

FLEGT – Illegal Logging

Forest Committee

The issue

With the support of ENGOs, the issue of illegal logging became increasingly topical at the G8 level. As a result, the EU adopted an Action Plan to combat illegal logging in 2004 entitled Forest Law Enforcement, Governance and Trade (FLEGT). Several other non-legally binding FLEG processes are also taking place in other parts of the world via the Asian FLEG, African FLEG, and the Europe and North Asian FLEG.

The Action Plan identifies five main areas for action: development aid and capacity building; bilateral partnerships accompanied by a 'Legality License'; guidance on public procurement; awareness raising in financial institutions; and finally, private sector initiatives.

Now that the principle of negotiating bilateral Voluntary Partnership Agreements (VPAs) with wood exporting countries is on its way, the Commission is contemplating additional legislative options to combat illegal logging. Based on a study carried out by Savcor Indufor proposing several possible options for such legislation, the Commission is showing interest for implementing a requirement for "due diligence".

Impacts on the industry

- The Action Plan will help combat negative images of wood.
- Unfair competition with illegal players could lead to loss of income (SENECA).
- Additional costs for the Legality License.
- Pressure to avoid any controversial sources for raw materials.
- Potential non-tariff barriers to trade (notably through public procurement, certification, etc.).
- The additional regulatory burden could potentially act as a perverse incentive to avoid FLEGT.
- Additional legislative options might end up placing the burden of proof of legality on all the wood importing companies, hence denying the "presumption of innocence" and potentially creating more bureaucracy.

CEPI's position

CEPI has published two position papers related to this issue – one on FLEGT in July 2002, and another on the Timber Licensing Scheme in December 2004 and also contributed to the Savcor Indufor study. One of CEPI's main concerns is that the definitions used in such schemes have to be clear and commonly agreed, bearing in mind that EMS certification already includes compliance with the law. Similarly, companies also have tracking systems in place. Indeed, forest certification is one only tool that can be used to demonstrate legality and ensure that wood comes from well-managed forests.

In practice, CEPI has adopted a six principle Code of Conduct and in future we will aggregate data on wood and pulp trade flows. This code has been endorsed by National Associations and is being implemented by European pulp and paper companies.

CEPI considers that policy measures should not concentrate on demand-side measures alone. If we are to combat illegal logging effectively, we also have to recognize the real issues of poverty alleviation, law enforcement, proper forest governance, unemployment and corruption in many timber producing countries. CEPI is looking for the promotion of effective private initiatives and not more regulation.

Additional information

- A joint action plan to combat illegal logging has been approved by the International Council of Forest and Paper Associations (ICFPA). An ICFPA position was published in July 2002 and a new position is currently under preparation. CEPI presented a shared position on FLEG together with WWF during the ENA-FLEG Conference held in St Petersburg, Russia
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