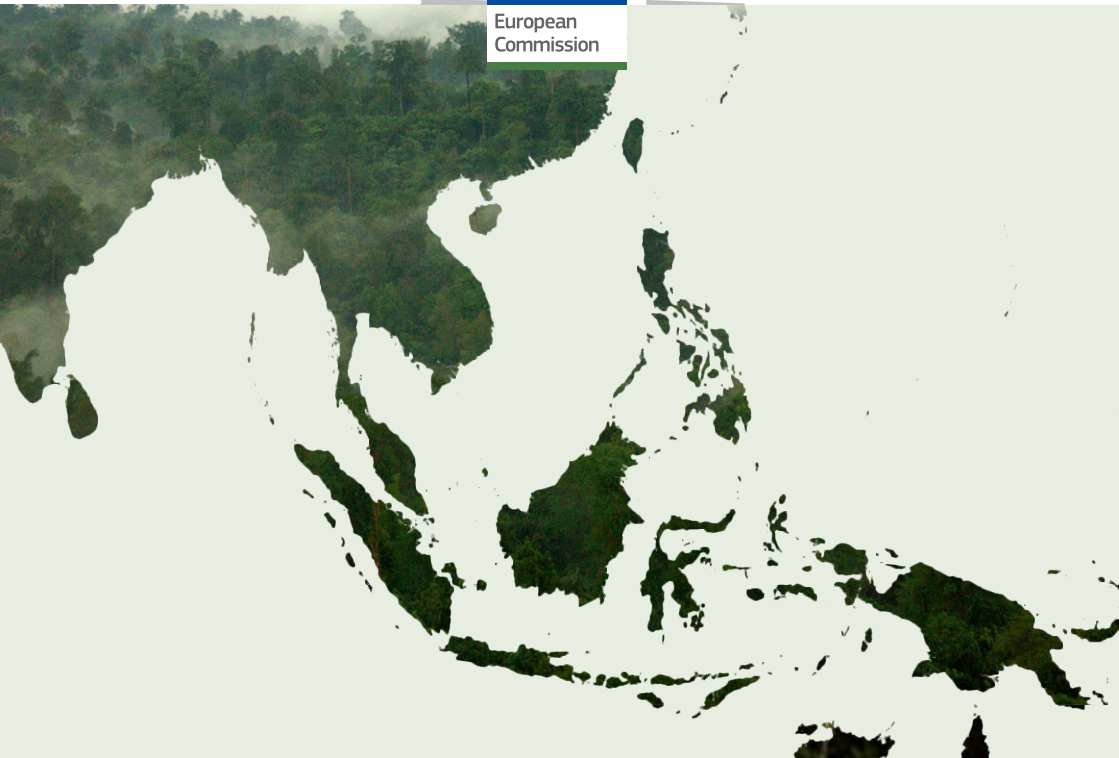




European  
Commission



# The FLEGT Asia Regional Support Programme

EU support for  
improved forest  
governance in Asia

*International  
Cooperation and  
Development*

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For fresh information about the EU FLEGT Action Plan please consult the following websites: <http://capacity4dev.ec.europa.eu/public-flegt/> and <http://www.euflegt.efi.int/home/>

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# Executive Summary

Rapid economic development in Asia has seen a major increase in demand for raw materials, putting natural resources in the region and worldwide under increasing strain. The forestry sector has not escaped this development drive, with the result that illegal logging has left many countries in Asia facing environmental degradation and the impoverishment of communities that rely on forests for their livelihoods.

As one of the world's main timber buying markets, the EU has taken the responsibility to prohibit the placing of illegal timber on its market, promote best practices in the international timber trade and encourage sustainable development of the world's forests. With these aims in mind, the EU set out a range of measures to tackle illegal logging in its Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan, which it adopted in 2003. The measures in the EU FLEGT Action Plan aim to prevent the import of illegal timber into the EU and to increase demand for timber from responsibly managed forests.

The EU FLEGT Asia Regional Support Programme has supported the implementa-

tion of the EU FLEGT Action Plan in Asia since 2008. This programme improved forestry best practices in Asia by strengthening regional cooperation and promoting international trade in verified legal timber, with the overarching aim of contributing to poverty eradication and facilitating the sustainable management of the region's natural resources.

