



EU FLEGT Action Plan

State of play and way forward



DEVCO Environment Week, February 2017



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FOREST LAW ENFORCEMENT
GOVERNANCE AND TRADE

Why the FLEGT Action Plan ?

Negative impacts of illegal logging:

- **Environmental damage:** forest degradation & biodiversity loss, & contribution to climate change
- **Social :** on forest-dependent people
- **Economic :** undermines livelihoods, reduces competitiveness of legal forest industry, revenue loss for governments
- **Governance:** undermines rule of law, fosters corruption

EU interest:

- Leverage as timber consumer market;
- International commitments involving forests as global public goods



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FLEGT : beyond illegal logging

Forest

Matters for all stakeholders
Reinforced by role in climate change
REDD

law enforcement

Matters for government agencies
(rule of law, taxes, ...)

governance

Matters for civil society
(decision-making, human rights,
indigenous people, corruption)

and trade

Matters for private sector (access to markets,
unfair competition)

→ *A single but complex approach that brings all stakeholders around the table, building concrete synergies between development, environment, trade and other policies*

The FLEGT Action Plan (2003)

KEY FEATURES

- Shared responsibilities (EU & timber producing countries)
- Demand & supply (private sector)
- Development & trade
- Commission & Member States
- Voluntary: strengthen partner country's ownership

7 ACTION AREAS

- Support to producing countries
- Regulating trade in timber
- Public procurement policies
- Private sector initiatives
- Financing and investment
- Additional legislative measures
- Conflict timber



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Voluntary Partnership Agreement

A legally-binding trade agreement between EU and partner country, to join forces to stop illegal logging.

Expected results:

- All timber from partner country verified as fully legally compliant (EU market with EUTR + in many cases domestic market).
- Good governance & transparency (stakeholder participation)
- Policy and legal reform, capacity building
- Better capture revenues and rents
- Measures to mitigate potential negative impacts on vulnerable people

License required for defined timber exports to the EU based on a system of legality assurance, with 5 components:

- A definition of legally produced timber (national laws)
- A system to verify compliance with definition
- A system to trace products from forest to point of export
- A licensing system for exports
- Independent monitoring of all components

VPA negotiations de-linked from financial commitments



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FLEGT : achievements and challenges

Overall conclusions of evaluation (2016):

- **Retain** FLEGT objectives and action areas; but **rationalise** action across policies and actors; and improve **efficiency & effectiveness** (planning, monitoring & communication).
- Contextualise FLEGT in wider EU objectives and commitments on forests (e.g. deforestation).
- Work plan to be produced by EC and MS in response.

AA1: Support to producer countries (equitable solutions, transparency, verification systems, capacity building, policy reforms).

- **Achievements:** variable success, + on governance, - on traceability systems.
- **Objectives & priorities:**
 - Geographic focus: continue on VPA countries, but prioritise where commitment is apparent; focussed support to other countries (alternative partnerships?); interface with EUTR.
 - Financing: challenge of coordination of various sources (MS+EC), sustainability of systems (design and operation) without external funding??

AA2: Trade in timber (VPAs)

- **Achievements:** since 2008, 6 VPAs signed (of which 1 emitting FLEGT licenses since 2016), 9 under negotiation (of which 4-5 actively). Gap between baseline situation and requirements for credible system; and variable commitment.
- **Objectives & priorities:**
 - Review engagement if no visible commitment (criteria); envisage different entry points (e.g. REDD+?) or alternative partnerships.
 - FLEGT licensing in Indonesia potentially a game-changer?

AA2: Trade in timber (EUTR)

- **Achievements: adoption of EU Timber Regulation;** indication of behavioural change in EU market but efforts needed from MS and private sector to achieve effective and uniform application.
- **Objectives & priorities:**
 - Effective and uniform EUTR implementation
 - Knowledge base/Awareness raising/support to SMEs
 - Enhanced bilateral dialogue with countries with similar legislation in place

AA2: Trade in timber (international cooperation)

Multilateral:

- Still far from a multilateral framework.
- New opportunities with Agenda 2030/Paris Agreement/UN strategic Plan for Forests, other?

Bilateral:

- Engagement with like-minded (USA, AUS)
- Step up efforts on other consumer countries (ie. China, Japan)
- Engagement with other relevant major producers (ie. Russia, Ukraine, Belarus + Brazil)?

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AA3. Public procurement

- Clear positive effect on the market, boosting demand for verified and/or certified timber products and stimulating improvements in the certification systems.
- More harmonisation needed.

AA4. Private sector initiatives

- PS involvement key for success of FLEGT.
- Improve understanding of PS actors (SMEs);
- Address proliferation of initiatives and lack of harmonisation/r ecognition;
- Enhance synergies between successful PS initiatives & FLEGT instruments

AA5. Financing and investment

- Coherence of ALL funds contributing to FLEGT objectives.
- More use of blending (green window?)
- Public-Private Partnerships (PPPs)
- Improve transparency and promote sustainability of investments in the forestry sector (banks, IFIs, etc.)

AA6. Use of existing legislation

- EUTR - CITES – FLEGT interface
- Step up efforts on environmental crime / synergies between FLEGT AP and Wildlife AP

AA7. Conflict timber

- Broader definition of conflict timber: protracted conflicts around land and resource tenure.
- Nexus wildlife & forest crime /armed conflict

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Some key questions

How to improve
implementation of
signed VPA?

Alternatively, what priorities / other
approaches can successfully improve forest
governance at country level?

Financing for VPA implementation?

In what conditions
should VPA negotiations
be started (continued)
with a country?