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THE FOREST LAW ENFORCEMENT
GOVERNANCE AND TRADE PORTAL
OF THE EUROPEAN FOREST INSTITUTE

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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 role of public participation in national forest policy processes
2. VPAs have brought transparency and accountability in general onto the public agenda – in countries of very poor governance
3. The trade aspect 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

1. 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



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