

PositionPaper

UL/Brussels, 18 November 2015

Four steps to improve the EU Timber Regulation

Contribution by CEPI to the review of the EU Timber Regulation (995/2010/EC)

Summary

In the ongoing review of the EU Timber Regulation, the European Commission should

- Include printed products in the scope of the regulation
- Strengthen the role of forest certification schemes in the risk assessment
- Coordinate consistent enforcement among Member States
- Align with other world regions with legislation on timber legality

Introduction

Illegal logging has negative effects on the populations depending on forests and the timber and timber products they sell to sustain their livelihoods. Illegal logging is a driver of climate change and deforestation. Illegal logging also tarnishes the image of companies sourcing timber responsibly. Cheap imports of illegal timber and timber products distort competition at a global level. CEPI has welcomed proportionate measures against the illegal logging and trade of timber and welcomed the EU Timber Regulation introduced in 2010. CEPI believes similar legislation and responsible sourcing requirements should be applied to all raw materials, not only to wood and wood based products.

European paper Industry and timber legality

The European paper industry has a longstanding commitment to sourcing legal and sustainable timber. In 2005, CEPI introduced a Code of Conduct on Legal Logging, which included six principles to follow in wood purchasing to ensure only legal timber is procured. But to go beyond legality and to support sustainable forest management and demonstrate the responsible sourcing of raw materials from them, European Paper Industry has put in place instruments to secure wood is not only sourced from legal origin, but from sustainably managed sources. European Paper industry is strongly involved in third party verified certification. In 2012, 64,6% of wood chips and sawmilling by-products delivered to European mills were forest management certified. 74,7% of pulp delivered to paper and board mills in Europe were forest management certified.

CEPI recommendations for the review of the EU Timber Regulation

The EUTR is applicable since March 2013. In the ongoing review of the EUTR, the European Commission should make use of the experience gained to turn it more effective in combating illegal logging. The EU Timber Regulation should continue addressing timber legality and not be expanded to other forest related issues. However, CEPI has identified the following main issues to be tackled in the review:



1. Extend the scope

The annex of the EUTR contains a list of Timber and Timber products under the scope of the regulation, but does not contain products under chapter 49 of the Combined Nomenclature. This is inconsistent and needs to be addressed. In 2014 the volume of trade in printed products imports into the EU amounted to € 3 billion. CEPI believes that the non-inclusion of printed products can lead to circumvention: There is a risk that illegally logged wood, instead of being traded to the EU in the form of wood, pulp or paper, is traded to countries with less stringent rules on legality before being traded to the EU in the form of printed products. Due to this risk of circumvention, the problem the EUTR is trying to address may remain in the countries of origin, while manufacturing jobs are delocalised from the EU to countries with less stringent rules on timber legality.

- CEPI urges the Commission to amend the annex of the EUTR and include products under the chapter 49 of the Combined Nomenclature.

2. Clarify and strengthen the role of certification in the due diligence system

Article 6b of the EUTR stipulates that operators may only assess the first of five criteria in the risk assessment part of their due diligence system: assurance of compliance with applicable legislation. CEPI believes that the forest certification schemes offer the appropriate tools to address also the remaining risk assessment criteria of article 6b. These are prevalence of illegal harvesting of specific tree species, prevalence of illegal harvesting or practices in the country of harvest and/or sub-national region where the timber was harvested, sanctions imposed by the UN Security Council or the Council of the European Union on timber imports or exports and the complexity of the supply chain of timber and timber products.

- CEPI urges the European Commission to clarify and strengthen the role of forest certification schemes by expanding their applicability to all risk assessment criteria and assess third party certified material as negligible risk.

3. Coordinate consistent enforcement

The level of enforcement is greatly varying between Member States. While essential elements of the regulation such as the level of fines are in the Member States competence, stronger coordination between Member States is needed to avoid the risk of entry points for illegal timber and timber products. Also, Member States interpret provisions of the regulation in their enforcement. This leads to increased administrative burden for companies operating in several EU countries.

- The European Commission should coordinate more consistent enforcement of the EU Timber Regulation

4. Align internationally

Other world regions have introduced measures to curb the trade in illegally logged timber and timber products such as the US and Australia. While the legislations of these world regions address the same issue, the provisions of legislation are greatly varying. This weakens the international efforts to curb trade in illegal logging.

- To strengthen the effectiveness of these instruments in the fight against illegal logging internationally, the EU should seek alignment with these trade partners.