
This briefing note was prepared by experts from Europe and the Central African Republic to inform the public about the Voluntary Partnership Agreement (VPA).

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FLEGT Voluntary Partnership Agreement between the Central African Republic and the European Union

Briefing Note

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Common efforts to promote trade in legal timber,
and good stewardship of the forest sector



Illegal logging has a devastating impact both on natural areas and for the people that live in them and rely on the resources they provide. The Voluntary Partnership Agreement is a response to this problem.

The European Union's response to tackle illegal logging and associated trade is set out in the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan, adopted in 2003. The cornerstone of this policy is the FLEGT Voluntary Partnership Agreement (VPA).

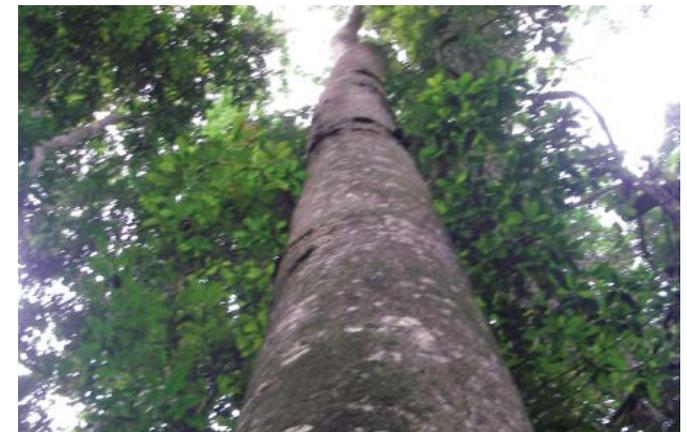
WHAT IS A VPA?

The FLEGT Voluntary Partnership Agreement (VPA) is a bilateral Agreement between the European Union (EU) and a wood exporting country. It aims to improve forest governance and ensure that the wood imported into the EU has complied with the legal requirements of the partner country.

Although there is no obligation for any country to enter into a FLEGT process, once agreed it is legally binding on both parties, committing them to trading only in timber and wood products that can be verified as being legal. Under a VPA, exporting countries develop systems to verify the legality of logging and processing of their timber. The European Union supports the establishment or strengthening of this system.

Bole (© PARPAF, Project of assistance in the drafting of forest management plans / D. Hubert)

*Cover:
Logs of the IFB company
(© PARPAF / D. Hubert)*



CONTEXT

The territory of the Central African Republic has a total area of 624 000 km², covered by diversified ecosystems, including 54 000 km² of dense forest, divided into two areas: the south-western forest massif, covering 3.8 million ha and the south-eastern massif, which covers 1.6 million ha. Only the south-western forest massif is currently subject to industrial-scale logging.

Since 2008, the Central African Republic has a new forestry code that promotes the sustainable management of forests.

Eleven (11) logging companies are operating at present, with an average annual production of about 600 000 m³ of logs and 200 000 m³ of sawn timber (sources: statistical yearbooks of the Ministry for Water, Forests, Hunting and Fishery, MEFCP, of the Central African Republic). Exports of logs and sawn timber are respectively about one-third and one sixth of the production.

The main destinations of Central African wood are: Europe (60%), Asia (China), North America and Africa (Cameroon, Chad).

The forestry sector contributes 4% of GDP and 40% of the country's export earnings.

*Felling an Obeche at IFB
(© PARPAF / D. Hubert)*



VPA OBJECTIVES AND SCOPE

As a development tool, the Voluntary Partnership Agreement will enable the Central African Republic to:

- improve its sustainable management of forests so that all the areas of production forest have a management plan;
- contribute to economic growth and the fight against poverty through tax revenue, part of which trickles down to municipalities and local communities;
- create jobs in the wood sector;
- establish community forests, which it manages directly.

In effect, the purpose of the VPA is to improve forest sector governance through the clarification and simplification of management rules, increased transparency, the use of public information, and respect for the rights of indigenous peoples and local resources.

