



# Global Trends in Legal and Sustainable Timber

FOR. KARL VILLEGAS

National Forestry Specialist

FAO Philippines

SFFI National Conference / 26 October 2018

Puerto Princesa, Palawan

FAO - EU FLEGT PROGRAMME




Food and Agriculture  
Organization of the  
United Nations



SWEDEN





A photograph of a dark-stained wooden coffee table with a rectangular top and curved legs. The table is positioned on a light-colored wooden floor. A semi-transparent white rectangular box is centered on the table's surface, containing the text "Where did this coffee table come from?".

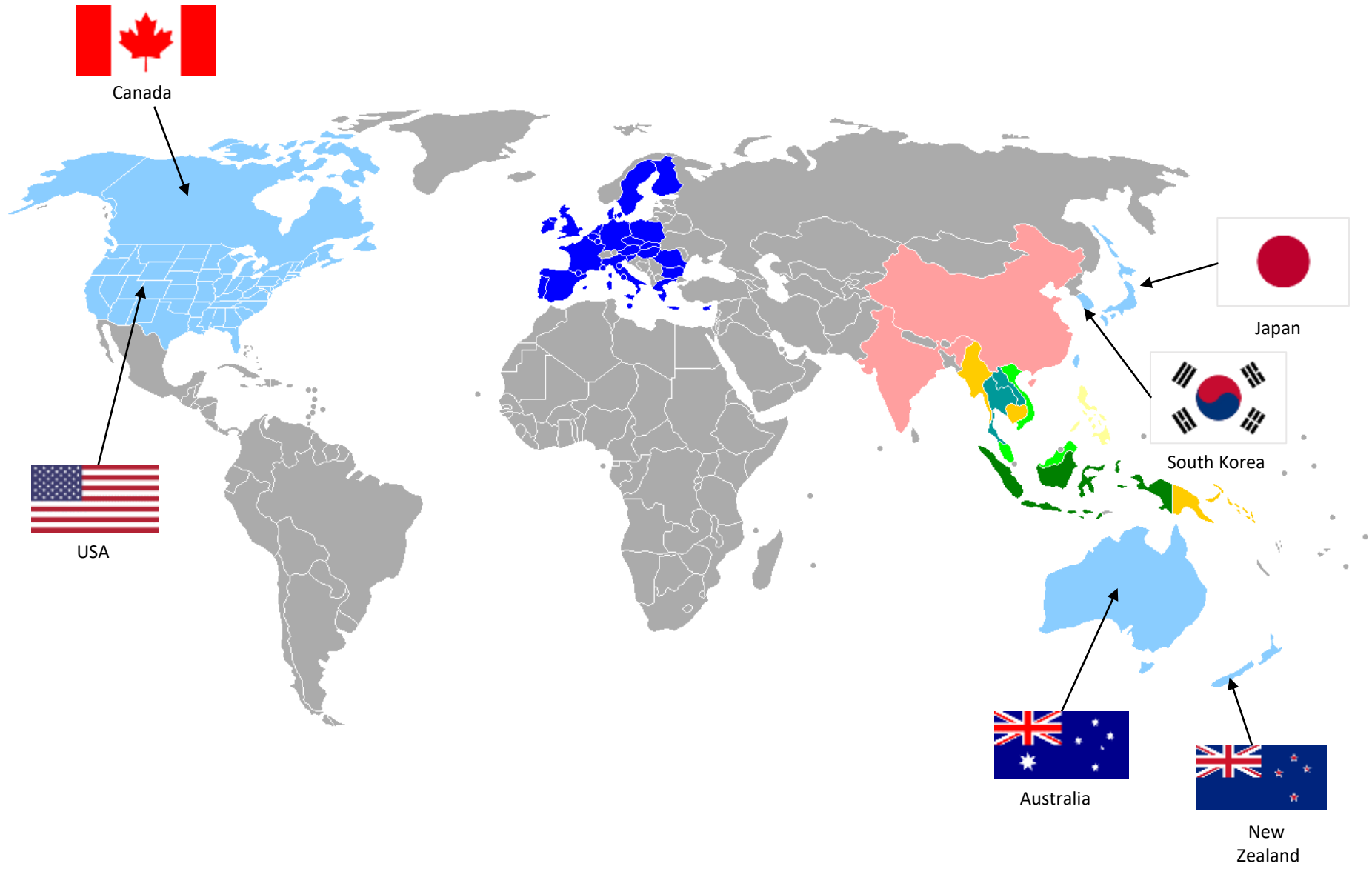
Where did this coffee  
table come from?

