

FLEGT VPA Independent Market Monitoring (IMM)

Trade Consultation, 8 March, London Building Centre



Independent Market Monitoring of FLEGT-Licensed Timber

IMM Background



- Mandated by FLEGT VPAs
- Funded by EC DG DEVCO & managed by ITTO
- Objectives
 - Independently monitor FLEGT VPA market impacts
 - Improve understanding of impacts on timber prices, trade and market trends globally
 - Ensure VPA countries & EU provide reliable stats and info on FLEGT timber trade and acceptance in their reporting
 - Inform decisions by VPA Joint Implementation Committees by providing timely & accurate info on market impact
 - Contribute to monitoring the impacts of the FLEGT Action Plan and to inform its implementation
- IMM has no mandate to promote FLEGT licenses or specific procurement policies

IMM Structure

- Managed by **ITTO**, oversight Dr Steven Johnson
- Day-to-day management/network coordination/surveys/communications – **IMM Lead Consultant**, Sarah Storck
- Technical issues/database development/trade data analysis – **IMM Trade Analyst**, Rupert Oliver
- **Country correspondents** in:
 - Belgium (Robin Fischer)
 - France (Robin Fischer)
 - Germany (Gunther Hentschel)
 - Italy (Nicola Andrighetto)
 - Netherlands (Jan Oldenburger)
 - Spain (Carlos Kasner)
 - UK (Mike Jeffree)
 - Indonesia (Daru Asycarya)
 - Ghana (Gustav Adu)

IMM Methodology

- Framework of 52 indicators for quantitative assessment of market impacts
- Reliance on data published by or purchased from other agencies when available, primary research where there are gaps
- 19 VPA partner specific and 33 EU-wide indicators

Elements for inclusion in an IMM	Indicators	Means of Verification			
		Source of Information	Primary data	Secondary data	Purchased data sets
i. EU Timber Regulation	Application of EUTR compliant due diligence systems by operators in EU Member States	Publicly available reports from EUTR competent authorities (CAs) and Monitoring Organisations (MOs). EC are preparing a template for standard reports by CAs. Reports of ENGOs. Depending on scope of these reports, IMM may undertake structured interviews with CAs and MOs	✓	✓	
	Sanctions imposed on non-compliant operators in EU Member States	As above	✓	✓	
	Prosecutions of non-compliant operators in EU Member States	As above	✓	✓	
	Recognition that FLEGT VPA licensed timber meets EU TR and needs no further risk assessment or mitigation action, through reliable and consistent communication .	As above. As required IMM may undertake additional review of formal guidance issued by EUTR Competent Authorities and MOs.	✓	✓	
	Volume and value of EU imports of wood products from non-VPA countries considered potentially high risk from perspective of illegal logging	Eurostat/FII Ltd, ENGO/trade country risk assessments	✓	✓	

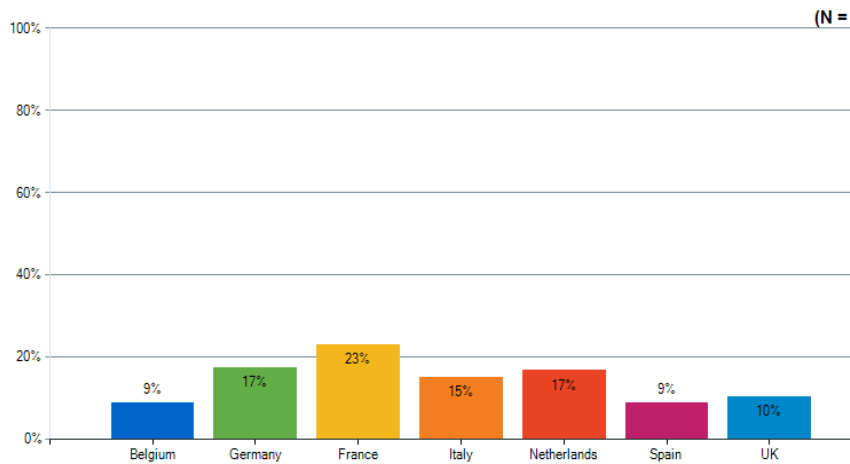
IMM outputs/activities planned for 2018

- Publication of IMM 2017 annual report in June
- Continuation of key EU country and VPA partner country market surveys
- Studies of relevant EU consumer sectors and topics identified as a part of the scoping studies or IMM indicators (furniture, EU wood promotion programmes)
- Scoping survey of FLEGT impact on forest sector investment
- Further development of IMM information sources and data visualisation tools
- Further development of IMM communication activities (website, newsletter)
- 2-3 IMM Trade Consultations

