Forest Law Enforcement Governance and Trade (FLEGT)

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Megaflorestais
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Consumer markets are changing

• Confident in products they purchase
• Illegal; Damaging
• Legal; Good
• Timber and wood products
• Other “forest-risk” commodities
• Shared responsibility for illegal logging and trade
• Mutual action by all parties
Where does the illegal timber in UK come from?

![Graph showing estimated RWE volume and import value over time for different countries and regions.]

- Brazil
- China
- Indonesia
- Malaysia
- Russia
- Congo Basin
- West Africa
- Non-EU Europe
- Rest of World

The graph illustrates the estimated RWE volume (in million cubic metres) and import value (in US$ billion, CIF, nominal) for various countries and regions from 2000 to 2009.
Legally binding bilateral treaty to improve governance

- Applies EU wide (all 27 Member States) and partner country
- Voluntary, rooted in national sovereignty
- Clear legal framework
- System to verify legal compliance along supply chain
- Public disclosure of information
- Independent national audit
- Reforms give better market access
- Sale in EU of illegally logged timber & wood products a crime
FLEGT licenses (not yet)
System development
Formal negotiations
Entering into negotiations
Preparation, in-country consensus building
Introduction to VPAs

FLEGT VPA partner countries

- Congo
- C.A.R.
- Malaysia
- Laos
- Vietnam
- Guyana
- Honduras
- Liberia
- Ghana
- Cameroon
- Gabon
- DRC
- Cameroon
- C.A.R.
- Congo
- Guyana
- Honduras
- Liberia
- Ghana
- Cameroon
- Gabon
- DRC
- Laos
- Vietnam
- Guyana
- Honduras
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- Vietnam
- Guyana
- Honduras
- Liberia
- Ghana
In country consensus building

- Information dissemination
- Stakeholders organize and create structure for discussion
- Country debate and analysis on legality, tracking systems, transparency

Bilateral Negotiation

- Negotiations with EU on VPA Annexes and Agreement text
- Negotiations AMONG stakeholder groups in VPA producer country
- Negotiations WITHIN stakeholder groups

Agreement Ratification

- VPA initialled
- VPA Signed and ratified in producer country and EU

System Development

- Tracking systems improved/created
- Licensing system created
- Independent auditor selected
- Joint implementation meetings

System Operational

- FLEGT Licenses issued
- Independent Monitor functioning
- Timber controlled at EU borders
Hidden forestry revealed

Characteristics, constraints and opportunities for small and medium forest enterprises in Ghana

Paul Osei-Tutu, Kwabena Nketiah, Boateng Kyereh, Mercy Owusu-Ansah, Joseph Faniyan
In country consensus building

Bilateral Negotiation

Agreement Ratification

System Development

System Operational

Other opportunities

- Strengthen business, community & government organisations
- Strengthen stakeholder capability & representation
- Build evidence on legality and market

- Rethink ambiguous, incoherent, out-of-date laws & bodies
- Shed light on forest land allocation procedures
- Engage communities, private sector in review of legality & systems

- Improve revenue/tax regimes-collection, sharing, redistribution
- Clarify policy goals & coherence within/ across sectors
- Disseminate information so laws, procedures & roles better understood
- Simplify procedures

- Make forest tenure & land allocation procedures clearer, including for communities
- Track poverty effects, benefit sharing

- Promote exchange & learning amongst FLEGT countries
- Promote business to business, community to community approaches
- Publish progress against action plan
FLEGT partnerships agreed

Development and Challenges

• Ghana
  4 JMRM, last in March 2012; agreed Annual workplan
  Legality assurance system: End of the pilot phase. New contract for system roll out to be contracted soon
  Independent Monitor to contracted shortly
  Working group to propose impact monitoring
  Annual report published

• Cameroon:
  1st JIC in March 2012, detailed annual workplan agreed for 2012
  Chain of custody system problematic: mid term evaluation and testing on-going
  Procedures for legality verification under development
  Legality grids for new permit types under development
FLEGT partnerships agreed (ratification in process)

- **Congo**: Waiting for ratification (Congo side). Legality verification procedures established, to be field tested. Communication plan prepared and website available. Tracking system under development. Legal framework being adapted. 1st JIC to be programmed.

