Forest Law Enforcement, Governance and Trade

- What FLEGT is
- Voluntary Partnership Agreements
- Legality Assurance Systems
- The 2010 EU Timber Regulation
- Challenges
The 2003 EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan

- Evolved from 1998 Birmingham G8 Summit, followed by 2001 Bali FLEG Declaration
- Recognises that governance and market failures sustain illegal logging and trade in illegal timber
- Key components:
  - Bilateral timber trade agreements with developing countries
  - Development cooperation to support agreement implementation
  - EU market legislation - 2010 Timber Regulation (similar legislation in US and Australia)
  - Public timber procurement policies (6 EU member states)
  - Private sector cooperation (working with the trade)
  - Finance instruments (investment and money laundering legislation)
Voluntary Partnership Agreements

• Bilateral agreements between the EU and timber exporting countries
  – guarantee that timber products exported to the EU are legally produced
  – support exporting countries improve their regulation and governance of the sector
• Negotiation is voluntary, but VPA is legally binding when concluded
• Implementation of export licensing system
  – based on independently-monitored Timber Legality Assurance
• EU accepts only licensed timber from partner countries
  – 2005 FLEGT Regulation empowers border control authorities
• 2010 EU Timber Regulation recognises FLEGT licences as proof of legality
  – (with CITES certificates) only formally-accepted evidence
• Requires stakeholder involvement at all stages
• Governed by high-level Joint Implementation Committee
Legality Assurance Systems

• 5 components:
  – **Define legality** based on countries’ own laws (requires stakeholder consultation)
    • Rights to harvest
    • Harvest activities (including environment and social obligations)
    • Respect for other established rights
    • Timber transport
    • Trade and customs
  – **Verify compliance** by operators
  – **Track timber** from forest to export
  – **License exports** to EU (+ other markets)
  – **Independent audit**
The 2010 EU Timber Regulation

- Came into effect in March 2013
- Obligation on “Operators”
  - Those who “first place” timber products on the market
- Placing illegally-harvested timber on the EU market is illegal
- All Operators must carry out due diligence to minimise the risk of placing illegally-harvested timber products on the EU market
  - Information on supplies
  - Risk assessment
  - Risk mitigation
- Enforced by competent authorities in each member state
VPA & EUTR overview

VPA requires assurance of legality

Define land tenure rights: Who owns the forest?

Tackle corruption through increased transparency & better law enforcement

Link legal firms to international markets

Use new technology to track timber from forest to export

EU law now requires timber to be from legal sources only
VPA challenges

• Negotiation takes time
• Implementation takes time
• Loss of stakeholder interest (including buyers)
• Ability of small operators to comply with systems
• Market shifts
  – Reduced importance of natural tropical timber
  – Reduced impact of EU trade (and other “sensitive” markets)
  – Threat to forests from other land use