



# Evaluation of the FLEGT Action Plan and the EU Timber Regulation

Netherlands Stakeholder Consultation  
1 September 2015



Ministry of Economic Affairs





Ministry of Economic Affairs



# **Evaluation of the FLEGT Action Plan and the EU Timber Regulation**

**Netherlands Stakeholder Consultation  
1 September 2015**

## **Report**

Wageningen, September 2015

Cathrien de Pater, Aranyani Consultancies  
Hans Vellema, Tropenbos International

## Contents

1.	Introduction .....	1
2.	Welcome by the chair .....	1
3.	Session 1: EU FLEGT Action Plan .....	1
3.1.	Introduction to the FLEGT Action Plan and its evaluation .....	1
3.2.	The FLEGT and EUTR evaluation.....	2
3.3.	First response by the NL Government on the FAP and its results.....	2
3.4.	Forum 1: Looking back and forward. Stakeholder perspectives on successes, failures and scope for improvement of the FLEGT Action Plan. ....	3
3.4.1.	<i>André de Boer, European Timber Trade Federation (ETTF)</i> .....	3
3.4.2.	<i>Paul Wolvekamp, Both Ends</i> .....	3
3.4.3.	<i>Maxime Molenaar, ACTIAM financial investment</i> .....	4
3.4.4.	<i>Saskia Ozinga, FERN</i> .....	4
3.4.5.	<i>Arzien Wels, WWF Department of Market Change</i> .....	5
3.4.6.	<i>Discussion</i> .....	5
3.5.	World Café 1: Towards concrete proposals on the 7 FLEGT themes .....	6
3.5.1.	<i>Table 1: support to timber producing countries.</i> .....	6
3.5.2.	<i>Table 2: Trade in timber, use of existing legislation by EU/MS and conflict timber.</i> .....	6
3.5.3.	<i>Table 3: Sustainable public procurement in relation to FLEGT.</i> .....	7
3.5.4.	<i>Table 4: Private sector initiatives, finance and investment safeguards.</i> .....	7
4.	Session 2: the EU Timber Regulation .....	8
4.1.	Introduction to the EU Timber Regulation and its evaluation .....	8
4.2.	Forum 2: Looking back and forward: stakeholder perspectives on successes, failures and scope for improvement of the of EUTR.....	9
4.2.1.	<i>Paul van den Heuvel, VVNH</i> .....	9
4.2.2.	<i>Arjan Alkema, FSC NL</i> .....	9
4.2.3.	<i>Hilde Stroot, Greenpeace</i> .....	10
4.2.4.	<i>Arzien Wels, WWF</i> .....	10
4.2.5.	<i>Wouter Weide, Council for Netherlands Retail Trade (RND)</i> .....	10
4.3.	World Café 2: towards concrete proposals on the EUTR.....	11
4.3.1.	<i>Table 1: Broadening the scope of EUTR to include more product groups</i> .....	11
4.3.2.	<i>Table 2: Compliance of regulation; administrative burden and practicability of regulation</i> .....	12
4.3.3.	<i>Table 3: the role of certificates in the EUTR</i> .....	12
4.3.4.	<i>Table 4: Cooperation with other countries</i> .....	12
5.	Wrap-up and follow-up.....	13
	Annex 1. Participants.....	14
	Annex 2. Programme.....	16
	Annex 3 RESULTS OF WORLD CAFÉ 1: EU FLEGT ACTION PLAN .....	17
	Annex 4 RESULTS OF WORLD CAFÉ 2: EUTR .....	23

## 1. Introduction

In order to obtain the views of Dutch stakeholders on the EU FLEGT Action Plan (FAP) and the EU Timber Regulation (EUTR), a consultation meeting was organised by the ministry of Economic Affairs of the Netherlands facilitated by Tropenbos International in Ede, Netherlands on 1 September 2015. The results of the meeting were to be used as an input in the evaluation of the FAP and EUTR commissioned by the European Commission (EC).

The meeting was attended by approximately 40 participants representing a wide range of partners in society: the private sector, branch organisations, financial institutions, NGOs, universities, government and enforcement authorities, and independent advisers. The list of participants is presented in [Annex 1](#). The meeting was chaired by René Boot, Director of Tropenbos International. The programme was followed as planned ([Annex 2](#)).

## 2. Welcome by the chair

In his welcome speech, René Boot explained the rationale and programme of the meeting. The consultation was to serve three objectives:

1. To inform stakeholders on the evaluation of EU FLEGT Action Plan and EUTR;
2. To exchange insights and opinions on the FAP and components of the EUTR;
3. To generate input for the Netherlands' contribution to the evaluation of the FAP and EUTR.

He explained that the evaluation was the first in 12 years of FAP implementation; the EC had invited Member states to generate inputs from stakeholder in the evaluation, either by directly communicating to the evaluators, or by coordinated meetings such as this. In this meeting the Chatham Rules would be applied, guaranteeing free discussion and anonymity in reporting.

## 3. Session 1: EU FLEGT Action Plan

### 3.1. Introduction to the FLEGT Action Plan and its evaluation

by Rob Busink, ministry of Economic Affairs (EZ)

Rob Busink explained that FLEGT originated from concerns about tropical forests as early as the 1980s. The FAP materialized in 2003. It covers eight widely different fields ranging from development cooperation to finance and legislation, all in order to prevent illegal logging/trade and encourage sustainable forest management. Two important legal instruments resulted from the plan:

1. The FLEGT Regulation (2005) enabling the EC to negotiate with timber producing non-EU countries about bilateral voluntary agreements;
2. The EU Timber Regulation, to complement the existing EU policy framework (including the FLEGT licensing system) in enforcing the control of illegal logging and related trade.

Under the FAP, Voluntary Partnership Agreements (VPAs) were foreseen in order to:

- increase the trade in guaranteed legal timber between EU and FLEGT countries;
- set up a control and licensing scheme for guaranteeing legality (the FLEGT licensing scheme);
- generate financial, technical and institutional support for improving forest governance.

At the moment, 6 VPAs are finalized and another 9 are being negotiated<sup>1</sup>.

At the moment, the VPA with Indonesia is in its last negotiation phase. In July 2015 all conditions were met. The first imports of FLEGT licensed timber are expected to enter the EU in the beginning of 2016, when the Netherlands is chairing the EU.

The EU Timber Regulation (EUTR) was adopted in 2010 in order to stop the so far uncontrolled import of illegal timber into the EU. The EUTR prohibits the placing on the European market of illegally produced timber. The regulation became effective in March 2013.

---

<sup>1</sup> See <http://www.euflegt.efi.int/>

*Question/answer round:*

- Latin America is under-represented in the VPA list. Large timber producing countries like Brazil, China and Russia do not easily commit themselves to European conditions. China has agreed to an environmental dialogue with the EU. This offers scope for improvement of timber imports from neighbouring countries, notably Myanmar. As for Brazil, timber companies all for action since their trade is affected by the Lacey Act. Negotiations have also started with Honduras.
- CITES-licensed timber is treated as legal under the EUTR although this is currently debated. Enforcement capacity in production countries is a point of concern.
- How does independent monitoring work in practice? This is all cut to size. In Indonesia civil society has a strong voice. In most partner countries monitoring is structured in three levels.

### 3.2. The FLEGT and EUTR evaluation

by Marlen Arkesteijn, FLEGT Evaluation Team member

Mrs. Arkesteijn presented the objectives, approach and work plan of the FLEGT evaluation. She explained that the evaluation team consists of 7 independent consultants covering a wide range of expertise. The Netherlands is among the EU countries to be investigated by the mission, and as such presents a unique opportunity for Dutch stakeholders to ventilate their opinions. She also stressed that FLEGT goes far beyond VPAs and EUTR and includes demand/supply measures, public procurement policies, finance, etc. All these elements are part of the evaluation. The evaluation of EUTR is a legal obligation requiring strict deadlines. A special review was done previously by Indufor and is incorporated in this evaluation.

Objectives and approach of the evaluation are focused at the results; however, also the process how these results were achieved is investigated. FLEGT is seen as a learning instrument, so factors for success and failure are especially looked at. A special eye is being given to the changing context in the past 12 years. For example, China's role has increased and conversion is higher on the agenda. Furthermore, since different stakeholders have different perspectives on results, success and failure, careful attention is paid to definitions of terms and concepts. The aim is to improve FLEGT in future. For this, the team seeks to clarify the FAP intervention theory to the extent possible. The methodology includes a mix of quantitative and qualitative methods as well as country visits. Work started in November 2014 and has now reached its final stages. A final draft report will be presented by the end of September. The final report is due by the end of October.

*Question/answers:*

- Speaker emphasized that the team is still open for commentary from stakeholders after this consultation meeting.
- Asked for a sneak preview into the main conclusion, speaker said it is still too early. Tomorrow (3 September) the team would meet for a first synthesis session.
- Disciplines in the team: forestry, community forestry, forest engineering, trade analysis, legal affairs & economics, process engineering, and forest certification. In addition, national experts are deployed.

