

ITTO may back new EUTR supplier law database

The European Timber Trade Federation (ETTF) is taking forward its proposals to create a central point of information on supplier country legislation to help companies meet their EU Timber Regulation (EUTR) due diligence obligations. It is now discussing the development of the project with the International Tropical Timber Organisation (ITTO).

Under the EUTR, companies which first place timber on the EU market ('operators'), must ensure the material is compliant with the laws of the country of origin.

ETTF members say that this can involve a significant administrative and research burden, particularly for small to medium sized businesses. Many may not have the resources or knowledge to do it effectively and subsequently risk breaching the EUTR.

Heads of ETTF Federations discussed the issue at their summer meeting in Brussels (p11) and there were calls for some form of central legality guidance, that could be continuously updated by relevant stakeholders in Europe and its supplier countries.

ETTF secretary general André de Boer explored the issue further in an article in the UK's TTJ magazine.



André de Boer

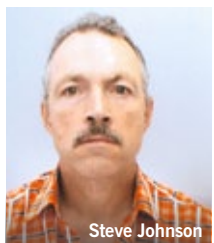
"It would be more efficient and cost effective if this information could be found in one place," he said. "If we had a constantly

updated online data resource, Europe's EUTR Competent Authorities could also make use of it, and ensure all stakeholders based their risk analysis on the same information. It would be good for the industry and reinforce the capabilities of the EUTR to eradicate illegal timber."

Mr de Boer subsequently held talks on the proposal with the ITTO and received a favourable response. He also presented on it to the latter's council in Yokohama early October.

"The ITTO's Trade Advisory Group (TAG) was already developing a related proposal for web-based country profiles to contain relevant producer country forest sector and timber trade information," said ITTO Assistant Director of Trade and Industry Steve Johnson. "It has now incorporated the ETTF proposal into its 2015-16 Biennial Work Program (BWP), which will soon be circulated to ITTO members for consideration, prior to the fiftieth International Tropical Timber Council session in November."

He added that the ITTO had been receiving increasing requests for such [legality] information, and "hoped the TAG proposal would find donor support".



Steve Johnson



The ETTF proposes a single legality data source

ETTF talks Myanmar legality

The ETTF took part, with US and Australian delegations, in talks on developing legality verification in the Myanmar timber sector.

The principal discussions were held at the Yangon offices of the Myanmar Timber Merchants Association (MTMA). They also included representatives of the US International Wood Products Association (IWPA), and Australian Timber Importers Federation (ATIF), with other Myanmar bodies involved in two days of meetings and visits including the Myanmar Timber Enterprise organisation (MTE), the Forestry Department and Myanmar Forest Certification Committee.

The talks follow the lifting of EU trade sanctions against Myanmar last year, and the recent issuing by the US Treasury Department of a licence to IWPA members to trade with MTE.

MTMA Secretary General Barber Cho said that the Myanmar timber sector was keen to develop its export trade and to understand the legality requirements of the EU, US and Australian markets.

"Our meetings were designed to find ways to implement responsible trade practices acceptable to NGOs and foreign governments," he said.

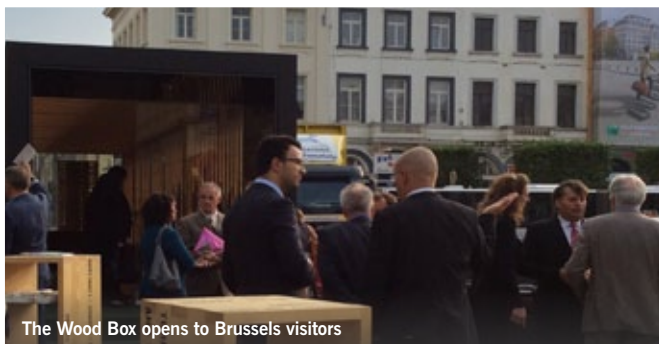
"The Myanmar delegates announced they are setting up a joint working group involving industry, NGOs and government to reform [their legality systems]," said ETTF Secretary General André de Boer. "Having also met with civil society NGOs, who spoke frankly and critically about the current situation, we emphasized the need for a multi-stakeholder approach and independent auditing."



Myanmar meeting delegates; John Halkett, General Manager ATIF; Cindy Squires, Executive Director IWPA; Claudia Antonelli, Manager EU Food Security & Rural Development Programme; Isabel Faria de Almeida, EU Minister Counsellor; Rachel Butler, Global Timber Forum and André de Boer

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Wood Action Days build bridges with Brussels



The Wood Box opens to Brussels visitors

The Wood Action Days political lobbying and timber awareness raising initiative in Brussels marked the start of “renewed dialogue between Europe’s woodworking industry and decision makers, according to the organisers.

The event, run under the Wood for Growth campaign banner from September 22 to 26, was co-convened by the European Organisation of the Sawmill Industry (EOS), European Confederation of Woodworking Industries (CEI-Bois) and the European Panel Federation (EPF), and supported by the ETTF.

It was attended by 230 people, including 42 MEPs, representatives of 20 trade bodies, other industry experts and national and EU policy makers, among them members of the European Commission.

“To get this many MEPs attending was a great achievement and provides a strong contact base we can take forward,” said EOS Secretary General Kimmo Järvinen.

At the opening event, the organisers presented the European woodworking sector’s Manifesto. This underlines its potential to contribute to sustainable construction and development, sets out its five-year growth vision and urges EU institutions to create the conditions for it to be realised.

“We aim to raise annual output by €2.35 billion, or 4% annually, which would generate €405 million in increased tax, create 80,000 jobs and reduce EU atmospheric CO2



Putting over the timber message

A Wood Action Day meeting



emissions by 150 million tonnes,” said CEI-Bois chairman Marc Michielsens.

Immediately after the event, 17 of the MEPs had signed the Manifesto.

The WoodBox mobile timber construction display centre from Austrian industry campaign pro:Holz also featured in Brussels, while key debates focused on tackling climate change by using more wood and ‘meeting tomorrow’s housing challenge’. Chaired by Dave Hopkins of the UK’s Wood for Good campaign, and addressed by

European Parliament Vice President Olli Rehn, the latter also featured presentations from timber-specialist architects including Sweden’s Lars Johansson and the UK’s Craig White. ETTF President Andreas von Möller spoke on “Strengthening trust in tropical timber”, describing the efforts of the Sustainable Tropical Timber Coalition.

Another main event was a networking lunch hosted by the industry’s Club du Bois industry-political forum.

Corà elected to lead Fedecomlegno

Domenico Corà of Corà Domenico & Figli spa, has been elected the new president of Fedecomlegno, succeeding Giampiero Paganoni who has been in the role for two three-year terms.

Mr Corà, 48, is also President of the Wood-Furniture Section of the Veneto Industries Association.

Thanking Fedecomlegno members for their votes, he said a focus of his term in office would be helping the Italian timber import section compete in an increasingly fierce fought global market.

“Business is more complex than before, both due to the economic crisis and the rise of emerging economies,” he said. “The result is price tension and cut throat competition.”

Another key issue of his presidency, he added, would be Italy’s compliance with the EUTR.

“Fedecomlegno members must be a good model for all Italian ‘operators’, by sourcing wood backed by guarantees for safeguarding the forest resource,” he said.

