

PAMPHLET  
**06**

# ECO-CERTIFICATIONS, LEGALITY CERTIFICATIONS AND REGULATIONS RELATING TO INTERNATIONAL TRADE IN TROPICAL TIMBER

également disponible en Français

This pamphlet presents the main certifications and regulations applicable to wood sector, as well as other sources of information on the legality and market of the international trade in timber.

## 1. FOREST CERTIFICATION OF SUSTAINABLE MANAGEMENT AND LEGALITY OF TIMBER

### 1.1. PRINCIPLES OF FOREST CERTIFICATION

Anchored in the concept of sustainable development, forest certification is a system that allows forests to be exploited while ensuring responsible forest management. It is also a market-oriented instrument that helps consumers identify wood from well-managed forests.

This is a voluntary process whereby an independent third party (the «certifier») assesses the quality of forest management and production against a series of requirements (set out in «standards») defined by a public or private certification body.

Forest certification and the associated labelling are a means of informing consumers about the

quality of management of the forests from which timber and other forest products are harvested. Certification is implemented through two distinct but related processes:

- **Forest management** certification, which assesses whether forests are managed according to a series of specific standards (sustainable and/or legal),
- **Chain of custody (CoC)** certification, which verifies that certified material is identified or kept separate from uncertified or uncontrolled material during the production process, from the forest to the end consumer.



Seven common certification schemes are briefly explained in sections 1.2 and 1.3; sustainable forest certification schemes are differentiated

from timber legality certification or verification schemes. In addition, most of the relevant and active systems are included here.

### 1.1.1. Forest management certification

**The aim is to** certify the quality (sustainable, legal, etc.) of forest management and inform end consumers so that they can choose the right products. To achieve this, audits of forestry activities are carried out to verify compliance with the requirements of the standards.

**Target:** forest managers - such as forest owners, operators, associations, etc.

**Means:** field audit to check compliance with the requirements of a forest management standard

**Standard :**

- A set of requirements covering a wide range of economic, social, environmental and technical aspects of forest management,
- Generally presented under the Principles, Criteria, Indicators (PCI) structure

### 1.1.2. Chain of custody (CoC) certification

**Objective:** to guarantee that the wood, wood fibre or non-wood forest products contained in a product or product line come from certified forests.

**Principles:** all units in the supply chain must be CoC-certified (even traders without physical possession):



Each purchase/sale action (invoice) = 1 link = 1 certificate

**Target:** wood and wood fibre trading and processing companies.

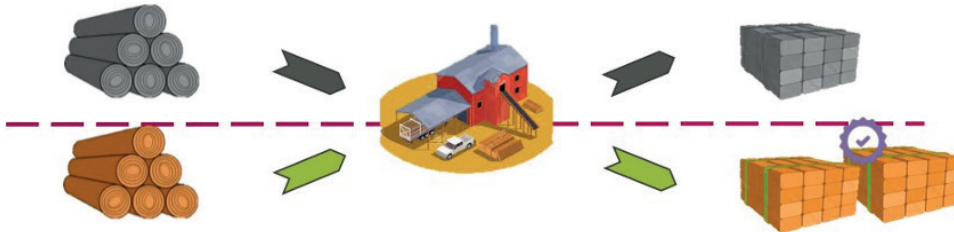
**Means:** audit to check compliance with the requirements of a COC standard

**Standard:** the existing CoC standards are international and include requirements relating to:

- CoC methods (monitoring methods)
- General requirements (scope, procurement, identification of inputs/outputs, volume control, sales and delivery)
- Management system requirements (including subcontracting)
- Requirements for non-certified products (controlled sources)
- Labelling requirements

**Chain of custody methods:** there are various methods for verifying the chain of custody in terms of the proportion of certified timber in the total timber supply:

