

# **Agreement for the Promotion of Sustainable Forestry**

22 March 2017





# Agreement for the Promotion of Sustainable Forestry

## Parties involved:

1. The Minister for Foreign Trade and Development Cooperation, acting as a governing body, hereinafter referred to as: BHOS,
2. The State Secretary for Infrastructure and the Environment, acting as a governing body,

Parties 1 to 2 hereinafter collectively to be referred to as 'the Government',

3. Koninklijke Vereniging Van Nederlandse Houtondernemingen (Royal Association of Dutch Wood Enterprises), hereinafter referred to as VVNH, established in Almere, legally represented by Mr W.B. Groen,
4. Nederlandse Branchevereniging voor de Timmerindustrie (Dutch Carpentry Industry Association), hereinafter referred to as NBvT, established in Bussum and legally represented by Mr M.K. Wijma,
5. Bouwend Nederland (construction industry association), based in Zoetermeer, legally represented by Mr M. Verhagen,
6. Aannemersfederatie Nederland (Contractors' Federation Netherlands), established in Veenendaal and legally represented by Mr H. Klein Poelhuis,
7. Aedes (association of social housing providers), established in The Hague, legally represented by Mr J.M. Norder,
8. Trade association for developers and building contractors, hereinafter referred to as NVB-Bouw, established in Voorburg and legally represented by Mr J.M. Groen,
9. Royal CBM, trade association for the furniture and interior design industry, established in Haarlem, legally represented by Mr C. Hoogendijk,
10. Nederlandse Emballage- en Palletindustrie Vereniging (Dutch Packaging and Pallet Industry Association), hereinafter referred to as EPV, established in Tilburg and legally represented by Mr J. Kemps,
11. Dutch Association of Wood Trade Agents, hereinafter referred to as NATA, established in Almere, legally represented by Mr J. van Keulen,
12. Royal Association of Traders in Building Materials in the Netherlands, hereinafter referred to as Hibin, established in Almere and legally represented by Mr J.P. van Leusden,
13. Dutch Man, the Dutch Manufacturing Association, established in Tilburg, legally represented by Mr E. Zuiddam,
14. Retail association INretail, established in Zeist, legally represented by Mr J.J. Meerman,
15. Vereniging Tuinbranche Nederland (Dutch Association for the Gardening Industry), established in Zeist and legally represented by Mr F.E. van der Heide,

Parties 3 to 15 hereinafter jointly referred to as: 'the Industries',

16. Federatie Nederlandse Vakbeweging (Dutch Trade Union Confederation), hereinafter referred to as FNV, established in Woerden and legally represented by Mr L.R.M. Hartveld,
17. Christelijk Nationaal Vakverbond (National Federation of Christian Trade Unions), hereinafter referred to as CNV, established in Utrecht, legally represented by Mr A. van Wijngaarden,

Parties 16 and 17 hereinafter jointly referred to as: 'the Trade Unions':

18. Stichting Hout Research (Timber Research Foundation), hereinafter referred to as SHR, established in Wageningen, legally represented by Mr H.J.O. van Doorn,

19. Stichting IDH Sustainable Trade Initiative Foundation, hereinafter referred to as IDH, established in Utrecht, legally represented by Mr D.A. Wensing,
20. Stichting Tropenbos International, established in Wageningen and legally represented by Mr R.G.A. Boot,
21. International Union for the Conservation of Nature, National Committee of The Netherlands, hereinafter referred to as IUCN-NL, established in Amsterdam and legally represented by Mr C. Krijger,
22. Nederlands Centrum voor Inheemse Volken (Netherlands Centre for Indigenous Peoples), hereinafter referred to as NCIV, established in Amsterdam, legally represented by Mr L. van der Vlist,
23. Both ENDS Foundation, established in Amsterdam, legally represented by Mrs D.H. Hirsch,
24. Royal Dutch Forestry Association, established in The Hague and legally represented by Mr G.M.J. Mohren,

Parties 18 to 24 hereinafter jointly referred to as 'Knowledge institutions and Civil society organisations'.

Hereinafter all together to be named: the Parties.

