



Government Timber Procurement Policy

Using public procurement policy to secure livelihoods
and natural resources

**A presentation to the Joint Committee on Environment, Heritage and Local
Government, Leinster House, Dublin.**

By

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Summary points

- Tackling Climate Change is the biggest challenge of our age. Ireland has made commitments internationally which we have not lived up to, as the record shows. The Kyoto Protocol commits Ireland to remaining 13% above 1990 levels. Recent figures show we are currently 25.5% above 1990 levels.
- Good intentions are simply not enough. What we require is a robust framework which will translate aspirations into action. It needs to be driven from the very top in a coordinated integrated fashion and it needs to be grounded in legislation.
- Biological diversity represents the natural wealth of the Earth, and provides the basis for life and prosperity for the whole of mankind.
- The use of public procurement policy by a number of consumer states aimed at excluding illegal and unsustainable timber extraction from the world's forests is already in operation.
- The OECD has praised Ireland's overseas development programme as a "cutting edge" model for others to follow. (page 10, The Irish Times, Friday, May 8, 2009)
- A responsible National Timber Procurement Policy is a policy for 'sustainable development' and will greatly assist and enhance Ireland's overseas development programmes while supporting 'livelihoods' at home.
- The overall presentation has been conceived and designed to highlight the established -but still not yet fully recognised and understood- role and significance of timber/forests in the overall debate on sustainable human development.
- The '*development*' rationale of this presentation pivots around a number of key issues and challenges: *wood and poverty, wood and energy, wood and livelihoods/construction, wood and health, wood and education, wood and biodiversity, wood and sustainability, wood and climate-change, wood and conflict/war and wood and economic development.*

Introduction

I would like to start with a couple of quotes from a presentation by one of your members, Deputy Phil Hogan, T.D., to the Fine Gael National Conference in Wexford on Saturday, November 22, 2008. *“Anything that can help make a cleaner, more sustainable and more efficient world should be associated with Ireland... We should be leading the world in environmental thought and action.”*

While the overall document presented to you graphically shows the need for a National Timber Procurement Policy, I will outline for you in this short presentation what Just Forests believes must be done at national and local level to address the importation of illegally sourced timber into Ireland and the illegal practices of the timber industry.

From the outset, I would like to state clearly that legal and illegal logging is often closely linked and that legal logging can also be highly destructive. The illegal aspect of the current timber trade is only part of the wider problem of a timber industry that has largely been unable to regulate itself and is destroying forests and peoples' livelihoods on a grand scale.

We have lost our way because for the past number of decades we have become blinded or side-lined by dreams of un-impeded economic growth. We are now reeling from the effects of that short-sighted economic model. The Church of Ireland primate, Archbishop Alan Harper, said at the opening of the Church of Ireland Synod in Armagh on Thursday last, fiscal stimulus policies that *“at least in part, led to the culture that pervaded the very model that crashed so spectacularly last year... must be avoided.”* So, we must think and act differently from here on.

Few recognise that biological diversity (which includes all living things) represents the natural wealth of the Earth. It provides the basis for life, economic development and prosperity for the whole of mankind.

But, biodiversity is currently vanishing at an alarming rate all over the world. According to Stavros Dimas, EU Commissioner for Environment, *“we are, so to speak, erasing nature's hard drive without even knowing what data it contains.”*¹ The aim of the Convention on Biological Diversity (CBD) and its 190 Contracting Parties, which includes Ireland, is to significantly reduce the loss of biodiversity by 2010. This is an ambitious goal which can only be achieved through the concerted efforts and combined strength of all sections of society. We therefore need alliances between policy makers, science, the public and business at international, national and local level.

1. The Economics of Ecosystems and Biodiversity Report. European Communities, 2008.

As many of you know, a time of crisis is often also a time of opportunity. That time is NOW. The challenge of our times is to find solutions that work from the ground up and put power back in the hands of people who understand that human well-being and not economic growth should be the cornerstone of development. While we understand that economic growth may be an important component of development, it cannot be a goal in itself.