These efforts have yielded results at regional and national levels. In Asia, political interest in forest governance issues has increased. Cross-border cooperation to ensure legal and sustainable forest management has also increased. Furthermore, Voluntary Partnership Agreements (VPAs) are under negotiation and implementation in most ASEAN countries. VPAs require countries to define legality for their timber and timber products. By increasing transparency in the forestry industry and promoting socially and environmentally responsible policies and measures, FLEGT is helping ensure that forests in Asia's main timber-producing countries are sustainably managed and that revenues from forest-based activities are more equitably distributed to benefit communities that rely on the region's forests for their livelihoods.

# Foreword

The world's forests are a priceless resource that provides the global economy with timber, fuel, food, medicine and other valuable commodities. Forests act as the lungs of the planet, prevent desertification and soil erosion, and support biodiversity. Good forest governance is vital for the 1.3 billion people worldwide who depend on forests for their livelihoods and for the economies of the countries that are the custodians of this global resource.

Illegal logging continues to have a serious economic, environmental, and social impact on forests and the communities that rely on them. As a major export market for many countries where illegal logging is prevalent, the European Union has a duty to take action to promote international trade in legal timber and to support efforts to implement good forest governance in some of the world's poorest wood-producing countries.

In recognition of this duty, the EU adopted the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan in 2003, in an effort to address illegal logging and the illegal timber trade. To underpin this work in the main timber producing countries in Asia, the EU FLEGT Asia Regional Support Programme was established in 2008 to work with forest stakeholders in Asia.

The EU FLEGT Asia Regional Support Programme, in line with the global FLEGT Action Plan, supports the strengthening of forest governance through legal trade, with the overarching aim of counteracting the harmful impacts of the illegal timber trade and it also improves the livelihoods of forest-dependent communities, as illegal logging not only disempowers forest dwellers, but it also deprives them of access to resources the forest might otherwise provide.

Significant progress has already been made in this direction, but much work remains to be done. With a view to facilitating this work, the EU FLEGT Asia Regional Support Programme will continue to engage with stakeholders along the entire timber value chain to ensure sustained improvements in forest governance.

**Pierre Amilhat**



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European Commission*

# Introduction

The harvesting of wood in contravention of the laws or regulations of timber exporting countries is having a detrimental impact on forest communities and on national economies. On an economic level, illegal logging results in lost revenue and undermines the efforts of legitimate operators. The environmental impact of the illegal timber trade includes deforestation and climate change, while the social impact includes contributing to conflict over land and resources and the disempowerment of local communities.

This scenario also applies in Asia – a region of the world where rapid population growth and the exponential expansion of national economies have put natural resources under increasing

strain. The demand for resources, particularly timber, has resulted in an increase in illegal logging, with the consequence that many countries in the region are facing increased deforestation and loss of biodiversity.

Between 20% and 40% of global industrial wood production, valued at an estimated EUR 7.5 billion a year, is still derived from illegal sources. The European Union is a major export market for many countries where illegal logging is common practice, with up to 20% of timber from illegal sources finding its way into the EU<sup>1</sup>. Hence EU companies and governments are in a good position to influence the international timber trade and encourage good forest governance. When they buy illegal timber, compa-



1. [http://europa.eu/rapid/press-release\\_IP-11-548\\_en.htm](http://europa.eu/rapid/press-release_IP-11-548_en.htm)

nies and consumers in the EU create a profitable market for illegal loggers and undermine efforts to enforce forest law in exporting countries. In contrast, when buyers purchase timber from producers that comply with national laws, they support the legal timber trade and promote good forest governance, which contributes to sustainable forest development.

To strengthen trade in legal timber, increase transparency and address the information gaps that allow the illegal timber trade to thrive, the EU adopted its Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan in 2003, in which it set out a range of measures to tackle illegal logging in the world's forests. Specifically, the Action Plan contained measures to: prevent the import of illegal timber into the EU; improve

the supply of legal timber; and increase demand for timber from responsibly managed forests.

Within the Action Plan, the two main levers to influence the international timber trade are the EU Timber Regulation and Voluntary Partnership Agreements (VPAs). A VPA is a legally binding trade agreement between the EU and a timber-producing country that aims to ensure that timber and timber products exported to the EU come from legal sources. The EU Timber Regulation aims to reduce illegal logging by prohibiting the sale of illegal timber or timber products in the EU.

To provide regional support for the EU FLEGT Action Plan in Asia, the EU FLEGT Asia Regional Support Programme (FLEGT Asia) was set up in Novem-



ber 2008. FLEGT Asia concentrated its efforts at country level on five countries in the Mekong region: Cambodia, Laos, Myanmar/Burma, Thailand and Vietnam as well as China and India.