# What drives global demand for legal and sustainable timber?

1. Consumer and Retailer purchasing preferences
2. Public and Private timber procurement policies
3. Binding Legislation (Due diligence):
  -  ✓ US Lacey Act
  -  ✓ EU Timber Regulation
  -  ✓ Australia Illegal Logging Prohibition Act
4. Regional market integration (ASEAN Economic Community)



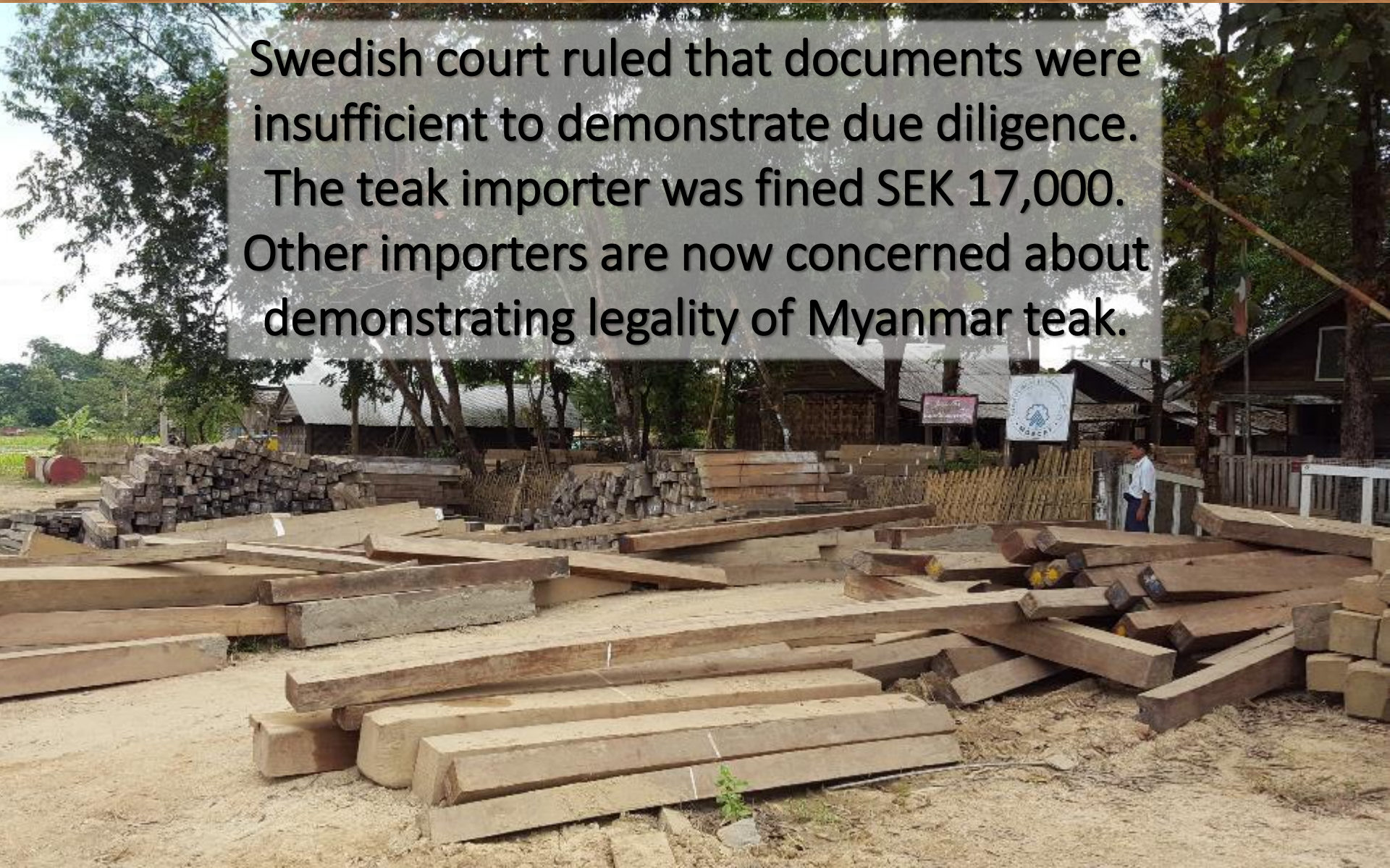
# Countries with laws requiring legal wood





