# **FLEGT VPA Update**

**January 2020** 



# INTRODUCTION

In September 2019, Civil Society Organisation (CSO) leaders from Voluntary Partnership Agreement (VPA) countries met with EU and national policymakers from Germany, France and Belgium who signalled that their Competent Authorities show limited support for VPAs including Forest Law Enforcement, Governance and Trade (FLEGT) licences. The CSO leaders from timber-producing countries were hoping to see more enthusiasm for EU efforts to abide with the standards required by the EU Timber Regulation (EUTR), which verifies that all timber placed on the EU market comes from legal sources.

The CSO leaders tried to convince those whom they met that the VPAs are having an important impact in their countries, despite facing myriad challenges.

"If Competent Authorities looked at our definition of legality within our Ghanaian law and at all the standards required to achieve legality, they would understand that the soon-to-be FLEGT-licensed timber is based on laws developed in a participatory and inclusive manner, and in addition covers *all* timber, both for domestic use and export produced on the national territory," said Obed Owusu-Addai from EcoCare Ghana.

"There is great competition within the EU market. What did the EU hope to achieve with FLEGT if they aren't going to support it until the end?" Obed added.

The position of the Competent Authorities undermines the foundations of legality FLEGT was created to uphold, and on which FLEGT was built – the necessary land tenure advances, participatory structures, protections for community livelihoods, legal reforms and especially accountability. It sends a harmful, negative message to VPA timber-producing countries.

"In Ghana, for instance, all forests except one – the rosewood forests in the Savanah – are covered by FLEGT. This means that forests are managed plot by plot with harvest quotas. Only certain species and a certain number of trees can be harvested per plot. We can work there for two years and then we move on to another plot and we cannot touch it for 40 years. There is therefore more biodiversity in these forests," said Albert Katako from Civic Response, Ghana.

FLEGT is not only about ensuring that licensing becomes a reality and generates wide support; its

aim is to support system change and <u>human rights</u>, to safeguard community rights and livelihoods, for instance through the establishment of <u>community</u> forestry.

"FLEGT helps Southern populations to develop and benefit from their own resources," said Justin Kamga from FODER, Cameroon. "FLEGT processes are based on a multi-stakeholder approach and inclusive decision-making among the EU, the national government, private sector, CSOs and local and Indigenous communities. FLEGT also requires the respect of communities' rights, better livelihoods including for women and children, fairer benefit-sharing and more transparency in the process. These are key components in the development of a good governance that sustainability alone cannot bring.

"In Cameroon, once the outside eye [the EU] stops looking and is no longer present, corruption returns – although it has decreased since the FLEGT process started," he added.

Even in VPA countries not yet ready to launch licensing or still negotiating a VPA with the EU, the VPA process has been beneficial. In many countries, FLEGT initiated stakeholder participation where no such tradition existed before; a hard-won gain. In certain Asian countries, participation in decision-making is still quite restricted and accountability remains purely a matter for the Government to decide. Civil society members are nevertheless doing strong work under testing circumstances. Here, FLEGT has driven a wedge into closed decision-making processes, opening them to some level of outside scrutiny.

The beneficial overflow of even preparing to sign a FLEGT VPA is true, for example, of the Democratic Republic of Congo (DRC) where VPA negotiations are put on hold, notably due to the volatile political, governance and security context. They nonetheless obliged all stakeholders to sit at the same table and compelled the government to define a shared vision on managing forests.

"While many of DRC's neighbouring countries have signed a VPA, DRC has not, leaving it vulnerable to illegal logging practices, notably by Chinese logging companies," stated Essylot Lubala from Observatoire de la Gouvernance Forestière (OGF). "There are already seven Chinese concessions in DRC with important operations, and this means that they act as they wish."

He continues, "The EU shouldn't withdraw or abandon DRC – 80 per cent of the Congo Basin forests are in the DRC and they are at risk. It should relaunch the FLEGT process, or else the illegal timber it didn't want to come onto its market will reach it, and forests will be lost."

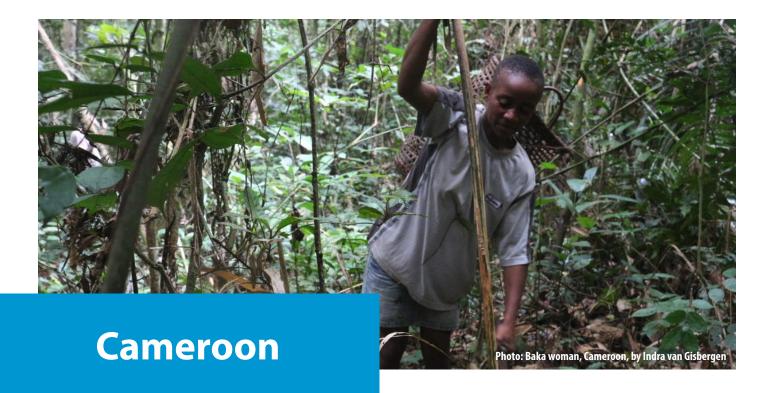
Given the foundational improvements in governance that FLEGT requires, implementing it was never going to be easy, but rather a long, necessary journey to improving forest governance on a systemic level. Now is the time to step up efforts, rather than lose interest.

The Commission and all EU institutions should uphold the promises made in 2003 when FLEGT was launched, as it is a key piece in the puzzle of forest reforms and improvements at home and abroad. Citizens in both EU and VPA countries must continue to hold their governments to account and support strong governance measures in countries under pressure from Western consumption.

But it is not just civil society that supports EU efforts to improve forest governance. At the end of 2019, the European Confederation of Woodworking Industries (representing more than 180,000 companies generating an annual turnover of Euro 133 billion and employing one million workers in the EU), expressed its full support to FLEGT and the EU Timber Regulation (EUTR). They also launched a new strategy aiming to extend the EUTR's scope in order to close loopholes, to increase awareness about FLEGT licensing system, and to encourage the consumption of verified legal tropical timber.

Environmental and human rights defenders are hopeful that the forthcoming Comprehensive Strategy with Africa mentioned in the EU's European Green Deal and new measures linked to the Commission's Communication on protecting and restoring forests will underscore the importance of FLEGT VPAs. Protecting forests and tackling climate change go hand in hand, and the fight against illegal logging must be an integral part of the solution.