**Consider the following:**

1. This Agreement builds on the Green Deal for the Promotion of Sustainable Forestry that was implemented in the period 2013-2015. The reason for this Agreement is the undiminished motivation of the Parties to promote sustainably managed forests in combination with an ambition to give substance to International Responsible Business Conduct [also commonly known to as (international) CSR, but referred to in this Agreement as IRBC].
2. In 2014, at the request of the Dutch government, the Social and Economic Council of the Netherlands (SER) issued an opinion on IRBC in which it advocated that sectors of industry and individual businesses take the initiative to conclude IRBC agreements with the government, employers' and workers' organisations, consumers and non-governmental organisations, with the aim of substantially tackling the risks of actions in their production and supply chains violating human rights and causing damage to the environment<sup>1</sup>.
3. Internationally, the United Nations (hereafter: UN) and the Organisation for Economic Cooperation and Development (hereafter: OECD) are actively committed to IRBC. The UN Guiding Principles on Business and Human Rights (hereafter: UNGPs), the OECD guidelines for multinational companies (hereafter: OECD Guidelines), and the core labour standards of the International Labour Organisation (ILO) form the basis for IRBC.
4. Based on the OECD guidelines and UNGPs, companies are expected to investigate their production and supply chains in an appropriate and transparent manner, with a view to preventing and reducing actual and potential adverse effects on, inter alia, internationally recognised human rights, international labour standards and the environment, public health and safety, and to account for the way in which they tackle these effects. The Dutch government will contribute to these efforts in the context of its 'duty to protect against human rights abuse by third parties, including business enterprises', by removing barriers to IRBC and supporting companies in implementing IRBC.
5. The Parties agree that on the basis of these recommendations for IRBC, in the timber production and supply chain it is important to perform 'due diligence' - a process whereby companies identify, prevent, mitigate and justify their impact on human rights and the environment. Companies can implement IRBC with a system of due diligence requirements.

---

<sup>1</sup>SER (2014) *Advies IMVO-convenanten*, Publ. No. 2014/04 [Advice on IRBC Agreements published by the Dutch Social and Economic Council]

6. In 2015, the UN adopted the '2030 Agenda for Sustainable Development', consisting of 17 Sustainable Development Goals (SDGs). The Parties recognise the importance of these SDGs and contribute to their implementation through this Agreement.
7. One of the SDGs concerns, among other things, the importance and protection of forests. Two thirds of all biodiversity on land occurs in forests, in particular in tropical forests. More than a billion people depend on forests for their livelihood. With this Agreement, the Parties want to promote sustainable forest management worldwide and give substance to IRBC. Sustainably managed forests contribute to local economic development, climate change mitigation through a reduction of carbon emissions, and the preservation of biodiversity.
8. The Parties subscribe to the importance of the Paris Climate Agreement, concluded during the 2015 United Nations Climate Change Conference. The Parties subscribe to the importance of combating forest degradation and deforestation, encouraging forest recovery and reducing emissions related to forest degradation and deforestation, also mentioned in this context.
9. Preventing forest degradation and deforestation and stimulating forest recovery is an important part of climate policy for the Dutch government. To this end, it has signed, among other things, the Amsterdam Declarations, which strongly encourages the use of internationally recognised social and ecological standards in global agricultural trade chains. In doing so, the Netherlands endorses, for instance, the business community's objectives of achieving agricultural supply chains free of deforestation by 2020.<sup>2</sup>
10. The timber chain represents an important economic sector in the Netherlands. Timber is generally perceived as an excellent (building) material that has many applications. Given its renewable nature and its product properties, timber can make an important contribution to the circular economy. This is in line with the ambition of the government-wide Circular Economy programme<sup>34</sup>, to transform the Dutch economy into a sustainable, circular economy by 2050. Circularity includes not only the efficient use and reuse of raw materials, but also the use of sustainably produced, renewable raw materials.
11. The Parties are convinced that this agreement will allow for faster progress in making the timber chain more sustainable and that it will enable responsible business conduct (RBC) to be put into practice. The Parties want to actively contribute to socially, ecologically and economically responsible forest management and a responsible timber trading chain.
12. In a study of IRBC risks in Dutch business sectors, carried out on behalf of the Dutch government by KPMG in 2014<sup>5</sup>, the timber and paper sectors were identified as presenting increased IRBC risks. The report finds that IRBC risks in the timber chain mainly concern tropical hardwoods in the countries of origin, that is, at the start of the trade chain. These risks may include possible loss of biodiversity, disappearance of primeval forests, poor working conditions and land-grabbing / non-respect of land rights. The report further states that it is important to investigate what the Netherlands can contribute internationally to increasing the market share of sustainably produced wood<sup>6</sup>.
13. For the timber chain, the EU Timber Regulation (EUTR) has been in force since 2013. The EUTR obliges all companies that place timber or timber products on the European market to apply a system of due care requirements; companies must be able to demonstrate that the timber or timber products they sell present a negligible risk of illegality. Timber is considered legal when it has been harvested in accordance with applicable legislation in the country of origin. According to the EUTR, only legally harvested timber may be placed on the EU market.
14. Private certification initiatives can be a good way to promote sustainable forest management