Also at the Fedecomlegno agm, Pierluigi Shifino of Shifino Legnami was elected vice-president. The organisation thanked Mr Paganoni for his service.



Domenico Corà

MEP Virkunnen backs industry’s ambition



Henna Virkkunen

Finnish MEP Henna Virkkunen backed the Wood Action Days’ ambition to generate “growth, innovation and jobs” in the timber sector as part of efforts to develop Europe as a bio-economy. One of a number of MEPs to address the event, she particularly supported the aim to boost timber construction.

“Many European cities have already discovered the benefits of building with wood, particularly in dense urban environments, and I support tackling any regulation that discourages its use in the sector,” she said. “Because of varying conditions in Europe I don’t see harmonisation of building regulation as the solution. But much could be done by setting common guidelines, for instance in fire safety regulations, helping create functioning internal markets for wood products.”

ETTF shows caution on FSC Claims Platform change

Members of the ETTF have given a guarded welcome to the Forest Stewardship Council's decision not to make its Online Claims Platform (OCP) compulsory for registering FSC-certified product transactions.

The FSC says it needs to tighten systems for registering FSC transaction 'claims' due to the level of fraudulent certification declarations. In particular, it says, some buyers have been exaggerating FSC-certified purchases in order to obtain more 'volume credits' for on-sales.

Initially, the organisation presented the OCP as the only means of tightening up claims control, meeting with a wave of trade opposition, including from the ETTF. There were fears the OCP would involve a major administrative burden, and criticism that FSC had not consulted on it sufficiently. There were also anxieties over the platform's data security.

Now it seems the FSC has taken these concerns on board. At its recent Vancouver board meeting it said it would continue to develop the OCP, but that it would accept other claims registering systems if compliant with its revised chain of custody standard, and allowed "for comparison and verification

of FSC transactions between trading parties".

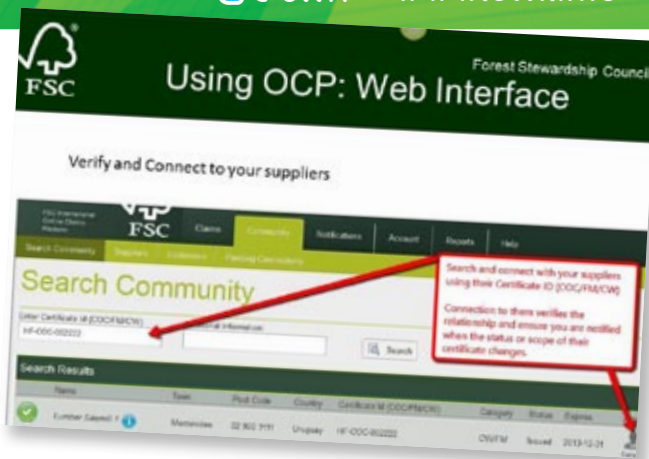
It said it would also "investigate solutions where commercially sensitive information was not stored centrally".

Its aim was to tighten claims control "without compromising the economic viability of FSC-certified companies".

ETTF Secretary General Andre de Boer said the FSC seemed to have addressed key issues. "But we must wait to see what criteria they set for other systems to repair the 'gaps' in FSC CoC before concluding our concerns have been properly addressed."

UK TTF head of sustainability Anand Punja agreed:

"We must ensure the FSC's new CoC clauses don't force companies to use OCP by the back door," he said. "So we must work with them to develop clear non-OCP



transaction verification models. There must also be clarity on expectations of businesses implementing these clauses; for example, whether they have to be implemented as a necessity, or on a risk-based approach."

Danish Timber Trade Federation Director Jakob Rygg Klaumann also said the industry had to actively engage with FSC.

"While the OCP is now voluntary, that may change in a couple of years," he said. "But hopefully by then aspects like data security will be resolved. We also now have some time to solve the problem that led to the OCP; the imbalance between incoming FSC material and outgoing."

Danes back in the YouTube frame

Following the success of its 'Wood – nature's stroke of genius' and, 'Why on earth a wood house?', animations the Danish Wood Initiative (DWI) has produced a third highlighting the practical, economic and environmental benefits of wood.

The two-minute film follows the same style, a stop motion production showing the artist drawing the black and white cartoon at high speed.

Entitled 'Wood takes the chair', the theme is the ancient heritage of man's use of wood, and how today timber manufacture can help absorb and store carbon emissions and combat the climate change impacts of wider industry.

The film is posted on YouTube, but Jakob Rygg Klaumann, director of the Danish Timber Trade Federation, which provides the DWI secretariat, wants it broadcast elsewhere too.

"We're happy for anyone to pass it on in their own wood network," he said.

At the time of going to press, the new cartoon had been received 1,900 YouTube hits. The combined totals of the English and Danish versions of the previous two were 44,000 and 31,000 respectively.

<http://youtube.com/watch?v=oMQjjamNr-4>



Spanish show support for FLEGT

The Spanish Timber Trade Federation (AEIM) has underlined its commitment to the EU Forest Law Enforcement Governance and Trade initiative (FLEGT) for enabling supplier countries to export legally assured timber to Europe.

Carles Alberch and Alberto Romero, AEIM President and Secretary General met with representatives of the European Forest Institute (EFI) FLEGT and UN Reducing Emissions from Deforestation and Forest Degradation (REDD) programmes in Barcelona.

They discussed latest developments in the FLEGT process and the progress of Voluntary Partnership Agreement signatory supplier countries towards issuing FLEGT licences for their timber exports, which will exempt them further due diligence under

the EU Timber Regulation.

"The meeting was attended by more than 20 people from EFI and was also an opportunity for us to present the AEIM due diligence system," said Mr Romero.

AEIM held separate talks with Head of the EFI Barcelona office Heiko Liedeker and governance and communications expert Laura Furones.

"They provided further details on the FLEGT process, in which they confirmed that Ghana and Indonesia are most advanced in terms of progress towards issuing FLEGT licences," said Mr Alberto.

Danes tally timber's carbon storage

The Danish Timber Trade Federation (DTTF) has joined a Danish Ministry of Climate, Energy and Building taskforce to develop methods for collecting validated data for carbon storage in harvested wood products (HWP) in Denmark.



Carbon storage and emissions from HWP are key to countries' carbon pool calculations

Besides industry stakeholders, the body includes Ministry staff and the Statistics Denmark organisation, with the project managed by University of Copenhagen researchers.

"We've been invited due to our experience in collecting and validating data on wood trade, which is a service we offer members," said DTTF Director Jakob Rygg Klaumann. "We're proud to be invited to participate in this important work and contribute our knowledge of the wood trade, helping to ensure reliable data on production, imports and exports of timber and

wood products."

Although the Intergovernmental Panel on Climate Change's rules for HWP accounting do not cover wood imported into Denmark, the DTTF said it is a positive that its use is recognized as a tool for tackling climate change.

"It's already acknowledged as a climate-friendly material, and HWP accounting, as part of national CO₂ reporting, provides a strong incentive for an increased use of wood products globally," said Mr Klaumann.

The first report from the project is due soon.

Wood Awards celebrate sustainable modernism

The shortlist for the 2014 UK Wood Awards underlines the growing technical and design ambition with which timber is being used in British construction and design, according to the judges.