**VPA status:** Entered into force December 2011

After a long period of stability, Cameroon, the largest economy in the Central African region, is grappling with political tensions, security problems and violent conflict in both the Far North and the Western Anglophone region. The falling price of oil has also triggered an economic crisis. Weak governance and high levels of corruption hinder the country's development and ability to attract foreign investment. Legislative and municipal elections are scheduled to be held in February 2020, but they will be boycotted by the main opposition leader. Against this complex national context, the VPA process is failing to make major progress.

Although timber exports have increased considerably since 2009, the EU's market share is shrinking as Cameroonian timber is essentially exported to Asian countries such as China and Vietnam.

Misuse of logging permits, the lack of effective regulation and law enforcement, land conversion for

infrastructure, and agricultural plantations continue to be Cameroon's primary drivers of deforestation. In May 2019, Cameroon's Forest Ministry released a public notice detailing plans for the Cameroonian owned company Camvert Sarl to turn 60,000 hectares of primary forest into a major palm oil site. This was followed in November by a Prime Ministerial decree confirming the declassification of the forest which is located in the Ocean Department of Southern Cameroon. It is near to the Campo Ma'an National Park which was established in 2000 with funding of the World Bank to compensate for the environmental damage of the Chad-Cameroon pipe-line project. This will be Cameroon's largest palm oil plantation and the second largest agricultural-commodity site in the country after SOSUCAM's 61,000 hectare sugar plantation.

Local communities, CSOs and activists are seriously concerned about human and environmental violations and destructive impacts on biodiversity including gorillas. This forest conversion contradicts Cameroon's commitment to respect and protect the environment, biodiversity and Indigenous Peoples rights.

In this challenging context, the VPA process - which

has not made significant progress for two years – took a step forward with a promising stock taking exercise. A June national multi-stakeholder workshop led to the development of a joint theory of change, a roadmap and a communication strategy to reinvigorate the VPA process over the next seven years.

Identified blockages included: the Ministry of Forests' inappropriate monopoly on forest management, the lack of inter-ministerial coordination, insufficient incentives and sanctions to change key actors' behavior; impunity from corruption; lack of political will; ineffective implementation of the EU Timber Regulation and a lack of dialogue with Asian countries.

Solutions were formulated for each of these problems and included in the strategy, roadmap and workplans. A revamped Cameroon-EU VPA website was presented as a key tool to improve access to information. During the stock-taking process, stakeholders reiterated the need for continued cooperation, ownership, transparency, participation and dialogue.

Sadly, more than six months after the national VPA workshop, the plan of action, strategy and roadmap have not yet been officially validated. It is hoped that a national committee meeting to follow up on this will be held soon to endorse the precious collective work done in 2019.



**VPA Status:** Entered into force July 2012

The Central African Republic (CAR) will enter an intense electoral period in 2020 - 21 that could have an important impact, good or bad. Many aspiring politicians are linked to armed groups with volatile positions toward the peace agreement signed in February 2019. The outgoing president will need to ensure that the elections can take place, while at the same time trying to deliver on commitments to pacify the country and improve governance in the natural resource sectors. Impunity for armed group leaders remains the norm, prompting many CSOs to call for further support for the Special Criminal Court created in 2015, and inaugurated late 2018, which still faces serious financial and technical challenges.

Ordinary citizens are still waiting for their lives to improve, and many of those who fled the country in the aftermath of the 2013 military coup are anxious to return. The local forest communities who have been particularly affected have yet to see the tangible benefits of unrelenting forest exploitation. The extension of government presence – very weak in some forest areas – would be important to boost the VPA process and ensure that public officials and logging companies are held to account for the management of the country's forests. Russia's growing role as a military advisor to the CAR government has raised concern. It is increasingly clear that Russian businesses are engaged in diamond mining, and possibly logging, and these activities must be better scrutinised by public oversight

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bodies, so that they do not further disrupt already fragile governance reforms.

Despite their eagerness to see faster VPA progress, government and CSO stakeholders are worried that the lack of financial resources and donor support is slowing national momentum. At a <u>recent meeting</u>, all stakeholders agreed urgent priorities to revitalise the dormant VPA roadmap and lift the suspension of the financial agreement with the EU. CSOs are particularly anxious for the government to adopt the <u>forest policy document</u> and fix significant incoherencies in forest legislation that hamper full implementation of community forestry and more secure land and resources rights for communities and Indigenous groups.

A shred of hope remains. Forest authorities, local communities and the public at large are supportive of CSO efforts to end impunity. In particular, the independent forest-monitoring work, led by Centre pour l'Information Environnementale et le Développement Durable (CIEDD) on behalf of the platform members of the Gestion Durable des Ressources Naturelles et de l'Environnement (GDRNE), is bearing fruit: in July 2019 the government decided to suspend two dormant logging permits belonging to Ngotto and SCAD, and to reintegrate them into the state permanent forest domain. It will be important to ensure that the government follows due process when re-awarding these permits and that it respects its commitment to support community forestry projects in the Ngotto forest.

Government commitment to support stronger community engagement in the VPA notwithstanding, forest dwellers and Indigenous groups remain marginalised from decision-making processes. They blame the government for giving away their land to foreign companies, for not allocating parcels of land to the community and for forest destruction in dedicated community areas. They are therefore anxious to establish community forests and have asked that funds for climate and Reduced Emissions from Deforestation and Degradation (REDD+) be channelled to them.

Communities lack information about their rights and how they can benefit from progressive legislation, as well as about how they can involve themselves in climate action. Forest dwellers and Indigenous Peoples therefore cannot assert their rights or claim what is owed to them without adequate external support.

Accountability regarding the REDD+ process is slow but may eventually reinforce the VPA objectives. Through the Central African Forest Initiative (CAFI), stakeholders consultations on the Development of the National Framework of Investment (CNI) REDD+ mechanism were organised during the year. The CNI REDD+ is a tool for coordinating financing related to sustainable land and forest management, and for mobilising additional financing. Government and civil society identified and discussed several national measures to address deforestation and degradation during the 2020 -25 period at an August workshop, including landuse planning; tenure; environmental impact studies on agriculture, mining, forestry, wood energy; and financial resources needed. CSOs hope that the CNI REDD + will help CAR to reach key development and forest governance objectives. These developments are a step toward consolidating CAFI support and ensuring that CAR can soon sign an agreement with the CAFI Board that will benefit its forests and people.

Local CSOs continue to be side-lined from climate action. The government delegation to COP25 had no civil society representatives. Important decisions will once again be taken without citizens being heard. This despite GDRNE's work to improve countries' efforts to tackle the impact of climate change, notably through monitoring and shaping the Nationally Determined Contributions (NDCs) so they can also be a tool to strengthen community resilience and halt forest destruction.