### 3.3. First response by the NL Government on the FAP and its results

by Rob Busink, ministry of Economic Affairs (EZ)

Rob Busink remarked that his presentation was an addition to an earlier response given by the government in a questionnaire of the FLEGT Evaluation Team.

Observations on the over-all results of FAP: Contrary to many international agreements, the FAP really tries to turn words into concrete action: "practise what you preach". It also encourages awareness-raising in partner countries. The VPA condition of stakeholder participation and incorporation of the outcome in the VPA encourages dialogue between stakeholders, government and forest managers, sometimes for the first time in a country's history. Furthermore the FAP has encouraged action in other consumer countries such as the USA (Lacey Act) and Australia. Recently Japan - notorious for its illegal timber imports - has started moving in the right direction. Lastly, a dialogue was initiated with China.

Specific positive results:

- In production countries the perspective on support and market access offered by FAP has triggered a lot of bilateral action. With the EUTR becoming effective, demand for certified timber has increased.
- Government procurement policies have expanded EU wide. The Netherlands suffered a setback in implementation of this policy since it collided with free trade regulations. This is currently being discussed. The same thing happened in the UK, though it seems to be solved now.
- In the finance and investment sectors, awareness is growing of the risk that timber is illegal.

Insufficient progress:

- The private sector's contribution to FLEGT lags behind, probably because of lack of financial incentives and legal uncertainties. FLEGT-licensed timber has as yet no marketing value. In addition, tropical timber has an image problem. However, IDH and EZ did make a start to improve its reputation by creating the European Sustainable Tropical Timber Coalition (ESTTC).

Question/answers:

- The questions of laundering and conflict timber remain to be solved, mostly at UN level.
- Given the limited capacity within the EC, it was suggested increasing the focus and limiting the number of countries for a VPA. Many countries with low export rates to the EU (e.g. Honduras) enter the VPA process while EC manpower is increasingly needed for urgent problems such as migration. Some sort of economizing would be advisable.
- Illegal logging is not the most important problem when considering the broad spectre of sustainable forest management.
- Last year the EC issued a Communication on the role of investors, thus expanding the financial instrumentation for FAP.
- Business-government cooperation is essential to raise the profits from forests and, hence, the rationale to conserve forests. Example: the agreement between IKEA and Vietnam to use sustainably produced timber in furniture.

### 3.4. Forum 1: Looking back and forward. Stakeholder perspectives on successes, failures and scope for improvement of the FLEGT Action Plan.

#### 3.4.1. *André de Boer, European Timber Trade Federation (ETTF)*

ETTF actively supports eradication of illegal timber trade, since it undermines international competition and many other matters. Specific viewpoints:

- Already 10 years ago the VVNH (then headed by the speaker) together with Greenpeace called on the EU to issue legislation to prohibit the import of illegally produced timber.
- ETTF applauds that EUTR established a 'green lane' for FLEGT timber, but regrets that this is not the case for FSC and PEFC timber (contrary to Australia). This would be a practical and pragmatic solution for importers.
- VPAs have done good work but have not yet resulted in imports of FLEGT-licensed timber already announced 2 years ago. The money was not wasted: training and monitoring systems have been developed, the EUTR was established, and pressure increased on other countries like the USA and Japan (legislation expectedly adopted this fall). Important markets are thus covered, although China is a point of concern.  
ETTF recognizes the difficulties. The ambitions are very high. Most partner countries have a low score on the index of compliance with their own national legislation; e.g. Honduras numbers 5 from below. In addition, the definition of legality is complicated given the diverging viewpoints from stakeholders. Monitoring at 3 levels further complicates the process.
- ETTF has not yet been invited by EZ to participate in the VPA negotiations. In general, importing companies have been too little involved; neither do they have the money, means and capacity to do so. Hopefully Indonesia will push through with FLEGT timber, but so far the timber importing community remains sceptical.

#### 3.4.2. *Paul Wolvekamp, Both Ends*

Mr. Wolvekamp congratulated all those EC and government workers, private sector and NGOs who embarked on the process. FLEGT is gaining momentum and forests seem to be back on the political agenda, e.g. in the forthcoming World Economic Forum and the Climate Change Conference<sup>2</sup>.

---

<sup>2</sup> Davos, January 2016 and Paris, Nov-Dec 2015, respectively

FLEGT has led to trade negotiations where stakeholders play a meaningful part indeed. This should be example for other commodities. FLEGT should be rewarded for its encouragement of market regulation and functioning. The EU now takes steps to stop illegal timber. To counter illegal timber helps restore trust in tropical timber, adding value to a standing forest and helps counter the application of (environmentally taxing) synthetic and aluminium materials. The prevention of income loss by illegal timber trade in producer countries has created a bridge towards tax reforms, which deserves more attention. Points of concern:

- Deforestation is mainly caused by mining and the expansion of agriculture, palm oil, soybean, rubber and other commodities: they all expand, largely unregulated, at the cost of forests. The timber from conversion forests in turn is a magnet for criminal activities. Speaker is also board member of the Round Table for Sustainable Palm Oil (RSPO). Much forest is cleared under the pretext of plantation development but oftentimes after harvesting the timber stand no further plantings take place. When asking attention for the conversion problem, one meets considerable resistance. Many producer countries are not committed at all and have no regulated spatial planning system and consumer countries are reluctant to address the matter. WTO regulations are often used as a pretext to not explore more regulatory solutions.
- FLEGT enhances transparency. Transparency is vital, and also benefits companies which abide by the rules. E.g. close monitoring of forest (by WRI Global Forest Watch) fires presently raging in Indonesia exposed that, fortunately, no RSPO members (plantations companies) are implicated in illegal use of fire for conversion purposes. It is a problem, however, that certain forces within the Indonesian (and Malaysian) administration seek to bar publication of plantation concession boundaries.
- Timber pricing remains to be addressed. Illegal timber can still be sold cheaper to consumers in the market and thus has an undue advantage with free-riders undercutting genuine companies. This is why there is an increasingly strong demand from the market for stricter governmental regulation and level playing field.
- More attention, capacity and resourcing is required for operational aspects. Implementation of policies is increasingly hampered by the reduction of manpower capacity, both in the EC and in producing countries. Enforcement of related agreements such as CITES, faces similar problems.

Finally, Mr. Wolvekamp poses two questions to the evaluation team:

1. Could more manpower and means be invested in the dialogue with India and China – global key players?
2. What scope for application of a FLEGT-type of negotiations for other commodities (palm oil, soy etc.)?

#### *3.4.3. Maxime Molenaar, ACTIAM financial investment*

ACTIAM is an investor managing approximately € 50 billion and proactively directs its investment policy at sustainable business. Good land governance is actively supported by ACTIAM and deserves more attention in the FLEGT discourse. ACTIAM also excludes investments in illegal deforestation and supports sustainable forest management, the latter by cooperating with FSC and encouraging the demand for sustainably produced wood.

The financial sector has long been quite reactive in the field of sustainability, but the trend is now bent into a more proactive course. What could they do for FLEGT? Screen portfolios, deploy means for responsible investment, stimulate sustainable chain management in their companies, cooperate with other stakeholders (government, NGO's etc.). For instance, data procurement has always been ex post, so that deforestation impact of an investment could only be evaluated afterwards. Now most financial institutions are bringing this forward. In addition, more is done to invest in positive activities and cooperation with other institutions is expanded.

What the financial sector needs are practical tools, company specific information, impact information (which companies have impact? Which have a good policy but yet little impact?) and best practices. Formulation of standards would help (e.g. compliance with FLEGT, FSC etc.).

#### *3.4.4. Saskia Ozinga, FERN*

Monitoring EU's performance in forest conservation is FERN's core business. FERN was instrumental in the establishment of FLEGT and published a forerunner report already in 2002. FERN attaches more value to the core of the Action Plan than to VPAs and EUTR. In FERN's opinion, FAP is by far EU's most effective plan in relation to the € 600 million spent on the support of sustainable forest management by 2010. For instance, the release of 2 million ha of forest for conversion in Liberia was rapidly cancelled. Two developing countries each received € 1 million for improving forest management. Stakeholder participation took on. Lessons learnt and recommendations:

- Addressing governance is the most important issue and the reason that the plan works. Governance consists of 5 elements: transparency, coordination, capacity, participation, and management. FAP clearly improved performance on these elements. FERN, like ETTF, is sceptical about the Congo Basin's prospects to ensure exports of legal timber, but optimistic about Ghana and West Africa.
- Conversion is the largest cause of deforestation, not timber production etc. We cannot continue the FAP while ignoring the conversion issue.
- Neither can we ignore the role of palm oil and other agro-commodities that affect forests.<sup>3</sup> EU imported an estimated EUR 6 billion of beef, soy, palm oil and leather from illegally deforested land in 2012, most of it to 5 member states only. Policies and plans should be developed how to address EU consumption of commodities driving (illegal) deforestation to meet EU commitments.
- A new Action Plan should ensure effective implementation of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security<sup>4</sup> (VGGT; prepared under the coordination of FAO).