This year's contest hit another record, receiving more than 300 entries across its construction, design and furniture-making categories.

The shortlist, all of which will be viewed by the judging panel, cover the range of projects. The building categories include the Moor Market in Sheffield, by Leslie Jones architects, featuring western red cedar, sandy maple panels and spruce glulam; the Radley College Clocktower Court by Design Engine, comprising KLH UK spruce cross laminated timber (CLT) structure; and Alfriston School Swimming Pool, by Duggan Morris, using Nordic whitewood glulam and CLT.

The furniture shortlist includes a Scorched Oak Rocking chair in European Oak from Edward Barnsley Workshop and the Ten Species Tallboy, a chest in ten UK hardwood species by Sebastian Cox Furniture.

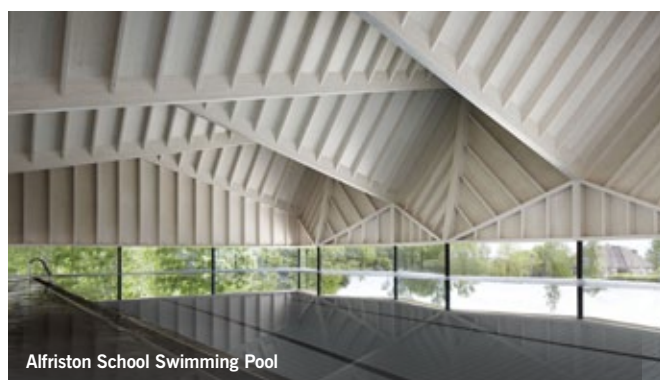
Dave Hopkins, Executive Director of Wood for Good, a major Wood Awards sponsor, said the

contest highlighted that timber is increasingly the material of choice for "sustainable modernism" in UK construction and manufacture.

"It underlines that design principles need not be compromised by a strong commitment to sustainability," he said.

Other lead sponsors are the American Hardwood Export Council, TRADA, the Carpenters' Company and Arnold Laver.

The Awards winners will be announced at London's Carpenters' Hall on November 18.



Alfriston School Swimming Pool

Big names lined up for Softwood Conference

A keynote speaker at the International Softwood Conference in Berlin on October 16 and 17 will be Claus Tigges, Deutsche Bundesbank Berlin office President, who will address global market perspectives.

Other speakers will include Russ Taylor of International Wood Markets, who will give a statistical industry overview, Reijo Nykri of Pareco, who will look at Far East markets, and architect Markus Lager, who will focus on new perspectives in building with wood.

Sampsa Auvinen, European Organisation of Sawmills board member, Andreas von Möller, ETTF President, Mark Brinkmeyer, of Idaho Forest Group, USA, Christian Provost of Gustavson, Canada, and Slava Bychkov, of Ilim Timber, Russia will provide further regional market analysis. There will also be panel and audience discussions and presentations from key experts on environmental product declarations, the European sawmill sector and the Wood Growing Cities timber marketing initiative.

Organised by the ETTF and European Organisation of Sawmills (EOS), the host this year is Deutsche Säge- und Holzindustrie (DeSH), the German sawmillers federation.

A full report follows in the next ETTF News. For more: www.isc2014.de



Scorched Oak Rocking Chair



The Moor Market

AEIM backs global forest law network

The Spanish Timber Trade Federation (AEIM) has joined the Forest Legality Alliance (FLA), the US-headquartered global network for promoting forest law.

The FLA (www.forestlegality.org) is a joint initiative of the World Resources Institute (WRI) and the Environmental Investigation Agency, supported by the US Agency for International Development and forest sector companies. It is backed by over 70 international organisations, from the public, private, research and education and NGO sectors.

"Its focus is promoting demand for legally and sustainably sourced forest products and strengthening supply chains to exclude products from illegal logging," said AEIM Secretary General Alberto Romero.

WRI Senior Manager Chip Barber said AEIM was a valuable addition to the FLA's global

network, particularly given that so many key timber-producing countries in South, Central and, to an extent North America, are Spanish-speaking.

"For AEIM joining this prestigious global operation underlines our efforts to support and reinforce the legality and sustainability of the international timber trade," said Mr Romero.

He added that AEIM participated in a seminar in Guadalajara, Mexico, on legal purchase of forest products organised jointly by FLA, the European Forest Institute and Reforestamos México. He presented on AEIM's due diligence system, developed to meet



Alberto Romero at the Guadalajara FLA seminar

the legality requirements of the EU Timber Regulation.

Other speakers included representatives of the Colombian and Brazilian timber supply sectors.

Times still tough in Austro-Italian trade

A recent meeting between key trade partners, the Austrian softwood supply sector and Italian timber importers concluded that market conditions remained tough, but that there is some cause for optimism into 2015.

Their latest of their regular International Wood Days was held by the Italian timber trade and agents associations Fedecomlegno and Agelegno and the Austrian Wood Industries Association in Klagenfurt on September 5.

Austrian Sawmills Association President Khristoph Kulterer reported continuing pressure on margins for his members, with sawn timber prices failing to keep pace with raw materials costs.

Despite competition from Nordic countries, however, he said, they were developing new export markets, notably the Far East, and predicted a 3-4% output increase for 2014.

Also on a brighter note Franz Tischenbacher, President of the Styria Chamber of Agriculture forecast stabilization in Austrian roundwood supply following problems last winter. But he said more cooperation from smaller forest owners was needed to facilitate harvest planning.

Fedecomlegno president Domenico Corà underlined the continuing importance of Italy and Austria's timber partnership.

"But the recovery in consumption in the Italian building sector is still far away, with housing starts at just 58,000 in 2013, the same level as 1936," he said. "Italy will be a strong trading partner again, but for the second half of 2014 traders are keeping stocks low and buying as required."



Domenico Corradetti

UK TTF is 90% sustainable

The UK TTF's latest annual report on 'Responsible Sourcing of Timber in the UK' shows that 92% of members' timber purchases in 2013 were negligible or managed risk of illegality. The remaining 8.4% is assessed risk, of which 7.3% is low risk, 0.8% is medium and 0.3% is high. The proportion of purchases FSC or PEFC certified rose to 90.7%. This was achieved despite increases in imports of supposed high-risk material, including tropical.

For more contact Hendrikus van Hensbergen, hvh@tff.co.uk.

France passes EUTR rules

The French parliament passed enacting regulations for the EUTR on September 11. These lay out sanctions and fines for non-compliance, including failure to exercise due diligence. France's Competent Authority, the Agriculture Department, says its first EUTR checks of 'operator' companies are expected toward the year-end. Director Eric Boilley said that Le Commerce du Bois is liaising closely with the CA on this.



