

# Introduction to FLEGT

## 1 What is FLEGT?

FLEGT stands for forest law enforcement, governance and trade. FLEGT is an initiative that the EU developed in response to global concerns about the negative impacts of illegal logging and timber trade.



Photo: Doucet

### 1.1 The EU FLEGT Action Plan

The European Union adopted the Action Plan for FLEGT in 2003. The aim of the Action Plan is to improve governance and reduce illegal logging by strengthening legal forest management, improving governance and encouraging trade in legally sourced timber. Measures in the Action Plan are designed to increase both the demand for legal timber and the supply of legal timber.



Photo: FODER

## 1.2 Consumption measures

The following measures in the FLEGT Action Plan aim to increase consumer demand for verified legally produced timber:

- encouraging the private sector in the EU to adopt purchasing policies to ensure that only legal timber enters their supply chains (see Section 4)
- encouraging countries in the EU to adopt public procurement policies that require all timber supplied to be verified as legal (see Section 4)
- preventing illegal timber from entering the EU market through the enforcement of the EU Timber Regulation (see Section 5)
- creating measures to avoid investment in activities that encourage illegal logging.

## 1.3 Production measures

The Action Plan contains the following measures designed to support developing countries in building capacity to supply legally produced timber:

- providing technical and financial support from the EU for improved governance and capacity building of government and non-government actors
- supporting efforts by timber-producing countries to combat illegal logging by preventing illegal timber from entering the EU market through bilateral trade agreements called Voluntary Partnership Agreements (VPAs).

# 2 Voluntary Partnership Agreements

Voluntary Partnership Agreements (VPAs) are bilateral trade agreements between the EU and a country that exports timber. A country that has entered into a VPA with the EU is referred to as a partner country.

VPAs are a market mechanism designed to foster better forest governance. In the agreement, both parties commit to actions aimed at halting trade in illegal timber. The key component is a timber-licensing scheme, which the partner country develops and implements. All timber exports to the EU must comply with the requirements of the scheme. In addition, each country in the EU is responsible for introducing a mechanism to prevent the entry of unlicensed timber from VPA partner countries.

Photo: EFI



Each licensing scheme is underpinned by a timber legality assurance system (TLAS). The purpose of this system is to monitor and verify legal compliance along the supply chain from forest to port or market (see Box 1).



Photo: EFI

### Box 1 Timber legality assurance systems (TLAS)

Underpinning FLEGT licences is a timber legality assurance system (TLAS). The purpose of a TLAS is to verify that timber is being produced legally and that illegal timber cannot enter the supply chain. There are five main components to a FLEGTTLAS.

#### **Legality scope**

A partner country defines which laws will be included within the scope of the licensing system. In general, laws related to the technical, economic, environmental and social aspects of forest management will be included. In defining what is legal, partner countries use a transparent and inclusive process in which all stakeholders are involved.

#### **Supply chain control**

A partner country can trace timber from the point of harvest or import to the point of export through any intermediate transport, storage and processing, to prevent illegal timber being mixed with legal timber.

#### **Verification**

A partner country has a system to verify that the relevant laws are being met where timber is harvested and that adequate supply chain controls are being implemented. It may be government, NGOs, the private sector or a combination which provide this verification.

#### **Licensing**

A partner country has a system for issuing FLEGT licences for timber being exported to the EU.

#### **Independent auditing**

A partner country is responsible for developing and implementing its TLAS. The system includes regular independent audits to ensure that it is functioning and that licences are only being issued for timber that is verified as legally produced.