#### 3.4.5. *Arzien Wels, WWF Department of Market Change*

In WWF's opinion, FLEGT is the beginning while the goal is sustainability.

Positive results of FLEGT are:

- the development of an all-inclusive stakeholder process and better governance. WWF also values the process in this matter.
- traceability: the plan includes tracing timber provenance back to the source.
- the inclusion of market aspects in the process, also by EUTR.

What was not achieved:

- After 12 years there is no FLEGT timber on the market yet;
- Sustainable public procurement and finance lag behind in many member states;
- There is scope for improvement in the implementation of adapted governance systems and multi stakeholder participation;
- Legality Assurance Systems under VPAs lag behind, as well as financial support.

Agriculture and ranching (85%) are the largest cause of deforestation; logging, pulp & paper production cause 10%, mainly by forest degradation. Other related issues are water pollution and CO<sub>2</sub> emissions. Conversion not only threatens rare species but also people whose land is grabbed. WWF therefore urges to take action, especially on:

1. Adequate negotiation and implementation of VPAs
2. Long-term funding and capacity building
3. Including local and regional markets in the process (important!)
4. implementation and effective enforcement/use of the FLEGT demand-side measures (incl. the EUTR and green procurement of timber);
5. Incentives for sustainable trade;
6. Additional measures to tackle deforestation by agro-commodities and minimise the EU forest footprint.

#### 3.4.6. *Discussion*

The total annual EU import of tropical timber is 3 million m<sup>3</sup>, which is 0,5% of EU's total timber consumption. This figure has decreased over the years. Most timber traded in the EU comes from within the EU, including from illegal logging operations in, e.g., Rumania. It was mentioned that EU should certainly do more within Europe. At the same time, the decrease of imports in tropical timber imports is not a reason to do nothing and conservation of these forests is an important argument.

VPAs do not only address exports but also the domestic and regional markets. They are about all timber in the country. It is still a question how a local market can make a meaningful improvement, but it is in the text of the VPA. The ESTTC is now in place and has already claimed back space.

<sup>3</sup> See FERN's Report *Stolen Goods*, [http://www.fern.org/sites/fern.org/files/Stolen%20Goods\\_EN\\_0.pdf](http://www.fern.org/sites/fern.org/files/Stolen%20Goods_EN_0.pdf)

<sup>4</sup> see: [www.fao.org/nr/tenure/voluntary-guidelines/en/](http://www.fao.org/nr/tenure/voluntary-guidelines/en/)



The world's food production is presently sufficient and does not justify conversion of forests. The EU should therefore work on forest conservation. Discussions have been started, addressing the key issues of land use and land governance. FAO and almost all countries have adopted texts to this effect but the question remains how to implement them.

Reference is made to *The State of the World's Forest*, regularly published by FAO. In 2016 its central theme is Forestry and Agriculture – an opening for intervention.

### 3.5. World Café 1: Towards concrete proposals on the 7 FLEGT themes

The World Café is a moderated brainstorm exercise with 4 discussion tables along which participants rotated in 4 groups and 4 short sessions. In this way each participant could give an input on all 4 discussion themes. The idea was to yield opinions and ideas, not to discuss the issues in depth. The results as presented below were summarized by the moderators. The complete collection of ideas and comments are presented in [Annex 3](#).

#### 3.5.1. Table 1: support to timber producing countries.

Moderator: René Boot

##### *Achievements*

- FAP contributed to good governance:
  - FAP encouraged multi-stakeholder dialogue in producer countries and arranged a place at the table for stakeholders, sometimes long overdue;
  - FAP made money available to forest communities to participate in dialogues;
- The FLEGT process also influenced countries outside Europe;
- Funds for capacity building became available;
- The forest sector was taken more seriously in world fora;
- Customary rights were recognized.

##### *Shortcomings/Challenges*

- The process is extremely slow and time-consuming and still no FLEGT timber is on the market;
- However, this is partly due to the fact that VPA countries ask for inclusion of the domestic market in the process (which is positive in itself);
- Consumers' perception of tropical timber has been negatively impacted by all the attention for it. They now think it is bad to buy it (paradigm shift);
- Central and South America (including Brazil) are under-represented and FLEGT has little impact in these regions.

##### *Recommendations*

- Concentrate on countries that have committed themselves, or on countries with substantial timber export to EU;
- Communicate better on achievements in those countries;
- Establish clear deadlines and sanctions;
- Improve the reputation of timber;
- Make more effort to control corruption in the process.

#### 3.5.2. Table 2: Trade in timber, use of existing legislation by EU/MS and conflict timber.

Moderator: Rob Busink

##### *Achievements*

- In production countries a dialogue process with stakeholders has been established;
- More awareness has risen on the demand side;
- The FAP at last realized concrete implementation;
- A large number of VPAs are in place or underway;
- There are now norms for timber trade.

##### *Shortcomings/Challenges*

- Enforcement can be improved;
- The process is time consuming;
- This process is only to achieve legality while we should go on towards sustainability;
- Due diligence procedures are yet to be valorised.

### *Recommendations*

- Expand the context of FLEGT to address deforestation by other commodities as well;
- Make enforcement more effective; use Forest Watch and its frequent updates, DNA techniques and so on;
- Create a green lane for FSC and PEFC timber;
- Reward companies that make good efforts;
- Accelerate the VPA process, e.g. by designing sub-VPAs, limiting agreements to export timber only, etc.;
- Pay attention to European timber as well;
- Strengthen customs security;
- Engage in positive storytelling on tropical timber to counter its negative reputation;
- Pay attention to non-timber functions of forest.

### *Discussion*

During the sessions and discussion, different views on two different topics became apparent. Given FLEGT's focus on legality, it was argued that the concepts of legality and sustainability should not be seen in opposition to each other. They are part of the same process. This should be carefully explained to the market!

Some are in favour of a Green Lane for FSC and PEFC timber while others argue that the operators should remain responsible.

#### *3.5.3. Table 3: Sustainable public procurement in relation to FLEGT.*

Moderator: Laura de Pundert

Many comments were made on public procurement in general. The following are limited to those that relate to FLEGT<sup>5</sup>.

### *Achievements*

- A sustainable public procurement policy is in place in the Netherlands;
- Government officials and companies are better aware of the need for sustainable timber.

### *Shortcomings/Challenges*

- The difference between sustainable timber and legal timber is unclear. The two categories compete in tender processes;
- This creates tension between the FLEGT process and public procurement;
- Conversion timber: what to do with it?
- Definitions and regulations differ from country to country which complicates the process;
- The positioning of timber in the building market is weakened: other materials such as concrete, metal or synthetics are often selected instead.

### *Recommendations*

- FLEGT should increase commitment and pay more attention to public procurement and how to proceed;
- Public procurement policies should include FLEGT stepwise so that in the end all publicly procured timber comes from sustainable sources;

### *Discussion*

During the plenary discussion, it was argued that incorporation of legal timber in public procurement should be a matter of fact, not an issue. It is nonsense to, e.g., create a separate green lane for legal timber from Indonesia.

Companies opting for sustainability should adopt a stepwise process towards sustainable timber. A tension exists between the large investments (€ 600 M) and the procurement policy that is insufficiently sustainable.

#### *3.5.4. Table 4: Private sector initiatives, finance and investment safeguards.*

Moderator: Herman Savenije

### *Achievements*

- FLEGT and sustainable timber are increasingly mainstreamed;

---

<sup>5</sup> This will be communicated to the ministry of Infrastructure and Environment (I&M) which is responsible for public procurement in the Netherlands

- We have increased insight in financial flows;
- The financial sector is now getting organised;
- More information on forests is becoming available (through improved satellite imagery etc.).

#### *Shortcomings/Challenges*

- The links between the financial sector, companies and government are still weak;
- The financial sector lags behind in action;
- Timber has a poor reputation and forests have a low rate of return;
- Importers invest little to nothing in the source countries;
- There is hardly any link between FLEGT, REDD and PES;
- Investors can only invest in investable companies and don't have influence in small scale companies.

#### *Recommendations*

- Improve transparency by:
  - disclosing financial flows: who are the players, who invests or doesn't invest in what?
  - the financial and forest sectors get to know each other better;
  - "following the money";
- Standardise policies and practices, e.g:
  - Standardise policies on illegal timber;
  - Create and improve common standards for investments in timber;
- Investment policies should change from 'do no harm' to 'do good': go for impact investment, from reactive to proactive;
- Improve tropical timber's poor image.
- Recognize the crucial importance of the financial sector for success and use the sector's enormous leverage potential. In the end it is improving the competitiveness of sustainable forest management against alternative land uses what counts;
- Make more efforts to use REDD and PES for generating financial flows towards forests and enlarging forests' competitiveness. Realizing PES takes very long, so governments have a role to play to prevent PES to remain a niche market;
- Financial institutions and forest/timber institutions should share their knowledge;
- Broaden the scope of EUTR to all product groups;
- The government should address risk and guarantee instruments in risk countries.

