

What is the EU FLEGT?

The EU FLEGT is the European Union's response to the global problem of illegal logging and the trade in timber products.

It stands for:
Forest **L**aw **E**nforcement
Governance and **T**rade



LOGGINGOFF is a joint initiative by NGOs from European and timber-producing countries involved in or monitoring the implementation of the EU FLEGT Action Plan, and specifically the implementation of the Voluntary Partnership Agreements.

EU FLEGT – a history

- In 1998, the G8 foreign ministers' launched an “action programme on forests”.
- In April 2002, the European Commission hosted an international workshop to discuss how the EU should combat illegal logging.
- In December 2002, FERN and the Royal Institute of International Affairs presented a blueprint for an EU Action Plan, called [Options for Europe](#).
- On 21 May 2003, the Commission presented its [FLEGT Action Plan](#), adopted by the Council in October 2003 with a set of conclusions.



The EU FLEGT Action Plan

The action plan sets out a range of measures that aim to combat the problem of illegal logging, including:

1. [Government Procurement Policies](#)
2. [Financial due diligence](#)
3. [Voluntary Partnership Agreements \(VPAs\)](#) between the EU and timber producing countries
4. [Illegal timber regulation](#) (additional legislative options to control importation of illegal timber)



1. Government Procurement Policies

- The Action Plan encourages EU Member States to address illegal logging via procurement policies to promote the use of legal and sustainably produced timber
- **In July 2010, six Member States have so far adopted social and environmental criteria into their procurement policies** (Belgium, Denmark, France, Germany, the Netherlands and the UK)
- **The EU is developing its own timber procurement policy** but in July 2010 it is very weak, as is the EU Ecolabel for timber products. For example its requirements are lower than those of the six Member States. See [EU Ecolabel allows forest destruction](#).

More information can be found in the FERN report:

[*Buying a sustainable future: timber procurement policies in the EU*](#)



2. Financial Due Diligence

- The FLEGT Action Plan **states banks, financial institutions and specifically ECAs should ensure risk assessments** and due diligence to ensure that large scale investment in the forestry sector does not increase illegal logging. See: [Exporting destruction](#).
- The Plan also mentions that **EU Money Laundering Directives** should treat illegal logging as a serious offence. This has, however, not been taken up, but some Member States could use national legislation such as money laundering and stolen goods to address the problem of illegal imports.



3. Voluntary Partnership Agreements

- **Legally binding bilateral trade agreements** between timber producing countries (FLEGT Partner Countries) and the EU, mostly known as VPAs.
- **VPAs set out the commitments and actions of both parties to tackle illegal logging**, including measures to increase participation of non-state stakeholders and rightsholders, recognise rights of communities to the land and address corruption.

VPAs should have the buy-in of national stakeholders, including NGOs, local communities, indigenous peoples, and the timber industry. They consist of three key steps:

- a) Defining legality**, or deciding which laws will be enforced
- b) Designing a Legality Assurance System (LAS)** (including timber tracking, government legality controls and external verification systems)
- c) Independent audits** of the whole system.



a) Defining legality

- The legality definition outlines the **set of laws that will be enforced and monitored** in the context of the FLEGT agreement.
- ‘Legality’ is based on the laws and procedures of the timber producing country in question, and must include laws addressing social, environmental and economic issues.
- Definition must be developed through **extensive participation of all stakeholders and rightsholders**.

In July 2010, all VPAs had achieved full stakeholder consent.



Once there is an agreement on which laws should be checked, a **Legality Assurance System (LAS)** is set up to trace legal timber and ensure it is not mixed with illegal timber before export.

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The online resource for information on
Voluntary Partnership Agreements



b) Legality Assurance Systems (LAS)

The LAS consists of:

- **The "legality grid":** A matrix which outlines the laws and the verifiers and indicators that will be used to monitor whether those laws are enforced.
- **Chain of custody:** Control of the supply chain, or systems tracing wood products to ensure that timber from unverified operations does not enter the production chain
- **Verification of legal compliance:** (Governmental or third party) verification of both legal compliance and traceability systems
- **Licensing:** A FLEGT licence will be issued on the basis of evidence provided through chain of custody and verification
- **Independent audits** to ensure the system is working. In some countries, independent monitoring complements audit by providing information on governance failures

The difference between independent audits and monitoring



Independent audit: is a compulsory element of a VPA and its role is to check the system works.

Independent Observation/Independent Monitoring: is not an integral part of the VPA, but in two of the three countries that have signed a VPA, Cameroon and the Republic of Congo, the need for an independent observer is part of the VPA agreement. This observer checks governance, including malfunctions in forest law enforcement and provides information to the independent auditor. This monitoring is carried out by independent organisations, often NGOs.



4. Illegal timber regulation

In order to deal with the danger of illegally harvested timber entering the EU from countries that do not have a VPA, the EU has achieved political agreement to control the sale of all illegal timber, both imported and locally produced. This is called the 'illegal timber regulation', which includes a set of procedures that companies need to meet for timber and timber products to be traded in the EU.

A Council Decision is expected in September 2010.

Key points of the regulation include:

- A clause to **prohibit the sale of illegally sourced timber** for operators first placing timber and timber products on the EU market.
- Operators placing timber products on the market for the first time will also be required to put '**due diligence**' systems in place whilst secondary (or internal) traders will have to fulfill basic traceability requirements.

For more information see the ClientEarth briefing [Applicable legislation in the Illegal-Timber Regulation](#)



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**Online
resource for
information
on VPAs**

You will also find more
information about FLEGT VPAs
and other related issues at
www.loggingoff.info

If you would like further
information about the FLEGT
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implemented, please contact

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