Eric Boilley

Ekki bridge a download star

A YouTube video of an 80m FSC-certified Ekki hardwood bridge being built in Wenduine, Belgium, is set to be a timber promotion hit. Using timber from the Cameroon concessions of Dutch timber supplier and NTTA member Wijma and erected by its Wijma Kampen operation, it was built in sections up to 14 m long and 36 tonnes in weight. The pedestrian bridge, designed by Dutch architects W8, comprising 130m³ of timber, underlines not only tropical hardwood's aesthetic and environmental credentials, but also its durability. It is right on the coast, exposed to sand blast and salt air. It crosses a road and railway, linking Wenduine with its sand dunes. The YouTube film was posted by the Belgian coastal agency (also see p 9).

http://youtu.be/-ZA823Uwy_g



ETTF active on EUTR

Secretary General André de Boer is meeting with a range of interest groups as part of the ETTF's EUTR information and awareness programme. In September, with Global Witness and forestry specialist Jeremy Wall of the European Commission, he attended talks with Japanese MPs interested in the Regulation. In October he discussed proposals for an EUTR legality information platform (see p1) with ITTO representatives in Japan. The following month, with NEPCon, he will also meet to discuss the EUTR and FLEGT with timber and forestry SMEs from Cameroon.

Proposals for new 1000-member UK trade body

Two of the UK's leading timber trade bodies, ETTF-member the Timber Trade Federation (TTF) and the British Woodworking Federation (BWF), have taken steps towards a proposed merger that could create an organisation with around 1000 members.

Following consultation of their memberships, the presidents of the TTF and BWF, Stephen King and David Pattenden, signed a memorandum of understanding in September.

The document stresses that the two organisations would continue as separate entities. But they would form a joint company under one chief executive who would work with Heads of Timber Trade and Woodworking, representing the interests of the two sectors.

A joint statement issued by Mr King and Mr Pattenden said that the new company would "provide a streamlined central resource, coordinating promotional, research, policy and market development activities". Overall, it

would "create a more influential lobby group to grow the use of timber".

"It's a deal founded on principles of mutual benefit, bringing together the best of both federations to support the best of the timber industry," said Mr King.

Both the TTF and BWF were instrumental in the formation of the UK Timber Industry Accord Group, a collaborative network of timber sector organisations. Earlier this year they were also active in talks on the formation of a wider grouping, provisionally called the Confederation of Timber Industries.

They said they will continue to work closely with other Accord Group members.

Following the summer departure of Chief



Executive John White, the TTF has appointed industry association specialist David Lennan to the role. His key task will be to project manage the proposed merger.

BWF Chief Executive Iain McIlwee said the organisations had given themselves a year to complete the tie-up, but hoped to finalise it sooner.

Netherlands heads for 100% sustainable

Members of the Royal Netherlands Timber Trade Association (NTTA) are another step closer to importing 100% sustainably certified wood.



NTTA Paul van den Heuvel announced that the latest biannual reports from members, independently audited by Probos, showed that 86% of the 1.9 million m³ of timber they imported and traded was "demonstrably sustainable", that is from forest certified under the PEFC or FSC schemes. It had previously set a goal of 85% by 2015.

By material and product 96% of the

1,005,222 m³ of softwood imported was certified sustainable; 83% of the 591,771 m³ of plywood and 55% of the 285,199 m³ of hardwood.

Mr van den Heuvel said that his members, who account for 70% of Dutch timber imports, would continue to drive up their proportion of sustainable timber. They would also push for the wider Netherlands market to make sustainable

the norm through their alliance with buyers, specifiers, government and other stakeholders in the country's Green Deal initiative.

"Netherlands' demand for sustainable timber has an impact on forest management worldwide and without that demand here and in other markets, the forest loses its commercial value and is more likely to be converted to other uses," said Mr van den Heuvel.

Performance and price shape Moroccan market

According to ETTF associate member Robelbois Group, the Moroccan timber market has become intensely price sensitive in recent years. But its experience is showing that customers can be persuaded to upgrade to higher specifications.

"Moroccan buyers are very focused on price, which is why we always look for best deals from international partners," said Chief Executive Gilles Hotelin. "If they can't compete, even previous best sellers have given way to cheaper options. For instance in Scandinavian redwood, customers used to prize 'US' quality, but now prefer VI and VII grades due to cheapness. They have most defects, but as labour is inexpensive, users can afford to dedicate manpower to removing them."

But the 61-year-old, Casablanca-based Robelbois business is succeeding in marketing better margin products.

"For instance, we've introduced formwork beams to substitute regular concrete forming products," said Mr Robelbois. "It was a risk, but after a long marketing process, customers realized they were reusable and more cost effective. Now you see these yellow beams everywhere. The Moroccan business is a question of matching product with local demand, but with time and education you can shape buying trends."

Danish designer centenary a cause to celebrate

The 100th anniversary of the birth of two of Denmark's leading furniture designers, Børge Mogensen and Hans Jørgensen Wegner, is cause for timber industry celebration, according to trade association Danske Byggecentre.

"They were leading figures of the generation who came to define Danish Design," said a Danske Byggecentre spokesperson. "They also pioneered use of wood in contemporary furniture styling."

As a carpenter, he added, Wegner understood wood's capabilities and used them in powerfully organic designs, like his famous Shell Chair. Mogensen was known for simple, affordable timber design, and his popular line for Danish FDB (Co-op) stores continues today.

An exhibition on Hans J. Wegner is at Museum Sønderjylland until November 1, while Børge Mogensen exhibition runs at Trapholt Museum, Kolding until November 5.



Wegner's Shell Chair.
PHOTO: TORBEN ESKEROD

French tropical efforts target specifiers

French timber trade association Le Commerce du Bois is targeting key market decision makers and influencers in its latest campaign to boost the sustainable tropical timber sector.

According to LCB Director Eric Boilley, France has seen a significant decline in tropical timber sales in recent years, the combined effect of recession, and the materials' market image and consumer misconceptions, shaped by green NGO actions focused on deforestation.

LCB has already run campaigns targeting other players in the supply chain, focusing on various aspects of tropical timber's market value. The latest marketing push is directed at architects, engineers and other specifiers, and journalists. It highlights both tropical material's performance and environmental properties and benefits and also draws on LCB's links with the Sustainable Tropical Timber Coalition, which is dedicated to

increasing wider EU certified tropical sales.

"The objective is to reassure users about using tropical timber and to underline the technical and environmental guarantees provided by our industry professionals," said Mr Boilley.

This year the new campaign will distribute leaflets and email bulletins detailing the technical characteristics of tropical species and promoting awareness of environmental certification. Quarterly email follow ups will continue into 2015.

End use focuses are joinery, decking, outdoor products and flooring.

"The campaign has a steering group of professional importers, working with a public relations agency, and has access



LCB campaign literature

to a database of 10,000 specifiers," said Mr Boilley. "We will also be assessing its market impacts."

Wood for Good gets animated

The UK Wood for Good marketing campaign has launched a series of animations to raise awareness of the carbon benefits of growing and building with timber.

The three videos, posted at www.woodforgood.com have been created by specialist animators Carbon Visuals and show how much CO₂ is captured in a single tree (based on the sitka spruce), and the volume locked up in a single timber-frame house (which uses wood wherever possible) a housing estate and 200,000 houses, which is the 2020 annual home building target set by the UK Labour Party.

All the information is drawn from Wood for Good's Lifecycle Database. This is an online resource created by consultancy PE International and launched earlier this year, giving life cycle assessment (lca) data for a range of timber and wood products for use in marketing and specification.