On a more personal note, in a ceremony on 30 November 2019, Fern's partner **Guy Julien N'Dakouzou was honored as a knight of the Order of Central African Merit** (*Chevalier de l'Ordre de la reconnaissance centrafricaine*), for his distinguished service to civil society and to his country through GDRNE and CIEDD. Heartfelt congratulations!



**VPA Status:** Negotiations began 2013

Movement on a variety of issues surrounding the FLEGT VPA process has occurred since it was relaunched in early 2019.

A **roadmap** has been drawn up between the Government of Côte d'Ivoire and the EU, establishing a deadline for signing a FLEGT VPA in 2022. Members of the Technical Negotiating Committee (CTN) participated in its creation, including civil society, traditional chieftains and the private sector; a final version should be officially adopted in December 2019.

A 10 December 2019 presentation by the Ministry of Water and Forests (Ministère des Eaux et Forêts, MINEF) identified as "acquired" important aspects of the VPA, such as improved stakeholder engagement and clarity of the law through participative legal reform; improved transparency through online procedures and

information about the timber sector, and through Independent Observers; proposed reforms to the public procurement of legal timber; and the proposal of a national traceability system. The definition of legality is now underway, as is the Legality assurance system (LAS).

Advances such as these and the conclusion of a National Programme to Improve Forest Governance (Programme National d'Amélioration de la Gouvernance Forestière: PNAGF) are extremely important, but the bedrock on which FLEGT rests nonetheless gives cause for concern.

Following the adoption of the new **Forest Code in June 2019**, current efforts are concentrated on elaborating the approximately 30 application decrees and administrative orders required to flesh out the Code's provisions.

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Among these decrees, one that was rapidly drawn up and signed concerns the possibility of creating agro-forests in order to rehabilitate them: the vision of MINEF is that, in classing these degraded forests as agro-forests, only 20 per cent would be available for cultivation; the remaining 80 per cent would be set aside for restoration. For now, creating agro-forests remains only a possibility. None has been created so far. Four other agro-forestry decrees are now being elaborated.

Tensions may well arise when it comes to practical application of agro-forestry rules. These are not empty forests, of course, but rather forests inhabited by small producers. The rules foresee granting concessions to large companies, but no protections for the communities residing there have been placed in the legal framework thus far.

With regards to all the application decrees, stakeholder comments are being gathered, for example, through a workshop with PTF Forêt-Environnement de Côte d'Ivoire, a civil society environmental platform. Two meetings were held, presided over by the minister of forests. Technically speaking, stakeholders are participating in the elaboration of these texts; their comments are not always considered.

Even here, considerable problems remain. The calendar is so tight that it prevents adequate research and the gathering of views on the ground. Also, meetings are held in Abidjan, and while civil society does its best to represent concerns from further afield, the fact remains that those communities are not being consulted. Distant NGOs cannot adequately capture and relay their fears. No mission has been sent out to the communities, nor is there an express prohibition on dispossessing the populations currently residing in the forests. Civil society is concerned that the populations will be harmed in the face of large commercial interests. A great deal will depend on the Land Use Plan (*Plan d'aménagement du territoire*), which is the subject of an administrative decree.

The situation is not more secure regarding **land tenure reform**. A law passed in 1998 provided the possibility to register traditional lands within 10 years' time. After its expiry, this period was extended through 2023. Although provisions to extend it further were recently relaxed to be more permissive, there is little likelihood

that communities will be able take advantage of the opportunity to register legal land titles.

Here, time is not the problem: cost is. In the past two decades, only 2 per cent of traditional titles have been registered; the exorbitant cost to the communities of officially recording their land in effect excludes them from the process. Without government help – which is not forthcoming – or financial and legal assistance from international institutions, recognition of traditional land tenure has every chance of remaining a dead letter, and the possibility of eventual dispossession, a real threat.

As for **accountability**, the new Forest Code foresees stricter penalties, ranging from fines to imprisonment. Where imprisonment is provided, however, typically the possibility to carry out a 'transaction' – an amiable solution with the government – generally exists: a sum going beyond the fine is paid in addition in order to avoid jail time. Note that this is not corruption; it is provided for in the Code and is not available for the most serious crimes (Art. 81). Civil society, in the event of a transaction, is not informed of the amount, and therefore cannot assess whether these are truly dissuasive.

The question of practical application of the Code's provisions is difficult to assess without adequate information from the ground. The Wild Chimpanzee Foundation NGO acts as an Independent Observer in the FLEGT process regarding forest protection, particularly in protected forests of the Tai national park. In its independent observer reports, it has noted various problems, but the government says they are willing to remedy them. Apart from this, little is known about implementation of forest regulation.

Given the uncertainties in the overall framework, civil society is hesitant to express either fear or optimism about the FLEGT process but is waiting for the development of the first annexes relating to the Legality Assurance System.

# Ghana

Status: Entered into force 2009

Ghana remains on the brink of becoming the second country to issue FLEGT licences, as it has been for some time now.

The second and final joint assessment of Ghana's Legality Assurance System (GhLAS) started in February 2019 and is still in progress. A second field mission in July 2019, led to recommendations that would need to be addressed before Ghana could be considered ready for licensing. The Forestry Commission have expressed optimism that these issues could be dealt with promptly, and a final mission of the assessment team – hopefully confirming that no outstanding issues remain – is anticipated for early 2020.

One significant issue, conversion of extant leases into Timber Use Contracts (TUCs), must be finalised before FLEGT licensing is given a green light: more than 100 applications have been received from industry and are at the final stages of processing. The last, difficult hurdle to be cleared in the conversion process is parliamentary ratification, which is beyond the control of Ghana's Forestry Commission (FC) and Ministry of Land and Natural Resources (MLNR). There is no specific time frame for Parliament to ratify TUCs, so this process must be well managed. The longer it takes, the longer timber companies will have to wait before receiving FLEGT licences for timber coming from the converted TUCs. CSOs remain willing to work with the FC and MLNR to engage Parliament in achieving speedy ratification of the converted leases.

Currently, 63 Forest Management Plans, required by the VPA process, covering 63 production forest reserves, qualify for FLEGT licences. Other forest reserves need forest management plans as a matter of urgency to qualify for logging and FLEGT licences.