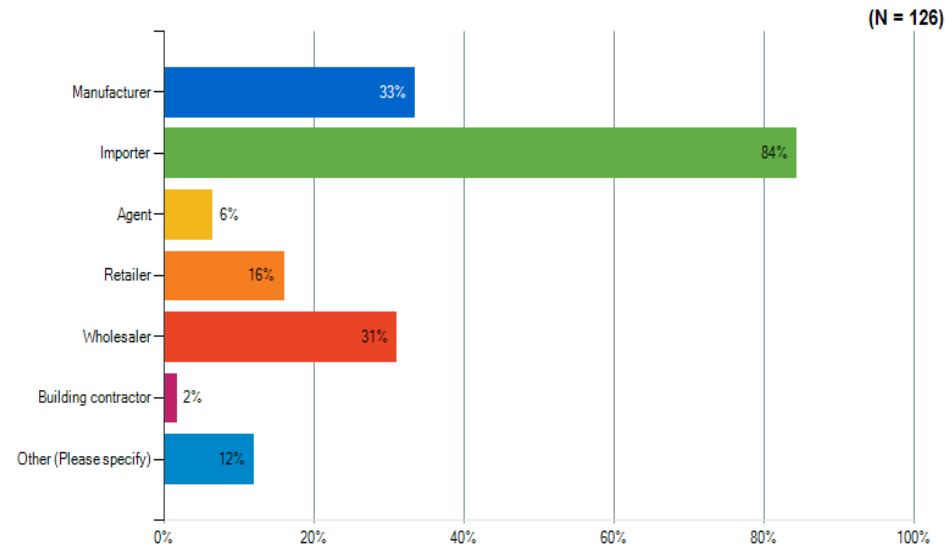
Insights from survey work in Europe

- 126 companies interviewed in key countries (Belgium, France, Germany, Netherlands, Italy, Spain, UK) between June and November regarding:
 - Types of products/wood species imported from VPA partner countries
 - Identification of key end-use sectors of wood and wood products from VPA partner countries
 - Perception of competitiveness of FLEGT-licensing and VPA-implementing partner countries
 - Perception of Indonesian FLEGT-licenses
 - Awareness of the FLEGT VPA process
- 15 interviews with Monitoring Organisations/Associations and 10 interviews with Competent Authorities and other government agencies
 - Experience with FLEGT licensing and the FLEGT VPA process
 - EUTR implementation and enforcement

EU trade survey participation by country/type of business



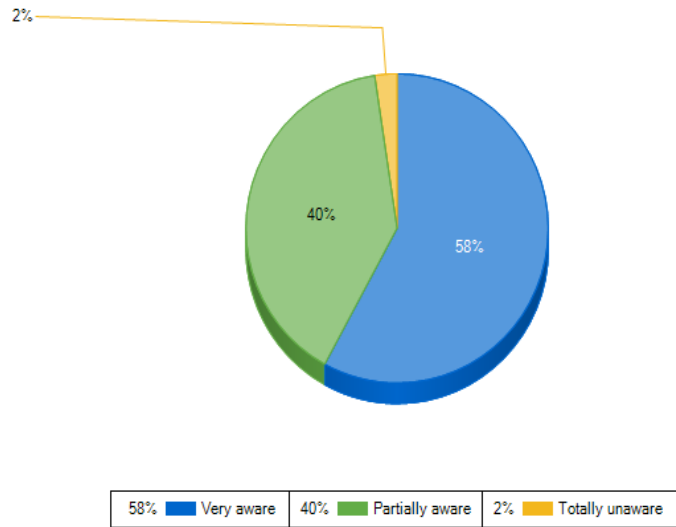
Source: IMM European Trade Survey 2017



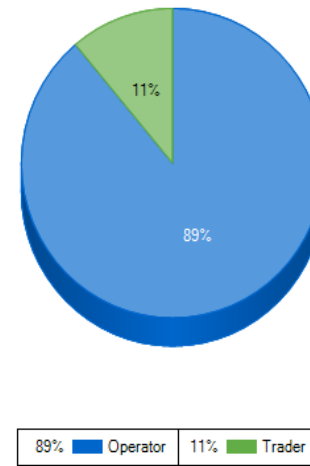
Source: IMM European Trade Survey 2017

Awareness of the FLEGT VPA Process

How aware are you of the FLEGT VPA Process and what it involves?