# EUTR case – Myanmar Teak

Swedish court ruled that documents were insufficient to demonstrate due diligence. The teak importer was fined SEK 17,000. Other importers are now concerned about demonstrating legality of Myanmar teak.



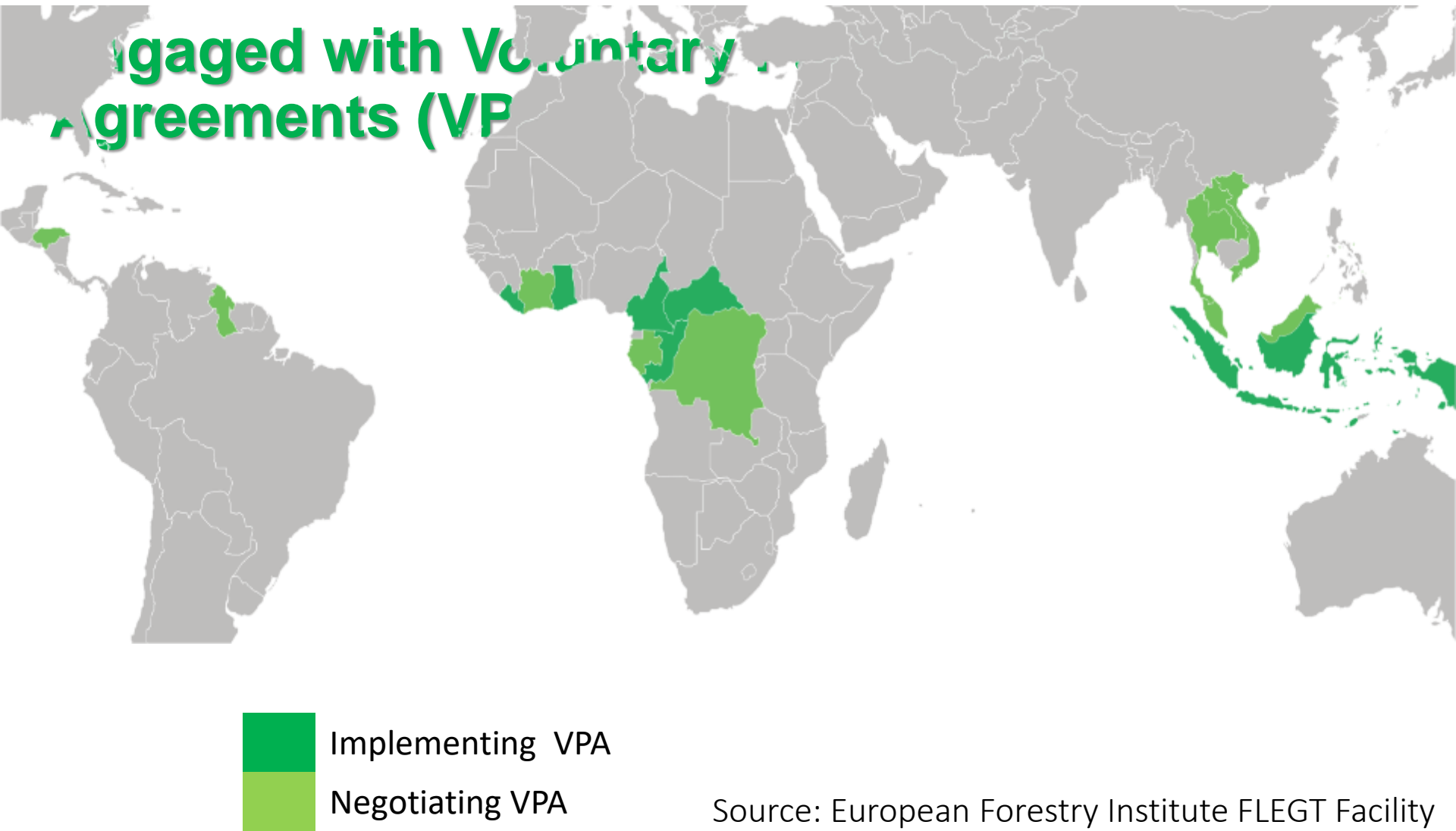


# What is a Voluntary Partnership Agreement?

A VPA is a bilateral agreement between the European Union and a timber-producing country.