---

<sup>2</sup> <https://www.euandgvc.nl/documents/publications/2015/december/7/declarations>

<sup>3</sup> Government-wide Circular Economy program: 'The Netherlands Circular in 2050', September 2016.

<sup>4</sup> Dutch Lower House documents II, 2015/16, 32852, no. 33.

<sup>5</sup> [https://www.rijksoverheid.nl/documenten/raDDorten/2014/09/01/mvo-sector-risico\\_analyse](https://www.rijksoverheid.nl/documenten/raDDorten/2014/09/01/mvo-sector-risico_analyse)

<sup>6</sup> The paper and cardboard chain are not covered by this Agreement. The same applies to wood pellets and chips used for energy generation

on a large scale and to combat forest degradation and deforestation. Moreover, quality marks and certificates increase consumer awareness of timber from sustainably managed forests. Certification schemes offer quality assurances for sustainability and IRBC aspects which are constantly being tested in practice and tightened where necessary.

15. The study 'Gap analysis due diligence Timber sector' by the forest management and services company Form International<sup>7</sup>, shows that by using timber from sustainably managed forests and by complying with the EUTR, market parties are substantially fulfilling their responsibility to minimise IRBC risks.
16. The Parties endorse the importance of continuing to purchase timber from areas where sustainable forest management needs to be further improved in order to generate a positive impact in those places. This applies in particular to tropical countries that are working on improving their legislation, regulations and enforcement, so that in the future they may export timber with a FLEGT license.
17. The Parties emphasise that voluntary partnership agreements (VPAs) concluded between the European Union and timber-producing tropical countries under the FLEGT Action Plan provide a governance basis to improve the business case for sustainable forest management in the tropics.
18. Employers' and employees' organisations, non-governmental organisations and their local partners that represent employees and communities directly affected by timber production or supply chains, are essential partners in formulating and implementing solutions for achieving greater sustainability in the timber chain.
19. By entering into this Agreement, the parties are not endeavouring to restrict the market or reduce competition. It is not the Parties' intention to restrict competition on the timber market to the disadvantage of consumers.

#### **Recognise the following challenges**

1. It is not yet clear whether compliance with the EUTR and the use of current certification initiatives will sufficiently address the IRBC risks in the timber trade chain, not only in the areas where timber is harvested but also in other parts of the timber chain. Additional research is desirable on whether the current certification initiatives adequately address the OECD guidelines and UNGPs throughout the timber production and supply chain.
2. Various trade associations in the timber, construction and retail chains have found that current administrative rules for sustainably produced timber in the trade chain often are still too complex for their members, most of whom are SMEs.
3. A further increase in the demand for sustainably produced timber is crucial to the maintenance of responsibly managed forests (*'use it or lose it'*). This is often unknown to end users, who sometimes seem to assume, mistakenly, that it would be better not to use any timber at all.
4. Timber producers often see too little return on their investment in sustainable forest management.

