

European Forest Institute

EU FLEGT Facility update

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EU FLEGT Facility @ EFI

Purpose:

To assist in the implementation of the 2003 *EU FLEGT Action Plan* aimed at tackling illegal logging and poor forest governance through Voluntary Partnership Agreements (VPAs)

Modality: EFI's role is advisory, catalyzing and mediating.

The Facility team at EFI and sub-contracted experts:

- Support technical and formal aspects in VPA negotiations
- •Guide VPA processes with policy analysis & learned lessons
- Provide information and communication services





VPA (Voluntary Partnership Agreement)

- Trade agreement between EU and a timber producer country
 - ✓ Trading of legal wood only!
 - ✓ WTO compliant and legally binding for both parties
- Based on multi-stakeholder process in producer country
- Ground breaking concept fostering governance reform through market incentives
 - ✓ recognition of EU consumer responsibility
- Options for demand side (in EU): FLEGT timber import licenses, due diligence regulation (DDR), public procurement policies, etc.







VPA status

- Many interested countries in Africa, Asia and Latin America
- Negotiations expected to start soon: Central African Republic (Oct 2009), Gabon
- Formal negotiations ongoing: Malaysia, Indonesia, Cameroon, Liberia
- VPA signed, implementation under preparation: Ghana, Congo (Brazzaville)
- Operational phase: no country yet



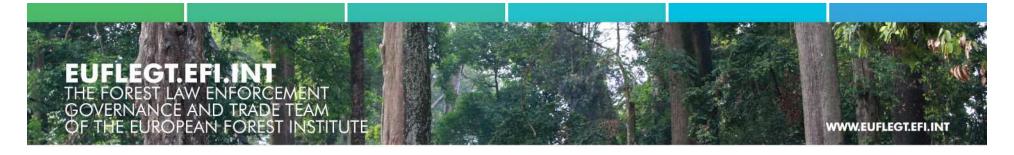


Preliminary conclusions: VPA is a good tool for promoting reforms on the supply side

- 1. VPAs have enhanced the <u>role of public participation</u> in national forest policy processes
- 2. VPAs have brought <u>transparency and accountability in general</u> onto the public agenda in countries of very poor governance
- 3. The <u>trade aspect</u> ensures strong engagement by partner governments and industry
 - Conventional governance reform processes in forestry are not reaching this level (e.g. national forest programs)







Preliminary conclusions: Problems on the demand side

- Demand side is not addressed adequately yet. This risks to slow down FLEGT progress.
 - There are disagreements on FLEGT policies among EU Member States. Lack of information or lack interest?
 - → EFI offers to inform Finnish government and industry.
- 2. Poor communication and coordination by donors on REDD* has created major confusion in VPA partner countries.
 - → EU to take a stronger role in shaping and communicating REDD.







Outlook - Major progress will be achieved when:

- i. EU Member States understand the potential impact of FLEGT Action Plan and wholeheartedly support it
- ii. Due Diligence Regulation is enforced in the EU
- iii. China is embraced by the VPA concept likely to happen due to DDR
- iv. EU MS define and enforce Public Procurement Policies
 - about 20% of timber in EU markets is procured by public entities

Also important: REDD may learn from VPA experiences







EU FLEGT Facility supported by



















For more information on the

EU FLEGT Facility and EFI

please refer to the websites:

<u>www.euflegt.efi.int</u> and <u>www.efi.int</u>