- **C.A.R**: ratified by CAR, EP consent April 19, 1st pre-JIC Nov 2011, next June 2012, small FLEGT secretariat established in Forest Ministry to orchestrate implementation

- **Liberia**: EP consent April 19, 1st pre-JIC March 2012, Aide Memoire & detailed Annual workplan agreed, LAS under development (verification protocols, interim stakeholder structures established, VPA Support Unit to be established later in 2012

- **Indonesia**: negotiations concluded; final “scrubbing” of legal text, formal signature and ratification process starting. Rolling out of SVLK auditing system underway
Partnerships in negotiation

Vietnam

- **Vietnam**: Technical session in Hanoi this week
  - Aim at concluding in 2013
  - Challenge to deal with a major processing hub where 80% imports come from 26 countries
  - Stakeholder process: need for capacity building to inform/raise awareness on stakeholders role in the process and ensure an effective participation and a timely input on the negotiation process.

Malaysia

- **Malaysia**: Negotiations process resumed following internal discussions, proposed that Sarawak would not be included initially but would join later.
  - Some annexes still to be agreed on
Partnerships in negotiation

• **Gabon:**
  Legality definition validated and to be field tested
  Elaboration of the legality assurance system ongoing
  Delays in the process. Challenge of getting Min of Forestry and other Ministries being proactive

• **DRC:**
  Opening Oct 2010. 1st negotiation session Feb 2011
  Videoconferences in summer 2011 to start work on legality definition.
  Process then was delayed due to pre and post-electoral events.
  Waiting for political signal from DRC authorities to resume the process.
  Ongoing civil society projects to inform and raise awareness about FLEGT. Development of a national control strategy.
Partnerships starting

**Honduras:**

**Laos:**
- Formal request to start negotiations. Vietnam an important market. Ongoing mission of EC to discuss next steps.

**Guyana:**
- March 2012: formal request to start negotiations. Next steps to be determined with Guyana. 3 explanatory meetings in 2010 and in 2011. Stakeholder consultation process and in-country consensus building.
**In country consensus building**

**Côte d'Ivoire:**

**Mekong region:**
Myanmar recent political developments, including lift of the sanctions, may open up to establishing a dialogue on forest governance (FLEGT & REDD+). Thailand exploring options to respond to EUTR requirements and considering to start VPA negotiations. Cambodia associated to regional FLEGT information campaign organized and still ongoing in the whole region;
FLEGT introduction – information sharing

Development and Challenges
Growing demand for information on FLEGT VPA
Partly driven by the EU timber regulation, partly driven by stakeholders who see the process as a tool to address some specific challenges.

Central America:
Growing interest for FLEGT (demand from CCAD)

South America:
Growing interest for FLEGT.

Southern Africa:
Growing interest for FLEGT from Uganda, Zambia, Madagascar and Mozambique

Russia, Chile, China, Brazil, Australia, New Zealand
Already taking action
Indicators of impact...
10 years forest governance efforts

- Avoided 350 million m$^3$ of timber illegally harvested
- 17 million hectares forest protected from degradation (deforestation)
- £6.5 billion tax revenue to cash-strapped exchequers
- Emissions reductions achieved at cost of below $2-4 carbon tonne
- Emissions of 1.2 (14.6) billion MT CO$_2$e avoided
Grasping the opportunity

- Rethink regulations
- Clarity and coherence to allocation and distribution of resources
- Engage local stakeholders – communities and companies
- Improve transparency
- Update knowledge
- Improve access to markets (domestic and regional)
- Improve access to trade (international)
- Seek supportive measures to do this
Leading the UK government’s fight against world poverty

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