---

<sup>7</sup> 'Gap analysis due diligence Houtsector', Form International (2016; in Dutch)

Agree upon the following:

## I Engagements

### Article 1. Ambition and objectives

#### 1.1 Ambition

The ambition of this Agreement is to stimulate sustainable forest management and to implement international responsible business conduct (IRBC) in the timber sector by:

1. Further examining to what extent the European Timber Regulation (EUTR) and current certification initiatives address IRBC risks throughout the entire wood chain.
2. Identifying and undertaking measures to structurally address unhedged IRBC risks.
3. Identifying and undertaking actions that simplify the administrative rules for the use of sustainably produced timber.
4. Investigating why the business case<sup>8</sup> for sustainable forest management in many instances is still weak, and on the basis of the results making a joint effort to strengthen the business case for sustainable forestry.
5. Increasing market demand for sustainably produced and FLEGT certified timber and realising the ambition of making the use of this timber become a natural point of departure for all relevant stakeholders in the Netherlands. This is to ensure that by 2020:
  - a. 100% of the sheet material that is placed on the Dutch market and used in the Netherlands is sustainably produced and/or imported under a FLEGT license (with at least 90% being of sustainable origin).
  - b. 100% of the (coniferous) softwood placed in the Dutch market and used in the Netherlands is sustainably produced.
  - c. at least 60% of the temperate hardwood (moderate deciduous) marketed and used in the Netherlands is sustainably produced.
  - d. at least 95% of the tropical hardwood marketed and used in the Netherlands is sustainably produced and/or imported under a FLEGT license (with at least 75% being of sustainable origin).<sup>9</sup>

Several substantively different definitions of sustainably produced timber are used internationally. For the sake of this Agreement, the Parties will use the sustainability criteria for timber that are applied in the Dutch government's procurement policy as a reference and starting point.

#### 1.2 Objectives

At the latest halfway through the term of this Agreement, it shall have been made clear and tested in practice, by means of an independent evaluation, how the use of sustainably produced timber in the various stages of the supply chain can be efficiently and reliably demonstrated, making it administratively easy, particularly for SMEs in the supply chain, to switch to sustainably produced timber.

At the latest halfway through the term of this Agreement, a more detailed analysis shall have been carried out that provides insight into what causes the weakness of the business case for sustainable forest management

At the latest one year after the entry into force of the Agreement, it shall be clear to

---

<sup>8</sup> 'The business case for sustainable forest management' refers to promoting the financial and economic feasibility of sustainable forest management. Human rights and labour rights form an integral part of sustainable forest management.

<sup>9</sup> Timber produced or imported under a FLEGT license is not regarded by the Parties as a fully sustainable product; still, its use is encouraged under this Agreement because it is seen as an important step towards achieving sustainable forest management in tropical countries.

what extent the EUTR and the current certification initiatives address the IRBC risks throughout the entire timber trading chain, and actions shall have been identified to address any unhedged IRBC risks.

## **Article 2. Actions**

### **2.1 Identifying and addressing IRBC risks**

A Working Group will be formed on Minimising IRBC Risks. It will consist of technical experts from the Parties to this Agreement and relevant stakeholders, and under the supervision of CNV. This working group will co-ordinate the following activities:

Organising an annual meeting to share practical experiences with the implementation of due diligence efforts in the timber trade chain as well as issues identified, and where necessary, devise and convey solutions.

Having an investigation carried out by an independent body to assess whether the OECD Guidelines and the UNGPs are adequately covered by the EUTR and current certification initiatives for a sustainable timber chain; and if not, what adjustments are needed.

Subsequently, the necessary steps will be determined. The results of this assessment will be evaluated in the annual meeting.

### **2.2 Strengthening the trading chain for sustainably produced timber**

A Trade Chain Working Group will be set up, consisting of technical experts from the Industries, the Trade Unions and the Knowledge Institutes and civil society organisations, and led by the Royal Association of Dutch Timber Companies. This working group will set out on working to identify the possibilities for simplifying the administrative rules for trade chain certification. The Trade Chain Working Group will take the following approach:

Timber purchasers express their wishes for simplification of administrative rules for trade chain certification of sustainably produced timber. The working group asks the current certification initiatives and other initiators for trade chain certification to come up with proposals on how they can respond to these wishes. This is done in the context that the Netherlands is a European leader in the use of sustainably produced timber and that the country can act as a testing ground for a new, simplified approach.

The working group will then determine whether pilot projects should be set up, and for which approaches.

On the basis of the results of these pilot projects, the working group will subsequently present advice to the certification bodies on what simplifications are needed in practice.