Activities of the programme included the collection and sharing of information in the region, covering areas such as trade statistics, market developments and baseline studies. The programme also conducted capacity building to support the main institutions and stakeholders in improving forest governance. FLEGT Asia collaborated with other regional initiatives to complement and support actions already taking place in Asia.

The main goal of the programme is to help alleviate poverty and foster the sustainable management of natural resources in Asia by strengthening key

regional institutions for improved forest governance and by making information available to strengthen the capacity of national customs authorities to better manage regional trade in legal timber and exclude illegal timber from the legitimate trade.

This publication presents the progress, achievements and some examples of initiatives where the EU is working closely with partners across Asia. FLEGT Asia complemented other initiatives in the region including the EU's SWITCH-Asia programme, which promotes sustainable growth, consumption and production. Such programmes support governments in Asia in their efforts to achieve the Millennium Development Goals of eradicating extreme poverty and ensuring environmental sustainability.

## ABOUT THE EU FLEGT FACILITY

The EU FLEGT Facility was established in 2007 to support the European Union, its member states and partner countries in implementing the EU FLEGT Action Plan. The European Forest Institute, headquartered in Joensuu, Finland, has hosted the Facility since 2007.

The Facility provides technical assistance to governments and other stakeholder groups in timber-exporting countries to support the negotiation and implementation of VPAs. Furthermore, the Facility supports good forest governance initiatives by strengthening regional cooperation in forest governance and international trade in verified legal timber.

The Facility's remit also includes strengthening linkages among initiatives stemming from the EU FLEGT Action Plan and REDD+ (reducing emissions from deforestation and degradation and enhancing the role of conservation, sustainable management of forests and forest carbon stocks), a global initiative to combat climate change in the forestry sector.



# The EU FLEGT Asia Regional Support Programme

The EU FLEGT Asia Regional Support Programme (FLEGT Asia) has supported the implementation of the EU FLEGT Action Plan in Asia since 2008. From 2008 to 2013, FLEGT Asia promoted forestry sector best practices by strengthening regional cooperation in forest governance and promoting international trade in verified legal timber. This work is continuing under a second funding phase from July 2013 to 2017.

FLEGT Asia is part of the EU FLEGT Facility (see page 7).

## Aims

The principal aim of the EU FLEGT Action Plan in Asia is to improve forest governance with a view to contributing to poverty eradication and facilitating the sustainable management of the region's natural resources.

FLEGT Asia has three specific objectives:

- to increase FLEGT engagement and disseminate EU FLEGT Action Plan information in Asia;
- to improve forest policies, governance and regulatory frameworks in Asia;
- to increase regional and global trade by Asian countries in legal forest products, compliant with new legality requirements.

Results thus far are evident in two main areas. First, the policymaking capabilities of regional and national institutions in Asia were strengthened as a result of the collection, analysis and sharing of forestry sector information. Second, enhanced cooperation among national enforcement agencies resulted in improved capacity to detect and prevent illegal forest sector activities.

## Progress

A sustained and conscientious effort has advanced one of the EU's main tools to increase the supply of legally verified timber – the VPA. In Asia, Indonesia concluded VPA negotiations with the EU and four countries are negotiating VPAs with the EU: Laos, Malaysia, Thailand and Vietnam.

A core element of FLEGT Asia is enhanced regional cooperation through work in the main timber consumer markets, particularly China. This enhanced regional cooperation resulted in the development of strategic partnerships, with increasing exchanges not only among VPA countries, but also among the members of the Association of South-east Asian Nations (ASEAN) and across the region. As a result, the ASEAN Secretariat is increasingly facilitat-



## EU FLEGT ACTION PLAN

The European Union set out its policy to fight illegal logging and its associated trade in 2003 with the publication of its Communication on Forest Law Enforcement, Governance and Trade (FLEGT) - Proposal for an EU Action Plan. Targeting key regions and countries that account for almost 60% of the world's forests, the EU FLEGT Action Plan included both supply and demand side measures aimed at addressing illegal logging.

The Action Plan has resulted in two key pieces of legislation. The FLEGT Regulation, adopted in 2005, paved the way for controls on the entry of timber to the EU from countries that sign bilateral Voluntary Partnership Agreements (VPAs) with the EU. This was followed in 2010 by the adoption of the EU Timber Regulation, which excludes illegal timber and timber products from the EU market.

