



**Ministry of Environment
and Food of Denmark**
Agency for Water and
Nature Management

Beyond checking documents

FLEGT expert group, Brx.
29 September 2016
Niels Bølling

Compliance with DD requirements

ASKING QUESTIONS NOT JUST CHECKING DOCUMENTS

In many cases securing legal import has been a question of a one-string documentation of legality from concession to port of shipment including some verification

But Due Diligence/Due Care is not just something to be done to please the authorities; it's being done for the forests, livelihood of man, biodiversity and to secure the demand and supply side of timber in the future etc..

We know that Due diligence/Due Care includes collection of all relevant information about legality and the use of the information **before** the decision is taken to place an order

Therefore we need to ask questions not just ask for documents



Compliance with DD requirements

We already ask questions but.....

Are they relevant? **We hope so**

Are they in line with EUTR/Lacey Act? **We think so**

Do we ask the same questions? **We don't know**

Do we understand the answers? **We believe so**

Do we ask the same about China, Brazil and Cameroon? **NO**

Do we exchange questions and answers? **NO**

Compliance with DD requirements

We need to start working together about asking questions

Lots of work has already been done by Member States

How to proceed?

**Working groups, TREE project – next meeting in Paris,
Use of common template for questions, test and feed back from
real inspections, follow up. Presentation in FLEXT expert group**

Result: 3 templates with questions. 1-Brazil, 2-China, 3-?

Voluntary to use. A tool for inspectors and operators

Compliance with DD requirements

QUESTION	ANSWER
<u>Risk Assessment</u> Rationale: In Article 2, paragraph (h), it's defined what type of legislation that must be fulfilled to be in compliance with the Timber Regulation. Therefore it's essential for both supplier and operator to know what's applicable legislation	
Do you know any applicable state and federal laws and regulations included by the definition in the Timber regulation?	
Rationale: In article 4, paragraph 2., operators must use a 'due diligence system', as set out in Article 6. Risk factors in the region of harvest is basic information as part of the due diligence system	
What relevant sources of information such as e.g. corruption index, history of illegal logging, (NGO)reports, newspapers, web sites been checked?	

Compliance with DD requirements

Legality

Rationale: According to Article 6, prevalence of illegal harvesting or practices in the country of harvest and/or sub-national region where the timber was harvested is part of the due diligence system. Knowledge of the legal history and the present situation of the supplier is therefore part of the due diligence system.

**Are any findings directly related to the definition of 'illegal harvested' in Article 2, paragraph (g)?
Is it relevant to divide the exporting country into subregions?**

Compliance with DD requirements

Risk mitigation:

Rationale: According to Article 4, paragraph 2 the operator must exercise 'due diligence' and must reduce the risk to be negligible for purchasing illegal timber. To that end knowledge of the market and supply situation is essential.

What measures has been taken to risk mitigate?

- a)
- b)
- c)

Compliance with DD requirements

Complexity of the Supply chain:

Rationale: According to Article 6, paragraph 1, (b) the complexity of the supply chain should be taken into account as part of 'due diligence'. The risk of mixing, laundering, cover up traceability of illegal timber may depend of this complexity. The physically distance between the supplier and the sourcing area might also increase the risk of e.g. illegal logging and mixing with unspecified timber.

E.g. If using intermediate agents and traders how to verify their information's and documentation?

QUESTION

ANSWER

A few last questions

Rationale:





Compliance with DD requirements

Questions and comments

THANKS