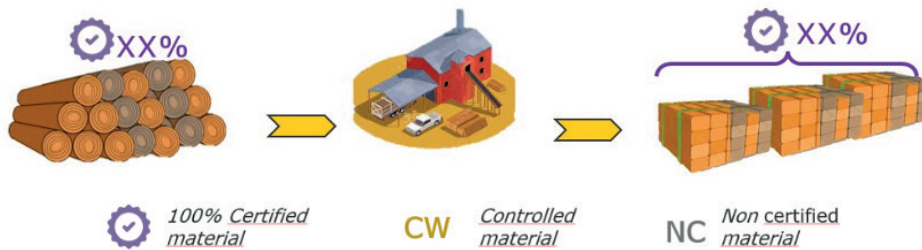
**1. Separated wood flow:** physical separation, transfer



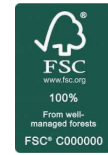
**2. Mass percentage of total wood flow:** credit method



**3. Minimum threshold of percentage of total wood flow:** method of percentages



**Labels**



**1.2. SUSTAINABLE FOREST MANAGEMENT CERTIFICATION SYSTEMS**

**1.2.1 PEFC**



The PEFC («Programme for the Endorsement of Forest Certification Schemes») is an independent organisation created in 1999 which promotes the sustainable management of forests regardless of their geographical origin. PEFC represents a wide range of stakeholder interests. To encourage the widest possible participation, PEFC has chosen to adopt a *bottom-up* approach to governance. It is based on national members whose local expertise is complemented by the experience of internationally active organisations. The principle of PEFC is to enable the various national certification schemes to be recognised («umbrella» organisation).

Full details of [PEFC](#), its approved [National certification system](#), and its [certificats](#) are available on its website.

### 1.2.2 FSC

The Forest Stewardship Council (FSC) is an independent, non-profit, non-governmental organisation founded in 1993 to promote responsible and sustainable forest management worldwide. It brings together various stakeholders (forestry companies, and/or processors, distributors, trade union or community representatives, as well as NGOs, involved in social and/or environmental aspects) around three colleges: economic, social and environmental.

All information about the [FSC](#) and its [certificats](#) can be found on its website.



## 1.3. TIMBER LEGALITY CERTIFICATION

Faced with the need to provide guarantees as to the legality of timber purchases, certification bodies (which are also accredited for sustainable management certification) have developed legality verification systems. The principle of these systems is to audit and verify that the entities involved in logging and wood processing are operating

in compliance with national and international laws and regulations, in areas relating to forest management and logging, transport, processing, taxation and trade in wood. These systems also include traceability requirements, generally in the form of a chain of custody certificate.

### 1.3.1 OLB (Bureau Veritas)



The [OLB](#) (Origine et Légalité des Bois in French) system was developed in 2004 by the certification body Bureau Veritas. To date, it has been applied in several countries in Central and West Africa, as well as in Asia. The aim of the system is to verify that the timber has been legally produced, acquired and then sold by a particular logging company or forest manager.

- Further information on OLB certification and a list of certified companies (at the bottom of the page) are available on [the Bureau Veritas website](#) (in French).

### 1.3.2 LegalSource (Preferred by Nature)



The LegalSource scheme, offered by Preferred by Nature, is a third-party assessment of established due diligence procedures to manage the risks of purchasing illegal forest products. LegalSource certification helps to reduce the risk of a company being in breach of any legal requirements relating to the purchase of wood products that may apply to its activities.

[Information on Preferred by Nature's LegalSource](#) and the [Legal-Source certificate database](#) is available on the Preferred by Nature website.

### 1.3.3 TLV (Control Union)



*Timber Legality Verification*, (TLV) was developed by Control Union. This certification applies to all organisations whose aim is to reduce or mitigate the risks of illegal logging and trade in forest products. Control Union publishes a [database](#) of its certificates.

## 1.4. CHECKING CERTIFICATION

When a company wishes to buy and resell certified products, it must be chain of custody certified according to the product certification. The chain of custody enables companies to identify

and control their certified materials. It is a prerequisite for using the certification logo and mark to promote certified products on the market.