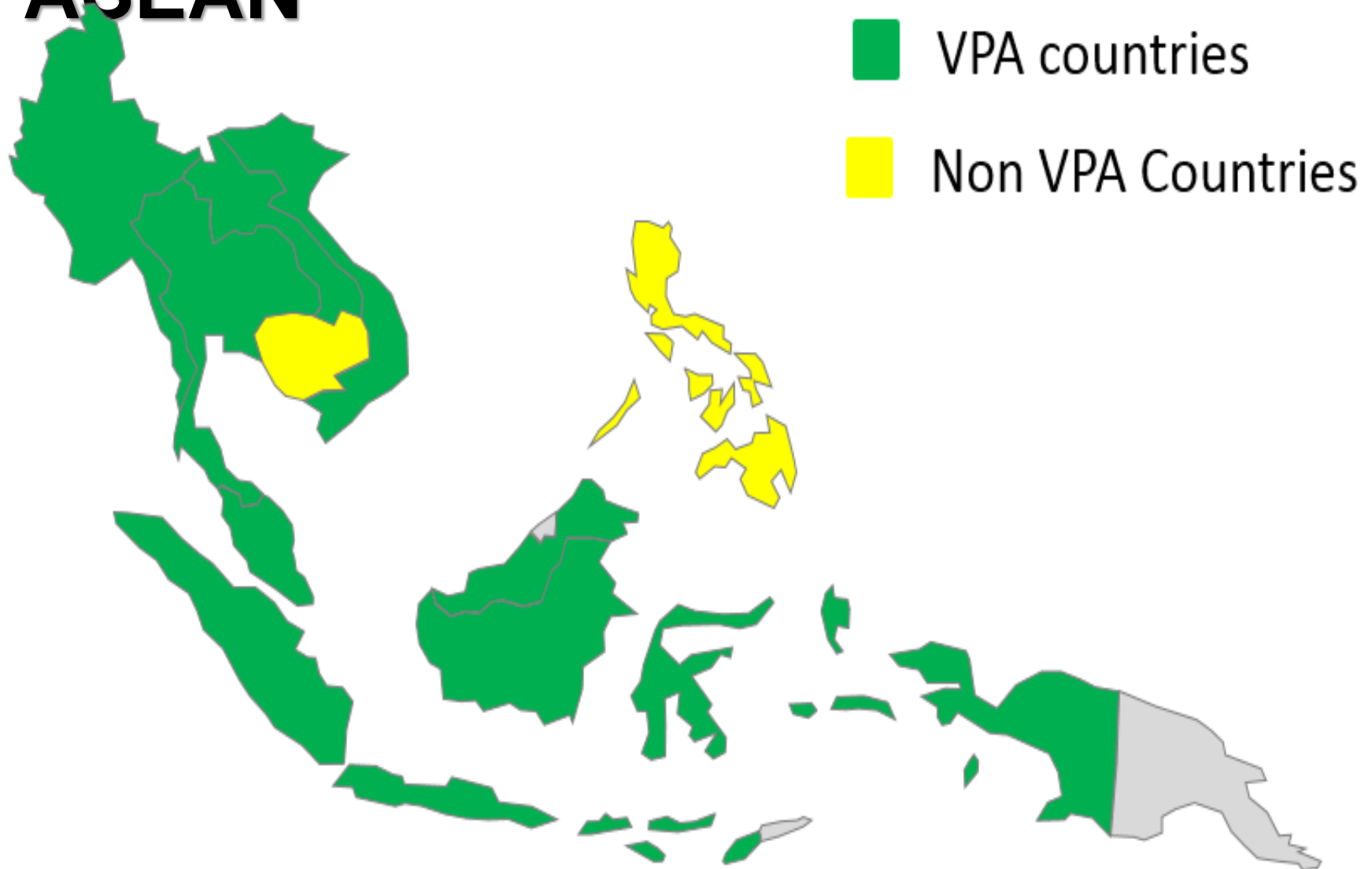
- The purpose of a VPA is to ensure that timber and timber products exported to the EU come from legal sources.
- The timber-producing country agrees to control and license its timber exports as legal.
- The EU agrees to accept only licensed imports from that country.
- Legality is assured through an agreed timber legality assurance system.