The issue of rosewood logging in Ghana is also in the news. Following an EIA publication about illegal rosewood logging in Ghana and allegations of corruption and abuse of Convention on the International Trade in Endangered Species (CITES) certificates, the Ministry of Lands and Natural Resources commissioned a committee to investigate. The committee were expected to report within a matter of weeks but were granted an extension to consider EIA's material. CSOs had a representative on this committee and expect the final report to be shared. Once the findings have been made public, CSOs are committed to closely monitoring implementation of the recommendations.

Stakeholder representation and participation within the FLEGT VPA process remains strong. Ghana can boast of stakeholder-led decision-making processes in the forest sector (as opposed to Government-led decision making). The inclusive FLEGT process has encouraged a spill-over effect elsewhere: REDD+ and Cocoa Forest Initiative are learning from the VPA's multistakeholder process, and the Forestry Commission has been prominent in encouraging this to happen.

In September 2019, Fern organised an EU policy tour for CSOs from VPA countries. In addition to CSOs, the Ghana team included stakeholders from the Ministry of Lands and Natural Resources, the Forestry Commission and the timber industry, in order to provide the opportunity for all stakeholders to be part discussions with the EU, Member States and the EU Timber Federation.

During the tour, Ghana learned that most Member States (outside of the UK and Luxembourg) are not giving FLEGT licenses due recognition within their public procurement policies. Member State Officials said they believe that FLEGT licenced timber does not address sustainability standards but that Forestry Stewardship Council (FSC) timber does. CSOs can emphatically say that the FLEGT standard includes many sustainability requirements and that FLEGT is mandatory at the national level and not voluntary at the concessional level. Therefore, FLEGT is much more valuable to avoid deforestation and degradation.



#### **VPA Status:** Entered into force 2013

Liberia's economic crisis is deepening by the day. In October 2019 President Weah issued a "Proclamation to extend the Second Regular Session of the National Legislature beyond the date for adjournment for an extraordinary session of that body to act upon matters of national emergency and concerns". The main reason President Weah requested an extraordinary session is to print new currency banknotes to address the acute shortage of Liberian dollars at commercial banks in the country, which is affecting daily transactions.

The situation is crippling the economy. The Liberian Legislature has not yet met and, if they do, may not reach consensus. Some lawmakers have requested that the President implement the recommendations for the billions of Liberian banknotes that are missing and for the US\$25 million that have been infused into the Liberian economy to mop up excess Liberian dollar

on the market. Additionally, for the past two months, the Government has been unable to pay civil servants and government officials (including members of the National Legislature), and salaries have been reduced across all sectors of government.

Momentum is building for yet another protest (most likely in December) due to the increasingly gloomy economic situation affecting most people. Reports are mixed regarding the plan to arrest Henry Costa, the main organiser of the Council of Patriots (COP) leading the protest.

While Liberia's economic woes are sky-rocketing, challenges to the future stability of the forestry sector and the VPA process are also rising. In November the SOFRECO consulting firm completed a review of logging concessions, contracts and agreements. It shared the draft report with forest stakeholders, who concluded that the "Capacity challenges facing GoL [the Government of Liberia] are further exacerbated by poor infrastructure, which hinders the ability

of companies to fully operationalise and creates knowledge gaps within communities, which leads to questionable selection of partner operators".

It is hoped that this report, once finalised, will result in government action with external support, under the Norway-Liberia Agreement, to strengthen compliance with the Liberian forestry's legal framework and to promote sustainable forest management. Liberia's Forestry Development Authority had been expected to provide comments and feedback by end of November before completing the final report and presenting it to Liberia's forest stakeholders.

Communities did not get any budget for 2019/2020, despite a series of consultations with the Government to commit a portion of land rental arrears that logging companies paid into the National Budget. This confirms stakeholders' earlier concerns that, as in budget year 2018/2019, no rental fees would be allocated to communities, with serious consequences – once again – for people already hurt by the economic situation.

The EU-Liberia committee created and selected to integrate timber sourced from commercially oriented Community Forest Management Agreements (CFMAs) into the Timber Legality Assurance System (TLAS) has made some progress. For example, the EU-funded Liberia's VPA Support team is commencing its second phase of technical support. The team hired a consultant to finalise eight criteria and indicators for integrating CFMAs into the TLAS. The compliance of these criteria and indicators with Liberia's forestry legal regime is under review. CSOs hope that this multi-stakeholder participation between the EU and Liberia will increase accountability.

As has now become normal, the Forestry Development Authority (FDA) Managing Director Hon. C. Mike Doyen did not attend any National Multi-Stakeholder Monitoring Committee (NMSMC) meetings in 2018 or 2019. This affects the health of the VPA process and the FDA's commitment. For example, in September the FDA finally responded to the Sustainable Development Institute's (SDI) brief on Sewakajua CFMA, published in March 2018. The response – in draft form and not addressed to SDI – was circulated to the VPA multistakeholders email list; it did not fully address SDI's inquiries. Additionally, the FDA have yet to verify the

findings of a December 2018 report by VOSIEDA, another CSO that highlighted compliance issues.

Through the Liberia Land Authority (LLA), the government continues to collaborate with civil society to implement the Land Rights Act (LRA). The LLA has been working with CSOs on pilot projects, testing steps and guidelines to formalise the customary land claims section of the LRA and render it operational. In addition, the LLA has invited CSOs to review a number of policy documents and regulations, including the draft regulation on customary land governance and the systematic land titling guide. Finally, CSOs worked with both the FDA and the LLA to develop tools and awareness-raising documents, including a simplified version of the LRA's customary land rights section.

Implementation of the Land Rights Act has been positive. However, areas of concern remain, including lack of clarity about provisions to deal with concessions agreements signed before the law, community forestry and private claims such as the Tribal Certificate (TC). The government has not engaged in a systematic awareness campaign on customary land rights and seems to lack a coherent role and strategy for CSOs. Meanwhile, allegations persist that customary lands are being privatised by national and local elites.

Noting that even government salaries are affected, Liberia's economic and monetary crisis is not conducive to a culture of accountability and could undermine progress made in other areas. The disinterest signalled by the FDA director's unwillingness to show up for NMSMC meetings has had unfortunate echoes elsewhere. Whether by indifference or incapacity, authorities have failed to clarify important land rights issues or adequately inform communities of their right to customary land title, against a backdrop of claims that these are being violated. The government has also failed to distribute money owed to communities that industry had already paid. In this context, the collaborative efforts to raise awareness and formalise rights made between civil society and certain authorities, such as the LLA, are important. It is hoped that external factors - Norway-Liberia Agreement, EU-Liberia FLEGT cooperation – will continue to support broader VPA goals.