For many years, Ireland has been to the forefront of international donor assistance to developing economies - but in the past 11 months the government has cut a massive €255 million off the aid budget to the world's developing economies, many of whom are the source of our tropical timber needs. It is very clear that such an enormous cut can only lead to devastation and suffering. Vital development programmes will have to be cut, cancelled and postponed. Such financial cuts at this crossroads in our development will make natural resource security much harder to obtain and support not just for people in developing economies but here in Ireland also.

Despite decades of concern, the world's forest cover is more endangered than ever. Forests are disappearing rapidly in the tropics with about 13 million hectares – that's an area the size of the Republic of Ireland felled every seven months or so. Between 1980 and 2000 tropical forest cover declined by up to 2.5 million square kilometres. An EU-commissioned study entitled *The Economics of Ecosystems and Biodiversity* was published in October 2008. It concluded that annual cost of forest loss alone is running at \$2 - \$5 trillion. This is double the putative total losses to date on Wall Street, but the natural capital losses are occurring year after year.²

According to the UNDP (United Nations Development Programme) an area of rainforest the size of a football field is felled every second- that's equivalent to clearing an area the size of 86,400 Croke Parks every day or 31 million Croke Parks every year. This concern for forests is also enshrined in the United Nations Millennium Development Goals (MDGs) –in particular Goal 7 '*Ensure Environmental Sustainability*'.

Just Forests has worked on the issue of responsible timber procurement and independent forest certification, as part of our overall development education work for many years. Since our founding in 1989, Just Forests has worked to contribute to increased public awareness and critical understanding of the link between sustainable forest management, natural resource security, green house gas abatement and poverty reduction³. We endeavor to advance public support for sustainable forestry as part of our overall project.

2. Failing to address forest loss may prove catastrophic-John Gibbons writing in The Irish Times, Thursday, February 26, 2009.

3. Presentation by Tom Roche, to an Oireachtas Sub-Committee on Development and Co-operation, Dublin, 1994.

Ireland's shameful lack of deciduous tree cover has compelled us to rely on other countries for our hardwood timber needs. We are by far the most import-reliant country in the EU (after Iceland) for quality hardwood timber. For centuries⁴ this country has imported hardwood timber from many regions of the world and continues to do so.

The joinery and furniture manufacturing trades in Ireland have relied heavily on regular and predictable supplies of some of Africa's great commercial timber species like **iroko** (*Chlorophora excelsa*), **afroformosia** (*Pericopsis elata*) and African **mahogany** (*Khaya spp.*) for decades. Today, supplies of iroko and mahogany are severely threatened with over-exploitation, while afroformosia is listed in CITES (Convention on International Trade in Endangered Species of Wild Flora and Fauna).

Legitimate government control over forest management in the main range state, Democratic Republic of Congo, has been largely absent during the last few years. As shown by civil society, much of the country's export-oriented afroformosia logging is illegal and regarded by many as "conflict timber" (fuelling civil war). Ivory Coast and Ghana used to be the primary source of afroformosia exports to Ireland but their supplies have collapsed due to over-logging⁵.

There is a great absence of hard information on Ireland's wood trade statistics. In fact there has been international criticism on the poor information available on Ireland's constant lateness in producing what are, at best, unreliable⁶. The most recent figures available, show that Ireland imported almost €100 million worth of *tropical timber* in 2007⁷.