### **2.3 Stimulating the market demand for sustainably produced timber**

A Communication Working Group, consisting of communication experts from the Parties, will be set up under the leadership of the Dutch Association for the Carpentry Industry. This working group will co-ordinate the following activities:

1. *Providing unambiguous information about the environmental performance of timber, so that a transparent comparison with other (building) materials becomes possible.*

The Royal Association of Dutch Timber Companies and the Dutch Association for the Carpentry Industry will identify the applications of timber for which life cycle analyses (LCAs) still need to be made in order to provide a complete overview for the market. They will also examine which points in the current LCA methodology could better take into account specific properties of timber. As soon as all relevant environmental data has been entered into the National Environmental Database, all relevant market parties will be informed about this



through the secretariat of this Agreement and via the affiliated sectors of industry<sup>10</sup>. The Royal Association of Dutch Timber Companies and the Dutch Association for the Carpentry Industry will also seek to join European federations to share this knowledge, for example through the Sustainable Tropical Timber Coalition (STTC) and the European Timber Trade Federation.

2. *Developing and implementing an information campaign for consumers and business buyers of timber*

The members of the Communication Working Group will set up a collective information campaign in which the crucial role that the use of sustainably produced timber<sup>11</sup> plays in conserving forests ('use it or lose it') is pivotal. By pursuing this campaign together, it is possible to achieve a high degree of effectiveness. The campaign will build as much as possible on previously developed communication materials (including from the Bewust met Hout Foundation), and will take full advantage of the Parties' existing communication channels. By also linking to the Dutch national Climate Agreement and to the socio-economic dimension of sustainable forestry, the campaign should be able to find good alignment with the IRBC policies of the Industries and their member companies. Where possible, the working group also seeks to link up with the European STTC program to promote market demand for sustainably produced (tropical) timber at European level.

3. *Specifying how procurement officers can easily switch over to using sustainably produced timber.*

The Agreement's secretariat will organise two training meetings every year for buyers from different stages of the construction and retail chain on how to purchase sustainably produced timber and how to check on actual delivery.

#### **2.4 Strengthening the business case for sustainable forestry**

A Working Group on the Sustainable Forestry Business Case, led by Tropenbos and the Royal Association of Dutch Timber Companies, will work to identify bottlenecks for sustainable forest management and specify how the business case for sustainable forestry can be strengthened.

First, through interviews of experts and literature research, this working group will analyse why the business case for sustainable forest management is not yet sufficiently strong. Central questions are: what is the current added value for forest owners in switching to sustainable forest management, what additional price do they receive for sustainably produced timber, what are the costs and benefits of sustainable forest management, how can revenues from sustainable forestry be increased and/or its costs reduced to make it more attractive for forest managers to switch to sustainable practices, and what other bottlenecks need to be resolved to make sustainable forest management possible?

Sustainable forestry means looking at the improvement of social as well as ecological and economic aspects. Depending on the results of the analysis of the causes of the insufficiently strong business

---

<sup>10</sup> There is a growing interest in reducing the environmental impact of the materials used in the construction and management of a building or structure. It is expected that in the Netherlands, as from 1 January 2018 a maximum allowed value will be introduced for the environmental performance standard for buildings (MPG, by its Dutch acronym). [A maximum allowed MPG was indeed introduced on this date-- Translator's Note] This performance standard is calculated on the basis of environmental data for the various building materials as recorded in the Dutch National Environmental Database (Nationale MilieuDatabase).

<sup>11</sup> The campaign will also highlight the role that tropical timber under a FLEGT license plays in improving the conditions for sustainable forest management.

case for sustainable forestry, in two regions that are of great importance to the Netherlands for the sourcing of timber and where sustainable forest management is still not getting off the ground, pilot projects can be set up to tackle the obstacles to sustainable forest management identified there and to make possible a good business case for sustainable forestry. These pilot project will also investigate possibilities for strengthening the non-timber dimension of the local forest economy, such as sustainable harvesting of non-timber forest products (for example, rattan, medicinal plants, spices and honey) and payment for ecosystem conservation services. In the two pilot projects, the parties will jointly use their influence to promote sustainable forest management (in collaboration with their local partners), paying attention to the following:

ensuring that land rights, human rights, and the freedom of association are respected and that wages and income for indigenous people, local communities and workers, including smallholders, will be improved to living wages; strengthening local participation through inclusive business models; seeking synergy with projects on land use, nature-inclusive agriculture and restoration of degraded areas; investigating the possibilities to work with Participatory Guarantee Systems for timber and non-timber forest products in addition to third party certification.

