

Brexit and our forests

As the international Efeca team watch consequences of the UK's EU Referendum unfold, we continue to focus our efforts on supporting improved governance and trade in key producer and consumer countries around the world. Whilst it is very likely that the UK will remain in the EU until at least late 2018, we have entered a period of uncertainty which will present both challenges and opportunities. Potential slowdowns in the timber and forest related commodity markets may adversely affect responsible forest producers, but also provide breathing space for forest ecosystems; and the changing relationship between the UK and EU may lead to adjustments in both regulation and policy. At Efeca, **we are focused on harnessing these opportunities, helping build resilient policy and strong supply chains, and working towards responsible management of forests and related commodities.**

Chatham House, rated in 2016 as No. 1 Think Tank for Foreign Policy and International Affairs, has published several excellent [articles](#) on Brexit, looking at the **impacts on security, the financial markets and trade as well as the divide in society** that the result has brought into sharp relief.

Economic experts agree that the UK has entered a period of uncertainty and economic adjustment and raise question marks over the effects; from a lowering of commodity prices to a potential drop in economic growth. The impacts on forests and deforestation related commodities could significantly affect security of supply given that the **UK is the biggest importer of tropical timber in Europe by a significant margin and in the top ten global importers for coffee, cocoa and tea; all of which are strongly linked to forest loss.** ITTO [notes](#) the weakening pound and 30% drop in the share of UK housebuilders is likely to lead to a **significant drop in demand for timber in the short-term and that the resultant economic slowdown will also have an effect on imports of tropical timber.** Any sustained drop in demand and or prices for timber and forest related commodities could lead to reduced revenue for producers working to manage their forests and crops responsibly.

Aside from the economic impacts, the upcoming change in the UK's relationship with the EU will have long-term impacts on regulation and policy. According to a [scientific paper](#) by Winkel and Derks to be published in the Forest and Policy Economics journal **Brexit could significantly lessen the UK's influence on international forest policy.** The UK may find itself without a seat at the table in many cases and would not be asked to provide the diplomatic and technical support which helped to push regulation such as the EUTR through. The UK has been instrumental in the FLEGT program in general as well as in REDD, and its changing relationship with the EU could have considerable impacts. Winkel and Derks go on to say that the focus on market based mechanisms, as championed by the UK, may lose importance within the EU compared to more hierarchical and regulatory approaches as preferred by Germany. Client Earth [expressed concern](#) over the **potential change to the UK's environmental protection laws**, including doubts over whether the UK government might weaken air quality, bathing water and waste water and the birds and habitats directive. However, the Global Timber Forum [highlighted](#) the **need for the UK Government to continue to comply with the**

EU timber Regulation and the current UK Government's clear commitment to the EU FLEGT Action Plan.

With the **threat from climate change more pressing than ever**, as [Antarctica has just reached 400ppm of carbon dioxide for the first time in 4 million years](#); a new record in the annals of climate change, FERN [blogged](#) immediately following Brexit, setting out their strong support for continued action to protect and restore forests. . The international NGO set out key concerns related to Brexit including the **need to continue to support development of an EU Action Plan on Deforestation and Degradation for which the UK has been a strong ally so far, as well as continuing the support for the FLEGT Action Plan and robust approaches to the EU climate targets.**

It is too early to comment on how significant the effects of Brexit could be for our forests at a sectoral, regional, or even producer level. Whilst the Efeca team echoes many commentators' concerns, there is reason to be optimistic. Solutions can be found by working together with policy makers, business and civil society, to respond to the challenges presented by Brexit and strengthen the private and public sectors commitment to responsible sourcing of forest and agricultural commodities. This could include working with key governments, NGOs, think tanks and suppliers to understand risks and potential threats, and harness them as an opportunity for securing supply chains grounded in responsible management. **Now is the time to continue to work together to build strong resilient policies and supply chains, with robust producers committed to responsible management.**

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