The construction boom of the 1990's saw Ireland using vast amounts of imported tropical hardwood timber and wood-based products in the form of plywood, etc. In many cases the origins of such timber and wood-based products was unknown. It is also appropriate to state here that much of the imported tropical hardwood and wood-based products containing tropical hardwood is of dubious⁸ origins and in many cases the results of illegal logging⁹. (*hold up the sample of Chinese plywood and explain.*)

4. The following references in Just Forests 'Good Wood Policy Guide' –published 2002. "The Irish Woods since Tudor Times"-McCracken, E. 1971. Chapter 10 of "Anatomy of a Siege" - Wiggins, K; Pub. Wordwell, 2000, ISBN 1 869857 37 2, refers to the use of imported timber in mining during the siege of Limerick. "Irish Country Furniture", Kinmouth, C, Pub. Yale University Press, ISBN 0 300 05574 9 and "Irish Furniture and Woodcraft", Teahan, J, Pub. National Museum of Ireland, ISBN 0 946172 39 0 refer to imports of various woods, particularly mahogany from America. The earliest reference (for England) for tropical wood is 1661 referring to the use of "Jamaica wood" (Mahogany) for 2 tables and 5 "paire" of stands for Hampton Court. There is also a reference to "Dantzig" oak for panelling in the Mansion House, Dublin, dating back to the 1400's. (Source: Knaggs, G. 2002. Personal communication)

5. An assessment of tree species which warrant listing in CITES. Prepared by James Hewitt, January 2007 for Friends of the Earth (FOE) –Netherlands

6. Source- Mulloy F, Chairman, European Forest Institute (EFI). Personal communication - 27/02/2002.

7. Email from Drima Marketing, Dublin- 06/02/2009

8. What constitutes illegal-logging? –Tim Curtin. Pacific Economic Bulletin Vol. 22 No 1 March 2007. ©Asia Pacific Press.

9. Species report from Hamburg University on tropical plywood samples from the Irish Aid Public Information Centre, Dublin – October 2007 and the new Civic Offices in Mullingar, Co. Westmeath, in November 2008. (still under construction).

While the Irish government appears to be fully supportive of the EU FLEGT Action Plan it appears to be doing very little proactively to help it succeed.

According to the World Wide Fund for Nature (WWF-UK), Ireland also appears to have a limited awareness of what the Action Plan actually entails. According to WWF 2007 was the first year that the Irish government took part in the Government Barometer Survey (in 2006, Ireland was the only EU Member State ever to have declined to participate). Ireland imports an estimated 1.992 million Euros worth of wood-based products. Assuming importers in Ireland do not actively seek to procure legal wood-based products, around 11% of this trade is thought to be illegal, translating to a per capita import value of approximately €27. Ireland's almost complete lack of progress (apart from recognising the importance of tackling illegal logging within the EU) is therefore surprising. Only the Czech Republic scored as low as Ireland and the former has only a very limited need for imported wood and has only recently joined the EU¹⁰.

It's time to act.

Several EU member states and a number of other countries, now possess government procurement policies aimed at ensuring that public purchasers source only legal and/or sustainable timber and wood products. As of October 2008, these include Belgium, Denmark, France, Germany, Japan, the Netherlands, New Zealand, Norway and the UK; a number of other countries, mostly EU member states, are considering adopting similar policies.¹¹

At European level there are a number of programmes that are being enforced and developed at the moment.

These include:

- the FLEGT (Forest Law Enforcement Governance and Trade) Action Plan that looks at **legal timber trade** although some argue that it encompasses elements of sustainability. FLEGT is based mainly on voluntary bilateral agreements between the EU and tropical timber producing countries. Once the agreement signed, partner countries will be able to sell legal timber to the EU (FLEGT-licensed) and therefore keep their market access. The Partnership agreements implies that Member States will make provision for accepting FLEGT-licensed timber on their markets, which is the case under the UK Government's policy but not yet for all Member States. The other big part of the FLEGT programme is the new Due Diligence Regulation.