#### *Discussion & wrap-up*

- Herman Savenije announced the release of a study on Financial instruments for Sustainable Timber (Financiële instrumenten voor duurzaam hout, *in Dutch*) commissioned by the Dutch Green Deal on Sustainable Forest Management, in which several financial policy instruments are explored to increase the share of sustainably produced timber on the Dutch market<sup>6</sup>.

René Boot wrapped up by pointing out that the World Café yielded a lot of new information and that many achievements were identified. He also noted that there was considerable consensus on challenges and points for improvement.

## 4. Session 2: the EU Timber Regulation

### 4.1. Introduction to the EU Timber Regulation and its evaluation

Rob Busink (EZ) pointed out that the EUTR was initiated by a Dutch proposal in the EU Agricultural Council in July 2007. The EUTR was adopted in 2010 and became effective in 2013. It prohibits the placing on the EU market of illegally harvested timber and products from such timber. It requires EU operators to put in place a 'due diligence' system to manage risks, and EU traders to keep records for tracing. In the Netherlands, the ministry Economic Affairs (EZ) is responsible for policy implementation and the (NVWA) is the Competent Authority assigned by the EU to implement and enforce the regulation. They are also responsible for the current biannual evaluation of the EUTR.

---

<sup>6</sup> See: [bewustmethout.nl/sites/bewustmethout.nl/files/CE\\_Delft\\_2F09\\_Update\\_financiele\\_instrumenten\\_duurzaam\\_hout\\_DEF.pdf](http://bewustmethout.nl/sites/bewustmethout.nl/files/CE_Delft_2F09_Update_financiele_instrumenten_duurzaam_hout_DEF.pdf)

What has not yet been achieved is the uniform implementation and enforcement of the EUTR throughout the EU. Even the Netherlands are still lacking at some points. EZ therefore recommends that:

- The list of product groups affected by the EUTR is expanded;
  - Documents and procedures to prove legality be better communicated and clarified.
- Myriam Wortel (NVWA; the Netherlands Food and Consumer Product Safety Authority; acting as the Dutch competent authority for the EUTR) explained that NVWA submitted the required biannual evaluation report on 30 April 2015 to the EC. It contains many quantitative data arranged in a fixed format. It is published on the Internet.<sup>7</sup>

Rianne Adriaans (Customs) emphasized that, contrary to what many think, Customs has NO task in enforcing the EUTR. The EUTR is about the first placing on the market of goods, not about border control. However, Customs do have an agreement with NVWA to exchange information on how much enters the country, importers etc. This agreement is publicly accessible. Asked about the import of CITES products, Ms. Adriaans explained that CITES requires specific goods to be accompanied by adequate licenses when entering EU territory (i.e. member states), so contrary to timber, CITES goods are subject to border control.

## 4.2. Forum 2: Looking back and forward: stakeholder perspectives on successes, failures and scope for improvement of the of EUTR

### 4.2.1. Paul van den Heuvel, VVNH

VVNH subscribes to the importance of EUTR. In the past VVNH co-initiated petitions to subsequent ministers of Agriculture to regulate timber imports and was instrumental in the establishment of the EUTR. Everyone agrees on the legality of timber while views diverge on the issue of sustainability. Why EUTR? Enforcement of timber laws in production countries leaves much to be desired. The trade sector tries to translate the EUTR into practical measures.

As for the EU level, Mr. Van den Heuvel poses 2 questions:

- What exactly do we understand by due diligence? – The existing guidelines to this effect should be clarified.
- What could VVNH do for its members to harmonize regulations when it becomes a monitoring organisation? VVNH has already twice submitted a request to become a Monitoring Organisation while the status was already granted to other organisations.

As for the enterprise level, speaker pointed to the following issues:

- The Due Diligence questionnaire is not clear at all points. VVNH advises its members not to buy certain timber when a question cannot be answered. Nevertheless, so far 25 enterprises have been summoned by NVWA. It should be clarified to operators what questions they should ask in order to establish timber legality. FORM International has recently taken an initiative to obtain clarity on these questions.
- When all timber is legally placed on the market, how does that impact the market for sustainable timber? 85% of the timber traded by VVNH members is sustainable. They hope that FLEGT leads to increased sustainability.
- Trade has drastically changed in the last decades. Value is added to logs in producer countries and import of logs in the EU has largely given way to sawn wood and wood products.
- When products come from the same forest, the provenance country's legislation is the basis, also for secondary and tertiary products.
- Manpower deployment to enforce the EUTR varies greatly ( e.g. Belgium only has ½ fte for EUTR) while much attention should be paid to harmonization of EUTR.

### 4.2.2. Arjan Alkema, FSC NL

FSC recently evaluated the EUTR at the European level, by interviewing many partners and organising a consultation with 40-50 stakeholders in Brussels. Results and recommendations on FLEGT as well as on EUTR were presented to the FLEGT Committee.

- FSC unconditionally supports the goals of EUTR.
- FSC has brought its own standards and regulations in line with EUTR where necessary.
- Broadening the scope of EUTR is strongly advocated.

---

<sup>7</sup> Reporters could not trace the report on the NVWA website (on 5 September 2015).

- Harmonisation of EUTR implementation throughout all member states is also called for. FSC evaluated EUTR ½ year ago but yet no action was taken. In 5 member states EUTR is not implemented at all.
- The role of FSC certification, especially in high risk countries, is widely appreciated. So is the commitment of companies which invest in certification. It is therefore frustrating that recognition of FCS at the EU level so far fails to materialize. FSC certified companies have to do all the work twice to comply with EUTR.
- FSC stakeholders called for easier ways to comply with EUTR rather than incorporating FSC criteria in EU legislation. They did not give priority to a 'green lane' as ETTTF advocated.
- However, for certified timber to access the market EUTR regulations for operators should be harmonized with FSC regulations in order to minimize extra steps.

#### 4.2.3. *Hilde Stroot, Greenpeace*

- EUTR is one of the few 'demand side' legal instruments that are really implemented in practice.
- There was sufficient time between adoption (2010) and implementation (2013) for member states and operators to make the necessary adaptations. There is no excuse for delays.
- Implementation is still lacking in Spain, Hungary and Greece while it is slow in Italy and France. It seems that the trade flows shift over to these countries.
- Although not all operators comply with EUTR, enforcement is insufficient.
- Harmonisation in the EU is lacking.
- As for enforcement, it is unclear how Competent Authorities (CAs) execute the Due Diligence system (DDS). It remains unclear when risks are negligible or not. In any case, official papers from high risk countries are insufficient proof of legality. Currently the burden of proof is unduly put to Greenpeace while it should be the operators' responsibility to prove that their timber is legal. NVWA, too, carries out the operator's job in checking with authorities.
- EUTR will only be relevant in future when enforcement is done consistently. At the moment it has no prohibitive impact.
- Since 10 years ago, EU's role and influence has decreased as opposed to upcoming markets such as China
- The problem of illegal logging is deeply rooted; EUTR and VPAs are communicating vessels.
- NVWA should go for more transparency, capacity building and expansion, faster and more effective action after enforcement request, more rigorous enforcement of DDS (especially in high risk countries), and better training of inspectors.
- NVWA should be upgraded to a 'national timber team' in combination with other authorities such as customs, police and the Prosecution Counsel.
- The Netherlands when chairing the EU in 2016 should embark on a political debate on the FAP review.
- The EU should apply "effective, proportionate and dissuasive" sanctions (so far none were applied); EU should implement the EUTR in all countries, harmonize the enforcement approach in all MS, cooperate better with CAs and deploy experts such as NGOs and researchers.

#### 4.2.4. *Arzien Wels, WWF*

- WWF is preparing a request to expand the EUTR products list with sitting furniture, books and toys. It will be sent to the EC after 15 September. Before then, it will have to be discussed with industries.
- Representatives of companies with a commercial interest present in this meeting were requested to subscribe to this document by mail to WWF, in order to increase its importance towards the EC. A draft was handed out for his purpose.

#### 4.2.5. *Wouter Weide, Council for Netherlands Retail Trade (RND)*

- RND represents ¼ - 1/5 of all retail trade with a volume of approximately € 21 billion, i.e. 40% of the non-food trade volume.
- RND has strongly supported the EUTR in past and present. Members attach great importance to demonstrable legal (and sustainable) timber.
- RND has inventoried opinions on the EUTR among members. Members reported the following problems, especially with the DDS:
  - Difficulties to obtain the necessary information, especially on composite products;
  - Uncertainty when compliance with standards is good enough (in the eyes of the CA)
  - High administrative costs;
  - Impossibility for self-importing retail businesses with a large variation of products to comply with regulations.
  - Differences in interpretation and implementation between EU member states;

- Two administrative systems for legal and sustainable timber is counterproductive;
- As a side effect, traders tend to replace wooden parts with other materials.
- RDN recommends that:
  - EUTR requirements will be simplified without losing its objective out of sight;
  - More cooperation and harmonization between (enforcers of) EU member states is achieved;
  - A 'green lane' for certified timber is incorporated in the EUTR.