"The animations visualise this data so it can be understood by

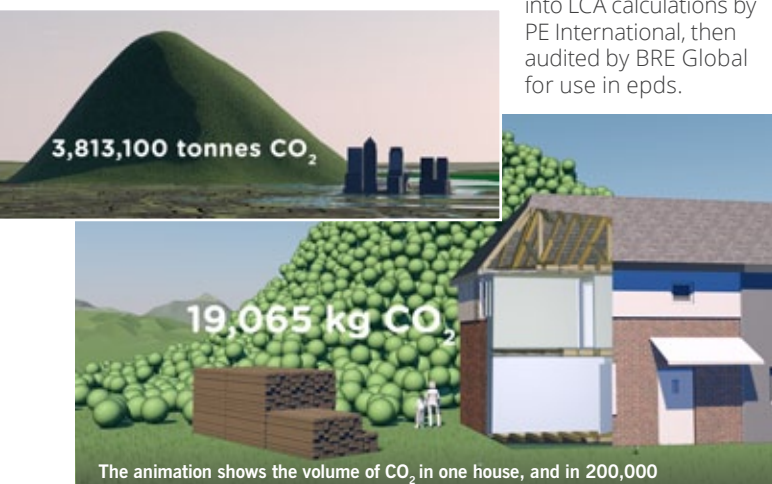
any audience, with each cubic metre of carbon represented by a 33-foot diameter sphere, the volume the gas would occupy at normal atmospheric pressure," said Wood for Good Executive Director Dave Hopkins.

More videos will be produced under the same "Build with Carbon" banner.

"We need to encourage the trade in the physical carbon market and drive investment back into our forests," said Mr Hopkins. "And building with timber is the safest and cheapest form of carbon capture and storage available."

He added that timber companies will soon be able to use the Lifecycle Database to help create environmental product declarations (epds). Information they load onto online spreadsheets will be processed

into LCA calculations by PE International, then audited by BRE Global for use in epds.



Karel Doorman building

Downturn doesn't dent Wood Prize

Despite tough times in the Netherlands construction industry, the Centrum Hout Wood Prize competition still attracted 60 stunning entries this year.

The organisers of the biennial contest said the calibre of competitors was greater than ever, and their range and ambition underlined that timber construction had established strong foundations in the Dutch building sector, winning over architects, clients and consumers.

The Wood Prize features two categories, the Wood Architecture Award, and Timber Innovation.

The former attracted 53 entries and the judging panel, chaired by Fred Schoorl, Director of the Institute of Dutch Architects (BNA), assessed them on design and aesthetics, detailing, and overall environmental impact, taking life cycle assessment into account.

The shortlist were; Assen Road Research Centre from 24H-architecture; Wassenaar Early Childhood Center, Kraaijvanger Architects; Rotterdam Central Station, Team CS; Proyecto Roble, Équipe; The Karel Doorman building, Ibelings Tilburg; Wenslauerstraat cabin, M3H; The Trap House, Onix; restoration of Elleboogkerk Amersfoort, Verlaan & Bouwstra and Vianen Marx & Steketee.

The seven Timber Innovation award entries were assessed on their novelty, and technical, economic and environmental criteria. The judges, headed by Jos Lichtenberg of Eindhoven University of Technology architecture faculty, shortlisted One Heijmans, a moveable house from Mood Works Architecture, and a foldable floodgate from engineers Royal HaskoningDHV.



Rotterdam Central Station, a Dutch showpiece of timber in construction

A brighter, sustainable future

The Dutch timber industry has suffered in the recession, but with glimmers of market recovery and the sector's drive to sustainability, the outlook is bright, Netherlands Timber Trade Association managing director **Paul van den Heuvel** tells *ETTF News*.



Paul van den Heuvel

What is the state of the Netherlands economy and the timber sector?

Unlike some other European markets, the Dutch economy still only shows a fragile recovery. Unemployment reached 8% during the recession, amounting to a total of 645,000 unemployed. And the timber trade specifically was seriously affected. Depending on market sector, it lost between 25% and 40% of turnover. The joinery industry, represented by the Nederlandse Branchevereniging voor de Timmerindustrie (NBVT), and also the architectural sector were hit even harder.

What are the Netherlands timber sector's key markets currently and which are doing best?

A key indicator for the market is housing construction. The decline in timber trade turnover has mainly been caused by the fall in numbers of houses built. This was the result of a lack of consumer confidence triggered by long-term discussion and uncertainty about mortgage rate deductions. However, despite the tensions caused by the Ukraine-Russia crisis and the situation in the Middle East, which are bound to affect consumer sentiment, recent figures show a slight increase in house sales. Timber traders which suffered less of a decline in activity and turnover were those focused on marine works and other government-driven construction and infrastructure projects.

Does certified sustainable timber have a significant market share in the Netherlands, and how strongly is the industry promoting certified timber?

In 2013 a total of 86% of timber imported by NTTA members was FSC or PEFC certified, which exceeded the goal of 85% which we had

set for 2015! Among the promotional initiatives for sustainable timber is our so-called Green Deal (GD). This is an industry-wide project for 'stimulating sustainable forest management and certified timber' that to date has 27 signatories, including government departments, business associations from along the supply chain, and trade unions. GD was initiated jointly by the NTTA and NBVT and is the Dutch instrument for developing and coordinating promotional and awareness raising activities and also for eliminating obstacles to trade. The ultimate objective is to achieve a total market switch to FSC- and PEFC-certified timber.

How have NTTA members adapted to the EU Timber Regulation and what steps have you taken to help them meet legality requirements?

NTTA members were well prepared for the EUTR. They have their due diligence systems in place, which are based on the ETTF Guidelines replicated in the NTTA's own TimberChecker system.

The NTTA applied for the role of EUTR Monitoring Organisation and expressed disappointment that the application process is so slow. How is it progressing?

At the moment the consortium of consultants appointed by the European Commission to appraise MO applicants is assessing our application for TimberChecker to take on the role. In mid-September it raised further questions for clarification.

Have there been any EUTR investigations or prosecutions in the Netherlands yet?

Yes, the Dutch CA, the NWWA, has already conducted many company assessments. We don't know the exact total or the results,

but it's clear that the 'learning period' for companies is over and assessments are becoming more severe.

What is your view on the recent EC Survey which showed that 12 EU states still had to take steps to implement EUTR fully?

We would prefer stronger measures to ensure enforcement. Together with the ETTF and its members, we clearly stated that 'the same approach on the EUTR on every level across the EU' is necessary to have an effective Regulation and a level playing field for all involved. Besides it is the only way to make an effective market stand against illegal timber.

The VVNH is a supporter of the Sustainable Tropical Timber Coalition (STTC). How is it developing from your perspective?

The STTC's focus is on stimulating the use of sustainable tropical timber in the EU. Several NTTA members are directly involved and the NTTA is very much in favour of the programme. A few years ago though we asked our government to consider a lower VAT rate on sustainably produced timber, because we believe that is the most effective way to stimulate an increase in specification and consumption. With an effective Green Goods Agreement and lower VAT rate there would be no reason for importers and consumers *not* to choose sustainably produced (tropical) timber. At the time the VAT cut was rejected, but we continue to push for it and so should all involved in the sector.

Are you optimistic for the future of the timber industry and the use of timber in the Netherlands and wider international market?

Yes, I am. Timber is the only truly sustainable building material available. It has all the advantages and more and more people and relevant organisations are starting to realise it.