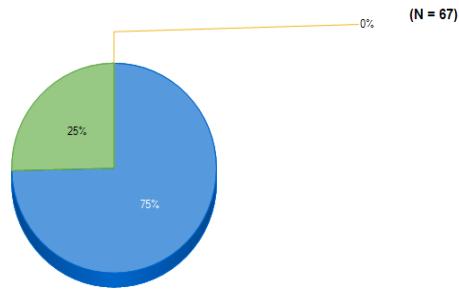
Is your business an operator or trader under the EUTR?



(N = 126)

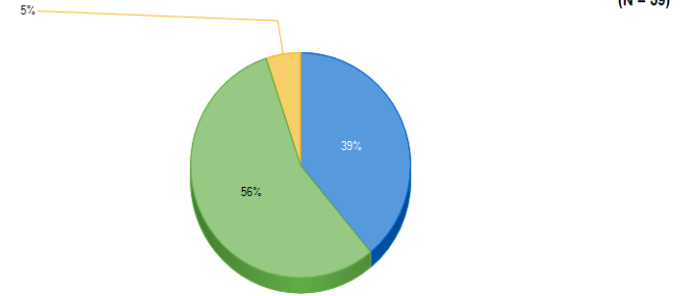
Awareness of the FLEGT VPA Process

How aware are you of the FLEGT VPA Process and what it involves?
UK, Belgium, Germany, Netherlands



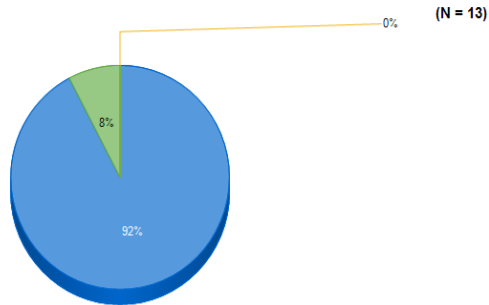
75% Very aware 25% Partially aware 0% Totally unaware

How aware are you of the FLEGT VPA Process and what it involves?
Italy, Spain, France



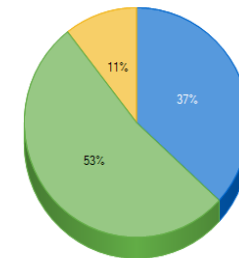
39% Very aware 56% Partially aware 5% Totally unaware

How aware are you of the FLEGT VPA Process and what it involves?
UK



92% Very aware 8% Partially aware 0% Totally unaware

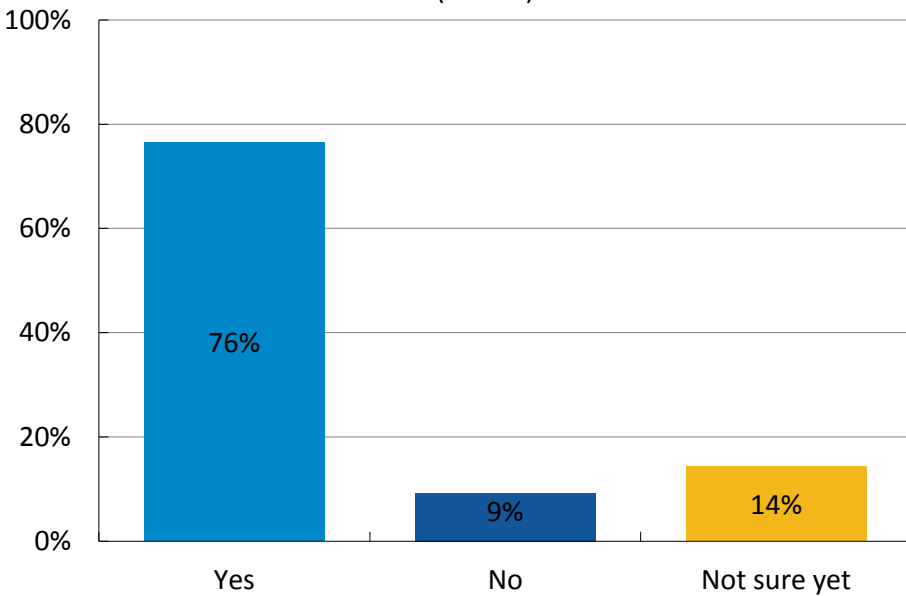
How aware are you of the FLEGT VPA Process and what it involves?
Italy