### 4.3. World Café 2: towards concrete proposals on the EUTR

The results of 4 parallel brainstorm sessions are summarized here. The complete collection of ideas and comments are presented in [Annex 4](#).

#### 4.3.1. Table 1: Broadening the scope of EUTR to include more product groups

Moderator: Rob Busink

##### *Achievements*

- The majority of primary products are already covered by the EUTR.
- The forest sector is now completely aware of the legality issue;
- There is wide support for and awareness of the aim of the regulation;
- The EUTR generated a strong signal to producer countries;
- Even the retail trade is fully informed, e.g. HEMA (Some advocate similar regulations for other products such as clothing which would then focus more on social aspects).

##### *Shortcomings/Challenges*

- EUTR's scope is limited and lack inclusion of evident secondary wood products such as charcoal, chairs, printed matter and books;
- There is unclarity about products from second hand timber;
- There is unclarity on how to deal with complex products made from various materials;
- It is difficult to come up with a uniform coding of products. Customs, tax offices, CBS and NVWA all have their own nomenclature and categorizations which hampers effective enforcement and monitoring;
- Enforcement of multi-source products is complicated. Toys, bamboo products overlap with other product categories. The system should remain workable.

##### *Recommendations*

- Include 'logical' products (e.g. furniture, paper, charcoal) in the EUTR products listing;
- Simplify or do not use EUTR for products with only a small percentage of timber, to avoid an unnecessary burden;
- Include products that lead to deforestation (soy, palm oil, beef, cocoa, etc.) and harmonize regulations in order to stop illegal conversion;
- Extend the EUTR scope to land use and tenure;
- Before expanding to new products, the EUTR's implementation should first be simplified where possible, e.g. by creating a 'green lane' for FSC and PEFC; only them new products should be added.

##### *Discussion*

It was argued that including *all* products in the EUTR annex instead of a selection would simplify administration as well. Now it is complicated for a company to find out if his product is listed among the 900 products or not. When all are listed, they can take it for granted and work on risk assessment.

Product coding (for customs) is bound to international agreements, so changing them implies a major exercise with working groups etc.

##### *Additional comments made in the group discussion*

- Mixed tropical hardwood (used in lots of stationary and other products) could be identified by advanced technologies such as DNA tests;
- EUTR alone is not sufficient to attain the goal of forest conservation. Conversion is a far larger cause of deforestation.
- Governments' role is stronger in forests than in the agricultural sector since forests are partly publicly owned and the sector is more fragmented than most agro-commodities.

- Before the end of 2015 the procurement of palm oil will be 100% sustainable. Consequently, all palm oil based products would be sustainable across the board. If a country could guarantee that all its timber would be sustainably produced, no certification at company level would be necessary.
- Violation of EUTR is not an environmental crime. Criminal law is a national affair. It is therefore difficult to introduce it in the EUTR.

#### 4.3.2. *Table 2: Compliance of regulation; administrative burden and practicability of regulation*

Moderator: Herman Savenije

##### *Achievements*

- We do have a legal instrument in place. It has its shortcomings and should be implemented by more member states, but it is there and as a legal instrument it has a larger scope than market-based instruments;
- NVWA in its operations makes clever use of its limited means;
- EUTR has a positive impact on supply countries as well.

##### *Shortcomings/Challenges*

- The paper work should not become a purpose on its own. So how to simplify?
- EU policy has hardly addressed the necessity to level the playing field for wood to that of other products;
- Unclearly about requirements leads to additional administrative costs for the private sector: when is it good enough? How are risk minimisation efforts weighed by the CA?
- Documentation in countries with a low governance record are a point of concern.

##### *Recommendations*

In formulating recommendations on improving compliance with regulations, the group identified 2 dilemmas:

1. 'Green lane' for certified timber: some advocate it, others do not on the grounds that responsibility should remain with the operator.
2. Could more use be made of existing systems such as certification, risk assessment etc.? The potential of EUTR and FLEGT as communicating vessels could be enhanced. CITES and FLEGT however, are *de facto* complementary with little overlap. The challenge is how to reconcile all this.
3. New technologies for tracking and tracing should be further developed and applied.

#### 4.3.3. *Table 3: the role of certificates in the EUTR*

Moderator: Laura de Pundert

##### *Achievements*

- Certificates have triggered attention for illegal timber;
- Certification is useful in the Due Diligence process;
- The EUTR is a boost for Chain of Custody certification;

##### *Shortcomings/Challenges*

- The trend emerges to go for legality instead of a sustainability certificate;
- FSC and PEFC's response to the EUTR has been slow;
- Separate administration of EUTR and certified timber causes additional costs and burden;
- There is insufficient cooperation between FSC and PEFC.

##### *Recommendations*

- Improve collaboration between FSC and PEFC;
- The EC should clarify the role of FSC and PEFC in the EUTR;
- Harmonize the definition of sustainability at EU level;
- Approved certification systems should be given a green lane in EUTR (some participants advise to skip this step and include certified timber directly in the EUTR).

#### 4.3.4. *Table 4: Cooperation with other countries*

Moderator: René Boot

This session was limited to important trade blocks inside respectively outside the EU.

#### *Achievements*

- Information is exchanged between ministries within as well as outside the EU at a much larger scale than before the EUTR;
- Awareness has also expanded among member states.
- Knowledge about products, production chains and processes is now shared widely.

#### *Shortcomings/Challenges*

- A level playing field is still lacking; law enforcement and application of sanctions varies across Europe;
- The importance of better harmonization between Europe, USA and Japan is insufficiently recognized;
- Implementation of the EUTR is still insufficient, control fails in places.

#### *Recommendations*

- There are positive developments which deserve to be well communicated;
- Harmonize implementation and sanctions within the EU.
- Make implementation more effective by composing international teams with the CAs, Interpol, etc.
- Australia already has a green lane for FSC and PEFC, the EU should follow.

## 5. Wrap-up and follow-up

Wrapping up, Rob Busink thanked participants for their contribution to the day. He announced that a report would be prepared in English that summarizes the main discussions and findings of the meeting. It can be used by the evaluation team, EZ and the participating organizations in the meeting. Stakeholders are welcome to comment on the report. The ministry will send an additional response to the evaluation team and the EC. The report will be anonymous but the Netherlands' position will be explicit.

The EUTR evaluation is subjected to fixed deadlines. Early December at the latest the EC has to come up with a report stating what will change or not change. The report will be discussed in the Forestry Group of the Agricultural Council in December under the present Luxemburg chairmanship or under Netherlands chairmanship (Jan-June 2016) when postponed.

The evaluation report of the FLEGT Action Plan will be published by the EC in 2016. The EC will also publish a Communication on the subject, probably after July 2016 (i.e. after NL chairmanship). When the reports are out we can organize another stakeholder meeting. The EC has already organized a public consultation and no other consultation on the draft report is foreseen. If participants want to send additional information, the best way is to contact Marlen Arkesteijn.



