



**DET KONGELIGE  
MILJØVERNDEPARTEMENT**

*Royal Ministry of the Environment  
The State Secretary*

13 APR 2010

*Dear Caroline Lucas*

**Regulation on placing of timber and timber products on the EU market**

I refer to the Commission's proposal for a Regulation of the European Parliament and of the Council laying down the obligations of operators who place timber and timber products on the market (Timber regulation) and to the ongoing discussions in the European Parliament in its second reading. I would hereby like to submit some considerations from Norway that I hope will be of interest in the process.

Deforestation causes species loss and emissions of climate gasses. The Norwegian Government is therefore very much concerned about the effects of illegal logging leading to deforestation, forest degradation, emission of green house gases as well as negative impacts on biodiversity and other ecosystem services. Social and economic effects of illegal logging and trade also undermine the establishment of good governance systems for fair and sustainable use of the forest resources. Norway therefore welcomes the efforts and ambitions the European Union has set to fight illegal logging and we follow with interest the development of both the Timber regulation and the development of FLEGT Voluntary Partnership Agreements.

Upon invitation from DG Development we also participate in an EU working group to develop a clearly articulated set of briefings that explain the linkages, synergy and differences of FLEGT and REDD to provide for greater cooperation between these two initiatives. The Norwegian Government gives the highest priority to REDD and good forest governance and appreciates all initiatives for cooperation in this field.



I would also like to emphasise illegal logging and trade as an issue to be dealt with through decisions of the Ministerial Conferences on the Protection of Forests in Europe. The upcoming conference in 2011, have among other issues, options for a decision on a possible legally binding agreement on forests in Europe, which tentatively could be of relevance for legality on timber and wood products in the future. Forest Europe will also as a voluntary process continue to form the basis for our continuous effort in the work for sustainable forest management in Europe.

Norway itself is a net importer, measured in quantity of sales, of round wood timber and a net exporter of wood products when wood pulp and paper products are included. The Norwegian export market is mainly found in EU member states. There are more than 100.000 forest owners in Norway with an average property size of 50 hectares. The amount of wood in Norwegian forests increases significantly every year. Practically all production forest in Norway is certified, mainly by group certification and third party verification. The forest industry has also well developed risk assessment procedures through chain of custody certification.

Norway sees the proposed Timber regulation as an important contribution in this area. As to the concrete proposals for the Regulation we want to comment on the following, more detailed points:

*Applicable legislation.* Norway would like the Timber regulation and the FLEGT VPA to be mutually supportive to the largest extent possible. Therefore the definition of legality should include obligations to check against each country of origin, their forestry law, environmental law, labour law, tax law and timber transport obligations as well as industrial processing obligations. Also compliance with international regulations concerning labour, indigenous peoples and local communities should be checked to the extent possible. We therefore would like to support the European Parliament's proposal on this point.

*Scope.* Products from FLEGT countries may be exempted from thorough Due Diligence regulations, when licensed under VPA's. The Regulation should apply to all products with a possible exception of recycled material.

The Due Diligence procedure must be required when placing timber products on the market for the first time and marketing of products proven to be illegal must be forbidden. I therefore welcome the limitation of the group of responsible operators in the supply chain as set out in the draft second reading report.

*Monitoring.* In order to have harmonized standards across the EU for the organizations which monitor due diligence systems, guidelines to recognise a monitoring organization should be made at EU level, whereas the monitoring organisations should be operating at national level. I would argue that a decentralised system could be more effective while at the same time ensure close follow up of the Regulation. There might

be room for more flexibility on this issue than what is currently set out in your draft report.

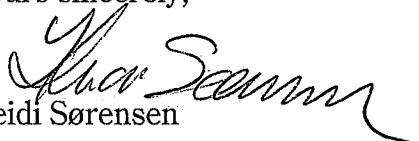
*Verification and auditing.* Operators who establish their own Due Diligence system should have it audited regularly by independent third party verifiers, and establish the basis of a reliable risk management procedure that will help identify and mitigate the risks associated with certain products and suppliers.

*Sanctions.* When products are classified as illegal they must be denied market access, but additional penalty should also be given if proven that the operator has tried to import in violation with the EU-regulation. We would support that standards and guidelines are set up in order to converge the type and level of penalties and sanctions throughout the EEA area, in order to form the most effective regime.

I look forward to future co-operation in this important area in the future.

A copy of this letter has also been sent to the Spanish Presidency of the Council of the European Union and to the European Commission.

Yours sincerely,

  
Heidi Sørensen