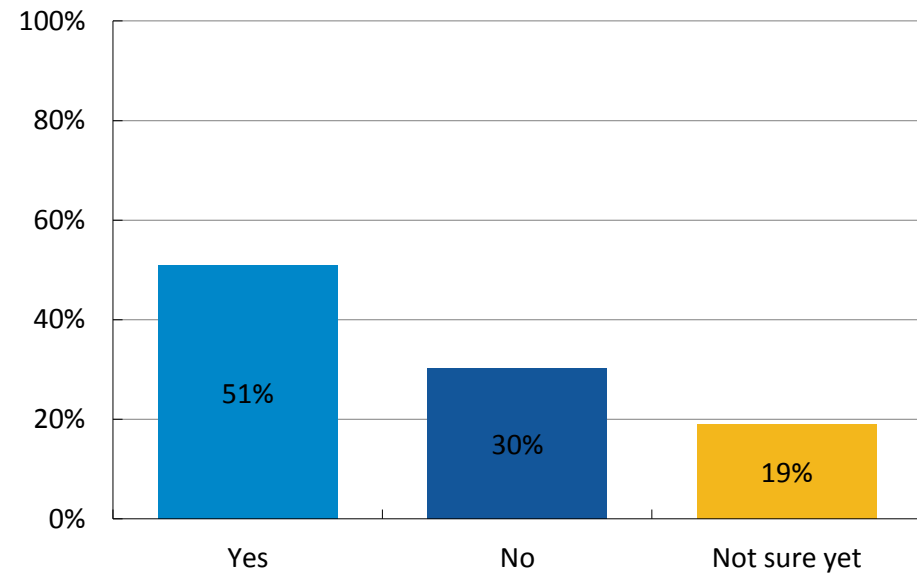
37% Very aware 53% Partially aware 11% Totally unaware