To supplement these legislative measures, the EU has sought to encourage private and public sector procurement policies that give preference to legally harvested timber and timber products in an effort to increase demand for legal and sustainable timber.

An important element of the Action Plan in developing countries is building the capacity needed to support good forest governance and sustainable development. The European Union works with EU member states to provide this capacity-building through development cooperation programmes, including support for NGOs and private sector activities.

With their respective focuses on supply and demand, VPAs and the EU Timber Regulation are the two key measures by which the EU aims to influence the international timber trade by encouraging good governance and sustainable management on the one hand and by prohibiting the sale of illegally-sourced timber on the EU market on the other.



ing dialogue and action on FLEGT. A key objective is to further strengthen cooperation within ASEAN with a view to motivating countries in the region to work with each other and the EU to tackle illegal logging and the trade in illegally harvested timber.

The EU FLEGT Facility opened an office in Kuala Lumpur, improving cooperation across the region by anchoring FLEGT-related communication, outreach and awareness-raising activities. Communication support also increased the visibility of the reforms and systems that VPA countries are putting in place to improve regulation of the forestry sector, fostering south-south cooperation and the sharing of lessons learned among FLEGT stakeholders in the region. Capacity-building efforts were underpinned by training sessions, seminars, courses and exposure to the experience of other VPA countries, with a view to enhancing the capacity of key players.

VPA negotiations have begun with Thailand and are likely to start with Laos. Preparatory discussions are underway with Cambodia and Myanmar, and the Philippines have expressed an interest in starting talks. Activities under FLEGT Asia have included setting up regional networks of experts and policymakers, strengthening regional institutions and building national capacity to engage in regional initiatives. There has also been an emphasis on support for multi-stakeholder approaches to forest governance in the region.

The problem of illegal logging and deforestation can only be tackled through a concerted effort by the main timber-importing countries. In recognition of this fact, the EU and China signed the Bilateral Coordination Mechanism (BCM) on Forest Law Enforcement and Governance in 2009 to create a forum for policy dialogue. The two parties carried out a number of activities under



## VOLUNTARY PARTNERSHIP AGREEMENTS

A Voluntary Partnership Agreement (VPA) is a legally binding trade agreement between the European Union and a timber-producing country outside the EU. As the name suggests, VPAs are voluntary for timber-exporting countries, but once a VPA has entered into force, it is legally binding on both sides.



The purpose of a VPA is to ensure that timber and timber products exported to the EU come from legal sources. The agreements also help timber-exporting countries stop illegal logging by improving regulation and governance of the forest sector.

A VPA comprises three main elements. Firstly, it defines 'legal timber' based on the laws and regulations of the partner country; then it develops a timber legality assurance system (TLAS), which includes timber tracking, government legality controls and systems to verify the legality of timber; and finally it includes independent audits of the TLAS, to ensure the credibility of export licences. Once the VPA and its TLAS are operational, the VPA country starts exporting timber accompanied by FLEGT licences. FLEGT-licensed timber has direct access to the EU market and no further due diligence has to be undertaken for the timber to comply with the EU Timber Regulation.

The benefits of a VPA are manifold, and include improving forest management, governance and regulation. The VPA negotiation process involves all forest stakeholders in developing national legality standards and in reaching a consensus on forest rights. A VPA can also support timber-exporting countries in achieving their development objectives, including alleviating poverty, securing employment and competitiveness, strengthening the rule of law and securing the rights of people who are dependent on forests for their livelihoods.

the umbrella of the BCM, including EU FLEGT training courses implemented by the Chinese Academy of Forestry (CAF) and a range of information-sharing and communication activities that have improved the Chinese public and private sectors' understanding and appreciation of FLEGT-licensed timber. The BCM has developed into a regular

dialogue between China and the EU with discussions on demand-side measures to underpin the legal timber trade with a range of countries that consume or process timber in the region and beyond. China is continuing to develop measures to source legal timber in its imports and is starting to support VPA country efforts to improve law enforcement and regula-

## EU TIMBER REGULATION

Following its adoption by the European Parliament in October 2010, the EU Timber Regulation came into force in March 2013. The EU Timber Regulation aims to reduce illegal logging by ensuring that no illegal timber or timber products are sold in the EU. To achieve this, it prohibits operators in Europe from placing illegally harvested timber and products derived

from illegal timber on the EU market. Legal timber is defined as timber that is in compliance with the laws of the country where it is harvested.