10. Government Barometer 2007- <http://barometer.wwf.org.uk/intro.asp>

11. Duncan Brack, associate fellow, Chatham House, London – UK Government Timber Procurement Policy- October 2008

The Due Diligence Regulation will require operators putting timber on the EU market for the first time (either importers or Member State producers) to operate a due diligence system to prove minimum risk of putting illegal timber on the market. There are also talks about possible sanctions for putting illegal timber on the market. For more information on FLEGT and the Due Diligence Regulation, you can have a look here:

http://ec.europa.eu/development/policies/9interventionareas/environment/forest/flegt_en.cfm and <http://www.illegal-logging.info/> that also has a section on public timber procurement policies. Therefore, the FLEGT programme apply to public and private sectors but deals mainly with legality, not sustainability, while the UK Government policy now requires sustainable timber as a minimum or FLEGT licensed timber to encourage the work on good governance in tropical countries. It is hoped that by 2015, enough progress would have been made by the FLEGT partner countries that FLEGT-licensed timber can then be considered as sustainable.

-the Green Public Procurement Regulation: for the **public sector**:

http://ec.europa.eu/environment/gpp/index_en.htm.

They set a certain number of green standards for different types of products, including wood products such as paper, furniture and materials used in construction. The website also has information on how to develop a green procurement policy for the public sector. Here we are talking more about sustainability in general rather than only legality but some of the criteria are quite woolly and Member States will have to decide for themselves the exact criteria they want to use. CPET has fed back to the team working on those at Government level. It is ultimately the issue of forest sustainability that needs to be addressed.

As many forestry legal regimes permit or even encourage corporate malpractice and deny the rights of forest dependent peoples, it is vital that FLEGT initiatives do not reinforce inappropriate laws.

Highlighting the links between the European programmes and a national timber procurement policy.

In essence, there are a few ways to tackle illegal timber trade and its impacts in terms of climate change. The European Union is pushing towards green public procurement and a due diligence system for the private sector. These drivers can be used to put timber procurement higher on the political agenda. In practice, it is possible to design a stand alone “legal and sustainable” timber procurement policy that will be referred to in an overarching green procurement policy (although it will not cover all timber products) and would make provision for FLEGT licensed timber. Otherwise, it is possible to have a policy covering fewer products by including only requirements for timber products in a general green public procurement policy.

But in any case, it is really good to have a definition of legal and sustainable timber that you can refer to and explain what proofs of evidence are accepted.

CPET has developed definitions together with the UK Department of the Environment, Food and Rural Affairs (Defra) and also provides full guidance on them and how to check them in the training¹².

The Central Point of Expertise on Timber Procurement (CPET) has contributed to the development of the UK Government's timber procurement policy. The UK government's timber procurement policy is fully detailed in the attached Guidance Note. From April 2009 there has been a step-change in their timber procurement policy. Central government departments, their executive agencies and non-departmental public bodies are now required to procure timber and wood-derived products originating from either legal and sustainable or FLEGT licensed or equivalent sources.

The Central Point of Expertise on Timber (CPET) is funded by Defra (Department of the Environment, Food and Rural Affairs) to provide free advice and guidance to all public sector buyers and their suppliers to aid compliance with the policy. It is operated by ProForest, an independent company with wide experience in responsible purchasing.

It is very worrying to find out just last week that while the Irish government is "supportive" of the FLEGT process they are at this moment in time "out of the loop" due to a lack of participation at FLEGT meetings because of government "cut backs"¹³.

I appeal to this committee to ensure Ireland re-engages with this process without any further delay. Thank You for the opportunity to make this presentation to you today on this most urgent issue. I will try now and answer any questions members of the committee may have in relation to this presentation.

****N.B. All too often 'policy' development can become so technical-it loses the human dimension. I have brought along a selection of tropical wood samples as visual aids to this presentation which I would like to pass around to members. This is my attempt to put a 'human face' on policy. After all we are talking about precious natural resources that give life. ****

12. CPET Training Workshop for UK Local Authorities held in DEFRA, London, 22nd April, 2009 -attended by Tom Roche, Just Forests

13. Telephone conversation to get an update on the FLEGT process in Ireland between Tom Roche and a Civil Servant-May 2009