In adopting the VPA, the Central African Republic demonstrates its commitment to using the system for verification of legality to cover not only the timber destined for the European Union, but also all the products derived from wood and/or exported to other destinations.

The FLEGT licensing scheme is scheduled to become operational in 2014. It will apply to all products exported at present or in the future by the Central African Republic: logs, sawn timber, veneer, plywood and furniture, among others.

*Packages of obeche dried
lumber (© PARPAF /
D. Hubert)*



THE VPA NEGOTIATION PROCESS

The development in 2008 and 2009 of a national consensus on the benefits of concluding a FLEGT Agreement, kick-started VPA negotiations between the CAR and the European Union in October 2009, and continued throughout 2010.

Negotiations concluded with the initialling of the Agreement on 21 December 2010, in Bangui.

Validation work at national level took place under the supervision of a National Coordination Committee (NCC), represented by three panels of stakeholders – various government ministries, the private sector and organisations from civil society. A Member of Parliament also participated in the negotiations.

The NCC consisted of 13 members including the Minister of Water, Forests, Hunting and Fishery, who acted as Chief Negotiator.

It received technical and financial support from the Commission des Forêts d'Afrique Centrale (COMIFAC – Central African Forests Commission), WWF, and the Agence Française de Développement (the French Development Agency).



A women's focal group meeting during the validation of a management plan (© PARPAF / D. Hubert)

CENTRAL AFRICAN REPUBLIC'S LEGALITY DEFINITION

The term legality of timber and timber products is defined in the Central African Republic as: all timber produced according to several components of the legislation and regulations of the CAR.

The VPA includes a definition of the legality of timber produced or acquired via a grid, which specifies – depending on the origin of the wood – , legal and regulatory requirements that must be met. These requirements cover two types of forestry permits that currently exist in the Central African Republic , which are defined in Law No. 08.022 of 17/10/08 on the Central African Republic's Forestry Code: Exploitation and Management Permits (Permis d'Exploitation et Aménagement, PEA In French).

These requirements cover the following topics, which constitute principles:

- (1) the company must exist legally;
- (2) the statutory rights of access to forest resources;
- (3) legislation on the environment;
- (4) the rights of workers, local and indigenous communities;
- (5) logging;
- (6) processing of forest products;
- (7) general and forestry taxation;
- (8) transport and traceability of timber forest produce;
- (9) compliance with contract clauses included in the PEAs;
- (10) relationships with subcontractors in activities other than timber production.

For each principle, indicators have been identified to demonstrate the legality of timber and timber products concerned. The documents to be used to verify compliance of the indicators have also been identified.

A field test of the legality grid was completed in May 2009 by an independent international body, in collaboration with representatives of the CAR to assess the coherence, relevance and applicability of the indicators. Lessons learned from this test made it possible to fine-tune the grid.

The definition of legality in the Central African Republic was developed in a participatory manner by involving the private sector, civil society and government.

THE CAR'S LEGALITY ASSURANCE SYSTEM

Signing a VPA entails the establishment of a Legality Assurance System (LAS), which ensures that only timber produced in compliance with legal and regulatory requirements of Central African Republic is exported.

In addition, the CAR's Legality Assurance System applies to all timber destined for export.

It currently applies to timber and timber products from the PEAs and forest plantations. However, the Forest Code of 2008 provides for the licensing of traditional production and community forests. This means that timber and timber products from community forests or licences for traditional production may be exported to Europe in the future. In this case, they will be taken into account in the LAS, requiring the development of legality verification procedures.

The LAS involves several ministerial bodies in Bangui or in the provinces that may be supported in their tasks by independent monitors. Central African NGOs that make up the platform of civil society on forest governance may also participate, playing a complementary role to ministerial departments involved in verification.

