EU FLEGT Update

Chatham House, January 20 2010
DG Development, European Commission
Ghana VPA signed and ratified
Information
Pre-negotiation
Negotiation
Implementation
FLEGT licences

EU-China coordination mechanism on FLEG

http://ec.europa.eu/development/policies/9interventionareas/environment/forest/flegt_en.cfm
Concluded negotiations

<table>
<thead>
<tr>
<th>Country</th>
<th>Initialling</th>
<th>Licences</th>
<th>JIC</th>
<th>Stakeholder involvement</th>
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<tbody>
<tr>
<td>Congo</td>
<td>9 May 2009</td>
<td>June 2011</td>
<td>JIC Comité conjoint de mise en œuvre</td>
<td>Multi-stakeholder technical secretariat established</td>
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<td>Cameroon</td>
<td>Feb 2010</td>
<td>Dec 2011</td>
<td>JI Council &amp; Committee  Conseil et comité conjoint de mise en œuvre</td>
<td>Multi-stakeholder oversight committee Comité national de suivi</td>
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## On-going negotiations

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<tr>
<th>Country</th>
<th>Next meeting</th>
<th>Recent developments</th>
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| Malaysia | May tbc | • Drafting legal text  
• Many technical discussions over past 6 months by VC  
• Active internal debate on outstanding issues  
• Next SOM May (tbc) |
| Indonesia | 1 Mar | • Decree on SVLK (Indonesia’s TLAS)  
• Field testing  
• EC- IND review of SVLK for VPA  
• Next technical session March |
| Liberia  | 9 Mar | • Next session March 9  
• Stakeholder working groups developing LAS and legality definition proposals  
• Structure for negotiation established |

## VPA in negotiation or dialogue

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<tr>
<th>Country</th>
<th>Next Meeting</th>
<th>Latest Developments</th>
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| C.A.R     | 15 Feb         | - Multi-stakeholder technical working group defining LAS  
- Monthly technical sessions by VC schedule maintained  
- March 2nd Brussels: LAS system, legality definition  
- Target to conclude Oct 2010 |
| Gabon     | 15 Mar tbc     | - 1st Negotiation session March 2010  
- Roadmap prepared  
- National stakeholder processes on-going to define legality |
| Vietnam   | tbd            | - Positive & constructive dialogue in Nov 2009  
- Inter-agency FLEGT working group established  
- Reflection on options for legality verification  
- Multistakeholder process planned  
- Next session this quarter dates not yet fixed |
Other country interests

✓ China – EU bilateral cooperation to address illegal logging. Work plan is under discussion; to be agreed by end January

✓ Preparatory process underway: DRC, Guyana

✓ Information requested: Sierra Leone, Madagascar, Ecuador, Colombia, PNG, Equatorial Guinea, Cote d’Ivoire, Cambodia, Solomon Islands

✓ The VPA may not be the appropriate tool to address forest governance challenges in some contexts: relative value of EU trade or forest governance problems not driven by trade.

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VPA Challenges in 2010

- Implementation of VPA – getting to first licenses, license visibility and sustaining reform agenda
- Establishing joint working mechanism and building stakeholder engagement for implementation
- Sustaining private sector engagement in the face of financial crisis
- Creating demand for FLEGT timber
- Creating critical mass of VPAs & adapting to contexts to interest other countries, especially in E Africa & S America
- Keep it tailor-made and adapted to national challenges now that first agreements are public & new regs require immediate results
- Building capacity of stakeholders for effective contributions to negotiations
- Strengthening synergies with REDD
VPA Challenges 2010

- VPA simple idea: timber producers send exports to EU with a license that assures consumers about the legality of timber
- But negotiations have highlighted a far more complex reality!
  - Illegality is complicated
  - Trade is complicated
  - Forest governance is complicated
- All of this demonstrates why a tailor made approach is essential
- In VPA negotiations to date we have managed this complexity: complex supply chains, imports from 3rd countries, artisanal logging, contested rights are some of the issues discussed in the Congo, Ghana, Malaysia VPAs
- But there are important challenges to adapt to meet different contexts
FLEGT Challenges in 2010

→ New strategies for collaboration if VPA inappropriate tool
  ✓ with processing hubs
  ✓ where limited direct trade to EU but product gets to EU
  ✓ where international trade not important

→ Agree EU due diligence regulation - crucial for VPAs

→ Furthering cooperation with big consumer markets: US, China, India, the Gulf

→ Establishing effective governance within REDD that builds from FLEGT where appropriate

http://ec.europa.eu/development/policies/9interventionareas/environment/forest/flegt_en.cfm
Thank you

Questions?

More information available at:
http://ec.europa.eu/development/Policies/9Interventionareas/Environment/forest