

Summary report of International Workshop to Promote Understanding of FLEGT VPAs

30-31 Oct 2013 Beijing Asia Hotel, China

1. Overview

The “International workshop to promote understanding of FLEGT VPAs” was co-organized by the European Forest Institute (EFI) EU FLEGT Facility, Center for International Forest Products Trade, State Forest Administration (SFA) of China and the Research Institute of Forestry Policy & Information, Chinese Academy of Forestry (CAF) on 30-31 Oct 2013 in Beijing. Around 140 participants representing governments, timber products enterprises, timber industry associations, certification bodies, NGOs and research institutions of Africa and Asia attended the workshop. This is a historic first workshop in China involving the relevant lead negotiators and business representatives from 5 African VPA signatory countries , Ghana, CAR, Cameroon, Republic of Congo, Liberia and Indonesia.



The workshop aimed to share experiences on the VPA negotiations and implementation, share China’s efforts on combating illegal logging and associated trade, and also to increase China’s appreciation of FLEGT and the VPA processes in each of the VPA signatory countries. The aim was also to provide a platform to strengthen Africa-China- Europe cooperation on legal timber trade by promoting dialogue between African timber suppliers and traders with Chinese forestry businesses and their timber processing associations supplying to the European market.

China and the EU signed a EU-China Bilateral Coordination Mechanism (BCM) on Forest Law Enforcement and Governance (FLEG) in 2009, and built the foundation for cooperation on combating illegal logging and its associated trade. This workshop is held pursuant to a decision of the 4th EU-China Bilateral Coordination Mechanism (BCM) meeting in Brussels in January 2013. Mr. SU Chunyu, Director-General, Department of International cooperation, State Forestry Administration of China (SFA) and Ms. Heidi Hiltunen, Environment Counsellor, Delegation of the European Union to China addressed the opening of the workshop.

As essential background, the European Union launched a Forest Law Enforcement, Governance & Trade (FLEGT) Action Plan in 2003 to promote sustainable forest management, improve forest law enforcement and governance, combat illegal logging and its associated trade, and also assist poverty alleviation in timber producing countries. One of the components of the FLEGT Action Plan is the negotiation of a FLEGT Voluntary Partnership Agreement (VPA) between the EU and a timber producing country to set up timber legality controls and an accreditation system to make sure only legally-sourced timber and timber products enter into the EU market. Currently 6 countries have signed FLEGT VPAs with the EU. They are Cameroon, the Central African Republic, Ghana, Indonesia, Liberia and the Republic of Congo.

2. Major contents of the workshop

There were five sessions in total during the workshop. At the first session, Mr. FU Jianquan, Division Director, Department of Development Planning & Assets Management, State Forestry Administration of China (SFA) introduced “China’s policy on Promote Legal and Sustainable Forest Products Trade” which gave an overview of China’s timber products trade and the related policy of Chinese foreign trade. Mr. Vincent van den Berk , Head of the Asia Regional Office, EFI EU FLEGT Facility presented on “EU FLEGT Action Plan implement-progress and challenges”, and introduced the main elements of the EU Timber Regulation and FLEGT VPAs.



At the second session, the 6 VPA countries shared information on the efforts made to design and implement legality assurance systems that will ultimately ensure that their exports are legal. “The work that we are doing in the Republic of Cameroon to ensure the legality of our forest products for the EU market will also enable us to ensure the legality of our growing exports to China,” said Jean Avit Kongape of the Ministry of Forestry and Wildlife. “We appreciate China’s invitation to share information and collaborate to ensure legal trade, good forest governance and sustainable forest management.” “When our VPA is operational, we will be able to provide Chinese importers with FLEGT licensed timber that is guaranteed legal,” said Harrison Karnwea,

Interim Managing Director of the Forestry Development Authority of the Republic of Liberia. "We hope China will use its buying power to support the fight against illegal logging by supporting VPAs and favor FLEGT-licensed timber in its domestic and export markets."

Session three was a business roundtable, where 7 representatives from 5 VPA countries and China's private sector shared their opinions. The business sector was much more focused on how their concerns could be well considered in the FLEGT VPA process, and how business can better absorb the increased cost brought by certification or verification. Most Chinese business participants showed their support to FLEGT VPA/FLEGT licensing efforts, but at the same time, inquired how COC management and supply chain control improvements could be made by importers in China with reasonable cost. Some



Business representatives from VPA countries also pointed out that the multi-stakeholders dialogue should also give more attention to business sector's voices. One Chinese business representative proposed that relevant government agencies need to issue favourable policy to encourage business to better fulfil new international market requirements and still be able to retain the necessary profit margin. The lack of availability of products from certified forests and credibly verified raw materials were also mentioned by Chinese business representatives.