The ministries involved in the verification process are:

- the Ministry of Water, Forests, Hunting and Fishery;
- the Ministry of the Environment and Ecology;
- the Ministry of Finance and the Budget (Customs and Taxation);
- the Ministry of Trade and Industries;
- the Ministry of the Civil Service, Social Security and Transition of Young People into Work;
- the Ministry of Rural Development and Agriculture;
- the Ministry of Justice;
- the Ministry for Public Security and Territorial Administration.

The backbone of the LAS architecture is the Central Inspectorate of Water and Forests (ICEF), which will work with focal points selected and trained in every ministerial department involved in the verification to provide timely results of the verifications to each administration.

The Forestry Data Centre (FDC), which will be attached to the ICEF will have a mandate to manage flows of computer data in the LAS: the Database Management System Database (DBMS).

Verification will be carried out for each indicator in the legality grid. Each indicator must be met in order for a consignment to be considered legal, and for a FLEGT license to be issued. In this regard, the LAS describes for each of its indicators which bodies are responsible for verification, the verification method, the information flows and the type of archiving. This verification is complemented by a national product traceability system that allows verification throughout the processing chain that legal product has not been mixed with illegal timber. A simplified yet robust approach is adopted for products originating from plantations. The regulation of plantations will be developed during the implementation of the VPA.

Mr. Bonannée at the foot of a tree (© PARPAF / D. Hubert)



DISSEMINATION OF INFORMATION AND TRANSPARENCY

The CAR and the EU share an objective of good governance, which is implemented in particular by the provision of regular information to all stakeholders to promote the accountability of those in charge of the forest sector. This information relates to the content of the VPA, with a view to improving the knowledge of all parties and to make its established systems credible.

Information will be published as the reports of the Joint Committee, reports by the independent system auditor, legal and regulatory information, information on production and processing of timber for the domestic market and exportation, procedures for allocation of logging licences (concerning the APPs and plantations, and where appropriate community forests), information on management plans of APPs and others, information about the Legality Assurance System, and information on the independent audit of the system, the payment of taxes and the institutional system.

Information dissemination will occur in a variety of Channels, including: radio, the Internet, Official Journal, national and international public and private media.

INDEPENDENT AUDITS

To ensure the credibility of the system, the VPA provides for the hiring of an independent auditor by the government of the Central African Republic, following approval by the Joint Committee, to verify periodically its implementation, including compliance checks that the verification system remains place.

The frequency of these interventions is four times a year in the first year of issue of the FLEGT licences, twice a year in the second and third years and once a year from the fourth year.

SUPPORT MEASURES

According to the timetable of the VPA, several measures will be taken by the Central African Republic to put the commitments into practice. During the preparatory phase prior to the issue of the FLEGT licences, measures will be taken to consolidate the legal, regulatory and institutional framework. This will concern, for example, texts on the Land Act clarifying community rights of use, texts on local authorities. The CAR will draw up additional regulations on plantations, small-scale traditional logging, community forests and the new administrative bodies for verifying legality and traceability.

Similarly, it is expected to strengthen the technical capacity of the bodies involved in traceability and verification of the legality of the products and the writing of all protocols and procedures for: the management of information flows from the Legality Assurance System, treatment of nonconformities, people's access to wood residues, checking the company's commitment to fight against poaching and illegal logging in the APP, monitoring and information exchange on timber royalties.

Moreover, the commitment was made by both sides to work together to search for finance for support measures that are identified in the Agreement. Financing possibilities are to be explored with the United Nations Food and Agriculture Organisation (FAO), the World Bank and the European Development Fund.

FREQUENTLY ASKED QUESTIONS

THE PROCESS

What's in this Agreement for the CAR? Why did it sign the Agreement?

The CAR is aware of the importance of the principle of sustainable forest management. It is in our country's interest to fight against illegal logging and the timber trade associated with it.

The CAR's aim is to improve forest governance and to ensure that timber exported to the European Union, or to other markets outside the Union is of legal origin and by extension promotes access for timber from the CAR to the European market.