The Timber Regulation applies to timber and a wide range of timber products, including pulp and paper, and sets out three main requirements for EU operators and traders: prohibiting the placement of illegally-harvested timber on the EU market, exercising due diligence in the timber trade and keeping records.

The regulation requires operators who are placing timber on the EU market for the first time (whether imported or harvested within the EU) to exercise 'due diligence', which requires that they have access to information on the source of the timber, assess the risk of illegal timber in their supply chain, and, if such risk is found, mitigate this risk.

After timber has been placed on the market for the first time, timber traders have to keep records of timber purchase and sale operations. This significantly increases the transparency of the international timber trade, and helps ensure the exclusion of timber obtained from undocumented sources from the market.

tion by recognising their legality assurance systems.

FLEGT Asia co-organised outreach activities in timber-exporting countries with environmentally sensitive consumer markets, such as the US and Australia, to raise awareness of the developments in these markets. Work with other consumer markets in Asia, including Japan and South Korea, aims to synergise their market requirements with other environmentally sensitive consumer markets. In addition, activities in India since 2013 have aimed to raise awareness of FLEGT, resulting in increased awareness among Indian exporters about the EU's and other market requirements for legal timber.

## Achievements

FLEGT Asia's efforts to promote good forest governance have already begun to bear fruit. As a result of these efforts, political interest in forest governance issues, sustainable forest management and trade in legal timber in Asia has increased significantly.

There has been an increase in cross-border cooperation to ensure legal and sustainable forest management. This cooperation has taken various forms. For example, Indonesia has made presentations of its timber legality assurance system at regional and international events and Vietnam has conducted a policy dialogue with Laos on forest management and the timber trade.

Given the regional nature of the challenge, FLEGT Asia work contributed to ASEAN developing voluntary criteria and indicators for legal timber. There has also been a growing emphasis on increased stakeholder involvement, and efforts to increase the scope and depth of this involvement have made regional governments increasingly aware that the inclusion of stakeholders from a variety of interest groups is necessary to achieve sustainable forestry management solutions.

The EU FLEGT Action Plan promotes the streamlining of national legislation and a clearer definition of legal timber in national laws. This has been achieved by providing support for national processes underway in countries negotiating VPAs and has resulted in the evolution of certain minimum requirements for the timber trade. There has been an increased focus on demand-side responsibility for ensuring legality and sustainable forest management, with the result that a growing group of countries are considering legislation against the trade in illegally harvested timber, to be complemented by private and public procurement policies for legal and sustainable timber and the development of certification systems for legal and sustainable forest management.

The private sector has been playing an increasing role in ensuring best practice in the international timber trade, with the introduction of a variety of private sector governance initiatives ranging from vol-



untary codes of conduct and mandatory purchasing policies to the use of private certification schemes for sustainability.

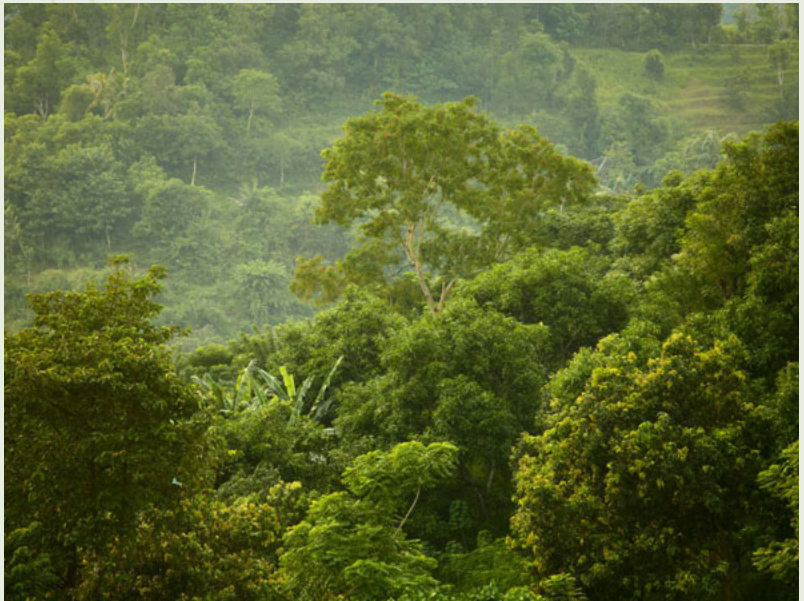
Target countries in Asia have a large community of FLEGT actors with many different communication needs and capacities. Strategic communication is of critical importance to the success of VPA processes and the broader Action Plan. The EU FLEGT Facility has helped prepare the EU market for FLEGT-licensed timber through initiatives with trade media, workshops and events.