#### VPA Status: Entered into force 2013

The Republic of Congo's ambition is to clarify and enhance the accountability framework for managing the country's forests through the VPA. Through its Ministry of Forest Economy (MEF), the government has committed to strengthening the legal framework applicable to forests, enacting legislation to protect Indigenous groups' rights and ensuring law enforcement by companies and forest authorities.

The government took important steps to translate these commitments into reality, at least on paper. It approved a <u>new Forest Code</u> and submitted it for Parliament review. Formal adoption is still pending as parliamentarians sent it back for amendments. A <u>computerised legality assurance system</u> has been created, and the government set up a technical group to monitor the system's <u>implementation</u>.

The VPA process introduced a mechanism for proper independent oversight, including an <u>independent</u> <u>forest monitor</u> (IFM) and an independent auditor, as well as a grievance mechanism. However, the independent audit has yet to be published and widely debated. A complaints mechanism built into the REDD+ process has not been finalised and is not operational.

In the absence of a well-functioning formal grievance system for communities to submit complaints when their rights are violated, through Rencontre pour la Paix et les Droits de l'Homme, CSOs have created their own mechanism to identify and tackle corruption, called the Centre d'assistance juridique et d'action citoyenne (CAJAC). It has received numerous complaints in the last year and represents a significant advance in civil society-led complaints mechanisms in Congo. Although CAJAC is not an official aspect of independent forest monitoring, it is being used to monitor certain VPA governance indicators and REDD+ safeguards.

Another major advance has been the civil society-led IFM. Cercle d'Appui à la Gestion Durable des Forêts (CAGDF), the official IFM, have published numerous reports to date and are collaborating with other segments of civil society to create a holistic IFM framework that would also encompass non-mandated IFM.

These efforts seem to be in tension with the <u>restrictive NGO law adopted</u> by the parliament in 2017, however. Still pending presidential promulgation, the law severely constrained the freedom of CSOs to act independently and particularly to work on governance issues, although it is now presumed to be obsolete. It would constrict the scope of any Civil Society IFM activities and reduce potential accountability, while fuelling self-censorship within civil platforms working on forest governance.

The regular IFM reports by civil society groups illustrate the value of independent oversight for accountability and tackling impunity. They have identified multiple legal violations and problems with enforcement of forest-related regulations, including poor information disclosure, a failure to enact sanctions, poor record-keeping, non-payment of tax and outright corruption. A few companies have been sanctioned, including Atama for illegally felling timber under the guise of palm oil development, and against mining companies operating inside forest concessions. A few communities have obtained long overdue social benefits. Whether this relatively active independent oversight triggers better enforcement of forest laws will become clearer in the coming years.

Congo has not yet delivered on its promise to improve the livelihoods and involvement of forest dwellers in forest decisions. It is the only Congo Basin country where community forestry is not operational. That communities are still not participating in VPA deliberations is a matter of concern. Despite a progressive Indigenous Peoples' law, forest dwellers have little information about their rights, and access to land titling is a cumbersome process regulated by complex, inaccessible legislation. Although communities have a legal right to claim compensation for crop damage, there is little evidence that they do so in practice. Companies do sometimes make direct cash payments to communities through the local

development fund in concessions with a management plan, but this is sporadic, not transparent and insufficiently regulated.

Accountability is a work in progress in Congo. Promises are slow to materialise. Two new initiatives give hope that change is accelerating and will bolster early gains from the VPA. In September 2019, the government signed a letter of Intent with the Board of the Central African Forest Initiative to take measures to minimise deforestation while encouraging sustainable and inclusive economic development. The letter refers to important milestones on the FLEGT VPA and revenue transparency, and the need to shed more light on financial flows from the forest sector through the Extractives Industry Transparency Initiative (EITI), which are still quite opaque.

On a more positive note, however, a new EITI report indicates that a greater number of forest companies (25 per cent) are sharing information, and that transparency has improved, especially regarding permit allocation. This is partly the result of CSOs' tireless advocacy efforts with a range of allies including EITI and the CAFI secretariat. Also, a 2018 ministerial decree on industrial agriculture bans conversion of large areas of natural forests, sending a strong political signal about the need to tackle emerging drivers of deforestation.

In October, the Congolese government received US\$ 5 billion from the Adaptation Fund, under the UN Framework Convention on Climate Change, to strengthen the climate resilience of vulnerable communities living along the Congo River in the Bouenza, Sangha and Likouala forest departments, with a focus on Indigenous groups. CSOs must monitor these funds to ensure they have a positive impact on those who need them the most – a message local activists conveyed to the CAFI Board and which they expect will be heard when support starts in 2020.



**VPA Status:** 15 November 2016 began issuing FLEGT licences

In May 2019, <u>Profundo</u> conducted a public consultation to gather input related the second Periodic Evaluation, and gathered information on the ground throughout June and July. Results of the second Periodic Evaluation (PE) were presented in November 2019.

The second PE assessed the control measures carried out throughout the supply chain and indicated that the system functions as expected, and that licensing has generally improved over the past year. Some issues must nonetheless be addressed. Improvements are needed to the Ministry of Environment and Forestry's (MoEF) online information systems, and particularly to automation. Certain parts of the supply chain receive greater scrutiny than others. Spot checks by MoEF and provincial forestry agencies need to be more frequent and thorough. Their Timber Legality Assurance System (SVLK) has improved transparency, but instances of noncompliance must be followed up in a timely manner. SVLK data management is functioning but

dispersed across various systems: an integrated data management system must be quickly field tested. Better access to information and transparency is needed to allow Independent Monitors to monitor effectively, and due diligence for timber import must improve.

In November 2019, Indonesian and EU representatives held a Joint Implementation Committee (JIC) meeting in Jakarta to discuss the results of the second PE, as well as issues related to:

**SVLK:** In September 2019, the Ministry of Economic Affairs, Ministry of Industry, Ministry of Trade, and Ministry of Marine Affairs indicated that SVLK was only implemented in the forest. This was in response to claims by the HIMKI (an association of Small and Medium Enterprises (SME)) that the cost of implementing the SVLK was too high, and that not all the market needed to implement it. (Other SME associations such as ASMINDO did not feel that SVLK was a burden for their business or export process.)

Yet SVLK is a mandatory system, applicable to every timber-related business in Indonesia, which all must

implement. It ensures the timber industry uses *legal* raw materials, and is required for export to all countries, not just the EU. Demands such as HIMKI's have long undermined the SVLK, which is FLEGT's backbone of credibility. If the legality system is implemented only upstream, the credibility is damaged.