Is the CAR the only country to have signed a VPA / FLEGT?

The CAR is the 4th African country to sign a VPA / FLEGT after Ghana, Cameroon and the Republic of Congo. However, other countries in the Congo Basin, such as Gabon and the Democratic Republic of Congo have entered into negotiations with the EU.

Who was involved in the negotiation process?

The CAR was involved in the negotiation process through the ministry responsible for forests. Validation work at the national level took place under the supervision of a national coordinating committee in which there were three (3) panels of stakeholders (i) public sector, (ii) private sector and (iii) organisation from civil society. A representative of the Central African Republic Parliament also participated in the negotiation process.

FLEGT LICENCES AND TRADE

What products are covered by the Agreement?

All the CAR's wood products exported are covered, including logs, sawn timber, plywood, veneer, etc.... The detailed list appears in the Appendix to the Agreement.

How important is the EU as an export market for wood from the CAR?

The main destinations for timber from the CAR are: Europe (60%), Asia (China), North America and Africa.

Is the VPA not just another form of trade restraint?

No. European buyers are increasingly being encouraged to obtain supplies of timber verified as being legal. Overall, global trends in timber markets show a strong preference for wood that is eco-certified or legally verified.

Lumber in the kilns of SEFCA (© PARPAF / D. Hubert)



Are other markets apart from the European market also changing?

For example, the United States of America adopted a new regulation in 2008 ('Lacey Act Amendment'). This regulation establishes that trade in illegal timber is a crime. Other countries are developing procurement policies that require proof of legal origin of timber (Japan, Australia)

From the perspective of control, the CAR's VPA does not distinguish between destinations for exported wood products. So timber that leaves for other destinations will be subject to the protocols and procedures for export controls.

What is the relationship between the VPA and the new European 'illegal timber' regulation (November 2010)?

The VPA compels the CAR to monitor its exports' compliance with the legality grid, while the European "illegal timber" regulation of November 2010 compels European businesses to obtain adequate guarantees concerning the wood products that they sell and they need to ensure that they have been obtained in accordance with the laws of the CAR; this guarantee will be the FLEGT licence which will accompany each shipment of wood whose legality has been verified.

Will the timber licensed by FLEGT reach a higher price on the European market?

As part of the FLEGT VPA, the market of the European Union is expected to consume only timber verified as legal, which may increase demand for this type of product and therefore cause prices to appreciate significantly. But the benefit of licensing lies in the ease of access to all markets that insist on legal timber.

ENSURING THE LEGALITY OF TIMBER

What is the basis for the legality definition in the VPA?

The Central African Republic's legality definition is based on the forestry, environmental, social, commercial, labour and customs legislation as well as the Agreements, treaties and conventions ratified by the CAR in relation to the forestry sector.

Why aren't community forests and licences for small-scale traditional logging taken into account the Agreement?

At present, community forest and small-scale traditional logging licences do not exist. The regulations need to be developed. So the Agreement could not include community forests and small-scale traditional logging. However, the Agreement provides that if these titles are recognized as a possible source of exported timber, then a definition of the legality and appropriate verification procedures will have to be developed before the first title is awarded.

What will change in the system of legality verification?

The organisational capacity of the Ministry responsible for forests will be reinforced to increase the operating resources of the Central Inspectorate of Water and Forests (ICEF), boost the dynamism of the mobile inspection squads, set up protocols and procedures for information flows about timber from the forest to the point of export.

A national traceability system will be deployed to interconnect the databases of the Finance Ministry, forestry data centre (CDF) and the forestry companies.

An independent auditor will regularly analyse the operation of the system for verification of legality.

Who issues FLEGT licenses in the Central African Republic?

The FLEGT license is issued by an issuing authority, which is a body of the Ministry of Water, Forests, Hunting and Fishery.

What happens if a company fails to comply with the indicators laid down in the legality definition?

