Lessons from the EU Timber Regulation and Lacey Act for TLAS development
The need to tackle weak links in global trade

Peru to the US

PNG to the US

*Special Agricultural and Business Leases. Source: FT based on Global Witness data.

Source: Global Witness
TLAS development in VPAs

- An opportunity to learn from more mature markets for timber trade laws and enforcement (EU and US)

- Preventing timber laundering via FLEGT licenses and maintaining integrity in global trade system
Lessons from the EUTR and Lacey

- A law with all the vital components (prohibition, due diligence requirement, dissuasive penalties + accompanying guidance)

- It’s all in the enforcement: well resourced and knowledgeable enforcement authorities, risk-based enforcement strategy

- Transparency and third party complaint mechanisms assist authorities with the identification of risks and cases

- Application of dissuasive penalties for non-compliance (compare US to EU)
Will TLAS be effective?
Vietnam’s high risk timber trade from Africa

43% rise in timber imports to Vietnam from Africa in a year

Volume of import timber from Africa into Vietnam 2016 – 2017

Source: compiled by Forest Trends, VIFORES, HAWA, FPA Binh Dinh, August 2018.
From DRC to Vietnam: how risks materialise

Findings:

- DRC’s biggest logger, Norsudtimber, logging illegally on 90% of its sites, with government complicity.
- Vietnam imported 74% of timber harvested by Norsudtimber subsidiaries in 2017.
- Sales made through network of shell companies based in tax havens (Dubai, Hong Kong).
- See report for company responses to Global Witness allegations.

www.globalwitness.org/en/campaigns/forests/total-systems-failure/
Applying the lessons of EUTR to DRC-Vietnam trade

- Cannot rely on official documents for high risk sources of timber – illegal timber often has a long paper trail

- Importer must show meaningful due diligence and risk mitigation – enforcement authorities must know what that looks like

- Third party investigations and reports are key

- If risks cannot be mitigated to negligible threshold, sourcing must be discontinued/ authorities must enforce against non-compliance
TLAS development is an opportunity

- Expertise available to VPA countries on EUTR, Lacey and other regulations

- Country risk assessments of major producer countries facilitate knowledge transfer to new enforcement authorities (e.g., see assessments published by European Commission, NEPCON)

- Collaboration amongst enforcement authorities helps maintain integrity in global supply chain and enables info exchange on trends and innovations in law breaking and law enforcement (e.g., TREES)