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THE FOREST LAW ENFORCEMENT  
GOVERNANCE AND TRADE PORTAL  
OF THE EUROPEAN FOREST INSTITUTE

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# European Forest Institute

EU FLEGT and REDD Facilities

## HOW A TRADE AGREEMENT CAN PROMOTE GOVERNANCE REFORM

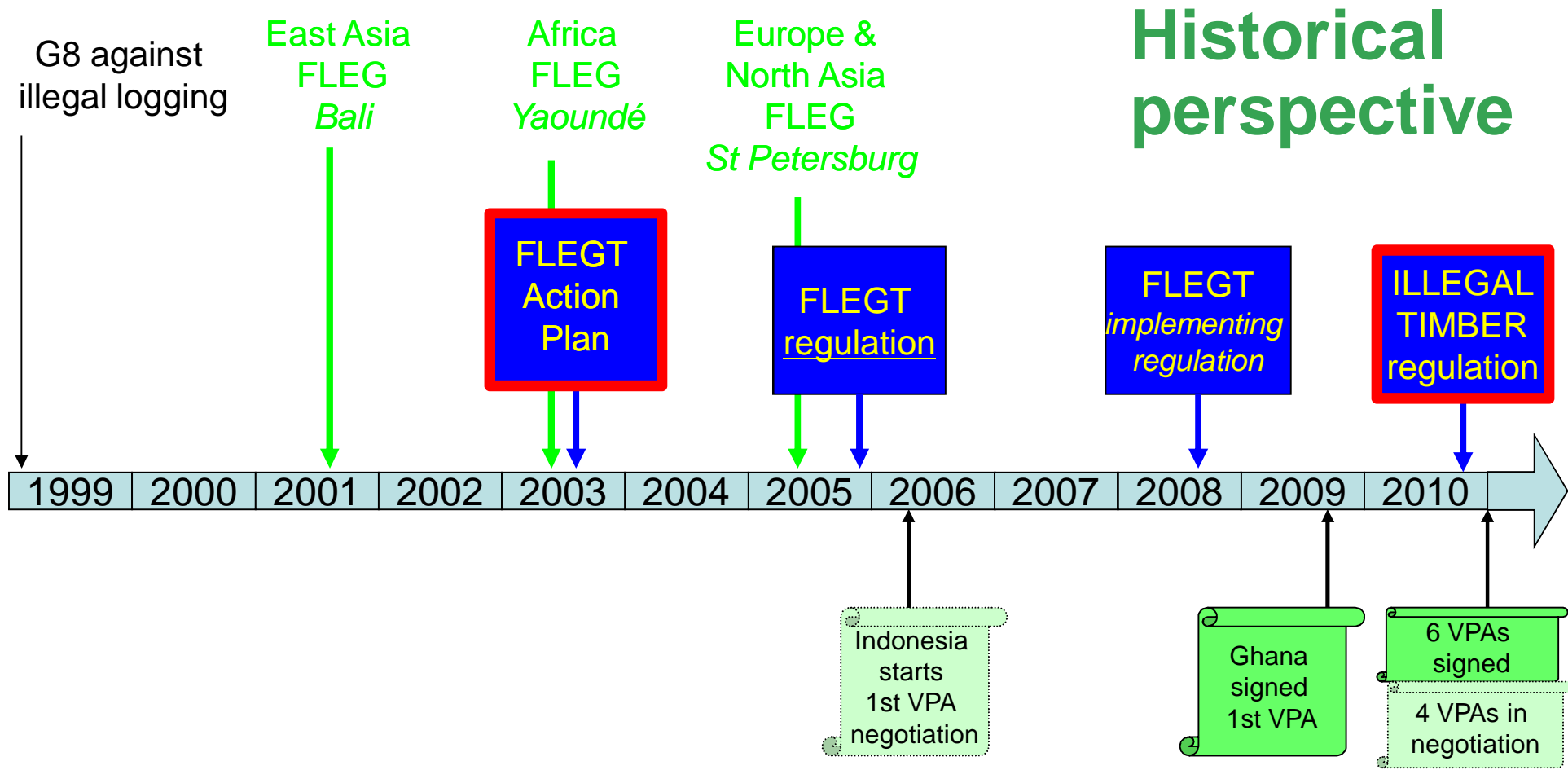
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[www.euflegt.efi.int](http://www.euflegt.efi.int) and [www.efi.int](http://www.efi.int)  
16.11.2011





## What is FLEGT?

- **The EU Forest Law Enforcement, Governance and Trade initiative.**
  - EU response to the issue of forest governance and illegal logging.
  - FLEGT Action Plan published in 2003
- **Includes actions aimed at both production and consumption:**
  - Public and private sector procurement and investment policies
  - Regulation to allow control of illegal timber entering the EU – EU timber regulation
  - **Trade agreements between producer countries and the EU – Voluntary Partnership Agreements (VPAs)**
  - Support for Producer Country governments and industry



