



FLEGT Briefing Notes

Forest Law Enforcement, Governance and Trade

What is FLEGT?

1 What is FLEGT?

FLEGT stands for **Forest Law Enforcement, Governance and Trade**. The EU FLEGT Action Plan¹ sets out a programme of actions that forms the European Union's response to the problem of illegal logging and the trade in associated timber products.

2 Origins

Illegal logging results in serious environmental and social damage, as well as costing governments an estimated \$10 billion every year in lost revenues. This was

The titles of the eight briefing notes in this series are:

1. *What is FLEGT?*
2. What is legal timber?
3. A timber legality assurance system
4. Control of the supply chain: Wood tracing systems and chain of custody
5. Legality assurance systems: requirements for verification
6. Voluntary Partnership Agreements
7. Guidelines for independent monitoring
8. Market participant-based legality assurance and FLEGT licensing





recognised in a G8 Summit in 1998, where measures to tackle illegal logging were discussed and an 'Action Programme on Forests' formally adopted.

Subsequently, in April 2002, the European Commission hosted an international workshop to discuss how the EU could contribute to measures to combat illegal logging. At the World Summit on Sustainable Development (WSSD), held in Johannesburg in the same year, the European Commission set out a strong commitment to combat illegal logging and the associated trade in illegally-harvested timber. The European Commission published its FLEGT Action Plan in May 2003.

A number of other initiatives, arising from both national and international commitments, have also developed in parallel. In particular, three regional FLEG (Forest Law Enforcement and Governance) processes have been established in East Asia, Africa (AFLEG) and Europe and North Asia (ENAFLEG). These processes, co-ordinated by the World Bank, have resulted in ministerial commitments to identify and implement actions to combat illegal logging in each region.

3 The EU FLEGT Action Plan

The Action Plan sets out a range of measures that aim to combat the problem of illegal logging. These focus on seven broad areas;

1. Support to timber –producing countries;
2. Activities to promote trade in legal timber;
3. Promoting public procurement policies;
4. Support for private sector initiatives;
5. Safeguards for financing and investment;
6. Use of existing legislative instruments or adoption of new legislation to support the Plan;
7. Addressing the problem of conflict timber.

Each of these is discussed below.

3.1 Support aimed at producer countries

The Action Plan aims to provide financial and technical support and advice to timber-producing countries to achieve the following objectives:

- Improved governance structures, and development of reliable verification systems where forest law enforcement has been weak;
- Policy reform that focuses on laws and regulations that are appropriate to the country in question, and through which all stakeholders can engage in policy dialogue;
- Improved transparency and information exchange between producing and consuming countries, including support for independent forest monitoring;

- Capacity building and training in producing countries, including support for governance institutions in the implementation of new governance procedures;
- Support for the development of community-based forest management and the empowerment of local people to help prevent illegal logging.

3.2 Promoting legal timber trade

There are two parts to this programme area. The first aims to work with the EU's trading partners that are primary timber producers, while the second focuses on the role of other major timber-importing countries in international trade.

1. Development of Voluntary Partnership Agreements:

The Action Plan proposes voluntary, bilateral agreements between producing countries (FLEGT Partner Countries) and the EU. These Voluntary Partnership Agreements (VPAs) set out the commitments and actions of both parties to tackle illegal logging (see Briefing Note 6). The intended outcomes of VPAs are:

- Improved forest governance
- Improved access to markets within the EU for timber from Partner Countries;
- Increased revenues collected by Partner Country governments;
- Increased access to support and development for Partner Country governments;
- Implementation of more effective enforcement tools in Partner Countries;
- Improved foundations for sustainable forest management.

VPAs offer an approach by which legally-produced timber exported to the EU can be identified using licences issued by Partner Countries. These will be underpinned by timber legality assurance systems (see Briefing Note 3) developed under the auspices of each VPA. FLEGT licenses covering timber shipments will enable EU customs agencies to distinguish verified legal timber from Partner Countries and to allow it entry to the EU, while excluding unlicensed timber from those countries. The assurance system will address controls on timber production, processing, internal verification, licensing and independent monitoring.

2. Multilateral framework for international collaboration:

The EU is an important but not a dominant player in global timber markets. It is important that, through dialogue with other major timber importers, such as China, Japan and the US, the EU is able to reinforce VPAs and promote cooperation in combating illegal logging and associated trade in countries where EU markets have less influence.



3.3 Promoting public procurement policies

The Action Plan encourages EU Member States to implement policies that favour sustainable and verified legal timber in their procurement contracts. Such policies require suppliers to demonstrate adequate evidence of legality and/or sustainability of timber sources. To date the governments of Belgium, Denmark, France, Germany, the UK and the Netherlands have begun to implement such purchasing programmes².

3.4 Support to private sector initiatives

The Action Plan encourages private sector involvement, including support to build private sector capacity in producer countries. Such support may be aimed, for example, at higher standards of forest management and legal compliance, improved supply chain management, and adoption of corporate social responsibility standards. European Commission and Member State grants to support the Global Forest Trade Network³ and the Tropical Timber Action Plan⁴ are examples of this type of activity.

3.5 Safeguarding investment

There are cases where investment in the forest sector has encouraged illegal logging, for example by installation of processing capacity not matched by available resources. The Action Plan aims to encourage banks and financial institutions to take long-term legal supply, as well as environmental and social factors into account when conducting due diligence assessments for such investments.

3.5 Use of existing or new legislation

The EU is investigating whether existing Community or Member State legislation can be used to combat forest sector illegality. This has included:

- Examination of how money laundering legislation may be applied to forest crimes;
- Research on the implementation of the Convention on International Trade in Endangered Species (CITES), and examination of the potential for inclusion of other timber species in its appendices;
- Examination of measures set out in the OECD convention on bribery where evidence suggests bribes have played a part in the awarding of timber harvest rights;
- Examination of ways in which national legislation, such as that covering stolen goods, can be applied in the timber trade.

The European Commission is also considering possibilities for new legislation at the EU or Member State level that would cover trade in illegal timber not covered by VPAs.

3.7 Conflict timber

The Action Plan commits the EU to support the development of a more robust definition of conflict timber and to better recognise in development cooperation programmes links between forests and conflicts.

1. FLEGT Proposal for an EU Action Plan, 21 May 2003. Communication from the Commission to the Council and the European Parliament.
2. Further information on public procurement policies is available from:
Denmark: www.skovognatur.dk/Udgivelser/Tidligere/2003/Tropical_timber.htm
Germany: <http://www.bmelv.de/SharedDocs/Rechtsgrundlagen/H/Holzbeschaffung-Erlass.html>
UK: www.cpet.org.uk/
3. See <http://gftn.panda.org/>
4. See www.tft-forests.org/ttap/



FLEGT Briefing Notes are prepared by an expert group convened by the European Commission and are intended to inform discussion of the EU FLEGT Action Plan. They do not reflect official positions. They are intended to provide useful information for potential FLEGT Partner countries and others with an interest in the initiative. (March 2007)