Other possible activities to support the strengthening of the business case for sustainable forestry are:

developing instruments and, where possible, converting existing instruments into generally usable sustainable forestry tool kits for timber producers; investigating the possibilities for multiple revenue forestry, including rewarding the conservation of forests' climate other functions, non-timber forest products for local residents' own use (food security and other basic needs), and marketing.

## **Article 3. Commitments and actions of the Parties**

### **3.1 Commitments and actions of the Industries**

The Industries commit themselves to:

make an active contribution, through their member companies, to increasing the share of sustainably produced timber that is produced, imported, purchased and processed in the Netherlands;  
actively promote the importance of using sustainably produced timber with affiliated member companies, clients and clients' organisations;  
actively participate in an information campaign on the importance of using sustainably produced tropical timber for forest conservation; make an active contribution, via their member companies, to address IRBC risks in the production and supply chain.

The timber and wood-processing industries<sup>12</sup> in particular also commit to:

contribute to the simplification of administrative requirements for the supply chain of sustainably produced timber by engaging in a dialogue on this issue with relevant stakeholders, including the current Dutch and international certification initiatives;  
contribute to the development of pilot projects to test simplified administrative requirements in practice;  
contribute to strengthening the business case for sustainable forestry.

### **3.2 Commitment and actions of the Government**

The Government commits itself to:

work, in the context of the Amsterdam Declarations, with other European countries to combat forest degradation and deforestation and to encourage forest recovery, for instance by influencing the European trade agenda; facilitate the exchange of knowledge between buyers from different governments through the deployment of the PIANOo Public Procurement Expertise Center;  
assist, through its Embassies, market parties in implementing their policy on international responsible business conduct, mainly by providing information on IRBC within the local context and focus on economic RBC diplomacy and good governance as part of its economic relations;  
promote this Agreement in bilateral and multilateral relations as a part of Dutch policy;  
work for a level playing field by sharing the results of this Agreement through channels at the European Union and the OECD.

### **3.3 Commitment of the Trade unions, Knowledge institutions and social organisations**

Trade unions, Knowledge institutions and social organisations commit themselves to:

actively bring the appropriateness of using sustainably produced timber to the attention of its members and/or customers;  
increase the market parties' knowledge of the ecological, social and economic aspects of sustainable forest management;  
supervise the independent investigation to assess whether the OECD Guidelines and the UNGPs are adequately covered by the EUTR and the current certification initiatives for a sustainable timber chain;  
actively participate in parts of an information campaign on the importance of using sustainably produced timber for the conservation of (tropical) forests; enter into a dialogue with current certification initiatives to update their certification schemes for sustainable forestry and the trading chain (CoC) and where necessary strengthen their quality assurance if this can further increase the practical impact;  
promote transparency and enforcement of existing OECD guidelines and international guidelines such as the UNGPs.

---

<sup>12</sup>The Hout Research Foundation (SHR) will also contribute to this

## **Article 4. Governance structure**

### **4.1 Steering Committee**

A Steering Committee is established in which representatives of the Parties will meet on a regular basis in order to:

- discuss progress in the implementation of agreed actions;
- share the experiences gained;
- discuss practical solutions to identified bottlenecks; where necessary, initiate additional actions to implement the commitments in this Agreement;
- determine the results achieved.

The Steering Committee will consist of representatives of the Government (2), the Industries (2), the Trade unions and the Knowledge institutions and social organisations (2 each). In addition, a representative of the Social and Economic Council (SER) will participate in the Steering Committee meetings in an advisory capacity.

The Steering Committee will meet at least three times a year. The Steering Committee will take decisions by consensus, the principle being that decisions are made in reason and fairness and that effectiveness is paramount. At the first meeting of the calendar year, the Steering Committee adopts an annual plan for that year containing the priority actions as well as Key Performance Indicators for the working groups referred to in Article 2. The Parties are committed to realising this plan and their own plans that arise from it.

### **4.2 Working Groups**

The Steering Committee will establish the four working groups to implement this Agreement:

'Minimising IMVO risks' Working Group: a technical working group with the task of conducting research into the extent to which the OECD guidelines and the UNGPs are covered by the EUTR and the certification initiatives for sustainable forestry, and determining follow-up steps.