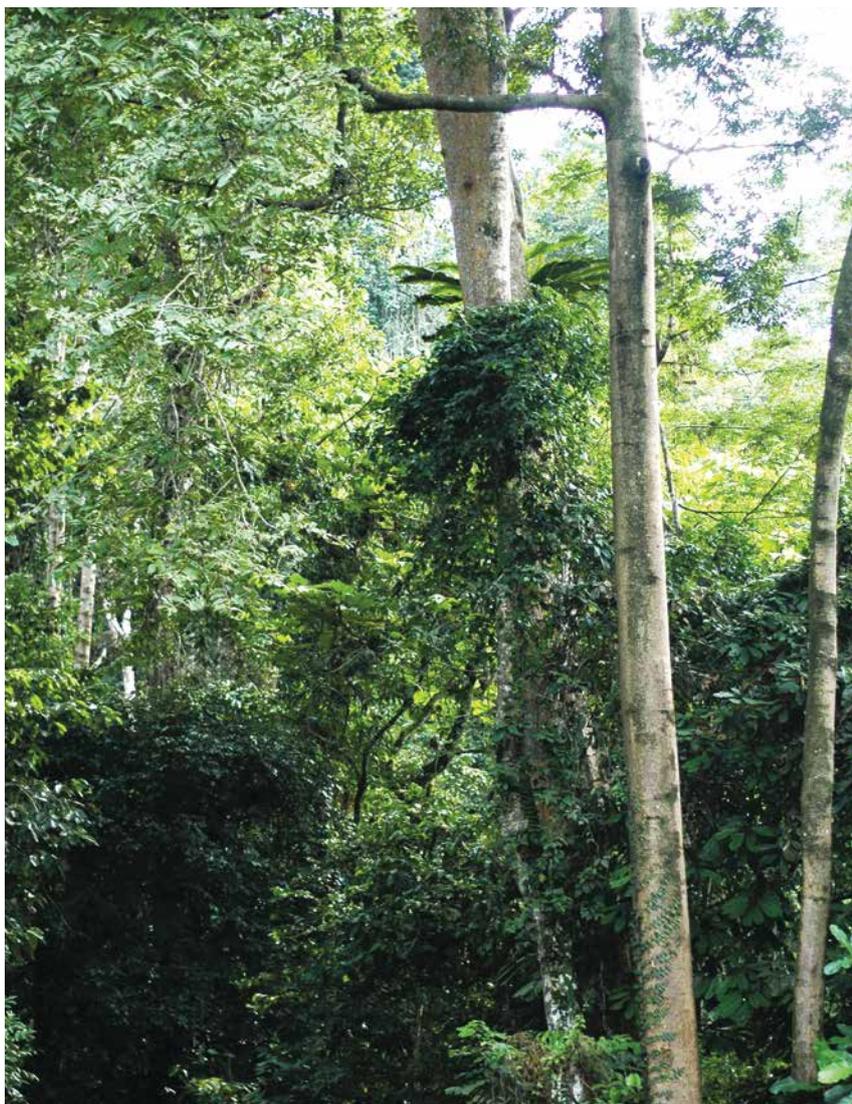
VPA negotiations are initiated at the request of the partner country. There are several stages before the agreement is finalised and the system fully developed and implemented (see Figure 1).

The negotiation process together with the development and implementation of the licensing scheme has a number of positive impacts including:

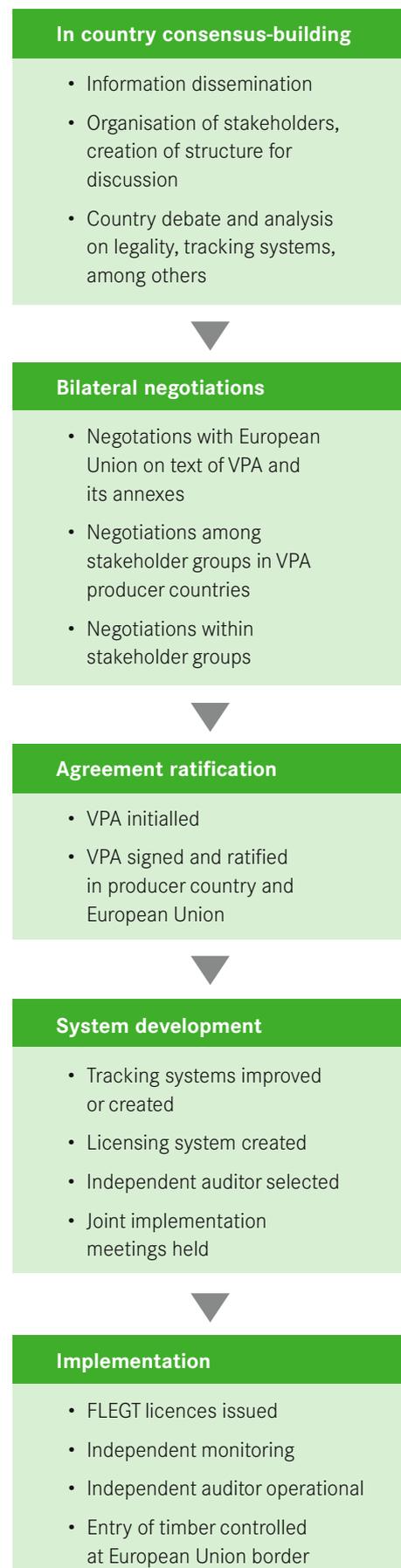
- active promotion and institutionalisation of improved governance in the forest sector
- better enforcement of existing forest, environmental, social and trade laws
- introduction of measures that support a reduction in corruption
- adequate recognition of the rights of forest-dependent communities and indigenous people
- development and use of effective monitoring systems
- greater transparency and accountability, including a national mechanism for consultation on forest governance.

The decision to develop a VPA is voluntary, but agreements are binding on both parties once they come into force. Cameroon, Central African Republic, Republic of the Congo, Ghana, Indonesia and Liberia have all finalised a VPA. Negotiations are underway with Côte d'Ivoire, Democratic Republic of the Congo, Gabon, Guyana, Honduras, Laos, Malaysia, Thailand and Vietnam. Several other countries have asked for information about FLEGT.