# Historical perspective

## Consumption: The EU Timber Regulation

- Seven years of discussion about the appropriate response to the role of consumption in driving illegal logging.
- The EU Timber Regulation was published in 2010 and comes into force in 2013
  - Obligations of operators who place timber and timber products (incl. Pulp & Paper) on the internal EU market for the first time
  - Focuses on due diligence by importers with the required systems set out in the regulation
  - FLEGT licensed timber from VPAs automatically accepted

## Production: Voluntary Partnership Agreements

- **Trade agreement** between the EU and a Partner Country
- All timber traded must be accompanied by a **legality license**
- Licenses based on a timber **Legality Assurance System** which includes:
  - Clarification of the scope of relevant laws
  - Controls for chain of custody
  - Systems to verify that the law is being followed
  - Licensing system
  - Independent monitoring of the system

## What is negotiated?

What are the main challenges?

What actions and means are needed for the reforms?



Credit picture:  
Environment Times

### ***VPA Annexes and agreement text***

- *Legality definition (based on existing laws of the country)*
- *Timber legality assurance system*
- *Scope of the agreement (product scope)*
- *Implementation schedule*
- *Supporting measures*
- *Public information and transparency measures*

What is needed to improve forest governance?

How long would/should the reforms take?

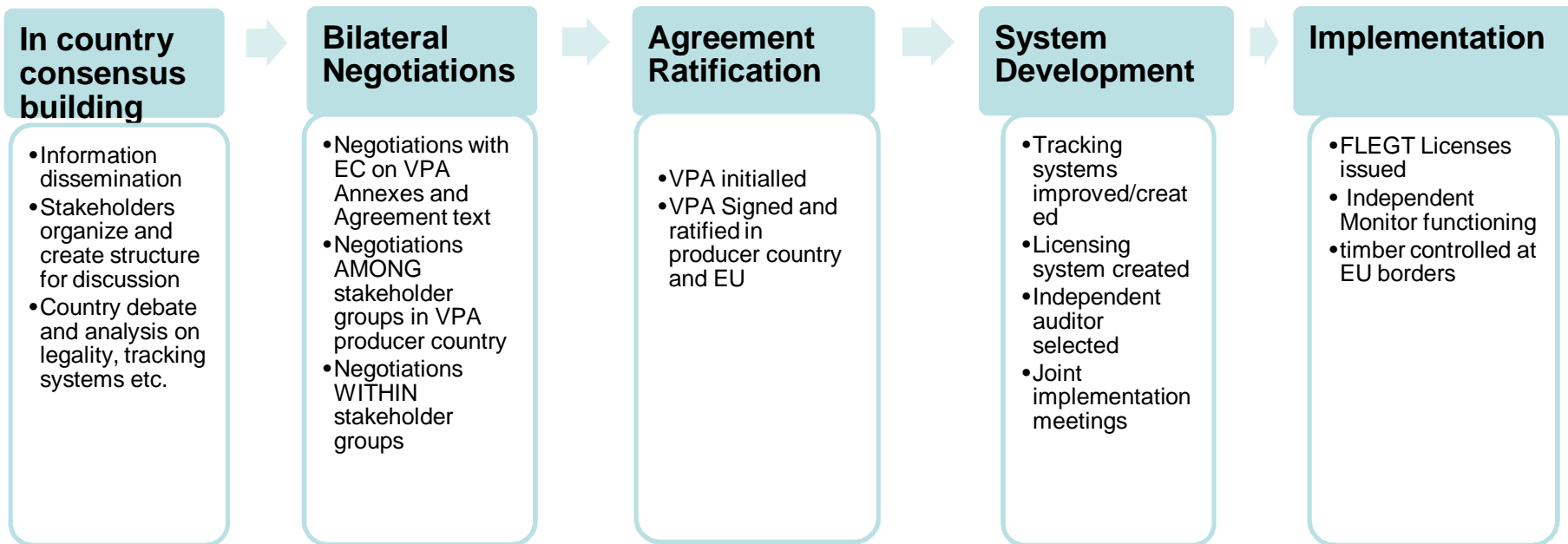
## Formal negotiations – 3 layer process