## Annex 1. Participants

Nr.	Naam	Organisatie	Functie	Email	Mo/Mi
1	Adriaans, Rianne	Douane Nederland	Beleidsmedewerker	<a href="mailto:mjh.adriaans@belastingdienst.nl">mjh.adriaans@belastingdienst.nl</a>	Mo/Mi
2	Alkema, Arjan	FSC Nederland		<a href="mailto:a.alkema@fsc.nl">a.alkema@fsc.nl</a>	Mo/mi
3	Arkesteijn, Marlen	EU FLEGT Action Plan Evaluation		<a href="mailto:postbus@marlenark.demon.nl">postbus@marlenark.demon.nl</a>	Mo/Mi
4	Bentham, Mark van	Probos	Senior Adviseur	<a href="mailto:mark.vanbentham@probos.nl">mark.vanbentham@probos.nl</a>	Mo/Mi
5	Beukeboom, Hans	WWF	Sr. Advisor Landscape and Species	<a href="mailto:hbeukeboom@wwf.nl">hbeukeboom@wwf.nl</a>	Mo/Mi
6	Boer, André de	VVNH	Sec.gen. European Timber Trade Federation	<a href="mailto:A.deBoer@vvnh.nl">A.deBoer@vvnh.nl</a>	Mo/Mi
7	Boot, René	Tropenbos International	Directeur	<a href="mailto:rene.boot@tropenbos.org">rene.boot@tropenbos.org</a>	Mo/Mi
8	Boven-Flier, Debora van	NEPCon	Manager & Lead Auditor	<a href="mailto:dbf@nepcon.net">dbf@nepcon.net</a>	Mi
9	Brinkhaus, Hans	Importeur Tropisch hardhout		<a href="mailto:evelienbrinkhaus@ziggo.nl">evelienbrinkhaus@ziggo.nl</a>	Mo/Mi
10	Busink, Rob	Ministerie van Economische Zaken	Senior beleidsmedewerker	<a href="mailto:r.l.busink@minez.nl">r.l.busink@minez.nl</a>	Mo/Mi
11	Chin, Shirleen	Institute for Environmental Security		<a href="mailto:shirleenchin@envirosecurity.org">shirleenchin@envirosecurity.org</a>	Mo/Mi
12	Dam, Peter	FORCERT - Forests for Certain; Forests for Life!		<a href="mailto:peter.c.dam@gmail.com">peter.c.dam@gmail.com</a>	Mo/Mi
13	de Pundert, Laura	Ministerie van Economische Zaken	Senior beleidsmedewerker	<a href="mailto:l.r.depundert@minez.nl">l.r.depundert@minez.nl</a>	Mo/Mi
14	Diemont, Herbert	WUR		<a href="mailto:herbert.diemont@wur.nl">herbert.diemont@wur.nl</a>	Mo/Mi
15	Diepstraten, Mark	SKH	Projectleider FSC, PEFC en Keurhout	<a href="mailto:DiepstratenM@skh.org">DiepstratenM@skh.org</a>	Mo/Mi
16	Geerling, Chris			<a href="mailto:carnbee.consult@hetnet.nl">carnbee.consult@hetnet.nl</a>	Mo/Mi
17	Groenendijk, Hans	TISE Consultancy	International Expert Natural Resources Man.	<a href="mailto:groenendijkj@gmail.com">groenendijkj@gmail.com</a>	Mo/Mi
18	Heuvel, Paul van den	VVNH	Directeur	<a href="mailto:p.vandenheuvel@vvnh.nl">p.vandenheuvel@vvnh.nl</a>	Mo/Mi
19	Iongh, Hans de	Institute of Environmental Sciences		<a href="mailto:hans.deiongh@gmail.com">hans.deiongh@gmail.com</a>	Mo/Mi
20	Jong, Bert de	DuraCert		<a href="mailto:Bert@duracert.com">Bert@duracert.com</a>	Mo/Mi
21	Lammerts van Bueren, Erik	Isafor		<a href="mailto:elvb@isafor.nl">elvb@isafor.nl</a>	Mo/Mi
22	Leek, Nico	PUM	Sr. expert houtmarkt	<a href="mailto:nicoleek@upcmail.nl">nicoleek@upcmail.nl</a>	Mo/Mi
23	Marinissen, Judith	Ministerie van Buitenlandse Zaken		<a href="mailto:judith.marinissen@minbuza.nl">judith.marinissen@minbuza.nl</a>	Mo/Mi
24	Meijenfheldt, Cor von	Ministerie van Economische Zaken		<a href="mailto:c.f.w.m.vonmeijenfheldt@minez.nl">c.f.w.m.vonmeijenfheldt@minez.nl</a>	Mo/Mi
25	Molenaar, Maxime	ACTIAM ESG Research	ESG Research Analyst	<a href="mailto:maxime.molenaar@actiam.nl">maxime.molenaar@actiam.nl</a>	Mo/Mi
26	Naaijen, Christine	Form International	Forestry Expert	<a href="mailto:c.naijen@forminternational.nl">c.naijen@forminternational.nl</a>	Mo/Mi
27	Nabuurs, Gert-Jan	WUR-Alterra	Lead Scientist/ Special Prof. Eur. Forest Res.	<a href="mailto:gert-jan.nabuurs@wur.nl">gert-jan.nabuurs@wur.nl</a>	Mo/Mi

28	Overeem, Berdien van	AVIH	Stafmedewerker	<a href="mailto:Berdien@avih.nl">Berdien@avih.nl</a>	Mi
29	Ozinga, Saskia	FERN	Campaign Coordinator	<a href="mailto:saskia@fern.org">saskia@fern.org</a>	Mo/Mi
30	Pater, Cathrien de	Aranyani		<a href="mailto:cdp@aranyani.nl">cdp@aranyani.nl</a>	Mo/Mi
31	Polinder, Andries	Form International		<a href="mailto:c.naaijen@forminternational.nl">c.naaijen@forminternational.nl</a>	Mo/Mi
32	Rijksen, Meike	Greenpeace Nederland		<a href="mailto:meike.rijksen@greenpeace.org">meike.rijksen@greenpeace.org</a>	Mo/Mi
33	Savenije, Herman	Tropenbos International	Programma Coordinator	<a href="mailto:Herman.savenije@tropenbos.org">Herman.savenije@tropenbos.org</a>	Mo/Mi
34	Sleurink, Nienke	IDH Sustainable Trade	Program Officer	<a href="mailto:sleurink@idhsustainabletrade.com">sleurink@idhsustainabletrade.com</a>	Mo/Mi
35	Souren, Ingrid	Utrecht University		<a href="mailto:i.f.w.m.souren@students.uu.nl">i.f.w.m.souren@students.uu.nl</a>	Mo/Mi
36	Spronk, Bas	Timber Trade Connection BV		<a href="mailto:info@timbertc.com">info@timbertc.com</a>	Mo/Mi
37	Stroot, Hilde	Greenpeace Nederland		<a href="mailto:hstroot@greenpeace.nl">hstroot@greenpeace.nl</a>	Mo/Mi
38	Veen, Huib van	PEFC Nederland	Coördinator Beleid & Registratie	<a href="mailto:Huib.van.Veen@pefcnederland.nl">Huib.van.Veen@pefcnederland.nl</a>	Mi
39	Veening, Wouter	Institute for Environmental Security	Chairman/President	<a href="mailto:wveening@envirosecurity.org">wveening@envirosecurity.org</a>	Mo/Mi
40	Vellema, Hans	Tropenbos International	Programma Coordinator	<a href="mailto:hans.vellema@tropenbos.org">hans.vellema@tropenbos.org</a>	Mo/Mi
41	Verwer, Caspar	IUCN	Project Officer PES/Guiana Shield	<a href="mailto:caspar.verwer@iucn.nl">caspar.verwer@iucn.nl</a>	Mo/Mi
42	Visser, Irene	Greenpeace Nederland		<a href="mailto:irene.visser@greenpeace.org">irene.visser@greenpeace.org</a>	Mo/Mi
43	Vlam, Mart	WUR		<a href="mailto:mart.vlam@wur.nl">mart.vlam@wur.nl</a>	Mi
44	Weide, Wouter	Raad Nederlandse Detailhandel		<a href="mailto:weide@rndweb.nl">weide@rndweb.nl</a>	Mo/Mi
45	Wels-de Lint, Arzien	Wereld Natuur Fonds	Sr. Advisor Pulp, Paper & Timber	<a href="mailto:awels@wwf.nl">awels@wwf.nl</a>	Mo/Mi
46	Wiegman, Ted	SYMACO Advies		<a href="mailto:twiegman@symaco.nl">twiegman@symaco.nl</a>	Mo/Mi
47	Wolvekamp, Paul	Both Ends		<a href="mailto:pw@bothends.org">pw@bothends.org</a>	Mo/Mi
48	Wortel, Meriam	Nederlandse Voedsel- en Warenautoriteit		<a href="mailto:m.wortel@nvwa.nl">m.wortel@nvwa.nl</a>	Mi
49	Zetten, Jessica van	Accsys Technologies	QA Manager	<a href="mailto:Jessica.Van.Zetten@accsysplc.com">Jessica.Van.Zetten@accsysplc.com</a>	Mo/Mi

## Annex 2. Programme

Time	Subject	Speakers
08.45–09.30h	<b>Arrival with coffee/tea</b>	
09.30–09.40h	Welcome and Introduction by the Chair	<ul style="list-style-type: none"> <li>Dagvoorzitter René Boot, Tropenbos International</li> </ul>
<b>Sessie 1: FLEGT Action Plan</b>		
09.40–10.00h	Introduction to the FLEGT Action Plan and its evaluation	<ul style="list-style-type: none"> <li>Rob Busink, ministry of Economic Affairs</li> <li>Marlen Arkesteijn, FLEGT Evaluation team</li> </ul>
10.00–10.15h	First response by the NL Government on the FAP and its results	<ul style="list-style-type: none"> <li>By EZ with additional comments from other ministries</li> </ul>
10.15–11.00h	Forum 1: Looking back and forward. Stakeholder perspectives on successes, failures and scope for improvement of the FLEGT Action Plan	<ul style="list-style-type: none"> <li>André de Boer, European Timber Trade Federation</li> <li>Paul Wolvekamp, Both Ends</li> <li>Maxime Molenaar, Actiam Investments</li> <li>Saskia Ozinga, FERN</li> <li>Arzien Wels, WWF Netherlands</li> </ul>
11.00-11.30h	<b>Coffee/tea break</b>	
11.30-12.30h	<b>World Café1:</b> Towards concrete proposals on the 7 FLEGT themes (see also FLEGT Action Plan): 1. <i>Support to timber producing countries</i> ; 2. <i>Trade in timber (VPAs, EU-TR)</i> ; 3. <i>Public procurement</i> ; 4. <i>Private sector initiatives</i> ; 5. <i>Finance and investment safeguards</i> ; 6. <i>Existing EU, MS or international legislative instruments</i> ; 7. <i>Conflict timber</i>	Moderated brainstorm in four groups
12.30–13.00h	Plenary feedback and wrap-up	René Boot
13.00-14.00h	<b>Lunch</b>	
<b>Session 2: The EU Timber Trade Regulation</b>		
14.00-14.20h	Introduction to the EU Timber Regulation and its evaluation	<ul style="list-style-type: none"> <li>Rob Busink, EZ with additional comments by NVWA and Customs</li> </ul>
14.20- 15.10h	Forum 2: Looking back and forward: stakeholder perspectives on successes, failures and scope for improvement of the of EUTR	<ul style="list-style-type: none"> <li>Paul van den Heuvel, VVNH</li> <li>Hilde Stroot, Greenpeace</li> <li>Arjen Alkema, FSC Netherlands</li> <li>Wouter Weide, Council for Netherlands Retail Trade</li> </ul>
15.10 –16.00h	World Café 2: towards concrete proposals on the EUTR. <i>Discussion themes:</i> <ol style="list-style-type: none"> <li><i>Broadening the scope of EUTR to include more product groups?</i></li> <li><i>Compliance of the regulation; administrative burden and practicability of the regulation</i></li> <li><i>the role of certificates in the EUTR.</i></li> <li><i>Cooperation with other countries</i></li> </ol>	Moderated brainstorm in four groups
16.00 -16.25h	Plenary feedback and wrap-up	René Boot
16.25 –16.30h	Conclusion and follow-up steps	Rob Busink, ministry of Economic Affairs
16.30h	<b>Drinks</b>	