Closing the compliance gap

The European Commission sees the EU Timber Regulation as a vital tool in the war on illegal wood and its damaging impacts, and it is dedicated to improving its performance and enforcement, writes Environment Commissioner **Janez Potočnik**.

"Illegal logging – the harvest, transportation, sale or purchase of timber in violation of applicable national laws – has serious environmental implications. It contributes to deforestation and forest degradation, which are responsible for about 20% of global CO₂ emissions and threaten biodiversity. It costs governments significant sums of money in lost revenues and undermines implementation of sustainable forest management.

The EU, as a major timber consumer and producer, is determined to stop the illegal timber trade, which is why it implemented the EU Timber Regulation (EUTR) prohibiting placing of illegal timber and wood products on the EU internal market.

However, while the EUTR has been fully applicable since March 2013, a scoreboard, recently published by the European Commission's Directorate-General for the Environment, shows significant outstanding compliance gaps. Additional steps are necessary for uniform and effective application of the EU Timber Regulation across the Union.

The political, budgetary and organisational difficulties EU Member States face in implementing new legislation should not be underestimated. Nevertheless, they have had sufficient time to prepare for full implementation of the EUTR and the Commission has provided ample support through information and coordination meetings to take stock of progress, discuss implementation challenges, and share

best practice. Yet these discrepancies remain in the extent to which Member States have complied with their Regulation obligations.

While all but one Member State have designated competent authorities to coordinate enforcement of the Regulation, nine Member States have as of yet not adopted rules on applicable penalties for infringement. And 11 are not ready to check whether operators and monitoring organisations fulfil their obligations.

Given the central role of the EUTR in curbing illegal timber trade in timber and tackling its negative impacts on forests, this is worrying. Consequently, the Commission will intensify efforts to ensure uniform, stringent application throughout the EU, with a view to rapidly improving the situation.

We have already identified concrete implementation challenges and weaknesses and are working on a reinforced compliance strategy. The Commission intends to follow a dual approach. This would combine compliance promotion – through active support to Member States encountering implementation difficulties – and pursuing infringements through legal procedures.

Support will encompass ensuring guidance documents are regularly updated; strengthening bilateral dialogues with countries and communication between Competent



Janez Potočnik



Wenge logs confiscated last year by the German EUTR Competent Authority

Authorities on enforcement-related issues; promoting peer reviews and exchanges

between more advanced and less prepared countries; and supporting workshops and training in areas with particular interpretation and compliance problems.

We have also started requesting information from Member States about their EUTR implementation. National authorities concerned have 10 weeks to reply to the Commission's enquiry. Furthermore, we have accelerated the process of recognising Monitoring Organisations, which will help the private sector meet EUTR 'due diligence' requirements.

The 2015 review of the EUTR should provide additional opportunity to reflect how it should best achieve its objective. The Commission will submit its report, possibly accompanied by legislative proposals, on the functioning and effectiveness of the Regulation by December that year to the European Parliament and Council. As part of the process it will also seek stakeholder to inform its thinking about the future of this important piece of legislation."

Join the tropical timber task force

The European wood industry needs to unite behind the goal of rebuilding its tropical timber market and the Sustainable Tropical Timber Coalition provides them with the vehicle, says Ad Wesselink, managing director of Netherlands tropical specialist Wijma Kampen BV.

"Tropical species like Azobe (or Ekki) are distinguished by their durability, strength and other technical characteristics which make them a prime choice for everything from decking and fendering to bridges, lock gates and sheetpiling. On top of their performance properties, they also look great.

Still, in spite of its qualities, Europe's imports of tropical timber have dropped over 50% Europe in recent years.

The impact of the economic and financial crisis has contributed, but there are other factors involved, such as environmental image. While huge progress has been made in sustainable forest management (SFM) and environmental certification of tropical forestry, poor perceptions remain and caution and misconceptions about using tropical material are reinforced by

market legality measures, like the US Lacey Act and the EU Timber Regulation. The question now is how to get this invaluable trade back on track.

The key in my view is for our disparate industry, importers, traders, and manufacturers, together with national federations and the ETTF, to put its combined weight behind the issue and promote the multiple attractions of using sustainably managed tropical wood; from its superb performance characteristics, to its role in maintaining the forest.

We speak from experience. Our sister company Wijma Cameroun S.A. was the first in the Congo Basin to become FSC certified in 2005. It was also first to obtain an FSC Group Management certificate in the region and has since joined the



Ad Wesselink

Congo Basin Program (CPB) initiated by Netherlands sustainability agency IDH. This supports concession holders working towards SFM certification, while critically

continued...

Join the tropical timber... continued

also creating demand for sustainable tropical timber in Europe.

The latter is also a key reason why Wijma Kampen BV backs the Sustainable Tropical Timber Coalition (STTC). Also initiated by IDH, this aims to boost European demand for tropical timber from sustainably managed forests to mainstream level by highlighting its marketing advantages and potential.

The scale and importance of the task of restoring and growing the tropical timber market demands and justifies the STTC's market-wide, mutually supportive approach. The ETTF and other partners involved, from individual businesses to local authorities, are sharing best practice, engaging with one another and contributing to the STTC's various working groups. STTC participants can also benefit from its resources in communication, networking and technical support. And their projects can be included in its action plans and even co-funded by IDH as part of the initiative."

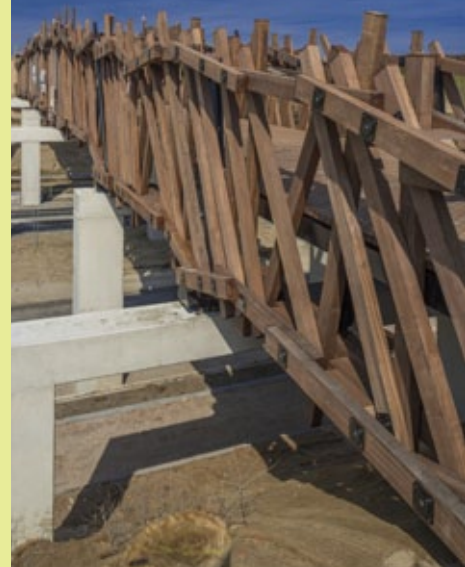
Why join the STTC?

- It drives demand for sustainably produced tropical timber and can support your sales
- It offers co-funded technical support services
- It runs annual seminars
- It provides a platform for aligning with public and private partners in the sector
- It highlights Europe as a leader in sustainable timber procurement
- It promotes sustainably produced timber as THE renewable raw-material
- Supporters can use the STTC Logo
- It contributes to forest preservation

Conditions of participation

- Participants must have, or be developing, a sustainably produced (tropical) timber procurement policy
- They must set targets for sustainably produced tropical timber sales
- They must report on their STTC activities annually
- They should support annual networking events

A bridge in ultra-durable, high performance Ekki supplied from Wijma's concessions, built by Wijma Kampen (see p5).



Flavio Gomes

Monitoring Organisation urges EUTR momentum

Flavio Gomes, Sustainability Services Manager of Monitoring Organisation Bureau Veritas, says there is still lack of proactivity on implementing and complying with the EU Timber Regulation.