Regulations for non-compliance with the legality grid will be developed during the preparatory phase prior to the issuance of FLEGT licences. Depending on the degree of non-compliance, sanctions will vary and will result in the refusal to issue of FLEGT licensing.

What happens to timber identified as illegal?

Illegal timber may be seized. The timber seized will be sold by public auction or will be donated to charity.

As part of the VPA, all timber produced in the CAR for export to the EU will be verified as legal but what about timber from other countries which is processed in the CAR for export to the EU?

Timber imported from neighbouring countries must be certified or accompanied by a FLEGT licence.

Since most wood is exported from the Central African Republic is exported via Cameroon, what happens to this timber? Will it have a FLEGT licence from the CAR?

The timber from the CAR continues to be timber from the CAR, and will be accompanied by a FLEGT licence issued by the CAR. The CAR and Cameroon are bound by a Customs Treaty: the treaty establishing the CEMAC.

Does the VPA provide a response to the problem of illegal logging within the wood supply chain in the local market?

The VPA between the EU and the CAR does not take into account the local market. However, the VPA process has enabled the strengthening of the forest governance by upgrading a variety of forest regulations in order to combat all forms of illegality.

The VPA is intended to verify compliance throughout the supply chain, from forest to port. How?

Several levels of verification and traceability procedures will be created and tested prior to the issuance of the first FLEGT licences. It all starts with verification guaranteeing that logging complies with prevailing technical standards, followed by verification of transport and trade (customs procedures). The issuance of the FLEGT licence is the result of the verification that everything complies. The Agreement includes a detailed description of the national traceability system.

In addition, external verification is provided for, namely the independent system auditor is charged with monitoring the efficiency of the Legality Assurance System at defined intervals.

LEGALITY AND SUSTAINABILITY, ECOCERTIFICATION

How does the VPA take account of sustainable forest management issues?

In the CAR, all loggers sign a forest management Agreement to plan the exploitation of resources. Moreover, these management plans are currently being drafted and in the process of implementation. Henceforth, with the obligation to apply the new laws and regulations identified during the negotiation of the VPA and increased consideration of the usage rights of local and indigenous people, we can assert that the sustainability of the Central African Republic's forest management has been strengthened.

Is certified timber accepted as legal timber under the VPA of the Central African Republic?

The CAR considers that the efforts made by certified companies should be recognized. To achieve this, an approval procedure for the certified timber will be developed to ensure that certification systems respect all elements of the legality definition in the Agreement. The intention is to avoid duplication of controls.

REFORMS

What types of legislative reforms will have to be implemented?

During the negotiations, various regulations were identified as missing or incomplete. The CAR has made a commitment to meet the requirements of legality by upgrading the legal framework, particularly regarding governance. These concern legislation on:

- land ownership and the rights of populations to the land;
- decentralization and the power of local communities in managing forest resources including timber royalties;

On the fringes of the Agreement, important work will be undertaken to regulate unsupervised forestry activities such as small-scale traditional and community logging.

IMPACT ON COMMUNITIES

What is the impact of the VPA on communities that depend on the forest?

Thanks to the VPA, the right to community participation in forest management has been strengthened by the obligation to inform stakeholders that live in the forest and the obligation to consult neighbouring stakeholders during audits conducted by the independent auditor.

What will happen if there is unexpected negative impact on the way of life of local communities and indigenous peoples?

The two parties agreed to respect the way of lifestyle of local communities. Also, the timetable for implementation provides an assessment of the socio-economic impact of the Agreement.

IMPLEMENTATION

When will the implementation of the VPA begin?

The Agreement will be fully operational in 2014. The preparation stage will last from the state of initialling the Agreement until that date: upgrade of the legal framework, development of procedures, protocols, etc.

When will the CAR issue its first FLEGT licences?

The CAR is considering issuing its first FLEGT licences from 2014 onward.