**The way forward**

Looking to the future, some issues that will require close attention include twin-

ning poverty reduction goals with the desire to enhance governance in the forest sector and ensuring that small timber businesses active in the Asian timber trade are able to meet legality requirements while continuing to provide employment and incomes to forest-dependent communities. Work is commencing that will help address these issues within the context of FLEGT and REDD+ social safeguards and VPA impact monitoring.

These and other issues will be addressed as part of the second phase of the FLEGT Asia programme, which will build on what has already been achieved in order to further strengthen regional cooperation with a view to improving forestry policy, governance and regulatory frameworks.



## FLEGT TIMELINE 1998-2014

December 1998	A Council Resolution on a Forestry Strategy for the European Union establishes a framework for forest-related actions in support of sustainable forest management
May 2003	FLEGT Action Plan is established
2005	FLEGT Regulation is adopted
December 2005	A Council regulation on the establishing of a FLEGT licencing scheme is published
January 2007	Malaysia begins VPA negotiations
2007	EU FLEGT Facility is established
March 2007	Indonesia begins VPA negotiations
October 2008	European Commission proposes EU Timber Regulation
November 2008	FLEGT Asia programme is established
November 2009	Ghana signs the first VPA
October 2010	European Parliament adopts EU Timber Regulation
November 2010	Vietnam begins VPA negotiations
May 2011	Indonesian VPA agreed
April 2012	Laos announces willingness to engage in VPA negotiations
July 2012	European Commission publishes Implementing Regulation of the EU Timber Regulation
March 2013	EUTR enters into application
September 2013	Indonesia signs VPA
September 2013	Thailand and EU announce the start of VPA negotiations
May 2014	EU-Indonesia VPA enters into force



## CASE STUDY

# China – New Initiatives from Bilateral Coordination



The EU and China signed a Bilateral Coordination Mechanism (BCM) on Forest Law Enforcement and Governance in 2009 to create a forum for policy dialogue between the European Union and China, allowing the two sides to exchange information on forest law enforcement and governance and to take joint actions to combat illegal logging and the associated trade in timber and timber products.

Cooperation within the framework of the BCM has resulted in a number of activities that have led to greater appreciation of the benefits of trade in legally sourced timber and paved the way for acceptance of FLEGT-licensed timber by Chinese markets. The BCM has facilitated ongoing dialogue between China and the EU on demand-side measures to support trade in legal timber with a range of countries that produce and process timber in the region and beyond.

The EU FLEGT Facility is the main mechanism available to the EU to implement activities under the BCM, working with the Chinese Academy of Forestry and

other related stakeholders. The Chinese Academy of Forestry is the major think tank of the State Forestry Administration, which acts as the implementing partner for the BCM in China. One key activity was an international workshop in Beijing in October 2013, which brought Chinese policymakers and other stakeholders together with representatives of public and private sectors in six African and Asian VPA signatory countries to share lessons learnt and enhance cooperation.

## Increasing appreciation of VPAs

The China–VPA signatory countries international workshop promoted understanding of Voluntary Partnership Agreements (VPAs), shared experiences on VPA negotiations and implementation and increased China's awareness and appreciation of FLEGT and the VPA process in each of the VPA signatory countries. The workshop also provided a platform to strengthen cooperation between Africa, China and the EU on legal timber trade by promoting dialogue between African

timber suppliers and traders, on one side, and Chinese forestry businesses and their timber-processing associations, on the other. At the workshop, the Chinese participants became aware of the efforts underway in African and Asian VPA countries to stop the trade in illegal timber and reaffirmed their commitment to continue trading in legally sourced timber products.

The countries that participated in the workshop are all engaged in developing or implementing VPAs with the European Union as part of the EU FLEGT Action Plan to combat illegal logging. They included Cameroon, Central African Republic, Ghana, Liberia, Republic of the Congo and Indonesia, as well as representatives from the Central African Forests Commission (COMIFAC) and the Economic Community of Central African States (CEEAC).

### Key achievements

The BCM has played an active role in fostering collaboration within the region and further afield aimed at tackling the trade in illegal timber.

