

TTAP News

March 2008 – Issue 3.

ttap timber trade
action plan

www.timbertradeactionplan.info

Dear Reader,

Welcome to the third edition of the TTAP newsletter! This issue relates events and developments worldwide that are inputting into the illegal logging debate, highlights TTAP's exciting move into South America and outlines the TTAP process for interested companies in seven steps.

Whether you are a Timber Trade Federation member, TTAP partner, or interested stakeholder, we hope TTAP News will be a useful resource for you. Please feel free to share the newsletter with your colleagues and subscribe/unsubscribe at any time.

The TTAP Team

About TTAP

TTAP is an EU funded project driven and co-funded by the Belgian (FBCIB), Dutch (VNNH) and UK Timber Trade Federation (UK TTF), to assist wood suppliers in tropical countries produce verified legal timber.

We currently advise & support timber companies based in Asia, Africa, and South America as well as engage in timber trade policy initiatives in the EU.

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Latest News: TTAP Launched in South America!

In January 2008 TTAP expanded its ongoing operations to combat the trade in illegal timber products in Africa and Asia to South America. Several companies have already expressed interest in the project in Brazil, and work with the first will commence in March 2008 under the newly appointed Project Officers Flavio Guiera and Xavier Andrillon. Upon consolidation of TTAP in Brazil, operations will roll out into the neighbouring countries of Bolivia, Guyana and Suriname.

As in other countries where TTAP works, the project aims to forge partnerships with producer country organizations. These partnerships are invaluable for the success of the project through providing technical knowledge, assistance in project implementation and through promoting a unified message to combat the trade in illegal timber in the region. Discussions are currently underway with a variety of stakeholders that include timber trade federations, research bodies and NGOs in Brazil, and it is expected to formalize these in March 2008.



Latest News South East Asia:

TTAP commended at Smartwood VLO meeting in Indonesia!

The Smartwood Verification of Legal Origin (VLO) seminar and workshop held in Denpasar, Bali in January commended TTAP's robust approach and TTAP was identified as a model to be adopted by others. The two day meeting was attended by a variety of stakeholders with the aim to discuss the VLO standards and criteria used in Indonesia, discuss case studies of successes as well as the difficulties of working with fragmented supply chains.

The review of the current VLO scheme for Indonesia identified the need for Smartwood to revise the scheme, especially regarding CoC. However, it was also recognised that a main weakness was the lack of supply chain mapping prior to formally establishing CoC systems and consequently calling for Smartwood prematurely. TTAP's approach presented at the meeting was acknowledged as a model that other participants should look towards. TTAP has been invited to take part in subsequent draft discussions for Smartwoods' VLO Indonesia standard.

Latest News China:

Push for EU Tariffs on Chinese Plywood Dropped!

In December 2007 the European Federation of the Plywood Industry (FEIC) withdrew its request to extend the current anti-dumping tariff on Okoumé plywood to other types of plywood originating from China. In light of this, the EC subsequently dropped its review on tariffs for Chinese Plywood. Had the request been approved it may have resulted in substantial (up to 66%) tariffs on Chinese hardwood plywood imports into the EU.

The resolution of this issue is likely to have positive implications for TTAP in China as prior to this decision both EU buyers and Chinese producers questioned the rationale of investing in their supply chains to achieve legality when they would have been subject to the same anti-dumping tariffs as competitors that had not taken such steps. The threat of the tariff was enough to drive at least one UK trader to withdraw from China.

Removal of this barrier means that buyers should now be able to invest in their supply chains with confidence, and work with suppliers to implement CoC systems to ensure the legality and sustainability of their products. Evidence of this move is currently being observed where one buyer has recently reengaged with TTAP. The effects of this outcome on the industry's interest and uptake of TTAP in China will be monitored at the UK TTF & TTAP road show in April.

VVNH Update:

45% of VVNH's Imports from Sustainably Managed Forests!

VVNH's 2006 import figures revealed 45% of total timber and wood product imports originated from sustainably managed forests and marketed with a CoC-certificate. This demonstrates a positive step towards fulfilling the organisation's ambitious aim of importing 75% of all timber from sustainable sources by the end of 2009.