# Tropical Timber Producing Countries



Source: European Forestry Institute FLEGT Facility

# VPA and non-VPA Countries in ASEAN







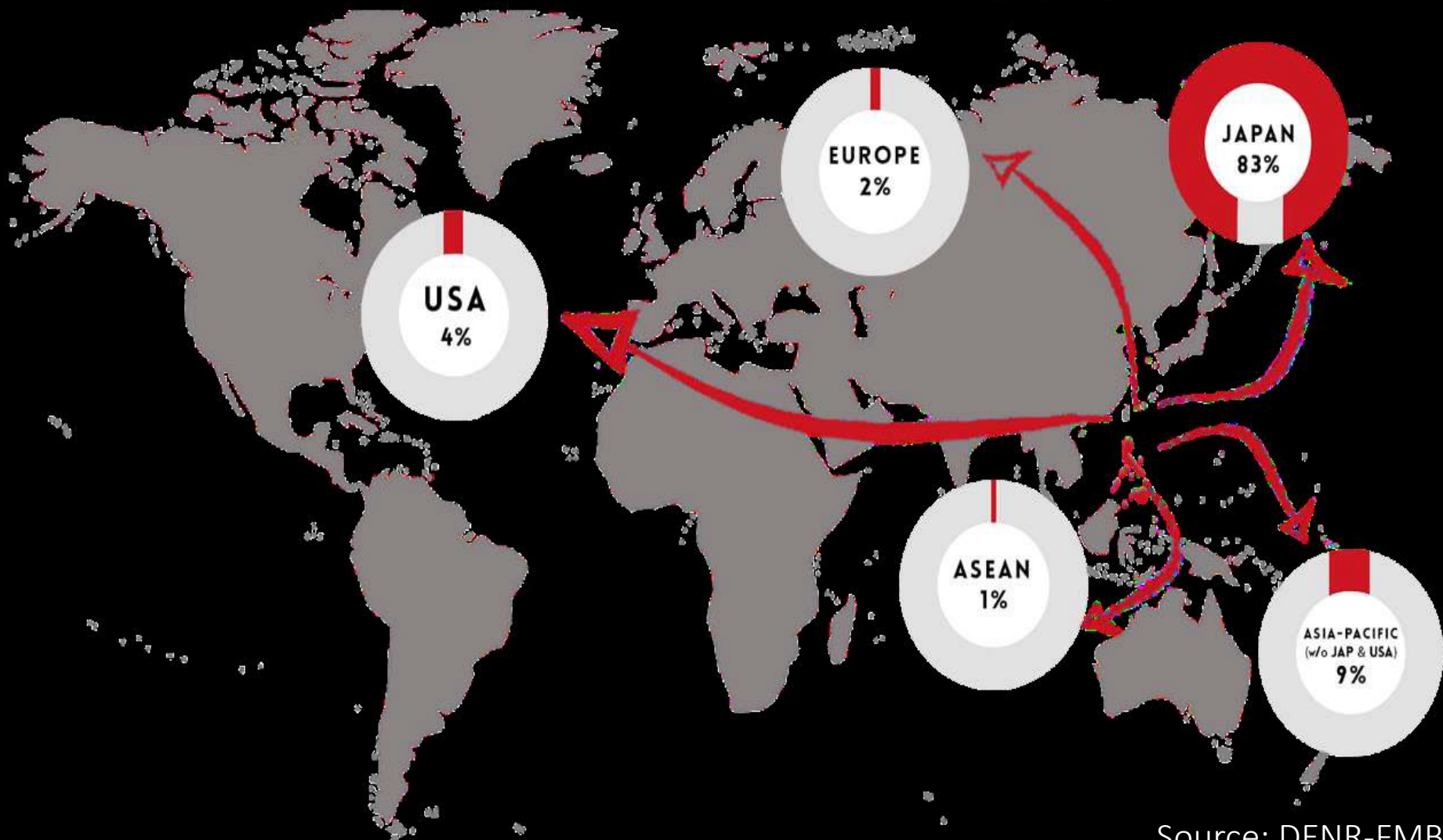
# Indonesia

## Increased Timber Exports to EU

- In the first 6 months of 2017, Indonesia exported **more** timber products to the EU than any other timber producing country (168,000 MT)
- Many other countries' exports to the EU **declined** (Malaysia, Cameroon, CAR, DRC, etc.) in 2017
- **10%** increase in certified timber product exports from concessions between 2015-2016
- Since 2013, Indonesia has shipped over **61.2 million** tons of V-Legal forest products worth **USD 40 billion**
- **2,227** certified exporters (verified legal timber)



