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The European forest owners'¹ response to the draft regulation on laying down the obligations of operators who place timber and timber products on the market

The undersigned organisations, representing European forest owners, recognise illegal harvesting and timber trade as an important issue and welcomes public and private initiatives to overcome this problem. Being aware of the negative impact of illegal logging to overall sustainable development, climate change and all legal operators, we promote sustainable forest management as well as good governance and forest law enforcement.

European forest owners consider the suggested proposal by the presidency to be a good starting point. The presidency's proposal clearly state that the upcoming regulation should not lead to any extra burden for the European forest sector. Consequently we warmly welcome the exclusion of small forest owners from the regulation.

National legislation and supervision systems should be the basis for due diligence as presented in the presidency's proposal. With variability found in the different parts of the world we support the presidency's proposal in including risk assessment tools to better target areas with higher risk. The proposals concerning monitoring organisations improve the regulation and will help integrate the existing systems into due diligence schemes.

However, in order to improve effective targeting of this regulation forest owners wish to highlight the following points:

- To achieve this whilst also addressing reduction of administrative burden and costs for the European forest sector, a change in the obligation of due diligence from the seller to **the purchaser** of wood is necessary. By doing this one would reduce the amount of operators significantly i.e. from app. 15 million forest owners to an estimated 50.000 operators. The purchasers are operating on the markets on a regular basis and a majority of them would already have systems established which could provide due diligence. As purchasers are large players compared to forest owners they would also have better

¹ Forest owner: any physical or legal person engaged in forest production activity regardless of the ownership of the land.

possibilities to establish efficient and cost-effective systems in cases where they do not already have well functioning systems in place.

- Clear distinction should be made throughout the text concerning **the responsibility of operators**. It doesn't make any sense that a forest producer should assess the risk of his own production. To avoid this unintended requirement an exclusion of small forest owners should be added to Art 4.1.b (as in Art 3.2).
- Article 4 should include clear reference to **existing national legislation and authorities' supervision tools** as one option for due diligence systems. Additionally, a list of examples of suitable – and already existing – systems should be added to the text.
- The definition of applicable legislation is very broad in the presidency proposal. We support high legality standards; however we have concerns regarding the practical implementation of this requirement. For example it is impossible for a single forest owner to prove that the harvesting contractor operating in forest owner's forest fulfils all legal standards concerning labour, tax etc. **Applicable legislation should refer only to forest management and ownership aspects of legality**. Broadening the legality requirements outside these areas would increase the complexity of the legislation and severely hamper its implementation.
- Art. 5.2.f in its current formulation would exclude **national forestry authorities** from acting as monitoring organisations. These authorities are usually supervising the implementation of forest legislation and shouldn't therefore be excluded.
- **An Advisory Group** including all relevant stakeholders should be set up to assist the Committee in the implementation work.

We believe that efficient implementation of legislation has a far greater success rate when the majority of society and key actors understand the objectives, the possible implications and the working principles of new laws. By introducing a sensible regulation that targets illegal timber and at the same time is workable for the European forest sector makes the rate of success significantly higher. This is also of great importance to all Member States since they finally are responsible of implementation of this regulation.

We would be happy to further discuss these matters with you and to provide our expertise on any further developments.

Yours faithfully



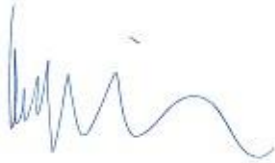
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