### 1.4.1 Sourcing certified products

It is essential to identify upstream the certified suppliers (likely to supply certified or controlled products), to define the product groups and to draw up a list of suppliers specifying the suppliers' chain of custody number, as well as the type of products and the certification mark of the products supplied.

certification databases (see links in previous paragraphs) to avoid the risk of sourcing from a supplier who has lost his certificate, or from a supplier whose scope of certification has been modified.

This list must be kept up to date, and the validity of certificates must be checked regularly on the

#### The items to be checked are:

- Certificate reference and validity date
- Scope of the certificate
- Products covered

### 1.4.2 The sale of certified products

In addition to the legal requirements, sales documents (invoices) for certified products must generally include the following information:

- Description of products (quality, quantities).

- For each item concerned, a clear and unequivocal indication of the certification markings corresponding to the product.
- The Chain of Custody certificate number.

## 2. REGULATIONS GOVERNING THE INTERNATIONAL TIMBER TRADE

This section outlines the European regulations governing the timber trade: the European Union Timber Regulation and the European Union Deforestation Regulation. For the other main regulations in force at international level, the

[Lacey Act](#) in the United States, the Australian [Illegal Logging Prohibition Act](#) and the Japanese [Clean Wood Act](#) please refer to the corresponding websites.

## 2.1. EUTR (EUROPEAN UNION TIMBER REGULATION)

### 2.1.1 What is the EUTR?

The European Union Timber Regulation (EUTR) is at the heart of the policy to combat illegal logging and related trade, defined in 2003 in the Forest Law Enforcement, Governance and Trade (FLEGT)<sup>1</sup> Action Plan.

Since 3 March 2013, the European Union's Timber Regulation has prohibited the placing

on the EU market of illegally harvested timber or timber products derived from such timber. It requires EU market operators to set up systems to guarantee the legal origin of the timber. The definition of legally sourced timber is based on the law of the country of harvest. The Regulation covers a wide range of wood products, including furniture, pulp and paper, logs and sawn timber.

### 2.1.2 How the EUTR works

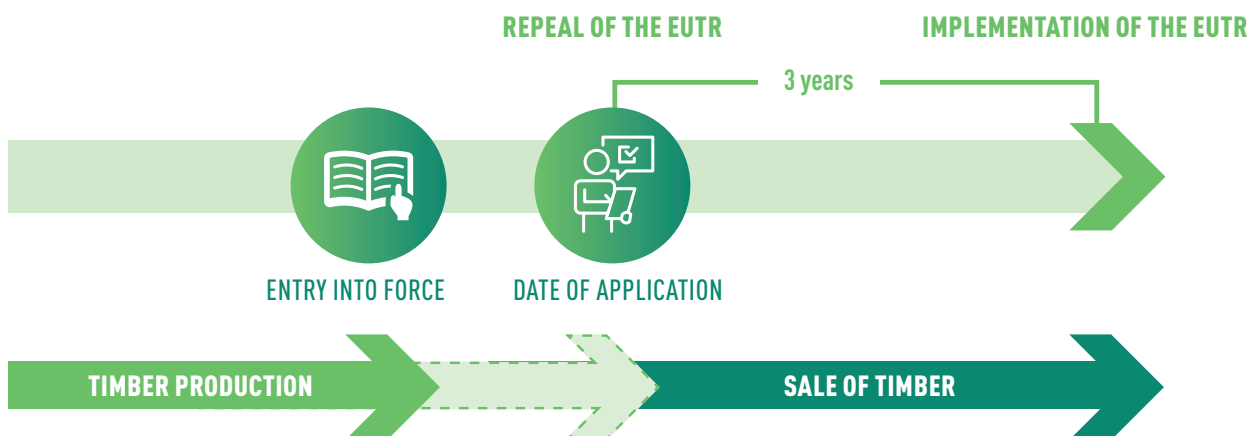
Operators placing timber or timber products on the EU market for the first time are required to exercise «due diligence»; the Regulation applies to timber originating in the EU or imported, and to imported timber products.

