

Frequently asked questions on illegal logging and the FLEGT voluntary Partnership Agreement

What is the Commission doing to combat illegal timber products to appear on the EU market?

The Commission is actively working with developing countries that produce timber for the EU market to ensure that they have the system and capacity in place to tackle illegal logging. The Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan is a top priority for the EU. It dates back to 2003. The Regulation was adopted in 2005, and the Commission started the first Voluntary Partnership Agreement (VPA) negotiations in 2006. Negotiations of VPAs take time. They rely on a wide consultation process on sensitive issues, such as land tenure, governance, transparency and accountability. There is now one agreement ratified (with Ghana), two in ratification process (with the Republic of Congo and Cameroon), five under negotiation (Malaysia, Indonesia, Central African Republic, Liberia and Gabon) and a number of countries have expressed their interest for entering into negotiations.

However, VPAs are not likely to cover all countries from whom we import timber, and our partner countries are concerned about unfair competition with those who continue to trade unknown sources of timber product. Hence the Commission proposed legislation in October 2008 to change business behaviour and to stop our indiscriminate consumption of forest products. The "Due Diligence" Regulation voted last week in the European Parliament and now under consideration by the Council will prevent the EU acting as a market for illegally harvested timber as it will require EU operators to trade in timber only from known legal sources. This coupled with the already enacted US legislation which has a similar purpose will send an important signal worldwide and encourage more timber producing countries to establish systems to verify legal compliance.

Does the Commission support developing countries in their forest sector reforms?

From 2002 - 2008, the Commission contributed about €544 million to work with developing countries on forestry. There is no decrease in global terms of the support to forestry in our development cooperation.

The EU together with Member States support the implementation of VPAs through our regular bilateral aid channels and to date the necessary finance has been programmed for this purpose.

Support to forestry is framed through different budget instruments, from thematic programmes and geographical national programmes. However it has to be noted that forestry and natural resources management are rarely one of the focal areas of national indicative programmes as established by partner governments. Because of their role in climate change adaptation and mitigation, it is possible that more activities related to forests will be financed under the national programmes in the near future. In terms of geographical coverage, about €220 million targeted in African countries, €158 million in South America and €55 million Asia.

Now there will be an EU-wide regulation on timber, why are VPAs still necessary? What is the link between a VPA and the new Regulation?

FLEGT and the EU regulation are mutually reinforcing, since FLEGT helps countries to set up good governance system and ensure a traceability of the timber which will allow market operators to meet their obligations set by the regulation. The regulation will also be an additional incentive for exporting countries to engage in the negotiation of FLEGT agreements as timber exporters will be able to re-assure their trade partners on the legality of the timber they buy.

So, the VPA addresses the problem of illegal logging at its source, it helps create the governance structures that reinforce capacity for law enforcement and oblige companies to respect the law. The VPA also will help countries and their operators meet the market expectations for more information and evidence of legal compliance.

Forests play a significant part in climate change: what is the Commission doing to stop deforestation and to put in place effective incentives for developing countries to stop deforestation and forest degradation?

Deforestation and forest degradation account for close to 20% of global emissions, more than the entire global transport sector. Rapid and significant emissions reductions from reduced deforestation and degradation (REDD) are essential to avoid global warming above 2°C. The 2008 EC Communication on deforestation underscored the importance of positive incentives to encourage developing countries to reduce emissions from deforestation by encouraging them to maintain forest carbon and to invest in low-carbon sustainable development strategies. The EC is supporting the development of REDD strategies through country specific development assistance as well as supporting international efforts such as the Forest Carbon Partnership steered by the World Bank.

The European Commission contribution to REDD-related initiatives and projects covers a broad range of activities and projects that can contribute to the development of REDD in many developing countries, being at local, national or regional levels. The total amount of funds already committed or in the pipeline for the period 2007-2013 reaches €420 million in more than 40 countries, of which €220 million (52%) correspond to ongoing projects financed under 2007 to 2009 budget years and €200 million (48%) still to be committed for the period 2010-2013. Among the funds still to be committed, €39 million are earmarked to be committed through call for proposals (€16 million targeting FLEGT and €23 million targeting forestry projects targeted at REDD).

What are the links between Forest governance (FLEGT) and climate change (REDD)?

The governance and market failures which drive illegal logging are much the same as those that drive deforestation. The constraints to tackling deforestation are the same as those we face in tackling illegal logging: unclear and contested tenure of land and forests, lack of institutional capability, weak regulatory capacity, and corruption. FLEGT and REDD both require multi-stakeholder processes that build a shared commitment; systems for monitoring, reporting and verification that are credible; buyers who have confidence in the products they are paying for. Thus, key to tackling deforestation is establishing good governance and FLEGT can help to achieve this.

For further information

See also a press release [IP/10/939](#): Commissioner Piebalgs in London to promote EU action against illegal timber export from developing countries

Website of Commissioner Piebalgs

http://ec.europa.eu/commission_2010-2014/piebalgs/index_en.htm