Perception of FLEGT-licensed timber

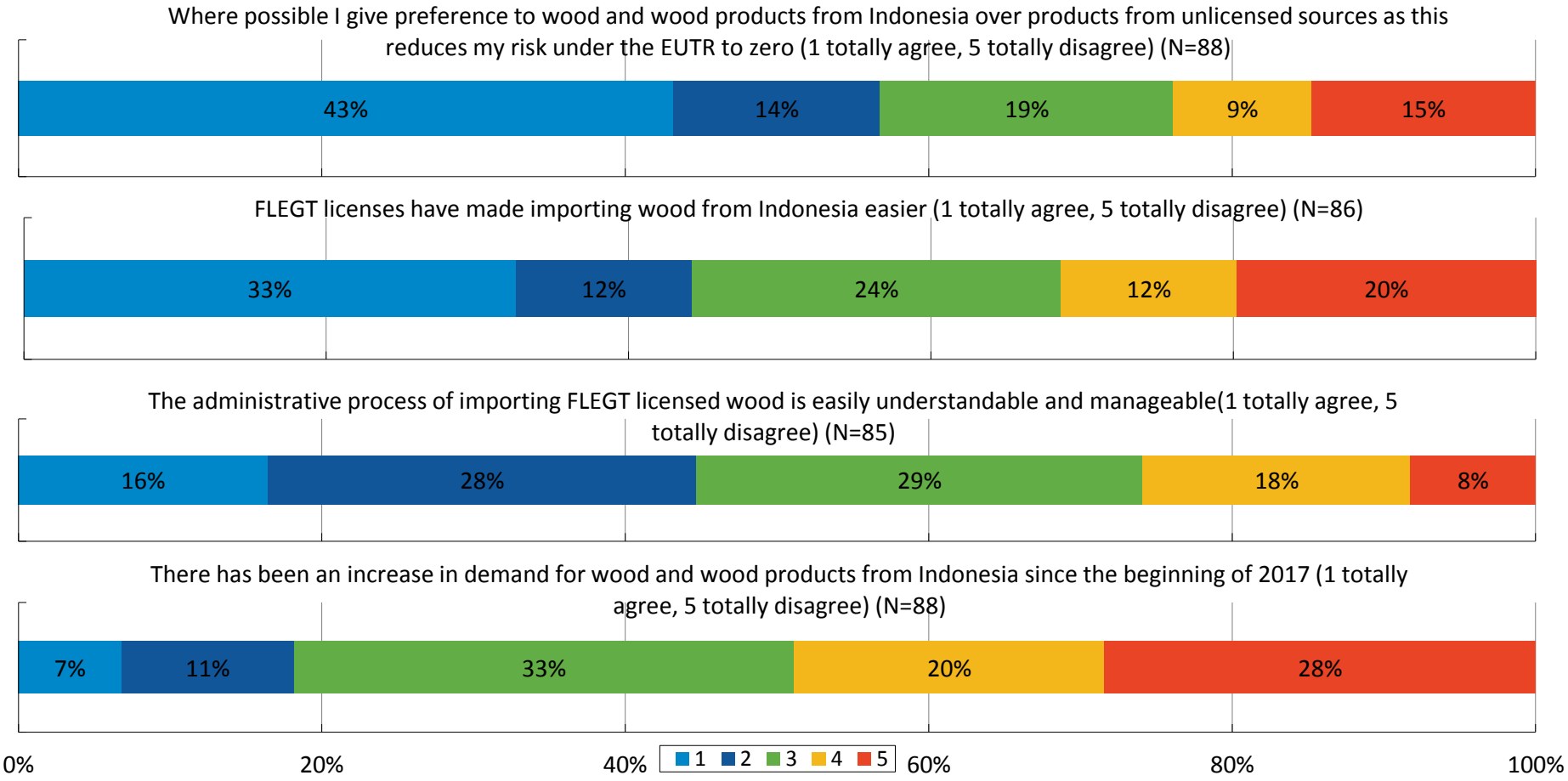
Would your organisation give preference to FLEGT-licensed timber over unlicensed timber from competing sources? (N=119)



Is your organisation giving preference to timber from VPA implementing countries over timber from non-VPA partner countries? (N=116)



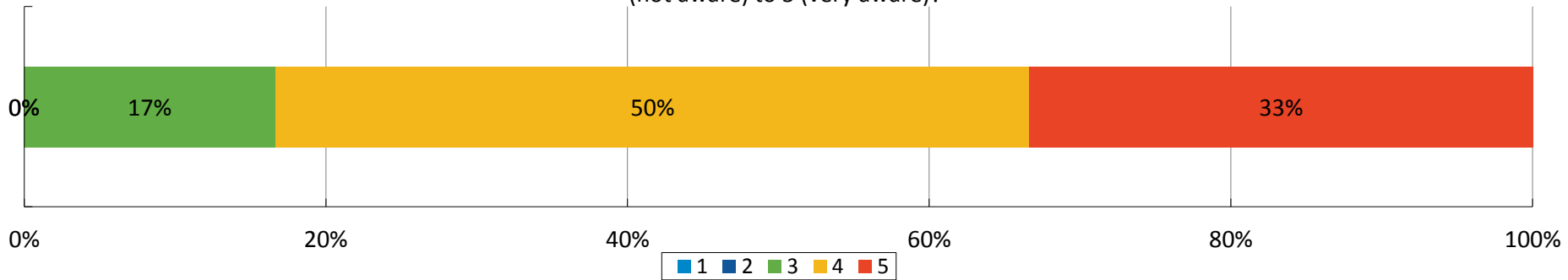
Perception of Indonesian FLEGT-licensing