The BCM's annual meetings have become a forum for dialogue and cooperative policymaking with a jointly developed annual work plan that addresses areas of mutual interest. Under the BCM work plan, VPA countries share information with China on their efforts to design and implement legality assurance systems for timber and forest products.



*“The work that we are doing in the Republic of Cameroon to ensure the legality of our forest products for the EU market will also enable us to ensure the legality of our growing exports to China. We appreciate China's invitation to share information and collaborate to ensure legal trade, good forest governance and sustainable forest management.”*

**JEAN AVIT KONGAPE, CAMEROON**  
MINISTRY OF FORESTRY AND WILDLIFE

China has demonstrated support for FLEGT initiatives, in particular the VPAs, and shared information about its efforts to promote responsible forestry practices by Chinese businesses overseas through the development of a new 'Guide on sustainable overseas forest trade and investment by Chinese enterprises'. At the international workshop between China and VPA signatory countries to promote understanding of Voluntary Partnership Agreements, representatives from Chinese industry also introduced related efforts by Chinese enterprises to meet international requirements for legally harvested timber by adopting timber certification systems and undergoing annual verification audits.

To promote dialogue between associations involved in the global forest trade chain the EU FLEGT Facility, together with China National Forest Industry Association and other partners, co-organised the 4th International Forest Products Trade Forum in Nanning, China



in 2014. This forum brought together around 70 participants from the State Forest Administration, international organisations, timber producing companies and timber industry associations from eight countries (Australia, China, Indonesia, Myanmar, Philippines, Thailand, UK and US). This was the first time timber industry associations at national and provincial levels gathered to discuss timber legality.

Working with the Chinese Academy of Forestry and Forest Trends, the EU FLEGT Facility organised an International Workshop on Promoting Legal and Sustainable China-Russia Timber Trade in Suifenhe, China, in February 2014. The workshop convened more than 80 participants from government, the private sector and civil society experts from the EU, China, Russia and the US to discuss timber legality issues in the trade flow between the Russian Far East and China.

A month later, in March 2014, the EU FLEGT Facility with the Chinese Academy of Forestry, Forest Trends, WWF and the International Institute for Environment and Development (IIED) organised an International Workshop on Promoting Legal and Sustainable Trade and Investment of Forest Products in Shanghai. This workshop attracted about 100 policymakers and timber industry representatives from 12 countries to share experiences and to enhance cooperation on legal and sustainable trade and investment.

### Looking to the future

Within the framework of the BCM, the EU – through the EU FLEGT Facility – will continue to support Chinese policymakers as they recognise VPA country efforts and sign bilateral agreements with VPA countries to promote trade in FLEGT-licensed timber. Efforts will be made to encourage

China's ongoing policy efforts to exclude illegally sourced timber and it is hoped that the Chinese government will send out a clear message that it is concerned about the legality of timber supplies and favours FLEGT-licensed timber.

Chinese businesses will be encouraged to leverage their buying power to strengthen FLEGT enforcement in VPA countries where Chinese investment is significant. Timber associations are to set up buyers' and suppliers' networks with communication support strategies to promote legally sourced timber.

There is an urgent need to improve Chinese stakeholders' understanding of VPA developments and other emerging market requirements through the provision of information and materials. The EU FLEGT Facility will continue to support the BCM by informing stakeholders on VPAs and other aspects of FLEGT including through the use of a Common Information Window on market requirements for legal timber and by facilitating stakeholder consultation in developing new guidelines for sustainable overseas forestry trade and investment by Chinese enterprises. When developing these guidelines, the Chinese government will consult with VPA country signatories to ensure that Chinese investment supports trade in legally-sourced timber.

## Background

- China is an important trading partner for many countries in the Asia-Pacific region and in Africa. In 2012, exports of forest products from Africa to China reached approximately 4.5 million cubic metres by volume, with a total monetary value estimated at EUR 1.4 billion.<sup>2</sup>
- Forest product imports from Africa in 2012 are estimated at only 2.8% of China's total forest products imports by volume, 5.7% by value. However, from the exporters' perspective, exports to China amounted to more than 80% of timber exports by the Central African Republic, Ghana, Indonesia, Liberia and the Republic of Congo.
- There is potential to expand trade in timber and timber products. Good forest governance in Africa is one key to maintaining and further developing a sustainable trade relationship in legal timber and timber products.
- Several African and Asian countries have joined in the global effort to strengthen trade in legal timber and are at various VPA stages with the EU. When these VPAs are operational, the countries will be able to export verified-legal FLEGT-licensed timber to the EU, China and other consumer markets.

