



Georgetown July 30, 2012

## Joint statement on a Voluntary Partnership Agreement (VPA) on Forest Law Enforcement, Governance and Trade (FLEGT) between Guyana and the European Union



From left to right Head of the Bilateral Section, Lindsay Jones and Ambassador Robert Kopecký of the EU Delegation, Minister of Natural Resources and Environment, Robert Persaud, Commissioner of Forests James Singh, Pradeepa Bholanath Head of Planning and Development Division of the Guyana Forestry Commission and Joslyn Mckenzie Permanent Secretary of the MNRE.

**Strong forest governance that exemplifies the principles of sustainable forest management, forest legality, and sustainable development of forest resources, and concurrently balances the social, economic and environmental dimensions, has been a top priority for the Government of Guyana and the European Union. This priority is reflected in the existing and expanding legislative structures, strategies, policies and operational programmes. As part of executing this common mandate, Guyana and the EU are seeking to form a partnership under the existing EU FLEGT Action Plan, that place direct emphasis on recognizing the importance of forest legality in: ensuring that the benefits from forest resources utilization flow to the right beneficiaries, preventing unfair competition between illegal and legal produce, maintaining a low rate of deforestation and forest degradation, ensuring sustainable development of forest dependent communities, and mitigating against climate change in a REDD+ framework.**

Guyana possesses approximately 18.3 million hectares of tropical rainforest, which cover roughly 87% of the country (21.1 million hectares). Guyana has put in place, a legal and policy framework, to practice forest management resulting in one of the lowest deforestation rates in the world. Its forests are among the most pristine on the planet. Illegal logging and its associated trade, leads to worldwide sustainable economic, social, and environmental damage, involving financial, technical and trading links between companies and individuals in both timber-producing and timber-consuming countries.

Therefore, the combat against these illegal activities is not solely the responsibility of the producer countries, but is also the responsibility of consumer countries.

In fulfilling common objectives of strong forest governance, sustainable forest management and forest legality, Guyana has engaged in strategic partnerships and alliances, with like-minded countries and regional groupings. Over the past few years, Guyana has made significant strides in building this foundation and has been doing so, both at the national level and through collaboration with international partners, including with the United States of America, the European Union, Norway, South American Partners and the Caribbean Community. An important part of Guyana's approach has been to look at available international programmes that exemplify the objectives that Guyana aims to achieve, and build partnerships that are mutually beneficial and nationally appropriate to Guyana's circumstance.

The EU is a major global market for timber and timber products, with about 500 million potential consumers. The EU adopted its FLEGT Action Plan in 2003, in recognition of the increasing public concern with the social, economic and environmental consequences of illegal logging and related trade worldwide. A key element of the Action Plan is a proposal to establish bilateral VPA's between the European Union and timber-producing countries. These will ensure that only legally-sourced timber products are imported into the EU from these partner countries.

A VPA will be legally binding on both parties once negotiations are completed and the agreement is concluded. When fully operational, the system provides confidence to the EU buyers that Guyana's timber products were legally sourced. The VPA will be applied to all timber exports on a list of forest products defined during negotiations with the European Union. The system can optionally be developed to cover forest products to all other exporting markets.

Informal consultations to date have resulted in an understanding amongst Guyanese stakeholders on the major issues that needs to be addressed during the negotiation process. These include the implications that a VPA would have on multiple land uses such as agriculture, forestry and mining; the impact on indigenous peoples on their titled lands in regard to commercial and subsistence activities. Further, the potential costs, associated with meeting the requirements of the VPA both from the public and private sectors, particularly as it relates to additional compliance requirements for the extractive sectors and indigenous communities. The potential synergies with existing processes such as Independent Forest Monitoring are important factors to consider.

The Government of Guyana and the European Union recognize the complexities involved in negotiating a VPA and emphasises the importance of stakeholder involvement during the negotiation process to ensure a credible and implementable agreement.

The legality assurance system that will be developed under the VPA must be simple, pragmatic and built on existing procedures. It has to be sufficiently robust to ensure its credibility and financial sustainability. The contribution of Guyana's domestic timber market in the socio-economic life of forest communities as well as in the provision of industrial timber for local purposes should be considered in the development of the VPA.

Taking the above considerations into account, Guyana and the European Union have agreed to commence formal negotiations by the latter part of 2012, with the objective of concluding negotiations on a VPA by September 2015, according to an agreed roadmap which will be developed jointly. Guyana and the EU will work towards an agreement which should define clear objectives of adding value to forest governance, forest industry development and sustainability of the forestry sector. Negotiations will also take into account the implications on the non-timber sector, in particular the extractive sector.

Guyana and the EU anticipate that the conclusion and effective implementation of the VPA will contribute to the sustainable management of Guyana's forests rural employment and economic development. A FLEGT VPA between Guyana and the EU would be an important step which will support this programme of work on forest legality and governance and will link to existing national scale efforts like Independent Forest Monitoring, that are currently being undertaken in Guyana.

The Government of Guyana is aware of the benefits of EU FLEGT such as stimulating markets, enabling Guyana's exporters to retain markets, and expanding reporting requirements and existing systems in the chain of custody management. It is the intention that the efforts made over the past two year to engage with stakeholder will be further expanded over the course of the negotiation period.

The expectation of both parties is that this process will lead to a Voluntary Partnership Agreement under the EU FLEGT Action Plan, that is nationally appropriate, fully reflective of national laws, guidelines, customs and traditions (e.g. with reference to Guyana's Indigenous Peoples), and existing efforts, whilst developing an internationally credible framework.