Basically, operators' «due diligence» obligation is to assess and manage risks in order to minimise the possibility of placing illegally harvested timber or products containing illegally harvested timber on the EU market. This requirement includes being able to access information on, among other things, their suppliers, tree species and country of harvest, and taking measures to ensure that they only source legally harvested timber.

Each EU country has designated a competent authority responsible for applying the Regulation, and also determines the type and level of penalties applicable in the event of non-compliance with the Regulation.

**With the adoption of the EUDR in June 2023, the EUTR will be repealed on its date of application.**

Nevertheless, the EUDR provides that timber and timber products (according to the EUTR list) harvested before the entry into force and marketed after the entry into force are considered to comply with the regulation for 3 years.



- [EU web page on the legality of timber](#)
- [Communication from the Commission to the Council and the European Parliament - Forest Law Enforcement, Governance and Trade \(FLEGT\) - Proposal for an EU Action Plan](#)
- [ATIBT FLEGT information leaflet \(in French\)](#)

1. Forest Law Enforcement, Governance and Trade



## 2.2. EUDR (EUROPEAN UNION DEFORESTATION REGULATION)

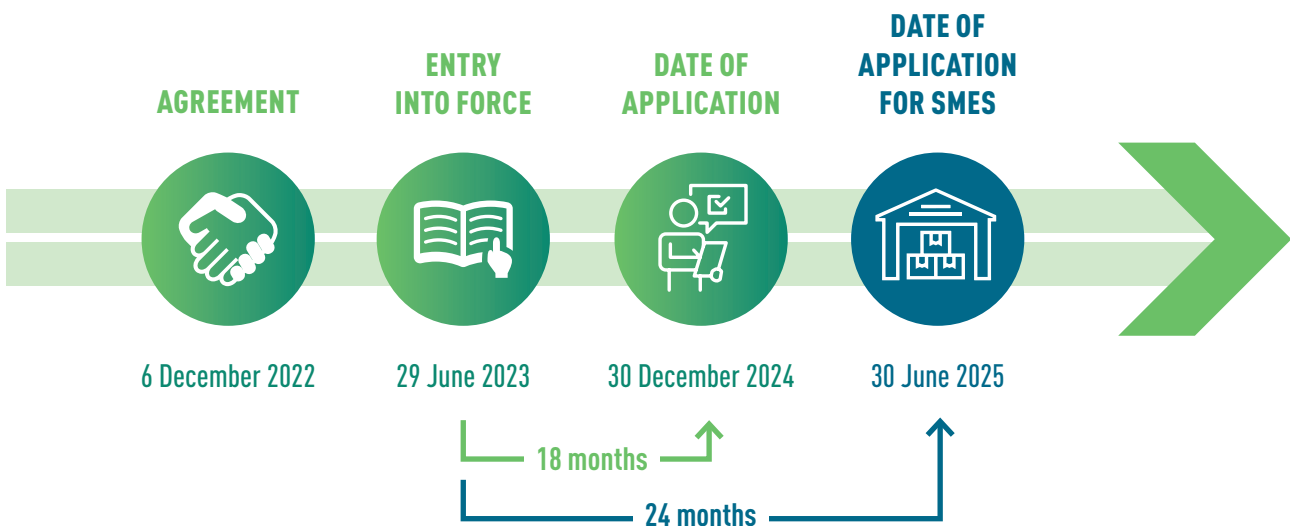
### 2.2.1 What is the EUDR?

Published on 9 June 2023, the EUDR is a new EU regulation on the placing on the EU market and the export from the EU of certain goods and products associated with deforestation and forest degradation.

This regulation aims to minimise the EU’s contribution to deforestation and forest degradation worldwide. It requires EU operators to:

- Minimise the risk of supply chain products associated with deforestation or forest degradation being placed on or exported from the EU market.
- Increase demand for and trade in legal and «deforestation-free» commodities and products in the EU.
- EU web page on [deforestation](#).
- [Text of the RDUE](#).