During a November 2019 press conference celebrating the third FLEGT Licence anniversary, however, the MoEF insisted that SVLK must be implemented both in upstream processes (forest) and downstream (industry).

NGO <u>Kaoem Telapak</u> has called on the government to begin the multi-stakeholder process to remedy several problematic aspects of SVLK systems and regulation, such as improving the standard of legality, the control of timber, verification and accreditation activities and law enforcement. In order to keep it on the government agenda, Kaoem Telapak repeatedly raise the issue of transparency of timber data and information that would allow effective independent monitoring to take place.

Indeed, improving the SVLK has been the focus of multi-stakeholder discussions since April 2019. Meetings have been hosted, in turn, by various parties: Kaoem Telapak (April), Forum Auditor (May), MoEF (June), and MFP4 (Multi-stakeholder Forestry Programme 4, under UKAID; October). Stakeholders agree that four SVLK issues require improvement: implementation of the SVLK must be strengthened; SVLK rules and enforcement must be improved; and SVLK's acceptance must be broader.

**EUTR:** Concerns included that some countries are exporting to the EU market despite not having due diligence processes in place to issue FLEGT licences.

Independent market monitoring, carried out by FLEGT IMM: The JIC provided materials to support existing timber promotion campaigns and to show public procurement decision-makers evidence of FLEGT benefits. They developed materials that demonstrate the functioning and impacts of the VPA process, indicating that FLEGT is working and effectively policed.

This is in part to clarify the status of <u>FLEGT licences as</u> compared to third-party certification, and to increase

demand for licences by urging EU Member States' public procurement policies to accept FLEGT licences as equal to voluntary certification, as FLEGT licences are evidence of more far-reaching improvements in governance and apply to the entire country rather than to particular forest stands or operations. This is also an endeavour to make the concept FLEGT licensing more visible with EU buyers. VPA countries wish to lead the process of communicating the beneficial impacts of the agreement.

Impact Monitoring: The JIC heard that in September 2019, Hatfield Consultants, hired by Food and Agriculture Organisation (FAO)-FLEGT, conducted a public consultation on the VPA's impact on the timber industry and on the livelihoods of Indigenous and local communities. Impact Monitoring activities should be finished by April 2020 and NGOs have asked that they learn from activities carried out for the 2017 evaluation.

Finally, regarding accountability, the government has taken action to enforce rules against timber operators. The directorate responsible for law enforcement under MoEF (DG Penegakan Hukum - DG Gakkum) seized a container of merbau timber from Papua and West Papua earlier this year. Regarding court cases mentioned last update, in Makassar, South Sulawesi, four directors of timber companies from Papua were condemned in July 2019 to one year in prison and fines of Rp 500 million. Regarding the legal case in Sorong, West Papua, one director of a timber industry company was sentenced to five years in prison and fines of Rp 2.5 billion.

The government says that it is addressing issues raised in the PE. For its part, civil society acknowledges that some issues have been properly addressed, but many others remain to be resolved – and keep reminding authorities of this.



**VPA Status:** Negotiations began April 2017

Lao CSOs have a 'working principle' to seek a review by government before sharing its view of the VPA process. There is therefore no independent view from Lao CSOs. Communications have been one of Fern's concerns. The flow of information between and within stakeholders, the fact that their inputs either may not reach the decision-makers, or that it takes too long to get the approvals necessary for these inputs to be made available, are impediments to more meaningful contribution. Participation has been in the form of invitations to meetings where presentations from CSOs are welcomed (though sometimes the validity of CSO reports are questioned), some recommendations are taken up, and opportunities exist for questions,

and informal discussion and sharing of views in the breaks. One example of this is that the government accepted the CSOs' suggestion about appropriate compensation for villagers when harvesting timber from production forests in areas where village forests are located. The EU Delegation to Laos recognises that CSOs understand better how to engage in the process and get their comments on Timber Legality Definition (TLD) developments considered. The delegation also ensures CSOs that the EU door is open whenever they have concerns. The fourth negotiation round is due early 2020 which will look at the TLD, the Timber Legality Assurance System, conversion and village use forests. There is a new forest land law but issues around tenure, compensation and relocation remain vague. CSO research on these issues has been useful but needs to be followed up.

# Malaysia

**VPA Status:** Suspended

The negotiation of the EU-Malaysia FLEGT VPA is a test case of Malaysian federal-state power relations. International agreements are negotiated at the federal/central government level, and uniform acceptance by the three territories cannot be taken for granted – more so when it concerns land and forests, which are matters that the federal constitution places under state jurisdiction. Although the issue of Sarawak being party to the VPA at the outset contributed to the current impasse, it was not the only problematic issue between both negotiating parties (EU and Malaysia).

For decades, Native Customary Rights (NCR), especially land tenure and related issues, have been a central issue for Indigenous Peoples in Sarawak; and not an issue easily solved, given the political and cultural history and the fact that more than 40 sub-ethnic groups exist in the state.

In the recent sitting of the Dewan Undangan Negeri (State Legislative Assembly), many questions about NCR were raised, mostly concerning the actual timing of when native land will be surveyed and titles given out. In recent years, the Sarawak government had committed to move forward by resolving long-standing NCR issues. The Sarawak Land Code was revised in 2018 to recognise Native Territorial Domain, which now gives hunting grounds, water catchments and legal recognition. This is a good step forward. Indigenous Peoples' claims also depend on whether they agree within their own communities on the boundaries. Compliance reports submitted by the independent auditing company - Global Forestry Services (GFS) on the Sarawak Timber Legality Verification System (STLVS) came back with no mention about risks of NCR claims.

<u>Certain NCR cases have lingered before courts for 15 years.</u> Recently, <u>a federal court dismissed on technical grounds an application to review a lower court failure</u>

to recognise customary rights – rights that have since been recognise by the Sarawak government. The ruling leaves unresolved whether NCR to pemakai menoa (territorial domain) and pulau galau (communal forest reserve) have the force of law.

In mid-December 2019, local community leaders were advised to set up committees— <u>quickly, so as not "to miss the opportunities"</u> — to assist in a perimeter survey for NCR land under Section 18, Sarawak Land Code, to be able to carry out activities on their land.