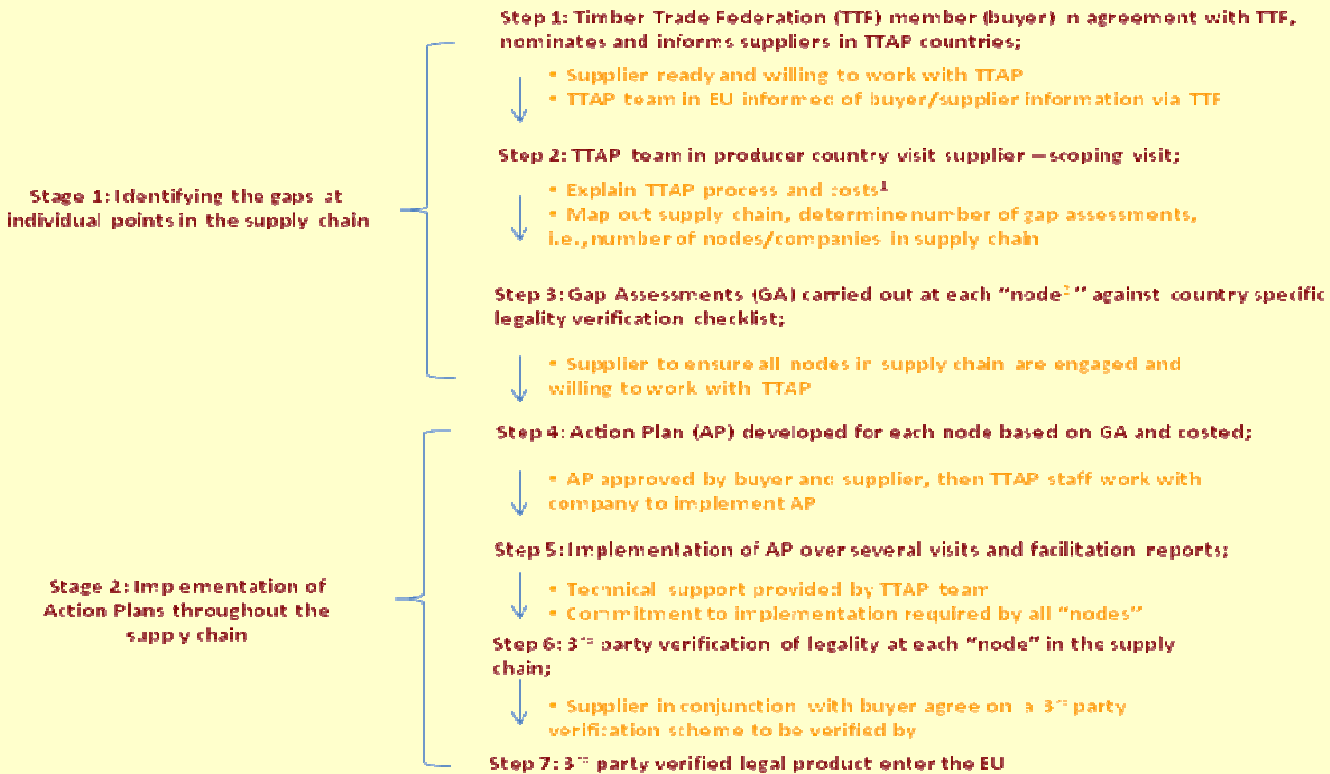
The analysis, carried out by the Dutch consultant Probos, showed that 56% of the total timber imports of VVNH members were derived from sustainably managed forests (up 13% from 2005), which includes both timber with, and without a CoC-certificate, with 45% being both sustainably sourced and sold with COC certificate. The increase has principally arisen due to the progress made within the softwood sector. In contrast, panel products and the tropical hardwood product group have lagged behind.

In response to the slower progress made with the tropical hardwood products, VVNH became a TTAP Partner at the project's inception in 2005 with the aim of helping its members to legally verify their supply chains, as a first step towards sustainability. Stakeholder update meetings, such as the one in Amsterdam in January 2008, provide a platform to communicate TTAP's progress to VVNH's members and raise discussion of how to further combat illegal logging. VVNH now requires members to supply import data bi-annually to Probos, which will allow for improved monitoring of timber imports into the EU market.

Future Events:

28th March 2008 - 3rd UCBD/TTAP Workshop, Brussels - Harmonising EU TTFs Codes of Conduct and Responsible Purchasing Policies for UCBD members.

14th – 18th April 2008 - UK TTF & TTAP China Roadshow, Shanghai – TTF & China Trade Association Workshop on Environmental Codes of Conduct and Responsible Purchasing Policies.



Footnotes:

- ¹ Cost of TTAP to TTF members
 - Cost of GA fixed for all nodes and supply chain
 - Cost of AP will vary (based on actuals)
 - TTAP provides 72% subsidy to all work from GA to AP implementation
- ² A “node” refers to a factory, forest or processing plant

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