# MAJOR TRADING PARTNERS OF PHILIPPINES IN FOREST-BASED PRODUCTS: 2014 EXPORTS

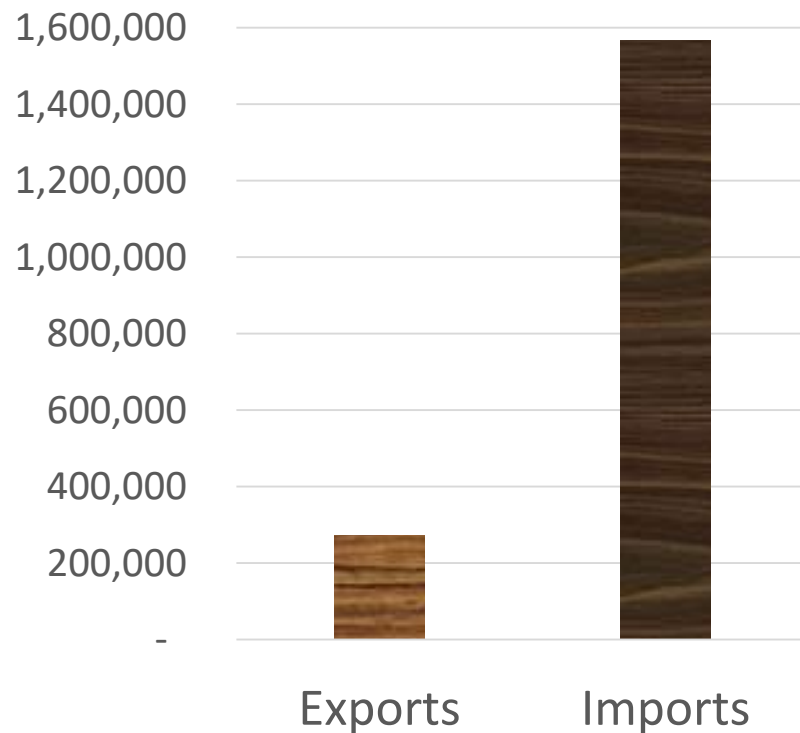


Source: DENR-FMB

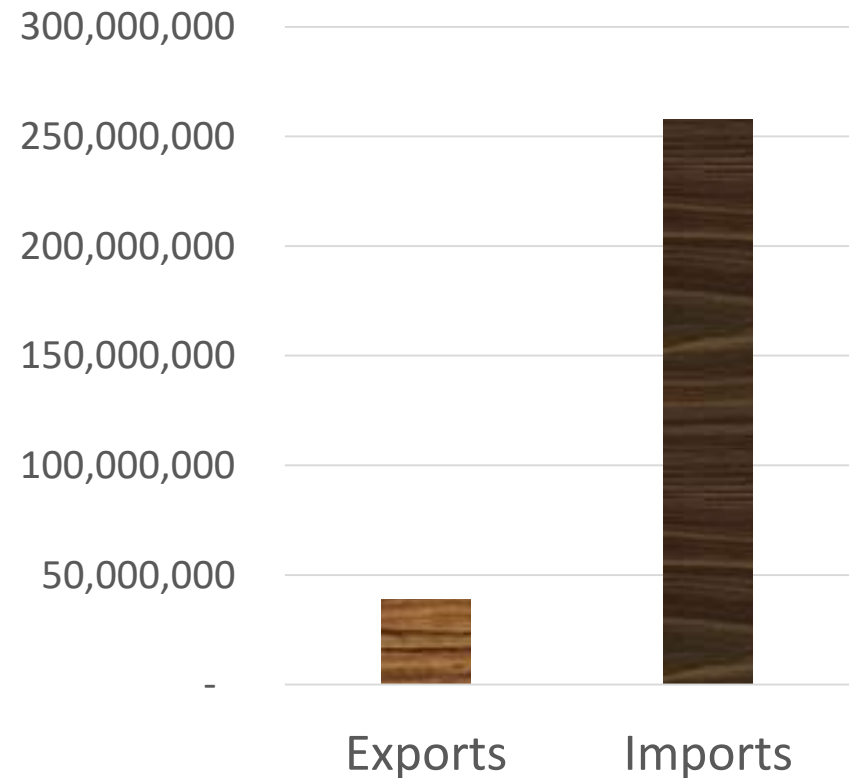


# Timber Imports & Exports

2015 Volume (m<sup>3</sup>) –  
Timber



2015 Value (USD)



# Legal & Sustainable

## New market baseline for ASEAN

- ASEAN Economic Community includes an integrated market for timber and timber products
- ASEAN requirement for National Forest Certification Systems and harmonized Timber Legality Definitions





# What is FLEGT Forest Law Enforcement Governance, and Trade of Legal Timber

An approach to combating illegal logging and the illegal trade, while promoting sustainable forest management, good governance and transparency





# FLEGT Action Plan



## Forest **L**aw **E**nforcement, **G**overnance and **T**rade Action Plan

- 🌿 Response by the European Union to address illegal timber on the international markets (demand side sharing responsibility with supply side);
- 🌿 Provides both demand and supply-side solutions (EUTR, Procurement, VPAs);
- 🌿 Focus on stakeholder participation, legal clarity and transparency;
- 🌿 Holistic: legal, environmental, economic and human issues.



# Improved Forest Governance



Reinforces the rule of law by mandating legal compliance, while combating corruption and improving transparency



# Improved Forest Governance

A landscape photograph showing a forested hillside. In the foreground, there's a small waterfall with white water cascading down. To the left, a small red-roofed building is partially visible. In the middle ground, a small village with several blue-roofed buildings is nestled on a cleared patch of land. The background is a large, steep hill covered in dense green forest under a cloudy sky.

Clarifies land use rights and tenure over forest land, supporting community forestry and creating an enabling environment for long-term, sustainable production



# Improved Forest Governance



Institutional strengthening and capacity building for stakeholders to comply with legal regulations and due diligence requirements



FAO - EU FLEGT PROGRAMME



Food and Agriculture  
Organization of the  
United Nations



# Salamat Po!