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Parliamentary Briefing

ACHIEVING A 100% SUSTAINABLE TIMBER MARKET IN THE UK

March 2015

Summary

1. WWF-UK is advocating, through its Forest Campaign in 2015, for measures to be put in place in the UK and the EU to ensure that our market is trading in only legal and sustainable timber and timber products by 2020. To achieve assurances of 100% legality, reforms will need to be made to the EU Timber Regulation – on which more detail is provided in a separate brief.
2. But legality is only the foundation of a sustainable market. A legal market will ensure that the timber and timber products we use in the UK have been produced in line with the law in the producer country – for example, with a license for felling and correct taxes paid. Legality is no assurance that the timber was produced in a socially and environmentally responsible way. It is no assurance that the timber and timber products are not causing deforestation. Globally we continue to lose 13 million hectares of forest per year (FAO, 2012ⁱ), an area equivalent to the size of England, and demand for wood is expected to triple by 2050 (WWF International, 2012ⁱⁱ). The growth in demand needs to be met sustainably or we jeopardise not only the conservation of biodiversity and the livelihoods of more than a billion peopleⁱⁱⁱ, but also, given that deforestation and forest degradation currently account for up to 20 per cent of global CO₂ emissions^{iv}, effective action on climate change.
3. Therefore, in line with the UK Government's stated ambitions on climate change, poverty eradication and biodiversity, WWF-UK is **advocating for new measures to be put in place to ensure the UK market for timber and timber products is 100% sustainable by 2020.**
4. Meeting this goal would help to achieve several international agreements that the UK was instrumental in promoting including the 2014 New York Declaration on Forests^v and the Aichi Targets^{vi} of the Convention on Biological Diversity.



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5. By sustainable we mean timber and timber products that have been verified as coming from forests which are managed in an environmentally responsible, socially beneficial and economically viable manner, and that meet legal requirements. To achieve that goal we will need to promote recycled, credibly certified and other credibly verified sustainable products.
6. Through a process of research and consultation with industry and independent experts, WWF-UK has identified four actions that need to be taken to achieve this goal in the UK market, see Action Plan below. The actions are ambitious, but feasible. In fact, there are examples of existing policies or agreements similar to each of the proposals.
7. The actions would also support responsible businesses. Many businesses in forest product supply chains have set credible goals on sustainable sourcing, made progress against these, and continued to prosper. But to take sustainability beyond these pioneers to the mainstream we need support from the government. The proposals below can help establish a level playing field towards sustainability.
8. The package starts with leadership from government, but requires action by industry, the finance sector and civil society in combination. The government can use its role as convenor to establish a plan for shared action, legitimately begin a process to measure progress at a national level, and lead by example in reaffirming and delivering on its longstanding public procurement policy to use only legal and sustainable timber.
9. **WWF-UK has already gathered widespread support for the 100% sustainability goal from almost 40 companies and over 70K members of the public.** WWF is willing to facilitate the development and implementation of these goals.
10. UK business, as a whole, forms the fifth largest trader in timber and timber products globally and as a member of the EU, the UK is well positioned to be an international leader in this sector. Successful achievement of the 100% goal would increase the proportion of timber produced sustainably around the globe. It will be important, however, that the UK capitalises on its leadership by encouraging others to make similar commitments, starting with the EU.
11. Moreover, the UK will want to maintain trade relationships with a diverse set of producer countries. Support to producer countries to ensure that small scale producers can verify sustainable production to access our markets is part of the package proposed below. WWF is strongly supportive of credible sustainability certification schemes, but innovation in verifying sustainable production is needed to help producers where certification is not cost effective, lacks market demand or is inappropriate for other reasons. This is relevant to all the demand signals in the action plan set out below.

Action Plan

In 2012, following an analysis of the UK's use of palm oil, the UK Government facilitated a national statement with trade bodies towards "achieving 100% sourcing of credibly certified sustainable palm oil by the end of 2015". Two annual progress reports show a rising trend in sustainable sourcing. **WWF-UK believes that this should be replicated through an analysis of the UK market in timber and timber products, followed by a national statement, or 'UK Sustainable Forest Trade Accord', calling on civil society, public, private and finance sectors to achieve a 100% legal and sustainable market by 2020.** A UK Sustainable Forest Trade Accord would, alongside reform of the EU Timber Regulation, lay the foundation for the following four action areas.

