to both for small forest owners and tropical producers predominantly affect the hardwood suppliers. Although much smaller in terms of volumes imported in to the UK, it was recognised that they represent the “emotional” side of forests and the timber trade, so it was important to consider their issues.

### **2.4 Information on FLEGT**

Stakeholders indicated there was varying levels of understanding regarding the FLEGT process, and noted a lack of information on what FLEGT licenses actually are. Concerns were raised about how the chain-of-custody will work once with timber is within the EU. A request for guidance was made, geared towards those would be using FLEGT licensed products to meet the UK Government’s timber procurement policy. It was noted that whilst Voluntary Partnership Agreement (VPA) negotiations are currently underway, there are currently no licensed products on the market, and guidance would have to reflect the outcomes of the negotiations.

### **2.5 Implementation by Government Departments**

In terms of practical implementation, stakeholders raised concerns about the speed of implementation across Government Departments and noted a general lack of demand for certified products from government bodies. Traders also noted in many cases the FSC-only policy within government departments was still operating, which excluded them from supplying products from approved certification schemes or under Category B evidence. Suggestions were put forward to help improve implementation, including better monitoring on sites, introducing penalties to contractors and introducing spot checks.

Though these comments related more generally to the current level of policy implementation (rather than the implementation of changes in 2009), it was recognised that the success of the policy will continue to depend on appropriate adoption by Government Departments and their suppliers. Many of these issues are currently being explored by CPET as part of a construction sector pilot study, which began in April 2007, and results will be available in the autumn. More generally, a monitoring

programme is in place to examine implementation both across Departments and in public sector supply chains.

### **3. Consultation process**

The comments raised by stakeholders and outlined above will be published on the CPET website. Stakeholders have also been encouraged to submit written submissions to CPET during the 12 week consultation period (details available <http://www.proforest.net/cpet/review-comments-1/current-reviews-and-consultations/>).

These comments will be considered as part of the development of recommendations for practical implementation.