



# Implementing the EU FLEGT Action Plan

**Bucharest, 13 October 2008**

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*EU Action Plan for Forest Law Enforcement, Governance and Trade*



## Overview of this presentation

- ☞ Public concern with illegal logging
- ☞ Market trends
- ☞ The EU FLEGT Action Plan
  - Voluntary Partnership Agreements
  - Legality Assurance System
  - Demand-side measures



## Illegal logging : What is at stake?

- ➡ Loss in assets and revenues
- ➡ Loss of future trade opportunities
- ➡ Loss of development opportunities
- ➡ Loss of biodiversity
- ➡ Trade reputation



## The market sets the trend

- ➔ Critical end-users increasingly require legal and sustainable timber
- ➔ Larger timber traders need to manage corporate and reputational risk
- ➔ European trade federations develop systems to provide such guarantees
- ➔ Market changing rapidly with traders talking to their suppliers abroad



## World-wide developments

- 'Due care' expected of buyers in many commodity sectors.
- ☞ Traders forced to manage corporate and reputational risk.
- ☞ Trade federations developing codes of conduct
- ☞ Consumer countries developing public procurement policies.
- ☞ US Lacey Act: Criminalizing the trade in illegally harvested timber products.



## The policy response in the EU

- ☞ Governments under pressure as a result of public concern with deforestation
- ☞ Increasing recognition of the need for a stepwise approach towards SFM
- ☞ Increasing recognition of the importance of demand-side measures
- ☞ 2003 EU FLEGT action plan



## Aims of the FLEGT Action Plan

- ➡ To take a step-wise approach towards sustainable forest management by applying existing legislation.
- ➡ To provide guarantee of legality to EU consumers purchasing timber from partner countries
- ➡ To strengthen governance by enhancing forest sector transparency, participation and accountability
- ➡ To provide incentives to make such changes



## Voluntary partnership agreements I

Voluntary partnership agreements between the EU and timber-producing countries to:

- ➡ Increase trade in guaranteed legal timber between FLEGT countries and the EU
- ➡ Set up control and licensing systems to provide guarantee of legality
- ➡ Provide financial, technical and institutional support to improving forest governance



## Voluntary partnership agreements II

### Legality Assurance System

- ☞ Legality definition based on the laws of the timber producing country and defined by that country
- ☞ Legality assurance system also covers chain of custody, as well as verification, licensing and Independent monitoring procedures



## Defining legality I

- ☞ Partner countries propose a set of laws which together define ‘legality’ for the purpose of FLEGT
  
- ☞ Process: Definition to be developed through stakeholder consultations
  
- ☞ Content: Definition must be
  - consistent
  - objectively verifiable
  - operationally workable



## Defining legality II

Definition to reflect the three pillars of SFM and cover:

- ➡ The granting of legal rights to harvest
- ➡ Compliance with forest management regulations including relevant environmental and labour laws.
- ➡ Taxes, fees and levies
- ➡ Respect for other parties tenure/use rights
- ➡ Trade and export procedures



## Three types of countries

- 👉 Timber producing countries: Malaysia, Indonesia, Ghana, Cameroon, Gabon, Congo, Liberia, Latin America.
- 👉 Processing hubs: China, Vietnam
- 👉 Consumer countries: Japan, USA, South Korea, Australia, New Zealand, EU



## FLEGT VPA's: Where are we?

- 👉 VPA with Ghana concluded. Formal negotiations with Cameroon, Congo, Malaysia and Indonesia. Talks with other countries advancing
- 👉 VPA signature ≠ FLEGT licensed timber to EU
- 👉 Full systems to be implemented after signature. First FLEGT timber expected in 2010.
- 👉 Implementing regulation outlining FLEGT Customs procedures adopted and to be implemented by the EU MS



Thank you

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