Four actions for a 100% sustainable market in timber and timber products.

Public Procurement:

The government needs to achieve 100% compliance with its longstanding procurement policy to buy only legal and sustainable timber.

Despite the policy being mandatory since 2000, WWF-UK investigations have found that compliance of some departments is below 50%, reporting is weak and there is no mechanism for redressing non-compliance. The government should better monitor implementation, redress non-compliance and expand the policy beyond central departments, ensuring transparency on its progress. More information can be found here: http://assets.wwf.org.uk/downloads/final_forest_procurement_report_web.pdf

Voluntary Transparency Agreement:

An agreement established between the government and businesses to collaborate and achieve the goal of a 100% sustainable timber market by 2020. Including clear targets, technical support and reporting requirements to maintain transparency and measure overall progress against the 100% goal, rewarding the good performers and highlighting the bad.

There are many examples of similar agreements. The Courtauld Commitment,^{vii} to improve resource efficiency and reduce waste in the UK grocery sector, has helped businesses, consumers and local authorities to save money, improve their performance, and reduce their carbon footprint. Similar baselines and targets could be established for businesses sourcing timber and timber products. Through the Producer Responsibility Regulation, the UK has transposed an EU packaging waste directive by requiring businesses to pay to register on a scheme with mandatory reporting on packaging waste reductions and recycling rates.^{viii} While public league tables have been used in government initiatives such as the CRC Energy Efficiency Scheme.^{ix} A combination of mandatory reporting and public league tables for businesses sourcing timber and timber products would increase transparency and encourage improvement.

Support to small-scale forest enterprises to secure market access:

The government must support access to technical assistance, development and other finance for small forest enterprises through existing mechanisms and new initiatives, so that a 100% sustainable market does not exclude small-scale producers and can support rural development.

Small forest enterprises often struggle to access the finance and technical support needed to put sustainable business plans in place and verify sustainable production. The government has the opportunity to better use its development finance and partnerships on forest governance, policy and trade to promote sustainability – not just legality. For example REDD+ agreements, climate finance, the Tropical Forest Alliance and the review of FLEGT which will take place in 2015.

Finance for sustainable production and consumption:

All banks and investors need to apply robust policies across their business, including trade finance, to ensure that by 2020 they are supporting a sustainable market.

A strong signal from the finance sector would shift laggard businesses by strengthening the business case for sustainable sourcing. Efforts to support sustainable sourcing and a chance to collaborate with businesses sourcing timber and timber products would help build on and widen existing agreements such as the Soft Commodities Compact.^x This compact committed its signatory banks to promoting zero net deforestation goals with consumer goods companies.

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Date	15 June 2015

ⁱ <http://www.fao.org/docrep/017/i3110e/i3110e.pdf>

ⁱⁱ http://awsassets.panda.org/downloads/living_forests_report_ch4_forest_products.pdf

ⁱⁱⁱ <http://siteresources.worldbank.org/INTFORESTS/Resources/SustainingForests.pdf>

^{iv} Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, 2007

^v <http://www.un.org/climatechange/summit/wp-content/uploads/sites/2/2014/09/FORESTS-New-York-Declaration-on-Forests.pdf>

^{vi} <http://www.cbd.int/sp/targets/>

^{vii} <http://www.wrap.org.uk/category/initiatives/courtauld-commitment>

^{viii} <https://www.gov.uk/government/policies/reducing-and-managing-waste/supporting-pages/packaging-waste-producer-responsibility-regimes>

^{ix} <https://www.gov.uk/government/policies/reducing-demand-for-energy-from-industry-businesses-and-the-public-sector--2/supporting-pages/crc-energy-efficiency-scheme>

^x <http://www.cisl.cam.ac.uk/Business-Platforms/Banking-Environment-Initiative.aspx>