'Trade chain' Working Group: a technical working group with the task of simplifying the trade chain for sustainably produced timber;

'Communication' Working Group: a working group on communication with the task of coordinating all activities aimed at stimulating the demand for sustainably produced timber;

'Business case for sustainable forestry' Working Group: an expert working group with the task of gathering and integrating current knowledge on the business case for sustainable forestry and defining options for strengthening the business case.

Parties may decide to have relevant stakeholders participate in these working groups, where these stakeholders then may have an advisory or an executive role.

### **4.3 Secretary and Secretariat**

The Steering Committee shall appoint a Secretary. The Secretary will have the following duties:

- preparing and reporting on the Steering Committee and Working Groups meetings;
- implementing, together with the Parties, the decisions taken in the Steering Committee;
- organising the Annual Meeting referred to in Article 2.1;
- reporting on a regular basis to the Steering Committee about the progress of activities under this Agreement;
- acting as a point of contact for all Parties and relevant stakeholders.

In addition to the Secretary, the implementation of this Agreement is supported by a Secretariat. The Secretariat of this Agreement will be accommodated with the Bewust met Hout Foundation.

## **Article 5. Financial arrangements**

The Parties are willing to jointly bear the annual costs of the tasks of the Secretary and the Secretariat, both in the form of a financial contribution and in kind. In view of the estimated and budgeted annual costs involved, of € 75,000, the Parties will in principle apply the following contribution key:

Trade unions and Civil society organisations<sup>13</sup>: a contribution in kind only;  
Timber Industries and Knowledge institutions<sup>14</sup>: together 1/3 of the costs;  
Construction and retail Industries together account for 1/3 of the costs;  
The Government is prepared to make financial resources available within the relevant legal frameworks and procedures on the basis of a maximum of 1/3 of the costs in so far as this is found to be in accordance with Dutch and European Union law, in particular with the regulations on tendering and state aid.

Project based financing will be sought for the costs of projects arising from the activities of the four Working Groups. In principle, the Government will make a financial contribution, available through BHOS, for the implementation of:

research into the extent to which the OECD guidelines and UNGPs are covered by the EUTR and the certification initiatives for a sustainable timber chain;  
research into causes for the weak business case of sustainable forestry.

## **Article 6. Dispute Resolution**

A dispute exists if one of the Parties reports this to the other Parties in writing, stating the reasons, after which the Parties shall first consult with each other, within 30 working days after such a report, to see whether an amicable solution to the dispute may be found. If amicable consultation does not lead to a resolution of the dispute within three months, the Parties may terminate their participation in this Agreement, with due observance of Article 12.

## **Article 7. Reporting and monitoring**

The Parties and the four Working Groups shall report annually to the Steering Committee, the Secretary and the Secretariat on progress in implementing their activities, results achieved and further plans. The Secretary will make this information available to all Parties and other relevant stakeholders.

In 2017 and in 2020, the Government will gauge the market share of sustainably produced timber and tropical timber under a FLEGT license in the Netherlands.

The results of this market survey will be published by the Government. The annual progress the Parties make with their activities towards achieving the objectives formulated in this Agreement will be made public by the Agreement's Secretary.

---

<sup>13</sup> CNV, FNV, Both Ends, IUCN, NCIV

<sup>14</sup> WNH, NBvT, Hibin, Nata, NEPV, Dutch Man, SHR, IDH

## **II Concluding provisions**

### **Article 8. Applicable law**

This Agreement is governed exclusively by the laws of the Netherlands. The provisions in this Agreement and their further implementation shall be carried out by all Parties in accordance with international law, European Union law and the national laws and regulations of the Netherlands.

### **Article 9. Duration**

This Agreement shall enter into force on the day following its signature by all Parties and shall run until and including 31 December 2020.

### **Article 10. Amendments**

Any Party may make a written request to the other Parties for the Agreement to be amended. Following Steering Committee consultations, new initiatives may be considered for inclusion in the Agreement. Any change in the Agreement requires the written consent of all Parties. The Parties will enter into consultation within six weeks after any Party has notified the other Parties in writing of their wish to do so.