Due diligence is applied case by case



Levels of EUTR information remain low

"Some 500 days after implementation of the EU Timber Regulation (EUTR), the reality from our perspective as one of the [four] organisations appointed as a Monitoring Organisation (MO) for the Regulation, is that adoption remains at an early stage. The bulk of European operators still lack information and support to implement the measures necessary for compliance.

The level of progress amongst member states also varies significantly, with some still lacking the legislation or administrative decisions needed for enforcement. Operators here really should make the most of this delay to prepare.

At the same time, Competent Authorities (CAs) which have started to enforce the EUTR have not all adopted the same procedures. Some are taking a more rigorous and structured approach than others. A prime example is the German competent authority, the Bundesanstalt für Landwirtschaft und Ernährung (BLE). It has uniquely compiled a registry of companies declaring their status as operators under the Regulation. This will prove a very effective tool for facilitating compliance checks and, with similar initiatives yet to be taken in other countries, could prove a valuable model.

Another observation is that levels of EUTR information remain low in many countries, with the critical area of concern being continued lack of understanding of due diligence. One persisting misconception is that collection of documentation on origin and conformance of goods to local legislation is in itself a route to compliance. But while it provides the essential first part of the due diligence process, it is, of course, only part of it.

The critical next step is that the operator uses the information as the basis for risk

assessment, making judgments on whether there is potential contravention of local harvest regulations. This assumes that they know, understand and are able to interpret these regulations and that, in our experience, is the EUTR aspect that still poses the greatest challenge.

Regardless of language issues, which can be relatively easily resolved, experience in local harvest regulations and local trade practices are rare competences. Some companies have them, but many do not and this is where operators, from small to medium sized enterprises to multinationals, can find the support of an MO invaluable. That is why, in our view, the EC must take further steps now to accelerate MO application processing and approval.

It is also important at this point to underline that verification of authenticity of documents is also not the issue. There are still few solutions for eradicating illegal documentation. But what matters under the EUTR is the sum of evidence confirming timber origin and conformity with local regulation, whether in the form of documented evidence or factual elements. For example, cost of transportation can be compared with the price and geographical origin of the goods.

Due diligence is a risk-based approach that needs to be applied case-by-case.

It is not just an exhaustive document check. It is a complex, time-consuming process, and one which can be simplified by the support of an MO. However, the main issue is that there remains a significant amount of EUTR work to be done by all stakeholders and it is disappointing that too many are still waiting for their CAs to move forward on enforcement before they take action. "

EUTR so far – a work in need of progress

A meeting of ETTF members this summer highlighted continuing concerns over both the impacts, and effectiveness of EU Timber Regulation enforcement, but also a trade commitment to ensuring that it works EU-wide. ETTF Communications Consultant **Mike Jeffree** reports.

Initially it was the potential market impacts of the EU Timber Regulation (EUTR) that preoccupied the European timber trade and policy makers.

Around 18 months after it came into force, this focus persists. But EUTR concerns have widened to include continuing lack of guidance on elements such as risk assessment. The trade also wants more attention paid to general commercial implications of compliance, especially for smaller businesses, and to see development of cost-effective mechanisms to help companies meet its requirements.

Another key reservation about the EUTR is persisting inconsistency of implementation across the EU. And the latter has now prompted the European Commission to take more overt steps to ensure countries honour their obligations (see p9).

These were among the core topics discussed at a European Timber Trade Federation (ETTF) meeting in Brussels this summer. Convened by the UK Timber Trade Federation Head of Sustainability Anand Punja and chaired by ETTF Secretary General André de Boer, it was also attended by representatives of member associations from France, Germany, Italy, the Netherlands, and

by Svetla Atanasova of the EC Environment Directorate and Rupert Oliver, Lead Consultant to ITTO's EC-funded FLEGT VPA Independent Market Monitoring (IMM) project.

Mr Oliver addressed whether latest statistics show the EUTR specifically hitting EU trade in tropical hardwoods (**Chart 1**).

"The figures since the introduction of EUTR are actually most remarkable for their relative stability - albeit at a low level," he said. "But this stability itself might be partly due to EUTR which, alongside weak consumption and lack of financial credit, has contributed to greater risk aversion. As a result there appears to be less speculative EU tropical hardwood purchasing."

ITTO statistics also underlined recent structural changes in Europe's tropical hardwood trade, with one apparent effect of the EUTR being to concentrate trade at fewer larger operators; companies better placed to assess risk and with longer-term more thoroughly scrutinised tropical supply relationships.

"But figures indicate that these structural changes are also due to long term supply constraints for European buyers following supply country capacity cuts and increasing diversion of trade to domestic and



Rupert Oliver



André de Boer

alternative export markets, notably China," said Mr Oliver. "There's also a suggestion, however, that the latter may be partly an EUTR consequence, with tropical exporters less inclined in a sellers' market to service increasingly demanding European buyers."

Short-term fluctuations in EU hardwood imports also seem more readily explained by other commercial factors than the EUTR, he said.

The downturn in sawn tropical hardwood from August 2013 to a low point in February 2014 (**Chart 2**) was a case in point. It was the result of combined low availability of the most popular African species, such as sapele, and freight backlogs at the key hardwood port of Douala in Cameroon. European decking overstocking also contributed, particularly hitting Indonesian exports, as did increases in import tax on goods from Malaysia following its GSP status change.

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Chart 1: EU28 import of tropical wood products by product group. Monthly moving average 1000m³ RWE (Mar04-Apr14)

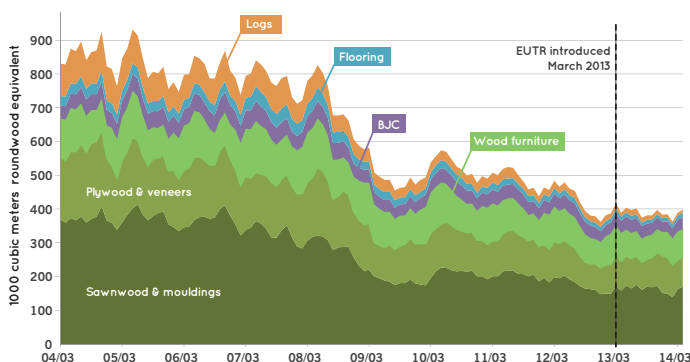


Chart 2: EU28 import of tropical wood by product group. Monthly (moving average) 1000m³ RWE (Jan12-Apr14)

Source: ITTO IMM analysis of Eurostat

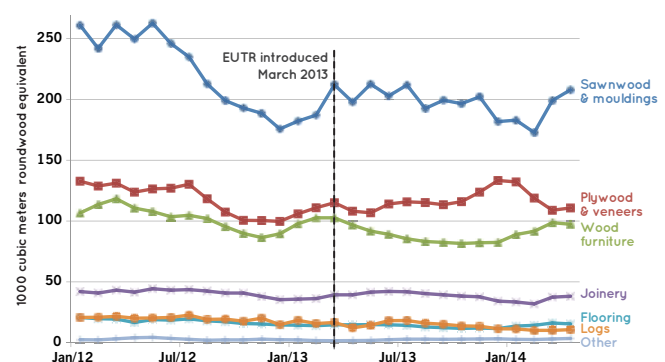


Chart 3: EU28 import of tropical wood products by supply country. Monthly moving average 1000m³ RWE (Jan12-Apr14)