## Annex 3 RESULTS OF WORLD CAFÉ 1: EU FLEGT ACTION PLAN

Table 1: Support to timber producing countries	Table 2: Timber trade: VPAs and EUTR, use of existing legislation by EU and member states; conflict timber	Table 3: Sustainable purchasing policy	Table 4: Private sector initiatives; financing and investment conditions
<b>Achievements</b>			
Impact			
Stimulant to sustainability	VPA signed by a large number of countries	Strengthened position of timber	Sustainable investments are increasingly mainstreamed
Decrease of illegal logging in some countries	Concrete instrument for the fight against illegal timber	Supporting supply of sustainable timber	
(Due to traceability) improved implementation and control of legislation, with results even outside borders of VPA countries	Potentially effective legal instrument to regular the demand	Improved Dutch purchasing policy since 2010, chances to disseminate this, if sustainable	
Forest and sustainable timber on the agenda			
Increased global attention to and communication on forests	Attention to forests within EU	Attention to sustainability as quality of products and prices	Increased insight in the problem
		Topic/ forests on agenda	
Increased interest and awareness			
Increased interest for certification	Awareness with producers/ importers (EUTR)	Awareness with public servants	
Increased awareness at ministerial level and forest services in exporting countries	Awareness at all governmental levels and with private sector		
Good governance			
Improved governance, education, awareness and new systems (TLAS)	Negotiations and awareness the timber exporting countries		
Dialogue, development of governmental infrastructure	Improvements in governance		
Encouragement to good governance	Push to governmental infrastructure		
	Improved governance on definition legality, money laundering, corruption, conflict timber		
Strengthening of communities			
Legality and customary rights on the political agenda (in timber producing countries)			

<b>Table 1: Support to timber producing countries</b>	<b>Table 2: Timber trade: VPAs and EUTR, use of existing legislation by EU and member states; conflict timber</b>	<b>Table 3: Sustainable purchasing policy</b>	<b>Table 4: Private sector initiatives; financing and investment conditions</b>
Recognition of customary rights			
Amplified voices of CSOs	Voice to local communities		
Funding for communities			
Dialogue, transparency, capacity, technology, funding			
Multi-stakeholder dialogues	Multi stakeholder dialogues in VPA countries		
Improved coordination			
Increased capacities			
Increased funding and capacity in VPA countries			
Improved transparency	Increased transparency	Increased transparency	
Innovation (GIS, drones, DNA)			Satellite monitoring of forests and vegetation types
<b>Shortcomings / Challenges</b>			
Limited impact			
Demand in EU for legal and sustainable timber stays behind	Still no FLEGT timber on market	Implementation remains difficult, even in The Netherlands	Investors can only invest in investable companies and don't have influence in small scale companies
Mid- and South America do not participate		Lack of control, too much bargaining at local level	Investments by private sector will be maximum 10%
VPA not successful in all countries, e.g. in Congo Basin no improvements in transparency and involvement of civil society			
Hardly any influence on timber flow			
Implementation on the ground hardly operational			
Political will and implementation of VPA stagnate (especially in ODA countries)			
Legitimacy and sustainability			
Legality is a minimum requirement, not the final aim		Distinguish between legality and sustainability	
Competition between legal (FLEGT) and sustainable forest management	Focus of FLEGT is only on timber with insufficient attention to other functions of forests	Tension between FLEGT and sustainable purchasing (conversion timber)	Low rate of return and only on the long term
		Insufficient rewarding of sustainability	

Table 1: Support to timber producing countries	Table 2: Timber trade: VPAs and EUTR, use of existing legislation by EU and member states; conflict timber	Table 3: Sustainable purchasing policy	Table 4: Private sector initiatives; financing and investment conditions
		Competition between FLEGT and sustainability	
		Confusion about concept of sustainability	
Limited FLEGT and VPA scope and difficult processes (time, stakeholder consultations)			
	Limited scope of FLEGT (legalisation of global problem; deforestation)	Unclear position of FLEGT within sustainable purchase policy	
	Limited scope of EUTR		
Time consuming process (due to e.g building bridges between cultures and including domestic market)	Time consuming process, which causes decrease of support and credibility		
FLEGT licenses are a very slow process			
VPA negotiation take very long (e.g. Malaysia)			
Too much top-down negotiations while a bottom-up approach would be essential	Lack of transparency of companies (e.g. % of certified pulp or timber)		
Too little involvement of local stakeholders			
Poor image			
Paradigm shift that tropical timber is bad			Unsecure sector to invest in
			Reluctance with timber traders
			Possible poor image for investors
Lack of coordination and attuning			
	Lack of recognition of (private) certification systems (FSC)	Bottom line not continuously improved	
Insufficient relationship between consumer and supplier countries	Uncertainty amongst buyers		
	Lack of uniform (rigid) compliance and control of EUTR		Financing world does not practice what they preach
Lack of capacity and proper instruments			
Lack of capacity, both within EU and many countries	Lack of effective control (rely on governmental documents and reverse onus of proof)	Public sector often has rules for sustainability but lack control of project contracts	Lack of knowledge with investors
	Lack of harmonization between and implementation by member states	Lack of procurement policy against use of steel, aluminium and concrete	Lack of rules and regulations for legal activities

<b>Table 1: Support to timber producing countries</b>	<b>Table 2: Timber trade: VPAs and EUTR, use of existing legislation by EU and member states; conflict timber</b>	<b>Table 3: Sustainable purchasing policy</b>	<b>Table 4: Private sector initiatives; financing and investment conditions</b>
Relationship with other sectors and commodities			
Large difference between countries		Tuning with other products	Insufficient coordination and tuning with financing institutes
Forestry sector is negatively affected by other sectors (mining, agriculture)		Promote use of (tropical) timber above other materials	Lack of instruments that have sufficient status
Governance is a very tough issue; expectation should be realistic and other sectors need to be involved			
Knowledge transfer from VPA countries to consumer countries			Insufficient translation of FLEGT into useful information and financial instruments
Domestic markets and Small and Medium Enterprises insufficiently included		Do not politicize, make use of TPAC	Lack of money, active attitude and involvement of private sector
Timber flows, both domestic and export market		Unclear position of conversion timber	No need for parties to play an active role because not all products that contain timber are under scope of EUTR
Insufficient coordination with overall EU trade policy			
Combat illegality			
Insufficient tuning with other ODA funding			
<b>Recommendations</b>			
Scope and focus			
			Broaden the scope of EUTR, involve other sectors
		Legality, including international and customary law, reaches further than sustainability	Involve public financial institutes (climate funds, FMO, pension funds)
Include local market	Include conversion in VPA	Comply with sustainable purchasing policy	Involvement of private sector is key to success to make sectors more sustainable (timber, pulp, paper)
Extent scope and include conversion in VPAs	Increase investments of EU in strengthening and acceleration of VPA process	Improve accountability and report to parliament on results of sustainable purchasing policy	Involve private sector in sustainable development (certification and verification; timber, paper etc)

