

What is European Industry doing to respond to the EUTR

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European Timber Trade Federation

- Umbrella organisation to National Importing TTFs
- EU, world's 2nd largest timber importer in 2011
- EU trade share
 - 22% in 2007
 - 17% in 2011
- China's share:
 - 10% in 2007
 - 19% in 2011








USA, Europe & Australia
Illegal Logging Laws...markets are aligning but will not change overnight...

European importing industry supported EUTR....




Illegal Logging Laws: Differences?

- Border Controls
- Terminology "due diligence" & "due care"
- Who law applies to
- Enforcement
- Similar actions & same issues faced?

EU: International Programme

EU Forest Law Enforcement Governance & Trade Action Plan 2003

- Voluntary Partnership Agreement
- Funding Projects
- EU Timber Regulation
- FLEGT Regulation





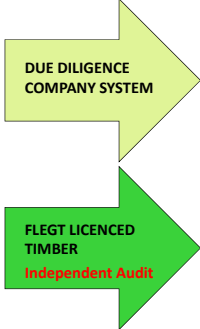


EUTR: Options for Operators

DUE DILIGENCE COMPANY SYSTEM

NO EU BORDER CHECK
OBLIGATION ON EU IMPORTER WHEN TIMBER "FOR SALE"
EUTR Enforcement

FLEGT LICENCED TIMBER
Independent Audit

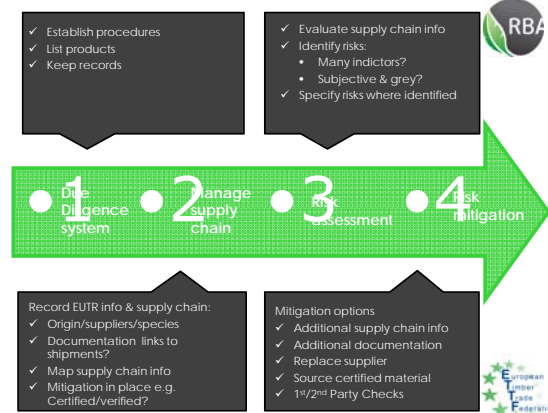
EU BORDER CHECK
OBLIGATION ON EU IMPORTER ONLY TO CHECK CERTIFICATE

EUTR: ETTF Response

- Publicly available information
 - Due Diligence System
 - Assessment of certification & verification schemes
 - Undertaking Market Research & trade statistics
 - Outreach & training
 - www.ettf.info





- ✓ Establish procedures
- ✓ List products
- ✓ Keep records



- ✓ Evaluate supply chain info
- ✓ Identify risks:
 - Many indicators?
 - Subjective & grey?
- ✓ Specify risks where identified

Record EUTR info & supply chain:

- ✓ Origin/suppliers/species
- ✓ Documentation links to shipments?
- ✓ Map supply chain info
- ✓ Mitigation in place e.g. Certified/verified?



Mitigation options

- ✓ Additional supply chain info
- ✓ Additional documentation
- ✓ Replace supplier
- ✓ Source certified material
- ✓ 1st/2nd Party Checks

Many Indicators of Risk

- Complexity of supply chains
- Country of origin
 - Known illegal activities
 - Known corruption
- Lack of information
- Lack of supply chain control
- Lack of transparency
- Poor quality information
- Tree species
- **SUBJECTIVE!**

Risk Evaluation

Collect Info through Due Diligence System (Spp, Country etc) ← Exempt, FLEGT, CITES recycled

Credible Certification or Verification

Adequate Supply Chain Controls

Low Risk (defined by Spp & Country of Harvest)



Other 2nd/3rd Party Evidence

High risk spp/country, unknown source, no supply chain controls

Most Forest Products Fall into these Categories: Needs Justification!

NEGLECTIBLE RISK

NON-NEGLECTIBLE RISK


Certification & Verification





- Certification and legality verification **not automatically compliant**; it's a tool
- Report highlights the gaps in meeting legality requirements
- Further issues with certification/verification
 - Species & source country
 - Fraudulent certificates




Confusion is global..



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- ## Way forward...team work
- Little guidance; a **GOOD THING!**
 - Key is to understand your supply chains!
 - EUTR compliant standards, products or certificates **do not** exist
 - Documentation alone is not enough
 - Down to the global trade to work it out
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Global Timber Forum Rome 22/23 May

Aim for greater collaboration internationally between timber federations on all issues for example;

Promoting timber; making it the first sustainable material of choice!

Thank you!

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