Restarting the FLEGT discussion in Sarawak would require a diplomatic approach, recognising the state government's efforts towards sustainable forest management and recognition of communities' rights over their use of land. FLEGT talks have stalled for a few years now. NCR issues will continue to be contentious. Since the state has made positive moves to improve forest governance, it is uncertain whether the context of FLEGT negotiations is the best in which to reopen NCR issues: perhaps NCR issues of specific concern can be discussed more intensely in other dedicated forums that can dovetail into the negotiations when the time comes. Some feel that NCR issues require special handling by experts in NCR and customary laws, whether they are the Native Courts or Committees set up to address pemakai menoa and pulau galau.

Finally, in general, the Sarawak timber industry feels strongly that compliance with the terms of the VPA just adds another layer of difficulties that yield few benefits as their biggest markets are not in Europe.



**FLEGT Status:** Narrowing the focus to concentrate on EUTR

For some time, the FLEGT process in Myanmar has been in limbo. The UN's FAO-EU FLEGT Programme had taken up support for the process where the UK's Department for International Development (DFID) had left off, and FLEGT engagement is taking a different form.

A November 2019 workshop helped clarify that future. Representatives of the Commission's DG Environment, the EU FLEGT Facility and the FAO-EU FLEGT Programme sponsored a workshop in cooperation with Myanmar's Ministry of Natural Resources and Environmental Conservation (MONREC) to begin developing a new FLEGT Work Programme for Myanmar.

In the face of <u>grave and persistent challenges with</u> <u>the peace process</u> and their implications for forest governance, the EU Commission had communicated that Myanmar's previous focus on entering VPA negotiations is not feasible at present. The new Work Programme will be oriented toward achieving legal harvest within the scope of the EU Timber Regulation (EUTR). International actors needn't have worried that the narrower focus would be viewed as a step back: the November workshop atmosphere was optimistic, and participants appeared excited to see things moving again.

The EU currently considers the risk of illegally harvested timber from Myanmar to be non-negligible; the aim is therefore to focus on achievable goals under the EUTR, targeting obstacles to placing timber from Myanmar on European markets.

**Transparency** was one focus of the workshop, as European operators cannot conduct due diligence without information about in-country operators and the relevant regulatory framework. For the most part, documents are not publicly available and are drawn up only in Burmese. CSOs agreed with the Commission that the documents should be accessible without

necessitating a specific request. Achieving this could be as simple as translating plans, permits, production data, departmental instructions, regulations and chain-of-custody processes and posting them online. This step is essential in establishing a culture of accountability: without access to such information, the ability to monitor what *does* occur and compare it to what *should* occur is impossible.

Another focus was to consider elements of the definition of **timber legality**. Participants were asked to examine the pillars of what constitutes 'legality' under the EUTR – for instance, rights to harvest timber, payment of duties related to timber harvesting, obligations regarding third parties' legal rights concerning use and tenure – and compare them to existing rules in Myanmar, where social and environmental protections appear to be lacking in the timber production process.

The discussion was used to structure key priorities that will be reflected in the new Work Programme, which is to be developed through a very inclusive process and finalised, it is hoped, by late spring 2020; the FAO-EU FLEGT Programme has allocated funding toward implementation of certain activities over the next two years, while other priorities would require the mobilisation of additional sources of funding.

In the broader context, the Myanmar Forest
Department has led a process to **inform implementing rules for the Forest Law that was reformed in 2018.** In cooperation with international partners,
including the FAO-EU FLEGT Programme, and local
organisations, they hosted well-attended consultations
in each state and region, as well as two expert
meeting to consolidate the roughly 2,600 comments
collected. In fact, many stakeholders hope that the
scope of the comments will create an opportunity to
further revise the 2018 Forest Law.

Concerns raised included the need to harmonise the Forest Law with the National Land Use Policy (2016), which establishes customary tenure rights; the right to Free, Prior and Informed Consent (FPIC); and the right for both men and women to participate in land use planning. Given the seriousness of the concerns raised, more than a technical, line-by-line revision, stakeholders hoped that a broad new approach would

ensure a greater respect for Indigenous and local communities' priorities. Allowing these groups to be involved in reshaping the Forest Law could encourage decentralising forest management decisions to states, regions and self-administered zones, placing sustainable management and protection of livelihoods, culture and identity on more balanced footing with commercial timber extraction.

A last validation workshop in this process (mid-December 2019) is planned to finalise draft rules for submission to Myanmar's Union Attorney General Office, which may clarify the need to revise the Law to address the broad scope of comments.

Valuable information from the forest rules consultation should be reflected in the new FLEGT Work Programme, as will information gathered in the course of **an awareness-raising project in four states and regions** that was implemented by ALARM (Advancing Life and Regenerating Motherland, a national CSO that occasionally supports local associations) and supported by the FAO-EU FLEGT Programme.

The information gathered at these sessions echoed previously articulated issues with increased specificity. Here again the need was raised to manage timber extraction in a way that recognises customary tenure local livelihoods and respects FPIC; timber extraction must benefit local communities. Grievance procedures should allow them to address, for example, instances where the Myanmar Timber Enterprise's (MTE) logging elephants had destroyed local crops, or dense logging roads had affected water supplies and diminished local livelihoods. It should be ensured that logging roads have been closed after legal cuts and patrolled to reduce later illegal logging.

Government forest management units should be put under community control, and not just the very degraded areas. CSOs wished to act as independent forest monitors and assist MTE and FD in monitoring chain of custody but would need greater transparency and improved information management to do so; here, increased capacity-building and training is needed for CSOs and authorities alike. Finally, conflict timber, illegal logging and armed groups are still a problem in Myanmar, and CSOs would like for the FLEGT process to be linked to the national peace process.



VPA Status: Signed 19 October 2018

Preparations for implementing the key provisions of the EU-Vietnam FLEGT VPA have been underway since its signature in 2018. Significant stumbling blocks remain to effective implementation and to achieving the spirit of the VPA agreement, however.

Regarding the involvement of NGOs in implementing and monitoring the VPA, Article 15 of the Agreement stipulates, "Viet Nam guarantees that the implementation and monitoring of this Agreement will be undertaken transparently with the participation of multi-stakeholders, including NGOs, forestry associations, enterprises, trade organizations, communities and forest-dependent people."

At the recent Mekong River Land Governance's Workshop to launch the book, "State of the Land in the Mekong", however, the former Vice Minister of the Ministry of Natural Resources and Environment (MoNRE) said, "Vietnam is among the top countries to adopt comprehensive legislative documents, but is among the bottom country to implement them."

With regards to VPA FLEGT, the **multi-stakeholder Core Group (CG)** established in 2017 "serves as a focal point to coordinate and promote the participation of multi-stakeholders in the implementation of the VPA/FLEGT in Vietnam and to support the Joint Implementation Committee in monitoring and evaluating the implementation of the Agreement".