<b>Table 1: Support to timber producing countries</b>	<b>Table 2: Timber trade: VPAs and EUTR, use of existing legislation by EU and member states; conflict timber</b>	<b>Table 3: Sustainable purchasing policy</b>	<b>Table 4: Private sector initiatives; financing and investment conditions</b>
			Increase awareness of private sector about the role of natural capital in our economy; internalize nature in agri and financial sectors
Focus on countries that are really interested	Serious adaptation of certification schemes (include customary laws)		
Focus VPA on countries with substantial export to Europe	Pay attention to European timber		
Pay attention to corruption through the entire supply chain		Include CO <sub>2</sub> foot print	Include payments for ecological services
		Attention to Lesser Known Timber Species	
Link with initiatives on sustainable production of agricultural products	Link FLEGT to poverty alleviation, forests and agriculture	Give status to FLEGT in sustainable purchasing policy, aiming at sustainability	Describe best practices to engage investors
	Focus on 'legal pluralism' (including customary and international law) rather than on difference between sustainability and legality		
	Tuning with other sectors and commodities	Ensure sustainability in purchasing policy, legal timber is not enough	
	Circular economy	Involve private sector	Use ideas of private sector to increase transparency
<b>Effective compliance - directly</b>			
Improve EUTR through better compliance, increased political will and improved VPA implementation	Effective compliance with solid Due Diligence system	Phased VPAs (only export) and/or local VPAs (within country)	Simplify REDD process for improved financing of forest management
Set clear deadlines and apply sanctions	Force the implementation of Dutch purchasing policy and compliance	Control by purchasers	Develop standards for investors
Effective implementation of Voluntary Guidelines on Governance and Tenure (VGGT)		Stop subsidizing wood pellets	
<b>Effective compliance - indirectly</b>			
	Reward companies that do well	Make transparency compulsory for governments and private sector	Make investments in chain dependent of use of sustainable timber
	Political analysis per country on "willingness" to implement FLEGT		Change from 'do no harm' to 'do good'



<b>Table 1: Support to timber producing countries</b>	<b>Table 2: Timber trade: VPAs and EUTR, use of existing legislation by EU and member states; conflict timber</b>	<b>Table 3: Sustainable purchasing policy</b>	<b>Table 4: Private sector initiatives; financing and investment conditions</b>
Prevent leakage to other countries			Assess public investments (ODA) on their contribution to sustainable forest management and poverty alleviation
Support sustainable forest management through a stepwise approach		Use stepwise approach, from FLEGT to sustainable forest management	
Green lane for certificates			
Green lane for FSC and PEFC	Green lane for FSC and PEFC, which will support sustainability	Accept certificates in purchasing policy	
	Accept FLEGT certificate for Dutch purchasing policy		
Improve knowledge, information exchange and capacity-building			
Provide insight in the changes in land use in VPA countries due to the demand for agricultural products in Europe	Develop affordable and simple timber tracing system	Increase knowledge on sustainable purchases with lower governance, especially on implementation	Transparency about investments and financial streams
Information exchange between supply and consumer countries	Improve data collection (customs, trade)		“Follow-the money”
	Use of modern technologies (e.g. DNA testing and satellite images)	Document best practices in The Netherlands	
	Use knowledge on FLEGT for other agriculture commodities	Learn from sustainable purchasing policies of other countries	
Funding and capacity building in VPA and timber producing countries	Long term funding of capacity building in VPA countries		
Capacity building on Measuring, Reporting and Verification	Capacity building at local and international level	Increase capacity (quality and quantity), including knowledge transfer	
	Increase capacity of surveillants (policy, justice) in EU member states		
Improve communication and image-building			
Improve image of tropical timber, e.g. through story telling	Positive communication and story-telling, directly by official agencies		Communicate positive story
Improve communication on results and state-of-affairs in FLEGT countries			

## Annex 4 RESULTS OF WORLD CAFÉ 2: EUTR

Table 1: Increase scope of regulation; include other product groups in regulation	Table 2: Compliance of regulation; administrative burden and practicability of regulation	Table 3: The role of certificates in the EUTR	Table 4: Cooperation with other countries
<b>Achievements</b>			
Impact			
Majority of primary products are covered	Clever compliance		First step towards internationally legal binding agreements on global level
	Positive contribution of NVWA (open-minded, learning attitude)		Exporters receive an 'Exporter information statement' as onus of Due Diligence
	EUTR has positive impact on supply countries		
<b>Compliance</b>			
	Existing structure for compliance, with set-up of CA in each country and monitoring organisations		
	Shows necessity of the 'legal instrument', which makes it working		
<b>Information exchange</b>			
		Offers concrete action perspective	Consultation at European level
		Role model for development	Information exchange between supply and user countries
		Boosts Chain of Custody certification	Exchange of information with and within EU, USA
			Collaboration between Dutch Ministry of Economic Affairs and Ministries in other countries (e.g. UK, Denmark)
			In various countries, increased exchange of information between Civil Society
<b>Awareness</b>			
Awareness in forest sector on legality		Attention to legality and sustainability	Joint thinking and discussions of EU member states
Wide support and awareness for the aim of the regulation		Boost to certification	Increased insight in chains and timber flows

<b>Table 1: Increase scope of regulation; include other product groups in regulation</b>	<b>Table 2: Compliance of regulation; administrative burden and practicability of regulation</b>	<b>Table 3: The role of certificates in the EUTR</b>	<b>Table 4: Cooperation with other countries</b>
Awareness about legality of timber and paper for the entire Chain of Custody			
<b>Shortcomings / Challenges</b>			
Control and compliance			
Unclarity how to deal with complex products of various materials	Unclarity about which (minimum) documents are relevant to comply with EUTR	Legality is insufficiently incorporated in certificates	Furniture and toys not under EUTR
Lack of uniform product codes	Unclarity about requirements, which leads to additional administrative burden and costs	Insufficient connection between certification and Due Diligence	Use sanctions that exist within law
Unclarity about second hand timber	Difference in interpretation between member states	Separate administration of EUTR and certified timber causes additional costs and burden	Insufficient collaboration
	Operators have little notice of Due Diligence next to paper work ('OK if long as paper work is correct')	Insufficient cooperation between FSC and PEFC	
	When is good good enough? CA will never give 'certificate of approval'	Utility of certification is being questioned; legality seems to be sufficient	
	Administrative burden is too heavy for small importers, which prevent them to sustain and from being competitive	Trend to look for legality instead of sustainability certificate	
	CAs have little resources and focus (paper check alone is insufficient)		
	Paper check offers no guarantee for legality		Cooperation with supply countries under pressure if official documents are not recognized (politically sensitive)
<b>Uniformity within EU</b>			
			Implementation varies strongly, which discourages operators to seriously apply Due Diligence System
	Lack of uniform compliance of the regulations		All EU countries should have level playing field on regulations and compliance
	Poor verification of documents in supply countries		Shortage of cooperation with CAs in Eastern Europe and Southern Europe

<b>Table 1: Increase scope of regulation; include other product groups in regulation</b>	<b>Table 2: Compliance of regulation; administrative burden and practicability of regulation</b>	<b>Table 3: The role of certificates in the EUTR</b>	<b>Table 4: Cooperation with other countries</b>
			No direct implications for other countries in the EU as the EUTR imposes obligations on “operators” in the EU
Context			
	Competition between timber and other materials	How to get from legality to sustainability?	Laggards within EU cause leakage in import
			Tuning between EU, USA, Japan and Australia would make a strong case towards countries without regulations
<b>Recommendations</b>			
Implementation			
	Independent verification of source and documents (e.g. using DNA, isotopes)	Increase collaboration between FSC PEFC	Umbrella EU CA to harmonize regulations and implementation (DD, sanctions, staff, capacity, knowledge exchange)
Include ‘logical’ products (e.g. furniture, paper, charcoal)	Guidance by EU	Develop one Chain of Custody system	Joint development of track and trace systems for illegal timber
	Focus sanctions on due diligence	Improve connection between FSC and PEFC	Joint recognition of systems (esp. Lacey Act and EUTR)
	Recognize FSC certification	Clear communication by EU on role FSC and PEFC	Effective sanctions for non-effective implementation
	No Green Lane to FSC and PEFC; responsibility should stay with operator	Certification schemes should use EUTR to show that they suffice and get a green lane	
	Green lane to certified timber	Green lane to approved certification schemes	
<b>Compliance</b>			
	Strengthening of compliance in ‘weaker’ EU countries	Harmonize ‘sustainability’ at EU level	Increase uniformity for compliance within EU
	Guidance per country on legality		Harmonize the implementation of sanctions within EU
	Simple trace systems, not necessarily high-tech		Learn from Australian experience, which accepts both FSC and PEFC

<b>Table 1: Increase scope of regulation; include other product groups in regulation</b>	<b>Table 2: Compliance of regulation; administrative burden and practicability of regulation</b>	<b>Table 3: The role of certificates in the EUTR</b>	<b>Table 4: Cooperation with other countries</b>
Simplify implementation requirements of EUTR to avoid administrative burden and costs	Simplify requirements and traceability with losing the aim of the regulation		
Simplify or do not use EUTR for products with only a small percentage of timber, to avoid unnecessary burden	Increase budget and knowledge of CAs		Solid information on existing legal documents and regulations
Harmonize with comparable products and regulations (palm oil, soy, beef, cocoa)	Harmonize CITES and FLEGT (although they only have a limited overlap)		Create international teams (EU, other countries, CAs, police, Interpol, NGOs, experts) and exchange information
	Control and validate CITES licenses		
Extend scope to land use and tenure	Enlarge scope of EUTR to secondary timber products		
Include ALL secondary products in EUTR	Do not include secondary products in EUTR		
First simplify requirements before expansion of regulation with other product groups			