Source: ITTO IMM analysis of Eurostat

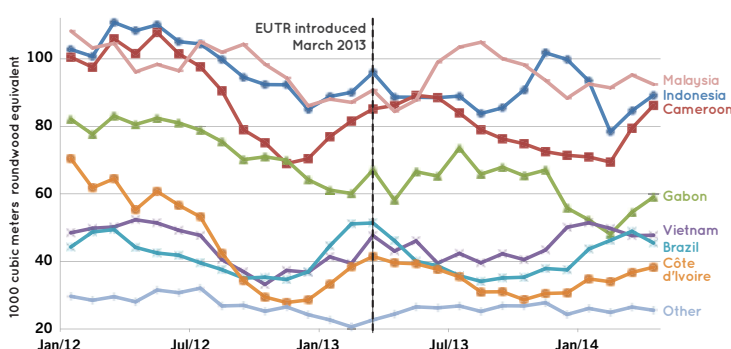
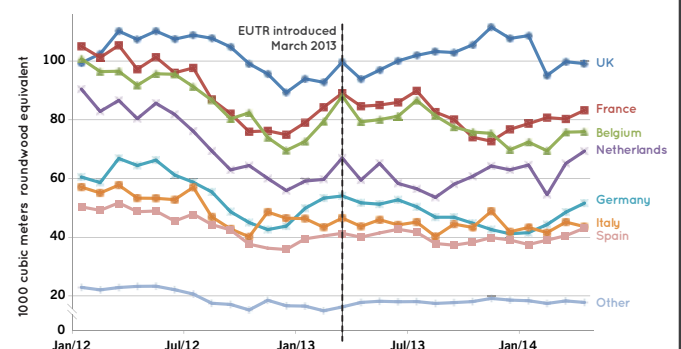


Chart 4: EU28 import of tropical wood by EU Member State. Monthly (moving average) 1000m³ RWE (Jan12-Apr14)

Source: ITTO IMM analysis of Eurostat





EUTR so far – a work in need of progress... continued

Since February, there has actually been a small rebound in EU sawn tropical hardwood imports with an easing in African supply and increased consumption in France, Belgium, Netherlands, Germany and the UK. **(Chart 3).**

Another anxiety about the fallout of the EUTR was that it would divert tropical wood imports to EU countries with weaker enforcement regimes. But consumption levels seem to remain the key factor dictating destination **(Chart 4).**

"For instance, the UK's tropical imports increased throughout 2013 in line with economic recovery, despite having a very active EUTR regime," said Mr Oliver. "Meanwhile France's imports fell last year and it is only now fully introducing EUTR enforcement."

One country where EUTR impacts may be identifiable is Germany, where anecdotal evidence suggests enforcement action on wenge imports from the Democratic Republic of Congo contributed to a tropical import downturn in 2013. Trade recovered this year, but more due to increases in Asian imports than African.

But it is perhaps unsurprising that trade flow impacts from the EUTR are still difficult to isolate, said Mr Oliver, given continuing enforcement variation.

UK companies tighten due diligence

Mr Punja said the UK's enforcement is now advanced, with regular importer checks underway. "There have been no prosecutions to date, but the NMO, the UK's EUTR competent authority (CA), has required a number of operators to tighten due diligence procedures, mainly in terms of assessing supplier documents," he said.

However the TTF does have some concerns, notably that the CA is targeting firms on the basis of its product, species and country risk analysis. This, said Mr Punja, puts too much emphasis on high profile companies with advanced compliance regimes. Instead the TTF would like the NMO to focus more on corporate due diligence procedures.

Paul van den Heuvel, managing director of the Royal Netherlands Timber Trade Association (VVNH), reported active EUTR enforcement in his country too. Although he added that the resources of the Dutch CA are stretched, having identified 5000 operator companies that come under the

remit of the Regulation.

The agency has also released few details from its checking activities. However, feedback from VVNH members indicated their due diligence procedures were proving effective. The VVNH itself is also providing guidance for them through its own procurement rules, adapted in line with the ETTF's pan-European due diligence system to meet the requirements of the EUTR, and subsequently branded as its "TimberChecker" system.

French EUTR enactment laws passed

Eric Boilley, director of the French association Le Commerce du Bois (LCB) said that, after several delays, France's laws establishing the EUTR enforcement regime were expected in the autumn. They were, in fact, passed on September 11, with a penalty regime including fines up to €150,000 for due diligence failures (see p5).

"And the first CA checks on the ground subsequent to the legislation are expected at the end of the year," said Mr Boilley.

However, he added, LCB already has obligatory due diligence rules for members, so is not expecting them to experience problems. The organisation is also liaising closely on the issues with France's CA, the French Ministry of Agriculture, and with WWF, which advises it on risk assessment and supply documentation legality.

According to Domenico Corradetti of Italian association Fedecomlegno, the picture is very different in Italy. EUTR enforcement measures have still barely begun and all work to inform industry has been carried out by the association.

In response, Fedecomlegno's parent body Federlegno Arredo has developed LegnOK (WoodOK), which sets out standard procedures for EUTR risk assessment. Companies can upload assessments of suppliers to an on-line database for review by the Wood Information Centre in the Italian office of international wildlife and environmental NGO TRAFFIC.

Nils Olaf Petersen of the German federation GD Holz reported that Germany's CA, the Federal Office for Agriculture and Food (BLE), had checked EUTR procedures at 60 operator companies. So far 25% of its inspections had uncovered inadequate due diligence procedures, with the principal shortcoming again being insufficient

supplier documentation checks. The organisation also says its approach will now be progressively tightened.

EC steps up enforcement

Svetla Atanasova reported that the EC is now increasing pressure on member states to ensure all meet the highest enforcement standards. As previously reported, EC Environment Director General Karl Falkenberg sent a letter to all member states in April interrogating them on the state of their enacting legislation and sanctions, and whether CAS' due diligence checks had been started.

The responses were used by the EC to produce a 'scoreboard' showing the status of implementation in all member states (<http://ec.europa.eu/environment/forests/pdf/scoreboard.pdf>). This focuses on whether countries have established CAS, and sanction regimes and started operator checks, using graphics of healthy, semi-leafless and dead trees to indicate whether they had met their obligations, were in process, or had not started.

Of the 28 countries 17 scored three 'healthy trees'. A further eight are in process on one or two of their obligations, while three countries, Croatia, Poland and Hungary, had not started work on any.

Ms Atanasova underlined that the EC would take enforcement actions against states which did not now action these issues and later said an EUTR enforcement group met again in September.

Secretary General André de Boer repeated the ETTF's call for definitive central EU guidance on supplier legality documentation required under the EUTR.

In the absence of clear independent advice he noted that several large European importers had dropped Brazilian ipe following the recent Greenpeace campaign that questioned its legality. As even big businesses lack the resources to analyse supplier country legislation and validate legality documentation, said Mr de Boer, there is a risk more will follow suit and simply drop tropical wood at the "merest hint of controversy".

He added that the ETTF is continuing talks with ITTO and ATIBT on establishment of a central database (see p1) on applicable supplier country legislation. This would assist businesses in due diligence processes, although he stressed final judgement of the quality of legislation or documentation would remain the EUTR obligation of EU operators.