### **Article 11. Accession**

Co-authorities, industry associations and non-governmental organisations that are not yet involved in this Agreement have the option of joining as a Party to this Agreement during its term. Any potential new party shall make its request for membership known in writing to the Steering Committee. As soon as all Parties have agreed in writing to the application for accession, the acceding party will receive the status of Party to this Agreement; and from that moment of accession, the rights and obligations arising from this Agreement will apply to that Party. This will not change the content of the Agreement. The application for accession and the decision of the Steering Committee will be attached to the Agreement.

### **Article 12. Rescission**

Any Party may rescind this Agreement at any time by written notice, allowing a four-week notification period.

### **Article 13. Not legally enforceable**

The Parties agree that this covenant will not be legally enforceable.

### **Article 14. Publication**

This Agreement will be made public, inter alia, by publishing it on the website [www.bewustmethout.nl](http://www.bewustmethout.nl) so that everyone may have knowledge of it.

**Signed by:**

**The Minister for Foreign Trade and Development Cooperation**  
E.M.J. Ploumen

**The State Secretary at the Ministry of Infrastructure and the Environment**  
S.A.M. Dijksma

**VVNH (Royal Association of Dutch Timber Companies)**  
W.B. Groen

**NBvT (Dutch Association for the Carpentry Industry)**  
M.K. Wijma

**Bouwend Nederland (construction industry association)**  
M. Verhagen

**AFNL (Contractors' Federation Netherlands)**  
H. Klein Poelhuis

**Aedes (Association of social housing providers)**  
J.M. Norder

**NVB (Association for developers and building contractors)**  
J.M. Groen

**Royal CBM (Association for the furniture and interior design industry)**  
C. Hoogendijk

**NEPV (Dutch packaging and pallet industry association)**  
J. Kemps

**NATA, Dutch Association of Wood Trade Agents**  
J. van Keulen,

**Hibin (Royal Association of Traders in Building Materials in the Netherlands)**  
J.P. van Leusden,

**Dutch Man, the Dutch Manufacturing Association**  
E. Zuiddam,

**INretail (Retail association)**  
J.J. Meerman,

**FNV (Trade Union Confederation)**  
L.R.M. Hartveld

**CNV (National Federation of Christian Trade Unions)**  
A. van Wijngaarden

**Stichting Hout Research (foundation for research on wood and timber)**  
H.J.O. van Doorn

**Stichting IDH (sustainable timber trade initiative)**  
D.A. Wensing

**Stichting Tropenbos International (Tropical Forest intl. Foundation)**  
R.G.A. Boot

**International Union for the Conservation of Nature, National Committee of The Netherlands**  
C. Krijger

**Netherlands Centre for Indigenous Peoples**  
L. vander Vlist

**Stichting Both ENDS (Foundation connecting people for a sustainable and fair world)**  
D.H. Hirsch

**Koninklijke Nederlandse Bosbouwvereniging (Royal Dutch Forestry Association)**  
G.M.J. Mohren

**Vereniging Tuinbranche Nederland (Association for the gardening industry)**  
F.E. van der Heide



## **Adhesion statement by the FSC and PEFC certification schemes**

The Forest Stewardship Council Netherlands (hereafter: FSC Nederland), established in Utrecht, legally represented by Mrs L. Gort and the Programme for the Endorsement of Forest Certification Netherlands (hereafter: PEFC Nederland), established in Houten, legally represented by Mr C. Boon

Declare that they subscribe to the objective and ambition of this Agreement for Promoting Sustainable Forestry. With this statement they indicate their commitment to:

- make an active contribution, through their member companies, to increasing the share of sustainably produced timber that is produced, imported, purchased and processed in the Netherlands;
- make an active contribution to the simplification of administrative requirements for the trade chain for timber that has demonstrably been produced in a sustainably manner;
- actively participate in an information campaign about the importance of using timber that has demonstrably been produced in a sustainable manner for the conservation of (tropical) forests;
- make an active contribution to setting up and rolling out pilot projects for strengthening the business case for sustainable forestry and addressing IRBC risks.

In this respect, FSC Nederland and PEFC Nederland note that they operate within the possibilities offered by their respective international certification systems.

### **Signed by:**

**FSC - Forest Stewardship Council**  
L. Gort

**Programme for the Endorsement of Forest Certification**  
C. Boon



Ministerie van Buitenlandse Zaken



Ministerie van Infrastructuur en Milieu



vereniging van  
woningcorporaties