Photo: EFI



**Figure 1 Stages in the negotiation, agreement and implementation of Voluntary Partnership Agreements**



# 3 Public and private purchasing policies



Photo: Ollivier Girard, CIFOR

During the past decade, several EU countries and many companies within the EU have introduced voluntary policies to purchase all timber and timber products from verified legal and sustainable sources.

This both reduces the market for illegal timber and expands the market for timber producers, processors and traders that are actively seeking to produce and supply legally and sustainably harvested timber. Currently the main way of demonstrating compliance with these policies is through privately operated certification schemes. Once FLEGT licences for timber are available, they will also provide the assurance consumers are looking for.

The systems and approaches that companies have developed to implement their voluntary policies have helped them prepare for compliance with the requirements of the EU Timber Regulation.

# 4 EU Timber Regulation

In October 2010, the EU adopted legislation that prohibits the sale within the EU market of timber logged illegally according to the laws of the country of harvest.

The EU Timber Regulation (EU 995/2010) requires companies to implement a due diligence system to minimise the risk that the timber they sell was harvested illegally. The legislation came into force in March 2013 after giving operators time to adapt their business processes. The legislation applies to both domestically produced and imported timber. Timber that has a FLEGT licence complies with the requirements of the EU Timber Regulation.



Photo: EFI

# 5 Who is involved in FLEGT?

## VPAs

Within the EU, the European Commission leads the development of VPAs with the active support and participation of EU countries.

Once a VPA is ratified by both parties, the EU Delegation in the partner country leads the EU's activities. Each country in the EU appoints a competent authority that is responsible for enforcing EU border controls established by the FLEGT Regulation (EU2173/2005). A FLEGT Committee is formed from officials of EU countries and works with the Commission.

In VPA partner countries, the government implements the VPA. This is usually the ministry responsible for the forest sector. In most VPA countries, negotiations have resulted in strong stakeholder platforms and institutions that continue to support implementation and ensure national oversight. The private sector, environmental and social NGOs, indigenous people and local communities are included in these institutions. An independent auditor will review the system once it is operational.

Each individual VPA establishes a joint committee of representatives from the EU and the partner country. This committee is responsible for overseeing and monitoring the implementation of the VPA, resolving problems and analysing independent audits and other reports.

## The EU Timber Regulation

Each country in the EU is responsible for appointing a competent authority and enforcing the regulation. The European Commission recognises monitoring organisations which provide due diligence systems for operators that place timber on EU markets.

# 6 Resources

Within the European Commission, the Directorates General for Environment and for Development and Cooperation implement the FLEGT Action Plan in consultation with governments of EU countries.

### DG Environment

[http://ec.europa.eu/environment/forests/illegal\\_logging.htm](http://ec.europa.eu/environment/forests/illegal_logging.htm)

### DG Development and Cooperation

[http://ec.europa.eu/europeaid/what/development-policies/intervention-areas/environment/forestry\\_intro\\_en.htm](http://ec.europa.eu/europeaid/what/development-policies/intervention-areas/environment/forestry_intro_en.htm)

The **EU FLEGT Facility** supports the EU and partner countries in implementing the EU FLEGT Action Plan. [www.euflegt.efi.int](http://www.euflegt.efi.int)

The **EU** has published eight briefing notes on FLEGT with a focus on Voluntary Partnership Agreements. [www.euflegt.efi.int/portal/home/flegt\\_intro/flegt\\_action\\_plan/](http://www.euflegt.efi.int/portal/home/flegt_intro/flegt_action_plan/)

The **EU** has a website dedicated to the EU Timber Regulation.

<http://ec.europa.eu/environment/eutr2013/>

**Chatham House** runs a comprehensive website on illegal logging that includes information on FLEGT. [www.illegal-logging.org](http://www.illegal-logging.org)

**Capacity4Development** maintains a public group on FLEGT.

<http://capacity4dev.ec.europa.eu/public-flegt/>



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Proforest developed four briefings that introduce REDD+ and explain the links between FLEGT and REDD+ and with other forest initiatives.

- *Introduction to FLEGT*
- *Linking FLEGT and REDD+*
- *Introduction to REDD+*
- *Working with the private sector on REDD+*

This is the first of the four briefings, *Introduction to FLEGT*. FLEGT stands for forest law enforcement, governance and trade. The FLEGT Action Plan is a European Union initiative to address the problem of illegal logging and related trade. REDD+ stands for reducing emissions from deforestation and forest degradation plus conserving forests, sustainably managing forests and enhancing forest carbon stocks. REDD+ is a proposed international mechanism to provide incentives for developing countries to protect and restore their forest carbon stocks.

This briefing was developed by Proforest, with input from EFI and officials of the European Union and EU member states, and produced with the assistance of the European Union. The contents are the sole responsibility of the authors and can in no way be taken to represent the views of the European Union.