



# Update on the EU FLEGT Voluntary Partnership Agreement (VPA) processes

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# The market sets the trend

- ✦ Critical end-users increasingly require legal and sustainable timber
- ✦ Larger timber traders need to manage corporate and reputational risk
- ✦ European trade federations develop systems to provide such guarantees
- ✦ Market changing with traders talking to their suppliers abroad



# World-wide developments

- ◆ 'Due diligence' expected of buyers in many commodity sectors
- ◆ Large traders forced to manage corporate and reputation risk
- ◆ Trade federations developing codes of conduct
- ◆ Development of public procurement policies
- ◆ Legislation in prep criminalizing the trade in illegally harvested timber products



# The policy response in the EU

- ✦ Governments under pressure as a result of public concern with deforestation
- ✦ Increasing recognition of the need for a stepwise approach towards SFM
- ✦ Increasing recognition of the importance of demand-side measures
- ✦ 2003 EU FLEGT action plan



# The EU FLEGT Action Plan

Strengthening existing bottom-up initiatives in the 27 EU Member States under one umbrella (coordinate & harmonize)

- ◆ Promote SFM
- ◆ Development cooperation
- ◆ Green Public Timber Procurement policies
- ◆ Private sector purchasing policies
- ◆ Financing and investment
- ◆ Conflict timber
- ◆ Money laundering
- ◆ etcetera



# The EU FLEGT Action Plan (new)

- ✦ **Bilateral partnership agreements** (VPA) with wood-producing countries
- ✦ **Additional legislation** reinforcing the VPA's by measures to stop imports of illegal timber into the EU
- ✦ **Market incentives** for FLEGT licensed timber (EU Communication on Green Public Procurement)



## Voluntary partnership agreements I

Voluntary partnership agreements between the EU and timber-producing countries to:

- ✦ Increase trade in guaranteed legal timber between FLEGT countries and the EU;
- ✦ control & licensing systems to guarantee legality;
- ✦ Provide financial, technical and institutional support to improving forest governance



## Voluntary partnership agreements II

### Timber Legality Assurance System (TLAS):

- ✦ Legality definition based on the laws of the producing country;
- ✦ Legality assurance system includes chain of custody, verification, licensing and Independent monitoring;
- ✦ Assurance system to build on existing control and licensing systems





# The Malaysia process

- ◆ Consultations started in April 2004
- ◆ Series of focussed consultations in 2005 – 2006
- ◆ September 2006 Malaysia and EU agreed to start formal negotiations
- ◆ Formal negotiations; Technical working group meetings; stakeholder consultations; market study
- ◆ VPA to be concluded by the end of 2008?



# FLEGT Malaysia

- ✦ Long term market strategy. Increase market share for processed timber products;
- ✦ Brand the country reputation;
- ✦ FLEGT as a tool towards sustainable forest management



# Three types of countries

## Timber producing countries:

Negotiating: Malaysia, Indonesia, Ghana, Cameroon

Consulting: Gabon Congo DR & Brazza, Liberia,  
Latin America

Processing hubs: like China and Vietnam

Consumer countries: Japan, USA, South Korea,  
EU, (Australia, New Zealand)



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Thank you

*EU Action Plan for Forest Law Enforcement, Governance and Trade*