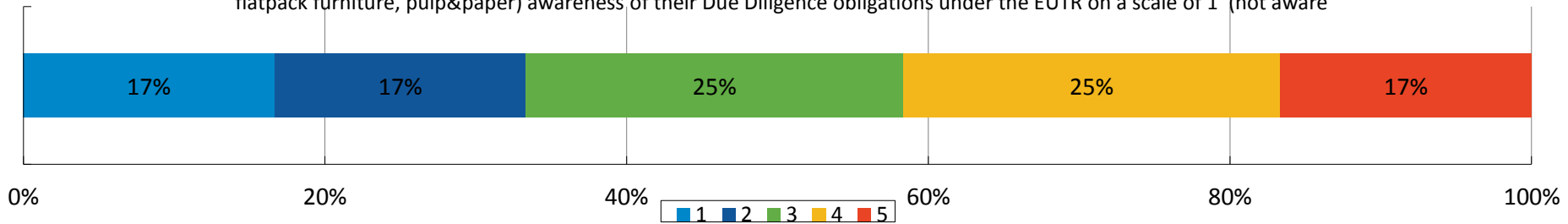
Source: IMM European Trade Survey 2017

EUTR awareness: survey of MOs and associations

How would you rate your members' average awareness of their Due Diligence obligations under the EUTR on a scale of 1 (not aware) to 5 (very aware)?

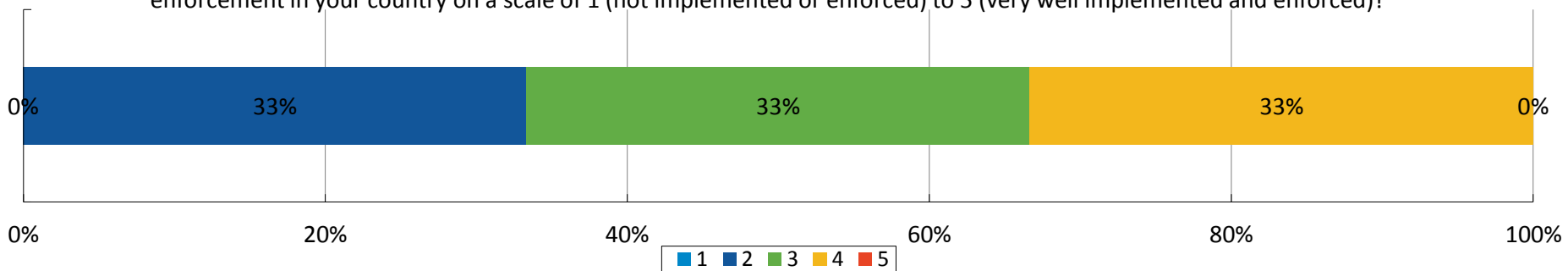


How would you rate your country's wood and wood-based product importing sectors' (including products like picture frames, tool handles, flatpack furniture, pulp&paper) awareness of their Due Diligence obligations under the EUTR on a scale of 1 (not aware



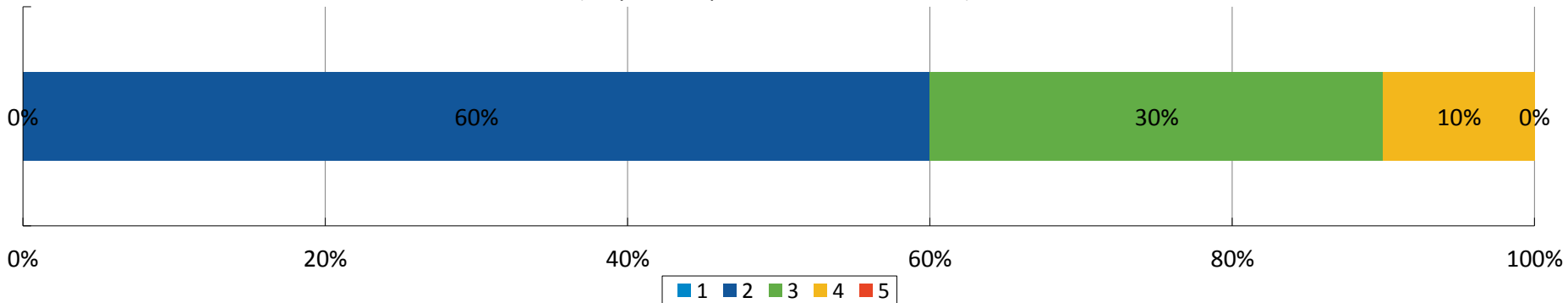
EUTR implementation: survey of MOs and associations

Judging by your own and your members' experience, how would you rate the level of EUTR implementation and enforcement in your country on a scale of 1 (not implemented or enforced) to 5 (very well implemented and enforced)?



- Associations/MOs in Italy, Spain and France gave the negative rating "2"

How would you rate EU-wide EUTR implementation and enforcement on a scale of 1 (not implemented or enforced) to 5 (very well implemented and enforced)?



Thank you

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