The CG currently has 38 participating organisations including: state management agencies, trade associations, social organisations, NGOs (eight International NGOs and 10 Vietnamese NGOs), and research institutions. The Environmental Investigation Agency (EIA) is a member but was not invited to the 7<sup>th</sup> CG meeting, for unknown reasons. Most participants are I/NGOs that express interest in the role of CSOs in monitoring VPA implementation. They also continue to criticise the poorly drafted TLAS, which was focused only on timber import and export.

CG meetings enjoy a kind of "collective ownership": all participants can join in the discussion. In the end, however, decisions are made by the government.

Stakeholders are not sure what the results of the meetings are, or what follow up will occur.

The effect of NGO participation in these meetings is therefore uncertain. Even the choice of who will represent VNGOs/CSOs is not controlled by them. Authorities have proposed alternatives to the representatives that VNGOs put forward. For example, at the 3<sup>rd</sup> CG meeting, VNFOREST proposed an organisation that had never worked with forest-dependent communities, Livelihoods Impact Assessment or VPA Impact Monitoring. At the 5<sup>th</sup> CGM, the CG representative proposed was the Vietnam Timber Association (VIFOREST).

Most recently, before the 7<sup>th</sup> CGM in November 2019, the VPA office suggested a CG representative from academia, from Hue University. The CV and nomination of the Centre for Rural Development (CRD)'s director was circulated at the meeting for comments and feedback. Luckily, CRD is a dual entity, both academic and NGO.

The cornerstone of the VPA's legality assurance framework is to be a specific **TLAS decree** issued by the Prime Minister. The incorporation of VNGO comments on the TLAS decree is another example of the limited space for genuine participation accorded to civil society, however. At both the 6<sup>th</sup> and 7<sup>th</sup> CG Meetings, CSOs raised concerns, both by verbal submissions and written papers delivered before 31 August 2019. Neither answers nor feedback have been forthcoming – not even at the 7 November CG meeting. The final decree was to be submitted by December 2019, but no update about this decree has been given.

In effect, the decision-making process is unclear, the role of CSOs is undetermined, the complaint mechanism is undefined. These elements become most important concerning monitoring and evaluation of the VPA's social, environmental and economic impacts, but the relevant M&E Chapter in the TLAS outlines them poorly, failing to specify the role of different stakeholders and CSOs.

It is therefore anticipated that it will prove very difficult for Vietnamese CSOs to engage. The same can be said for making use of **the complaint mechanism**; so far almost nothing to do with this framework has been defined. Given these broader circumstances, the issue of accountability is difficult to raise. If the complaint mechanism becomes operational at one point, it may help alert the authorities to specific problems, but accountability remains for the authorities to decide.

Despite the above challenges, CSOs are still trying to find ways to intervene. Over the last seven years, CSOs have been learning by doing, carrying out several action-oriented research projects, from very simple to comprehensive studies, in order to bring evidence-based advocacy messages and the voices of the most vulnerable groups into VPA processes.

As VPA preparation and implementation advances, the capacity of CSOs should be strengthened and updated to permit them to research and write policy briefs and reports about monitoring and the complaint mechanism. Additionally, NGOs need help mobilising financial resources from the private sector to enhance leverage and to conduct activities over the long term.



**VPA Status:** Agreed June 2018

Translating words into deeds is always difficult, but especially under current circumstances in Honduras. The political environment has not permitted much progress in the implementation of the VPA since negotiations concluded in June 2018. The Organisation of American States' (OAS) Mission to

Support the Fight against Corruption and Impunity in Honduras (*Misión de apoyo contra la corrupción y la impunidad: MACCIH*), has continued to present accusations in court against recognised political leaders (especially from within the government party) for alleged embezzlement of public funds and abuse of authority. Additionally, in the last five years, Honduran courts approved some 41 extradition requests submitted by the United States Government against leaders of organised crime.

# **AMERICAS**

Following strong pushback from the political opposition, Honduran parties are launching an early campaign for the general elections scheduled to take place in November 2021. Given the political environment, the elaboration of the VPA's Legality Assurance System is not a priority for the current Honduran government.

What could prove to be very important steps in securing the broader culture of accountability and in remedying impunity over the long term are slowing the achievement of VPA goals in the short term. The VPA has not advanced much at administrative and legal levels or at more operational/technical levels. The date of signature and subsequent ratification – crucial steps in the Agreement – remains uncertain.

The implementation of the TLAS articulated in the **2019** - **2023 Multiannual Plan** is progressing slowly, due in great part to the Honduran government's lack of a strategic, long-term view about how a system intended to issue proof of legality for the domestic market, and licences for the European and non-European markets will function. Additionally, how Honduras intends to uphold its commitment to facilitate the financial resources needed to realise the objectives and goals of the Multiannual Plan is not clear.

Despite such difficulties, Honduras and the EU have progressed, approving a communication strategy and Honduran multi-stakeholders have designed a methodology to evaluate and monitor the Multiannual and Annual Plan's progress. The VPA has the support of the most influential actors in the Honduran forest sector. What has been accomplished so far is nonetheless insufficient, according to leaders from the private sector, Indigenous Peoples and civil society, yet hope and optimism still drive efforts to cooperate with the Honduran government in modernising the timber sector.

Given that many of the pending tasks relating to VPA implementation are the shared responsibility of the **19 public institutions involved in the TLAS**, Honduras must organise at a strategic level, first within the government and then with the other involved parties, to define what type of system it wants and to identify the resources that will be needed to build this system.

At the same time, political will is needed to commit the human and financial resources that the Multiannual

Plan requires, and to enhance the efficiency and credibility of the manner in which laws are enforced in order to guarantee that legality brings benefits for all.

For Honduran non-governmental sectors, priorities for the first half of 2020 are the advancement of the signature and ratification process, as well as the construction of the institution responsible for building the Legality Assurance System (*Sistema para asegurar la legalidad de los productos forestales de Honduras*: SALH) and its implementation.

As Minister of Social Affairs Zoila Cruz has said, the FLEGT-VPA should not be seen as a Forest Conservation Institute (*Instituto de Conservación Forestal*: ICF) commitment; it is a commitment of the Government of Honduras.

These occasional FLEGT VPA updates represent civil society perspectives of VPA processes around the world. They are curated by Fern, and are a collaborative effort

of civil society representatives accros numerous countries, including the co-managers of LoggingOff.info, the online resource for civil society perspectives on VPAs.

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