# FLEGT

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## FLEGT VPA process



# EU FLEGT Facility

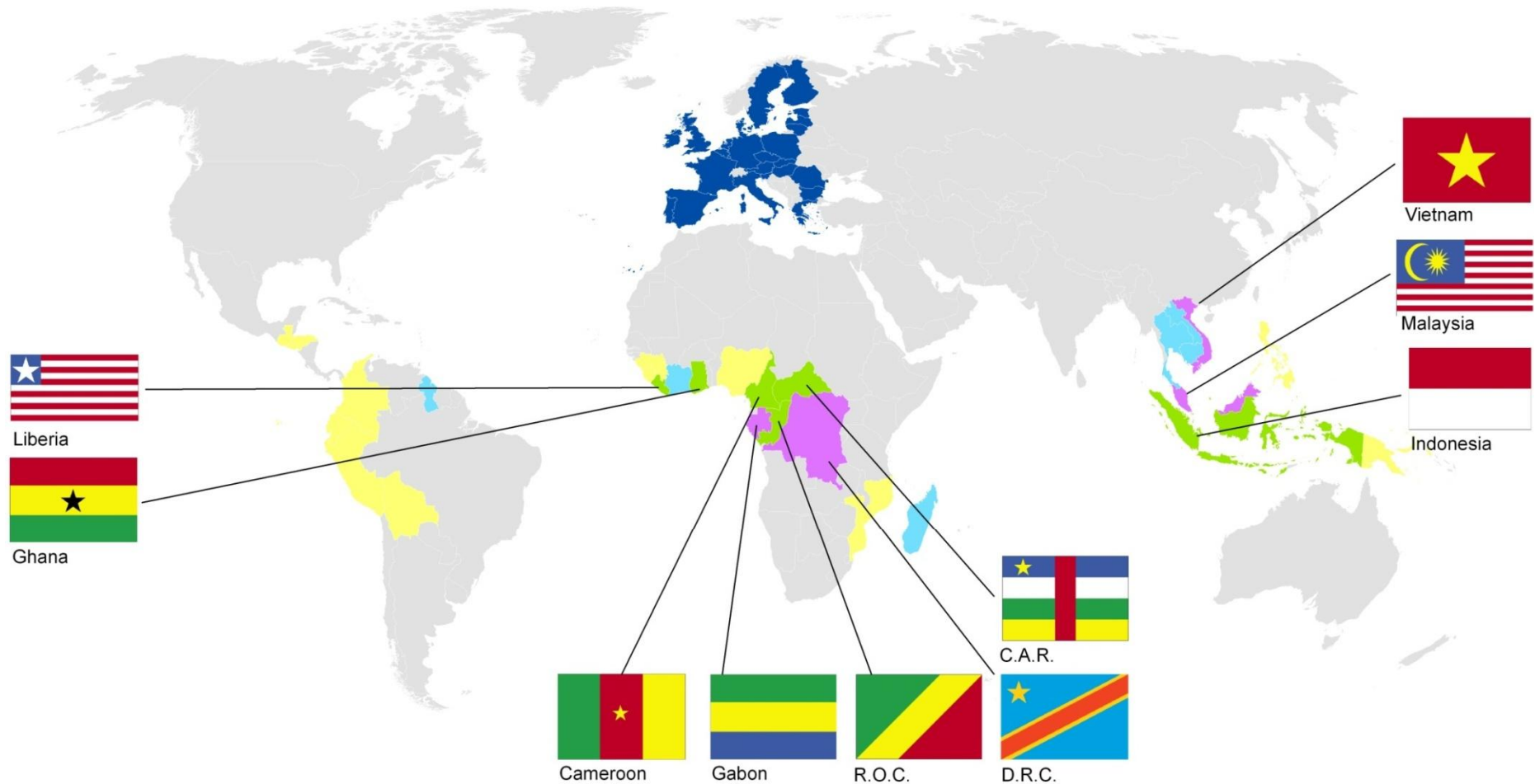
## EU FLEGT Facility – established by EFI in 2007

- 30 staff, offices in Joensuu, Barcelona, Brussels, Kuala Lumpur. Activities in more than 30 countries.
- Funding: EC, UK, Netherlands, Finland, France; in-kind support from Germany and Spain. Annual budget 2011: 4,5 million Euros.
- To support to EU member states and EC in their policy implementation. Key activities: support to VPA processes, analysis related to forest sector governance and trade, communication and capacity building.

# FLEGT country interaction

## State of play...

- Information and awareness raising
- Pre-negotiation/consensus building
- Negotiation
- Implementation



Phase of VPA Process	Information and awareness raising	Pre-negotiation/ consensus building	Negotiation	Implementation / System development
Africa	Mozambique, Sierra Leone, Nigeria, Guinée (Conakry)	Côte d'Ivoire, Madagascar	Gabon, Democratic Republic of Congo (DRC)	Ghana, Republic of Congo, Cameroon, Central African Republic (CAR), Liberia
Asia	PNG, Philippines, China, India	Laos, Cambodia, Thailand	Vietnam, Malaysia	Indonesia
Latin America and the Caribbean	Colombia, Guatemala, Peru, Bolivia, Ecuador, Brazil	Guyana, Honduras		
Europe	Western Balkans (regional )			



## Key lessons from the VPA process:

- **Aims to be widely inclusive:**
  - Local NGOs / International NGOs
  - Private sector treated as a partner (focus on trade)
  - In Liberia, communities were directly involved
  
- **National dialogue goes in parallel with VPA negotiations:**
  - **Enough pressure** to maintain momentum because of the bilateral negotiations
  - **Enough time** for government officials, civil society, private sector to understand the process, form their opinion, engage in the process and build trust between themselves.



# Supported by