What will happen if the system is not ready in 2014?

Both parties will make an assessment of the system described in the Agreement to verify that everything works correctly. This assessment will be made in 2013, and should allow both parties to decide jointly whether the system is fully operational and if the FLEGT licences may be issued. If the system is unable to function, then both parties will agree on a new timetable.

Who will finance the System of Legality Verification the legality of the VPA?

The system is designed so that the routine operating costs are covered by the income generated by forestry activity. However, the implementation of the VPA will involve significant changes in the mode of operation of the administration and the private sector.

Besides the resources from its own budget to implement these changes, the CAR will actively seek financing from development partners including the United Nations Food and Agriculture Organisation (ACP-FLEGT Support Programme), the World Bank and the European Union.

What progress has already been made since the negotiations?

Awareness and general information for all stakeholders in the FLEGT process;

All forestry companies have developed their own internal tracking system, pending the establishment of a national traceability system; Securing of customs revenue from timber for export (currently performed by the company BIVAC); Internal audits at each logging company; Capacity building of NGOs grouped within the platform of civil society.

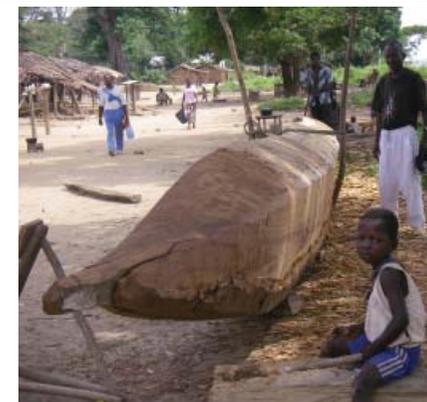
AUDIT AND MONITORING

Who will perform the audit?

The independent audit of the system will be performed by an independent consulting firm with proven expertise in audit and with extensive knowledge of forestry in the Congo Basin, but not in a position of conflict of interest. The independent auditor will be selected through a call for tenders, based on competence but also on international credibility, particularly in terms of independence. His recruitment is carried out after approval of the joint committee for implementation of the Agreement.

What is the frequency of the independent audit?

At the beginning of the implementation of the Agreement, the frequency of the ISA's involvement will be three (3) times per year the first year, two (2) times a year the second and third years, then once (1) year from the fourth year. At the request of the Joint Committee, the ISA may perform additional audits.



Preparation of a dugout canoe (© PARPAF / Awal Mahamadou)

What is the relationship with independent monitoring?

Independent monitoring will play a complementary role to government departments involved in the verification.

How will the implementation of the Agreement be monitored and audited?

The joint implementation committee is responsible for managing the Voluntary Partnership Agreement (VPA), as well as for monitoring and evaluation of its implementation.

How will stakeholders be involved in monitoring and implementation?

At the Ministry responsible for forests, a legal framework for dialogue and consultation among stakeholders is being established to monitor the implementation of the Agreement, which has the functions of:

- monitoring all the activities;
- reporting to the different panels of stakeholders on the progress of activities to achieve wider communication and information;
- reviewing and validating the work program of the Permanent Technical Secretariat (PTS) by making recommendations on the running of its activities.

How will the public be kept informed of progress and challenges facing the implementation of the VPA?

The public will be kept informed of progress and challenges through information released by the Joint Committee for implementation of the Agreement. Depending on the target audience and whether it is in urban or rural areas, depending on literacy levels, the information will be disseminated by appropriate communication channels.

How and where can I obtain the text of the Agreement?

The text of the Agreement after ratification by both parties will be available at the Permanent Technical Secretariat (PTS) of the Ministry responsible for forests, and at the Delegation of the European Union in the CAR.

What is the duration of the Agreement?

This Agreement shall remain in force for a period of six (6) years and shall be extended for successive periods of six (6) years, unless a party renounces it by giving the other party at least one (1) year's notice in writing prior to the expiry of this Agreement.