



# Overview of FLEGT and VPAs

## Georgetown, 28 September 2010

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# 3 Parts

1. Introduction
2. The content of a VPA
3. The journey to the negotiation table



# Part 1

## Introduction

# What is FLEGT?

- International concern over illegal logging and its impact on governance: undermining rule of law, costing millions, depressing global prices, contributing to environmental degradation & fueling conflict.
- EU response: FLEGT action plan (2003) which sets out supply- and demand-side measures to combat illegal logging and associated trade.
- Forest Law Enforcement, Governance and Trade

# The EU FLEGT Action Plan

- The plan proposes partnership agreements with wood-producing countries that support:
  - governance improvements
  - measures to regulate and control the trade in timber
- Measures to increase demand for legally sourced timber:
  - Green public procurement policies
  - Private sector initiatives, eg Timber Assoc. Codes
  - Financing and investment, eg lending criteria
  - Illegal timber regulation

# FLEGT Partnership Agreements

- establish legality licensing system for timber exports to EU. Legality = appropriate laws of partner country
- once the system is operational, each shipment of timber is accompanied by a FLEGT license delivered by the partner country
- allows EU Customs to exclude all timber if it does not have a FLEGT license from the partner country
- Technical trade agreements to tackle illegal logging

# The FLEGT VPA

- Voluntary partnership! (initiative of the partner country)
- But a legally-binding agreement, once signed:
  - EU (all Member States) – partner country (all operators)
  - FLEGT license assures EU market of legal compliance
- Targets/objectives :
  - Work together to stop illegal logging
  - Strengthen governance & transparency
  - Improve control & verify legal compliance
  - Reform policy and law where needed

# The FLEGT VPAs

- No blueprint: the substance is defined together
- EU has requirements set out in briefing notes
  - ➔ Legality ➔ existing laws of partner country
  - ➔ Timber legality assurance system of partner country ➔ evaluated against established criteria
- Partner country has requirements : national laws, national institutions, specific agenda...



# Part 2

## The content of a VPA

# Key elements of the VPAs

- ✓ Define legality, describe technical systems of verification and traceability from forest to the point of export
- ✓ Legality definitions cover environmental, social and economic laws linked to forest management and harvest
- ✓ VPAs provide a platform to address difficult forest governance issues, to clarify legal framework & improve technical systems (stakeholder engagement important: implementation)
- ✓ Many VPAs have FLEGT systems apply to all exports, not only EU
- ✓ May set framework for new systems that are not yet operational

# Outline of structure of agreement

- Legal Basis: FLEGT Regulation 2173/2005 and implementation regulation 1024/2008
- Framed by Directive from the EU Council of Member States: set of expectations for VPAs which are detailed in briefing notes
- Aiming for standard body of text and country specific and detailed annexes
- A tailor made approach is essential: the process and the substance depend on national context

# Cornerstone: Legality Assurance system

- defines legally-produced timber
- objectively verifies compliance with definition
- traces products from forest to export
- FLEGT licenses give assurance to markets
- independent checks of all elements of system

The system will be described in the Agreement and detailed in its Annexes, and ...implemented

# Outline of structure of agreement

- VPA Objectives
- Description of FLEGT licensing scheme
- License verification process in EU
- Additional measures to reinforce legality verification
- Stakeholder participation
- Market visibility and promotion
- Joint monitoring committee
- Communication
- General provisions of agreement
- Annexes

# Outline of structure of technical details (EU requirements in briefing notes)

- product coverage
- legality definition & compliance framework
- EU procedures at port of entry
- FLEGT licensing procedures
- Legality Assurance System (LAS) description
- Principles of Independent Audit (monitoring)
- Implementation schedule
- Additional Measures (training courses, ...)
- Assessment criteria for LAS
- Information disclosure and reporting
- Functions of joint implementation committee

# Part 3

**The journey to the negotiation table  
and then the road to the agreement**

# Building partnerships

- ✓ Typically this involves discussions with civil society, government, private sector, local government services, judiciary, etc to introduce FLEGT
- ✓ Then shifting to more structured dialogue and preparatory works to examine governance challenges, develop **practical /realistic** legality definition, identify weaknesses in regulatory systems and tracking systems from forest to mill to ports.
- ✓ Once a Government has decided to conclude an agreement with EU, the process moves to formal negotiations that follow an agreed roadmap.

# Building partnerships

- ✓ Information
- ✓ Preparation

*Introduction of concepts – all stakeholders  
Interest from Government → technical  
dialogue + platform for stakeholder engagement  
→ national consensus, political will → formal  
request*

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## ✓ Negotiations

*Roadmap, technical negotiations  
→ initialling, ratification process*

## ✓ Implementation

*Joint Committee; build agreed system capacity*



*FLEGT licences; EU border controls; audits*

→ guarantees stakeholders support and market confidence

→ strengthens partner country's ownership of results

# Building partnerships

- Timing is strategic : quick vs long and deep
  - ✓ Time to understand, time for consensus
  - ✓ Internal negotiations (on very technical/legalistic subjects)
  - ✓ Managing expectations: what is good enough for the VPA
- Securing & maintaining political buy-in/finance/markets
  - ✓ politically sensitive and sovereign issues
  - ✓ unknown market incentives, fear of unfair competition with non FLEGT countries
- Shifting interests and expectations
  - ✓ Legality, sustainability, social justice
  - ✓ Climate change & Deforestation