Session four was a panel discussion on the challenges of FLEGT VPA preparations and negotiations. Participants shared lessons, experiences and concerns about FLEGT VPA preparations, negotiations and implementation. Topics covered include the challenges of multi-stakeholder dialogue, TLAS implementation, and whether FLEGT VPA licensed timber would be sufficient to meet the market requirements on timber legality in the EU, US, Australia and other markets. Challenges discussed included :

1) VPAs are elaborated through a multi-stakeholder process which requires a lot of effort to reach a consensus and therefore result in a strong agreement which takes into account all parties interests;

2) The development of the TLAS represents a lot of capacity and institutional building to implement the verification on the ground. Additional funding is often provided to developing this verification system.

3) The implementation of the TLAS is challenging as it needs to put in place this robust and demanding verification system while being adapted to the business needs.

Participants pointed out that currently, international markets had different standards regarding timber legality. The EU, US and Australia had their own approaches, and Japan, South Korea are also drafting their standards. China may also consider having a procurement policy. Although harmonising the requirements from the different consumer markets would simplify the efforts from the business sector to meet with these requirements, participants also recognized that unifying the different market requirements is very challenging. But drawing the common elements of the different market requirements and translating them as the “business normal” would be most appreciated by business participants.

Session five on regional cooperation was chaired by Mr. Xia Jun, Division Chief of Bilateral Division of SFA. Dr. Chen Yong from CAF, and Mr. Thomas de Francqueville from EFI introduced SFM and efforts to promote regional cooperation, from both the China and EU perspectives. During the discussions, Mr. Chouaibou NCHOUTPOUEN from COMIFAC (Central African Forests Commission), and Mr. Berreck Symphorien AZANTSA from CEEAC (Economic Community of Central African States) also shared their organization’s experiences. China, Africa and Asia participants all showed interest to strengthen information communication and regional cooperation to better address illegal logging and its associated trade. Particularly, participants had a discussion on China’s guides on regulating overseas businesses’ forest management, resource utilization and the new and upcoming Chinese guide on overseas forest investment and trade.

In his Closing Remarks, Mr. Chen Shaozhi, Director of Research Institute of Forestry Policy & Information, Chinese Academy of Forestry (CAF) pointed out that as the first FLEGT VPA international workshop in China, this workshop has helped to promote Chinese government, private sector and other stakeholders’ understanding of FLEGT VPAs. The energetic and active atmosphere in each session showed the participants’ high interest. The workshop also provided a window for international participants from the 6 FLEGT VPA signatory countries to learn more about the Chinese government’s efforts and policies on combating illegal

logging and its associated trade, and the business sector's practices, as well as their concerns. He thought this workshop should be a good starting point to facilitate communications, especially from the business angle, on how to improve their COC management ability and exclude illegal-sourced timber from their supply chain.

3. Main Outcomes

- Six (6) VPA signatory countries(Cameroon, the Central African Republic, Ghana, Indonesia, Liberia and the Republic of Congo) shared their efforts on FLEGT VPA negotiations and implementation, especially on how they designed their legality assurance systems that will, when fully implemented, ensure that their exports are legal;
- 5 African and the 1 Asian countries are taking efforts to stop trade in illegal timber and forest products and foster sustainable forest management in their respective countries, including adjusting national laws, regulations and institutions. These efforts are welcomed and supported by the participants who also hope that all traded timber products are legal and in compliance with local laws and regulations of the harvesting countries;
- The participating countries recognized the European Union's support and financial contributions under the EU FLEGT Action Plan which is aimed at combating illegal logging and its associated trade, improving the forest governance and local communities' livelihood;
- The Chinese government shared information about its efforts to promote responsible forestry through existing guidelines and the development of a new "Guide on Sustainable Overseas Forest Trade & Investment by Chinese Enterprises";
- The Chinese government presented their existing efforts and also plans to fight against illegal exploitation of forests in China as well as abroad and expressed their willingness to work together with partner countries in trade chain to promote the legal sourced timber trade ;
- The Chinese industry shared related efforts to meet international requirements for legally harvested timber by adopting timber certification and undergoing annual verification audits.

4. Potential Next steps for meeting organizers

- Strengthen the dialogue between China and FLEGT VPA countries, and consider to combine current VPA countries' legal timber definition and timber legality assurance system into the design of China's new "Guide on Sustainable Overseas Forest Trade & Investment by Chinese Enterprises";
- Encourage business-to-business approaches - timber associations to set up buyers & suppliers network with an active communication support on the importance of legal sourcing, and learn more on FLEGT VPA developments, and emerging market requirements;
- Encourage businesses to promote FLEGT enforcement/implementation through buying and selling practices ;
- The Chinese government to consider to select FLEGT VPA countries to pilot the new Chinese "Guide on Sustainable Overseas Forest Trade & Investment by Chinese Enterprises";
- Encourage participating countries to adopt timber legality index into their public procurement policies.

The presentations given during the workshop can be found here:

<http://www.euflegt.efi.int/documents/10180/23267/Presentation+for+VPA+conference+at+30-31+Oct+2013+Beijing+China/292afb4c-4fe9-4e62-9255-f16903767c20>