### 2.2.2 When will it apply?



### 2.2.3 What’s changing?

Key points for the timber industry:

- The regulation extends the list of wood products concerned;
- Wood products imported or sold on the EU market must not have contributed to deforestation or forest degradation and must have been produced legally (the definition is extended to include social aspects) in the country of production;
- Operators are always companies that place wood products on the EU market, but also those that export from the EU market.
- “Large» retailers (other than SMEs - see last page) must also exercise due diligence;
- The assessment method remains due diligence (information gathering, risk analysis and risk reduction), with a few specific provisions:

diligence declaration indicating compliance via an Information System (set up by the European Commission),

- The European Commission has introduced a classification of producer countries (EU and non-EU), which will enable simplified Due Diligence to be applied if the country is classified as low risk.
- The information to be collected includes the geolocation of all the plots where the timber was produced, as well as the date or period of production;
- The Regulation will apply at the end of 2024 (mid-2025 for SMEs), and the EU Regulation will apply for a further 3 years (subject to certain conditions).

- before placing on the market or exporting, the operator (or «large» trader) must submit a due

To find out more, consult the ATIBT’s [comparative brochure EUTR/EUDR](#).

## 2.3. DUE DILIGENCE

The EUTR and EUDR require ‘operators’ and ‘traders’, i.e. EU companies introducing listed products onto the EU market for the first time, or those who trade in them, to exercise ‘due dili-

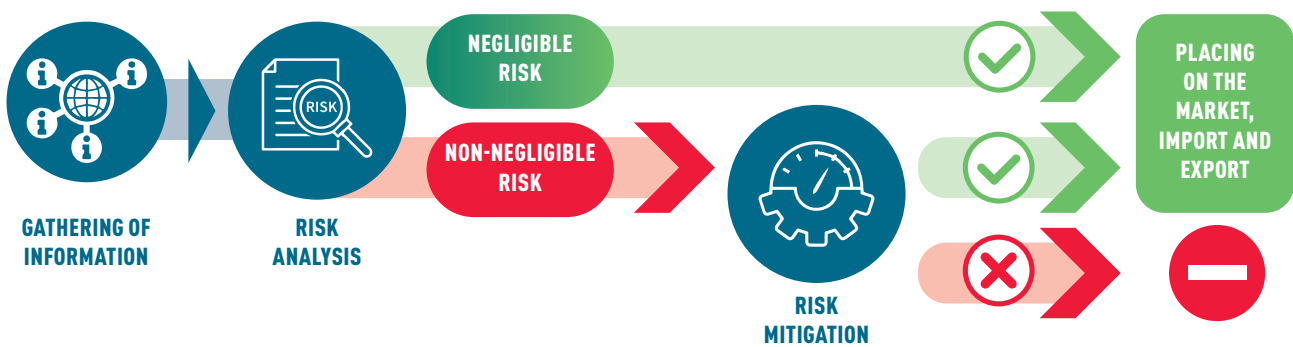
gence’ in order to minimise the risk of illegal timber that has contributed to deforestation and forest degradation entering the EU (in the case of the EUDR).

### 2.3.1 How due diligence works

Operators who are obliged to carry out due diligence must put in place a due diligence system that covers the following key elements:

- **Access to product and supply chain information.** This includes product descriptions: quantity, wood species, country or geographical coordinates of the harvesting plot, legal compliance indicators and the names and addresses of buyers and suppliers.

- **Risk analysis**, which checks the risk of wood that has contributed to deforestation/forest degradation and/or is of illegal origin entering the supply chain. This assessment must cover all the products and supply chains concerned.
- **Risk mitigation** is used to reduce any identified risk, for example by requiring additional documentation or supplier audits.



### 2.3.2 The role of certification in due diligence

For both the EUTR and the EUDR, third-party certification is recognised as a tool to support due diligence (risk analysis and reduction). When assessing risks, operators take account of the information provided by certification systems or other third-party verification systems (but this does not replace the operator’s responsibility for Due Diligence).



Tropical forest in Congo © Imageo