# Misunderstandings about VPAs

The VPA is not the answer to all problems. It is a tool which will strengthen other actions, but not a substitute for a:

- national forest programme or strategy
- certification of a unit of sustainably managed forest
- mechanism to stop deforestation, nor a REDD mechanism

The VPA is not:

- An EU Aid programme to support forestry sector
- A subset of EITI or Kimberley

# FLEGT Partner countries

FLEGT licenses (not yet)

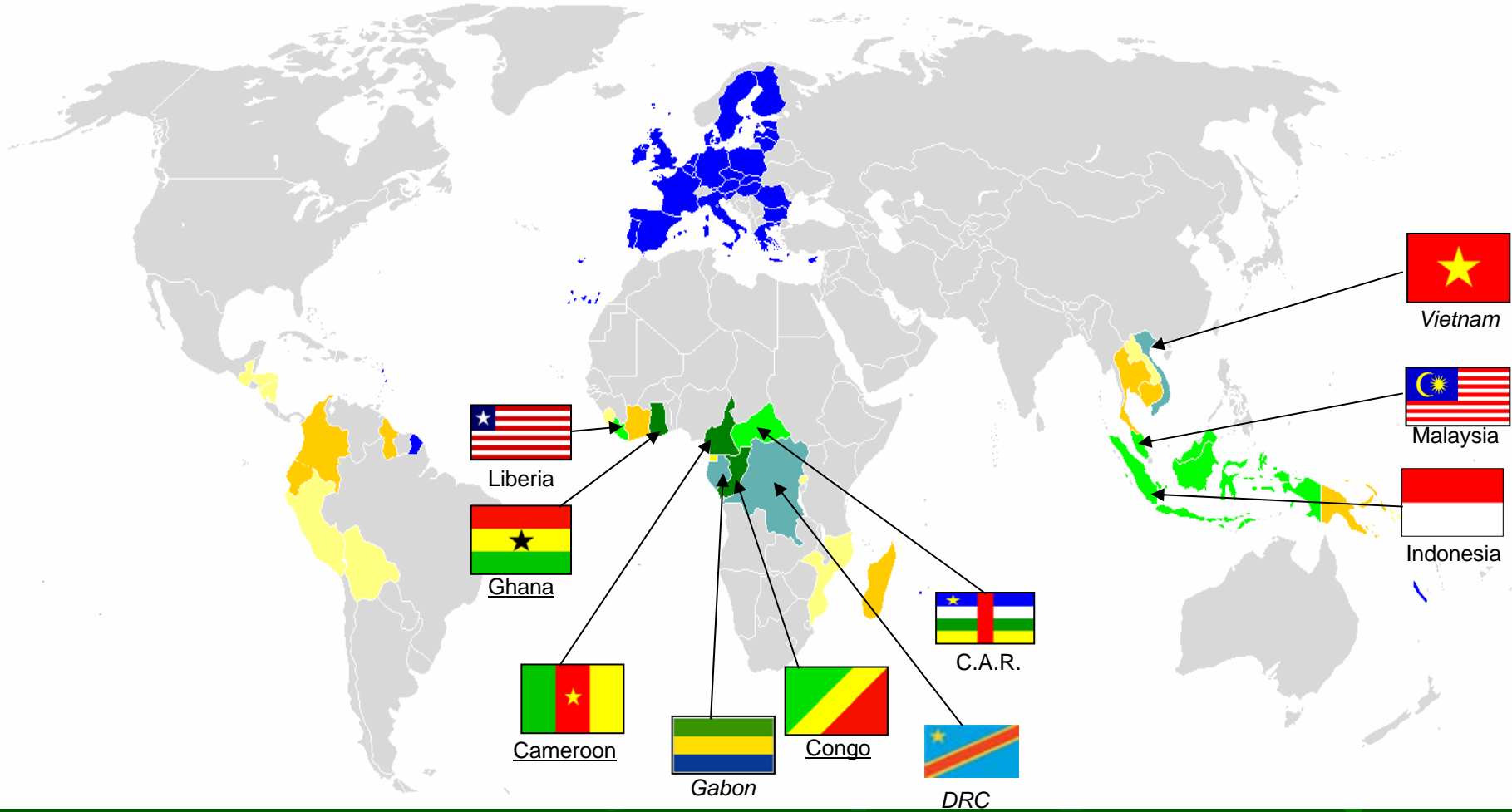
System development

Formal negotiations

Moving to negotiations

Preparation, in-country consensus building

Introduction to VPAs



# FLEGT entails a substantial investment by partner countries

- Stakeholder process to develop a legality definition
- Enhanced control, tracing, licensing and monitoring procedures
- Public exposure of sensitive and often politically difficult questions on rights, resource allocation, efficiency & accountability
- Why would generally timber producing countries invest?

# Many different reasons for embracing VPA

- Expectations of better market access, larger market share, new niches, more security
- Secure commitment to legal and policy reform
- Clarify roles & responsibility & reduce opportunities for corruption
- Increase revenue collection & budget allocations for forest regulation
- Credibility, clarity, and reliability promoting business investment
- Improve the country's image
- Etc...

# Two words

- The process is voluntary
- The process respects the sovereignty of the partner country

# Thank you

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or see

[http://ec.europa.eu/development/policies/9interventionareas/environment/forest/forestry\\_intro\\_en.cfm](http://ec.europa.eu/development/policies/9interventionareas/environment/forest/forestry_intro_en.cfm)

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