2. Forest Product Trade between China and Africa: an analysis of import and export statistics. Forest trends, 2014.

## CASE STUDY

# Regional cooperation – Timber legality assurance workshops

A key means of furthering the FLEGT objectives in Asia has been through regional action and collaborative work aimed at consolidating efforts to promote legality in the forestry sector and to share lessons learned and best practices among the various forestry stakeholders across the region. Since 2010, the ASEAN Secretariat along with the EU FLEGT Facility and relevant authorities in the host countries have organised a series of annual workshops aimed at promoting timber legality assurance systems (TLAS) as an important element in the effort to increase legality in the forestry sector.

The TLA workshops are multi-stakeholder events, providing a platform for exchanges among ASEAN member states on TLA implementation. The different stakeholders from the region not only explore issues related to the technical elements of timber legality assurance, but also focus on governance, trade and regional integration. The workshops always include a field programme where the practical aspects of timber legality in forest and industries are discussed. The

aim of timber legality assurance systems are to provide a reliable means of distinguishing between legal and illegally produced forest products, thereby allowing partner countries to issue licences.

## TLA requirements

For legality assurance systems to be effective, they must include checks of forest operations and also control of the entire supply chain from harvesting to export. Such a legality assurance system includes five components:

- Definition of legally produced timber with a clear indication of which national laws must be observed and what compliance criteria must be met;
- Control of the supply chain, making it possible to trace wood products through the production chain from harvesting to the point of export;
- Verification whereby compliance with the legality standard and control of the supply chain can be implemented;
- Issuance of export licences;
- Independent monitoring to provide

credibility by ensuring that all requirements of the TLAS are being implemented as prescribed.

In November 2009, ASEAN member states adopted a reference framework for timber legality that defines the criteria and indicators for legal timber, as part of a phased approach for timber certification for sustainability. This ASEAN initiative is a significant contribution to the development of a credible system for verifying timber legality. It is within this context that a series of Sub-regional Training Workshops on Timber Legality Assurance were convened.

### The workshops

#### First TLA Workshop, Hanoi, November 2010

The Ministry of Agriculture and Rural Development of Vietnam, ASEAN and the EU FLEGT Asia Regional Support



*“By providing opportunities for capacity building, inter-sectoral cooperation and stakeholder participation, and by offering a way in which producers can maintain access to international markets, timber legality verification can help catalyse long-lasting improvements in forest governance.”*

#### FAO/VRIFOR POLICY BRIEF

Programme co-organised the first Sub-regional Training Workshop on Timber Legality Assurance. The more than 50 participants included government officials, members of civil society and the private sector in Cambodia, Laos, Myanmar, Thailand and Vietnam and resource persons from Indonesia and Malaysia. Participants stressed the need for close sub-regional coordination and exchange of knowledge and experiences within the framework of ASEAN.

#### Objectives

Participants in the workshop aimed to:

- Provide an overview of the policies related to timber legality and market initiatives;
- Exchange experiences on TLAS between ASEAN member states;
- Enhance the capacity of participating countries to develop and implement TLAS based on the ASEAN framework and other initiatives; and
- Discuss options and elaborate initial steps for sub-regional and/or national level processes in the Mekong region.

### Outcomes

Participants in the workshop highlighted:

- A strong commitment towards the development of a credible TLAS within the framework of the EU FLEGT VPA;
- The need to establish or strengthen institutional arrangements to facilitate the development of TLAS;
- The need for resources and technical support to facilitate capacity building; and
- The need to identify gaps in the existing systems in order to develop a credible TLAS.

### Second TLA Workshop, Kota Kinabalu, Malaysia, October 2011

The Sabah Forest Administration in Malaysia, ASEAN and the EU FLEGT Asia Regional Support Programme co-organised the second Training Workshop on Timber Legality Assurance. One of

the key messages from the event was the need for close sub-regional coordination and exchange of knowledge and experiences within ASEAN when building national systems, to accommodate ASEAN economic integration aspects. Representatives from Cambodia, Indonesia, Laos, Malaysia, Myanmar, Thailand, Vietnam and the Philippines participated.

### Objectives

Discussions at the workshop aimed to:

- Identify similarities in the timber tracking systems used within ASEAN, as well as in gaps in national traceability systems;
- Identify common weaknesses in enforcement due to system failures and lack of capacity;
- Underline the importance of the private sector in establishing improved control systems;
- Highlight the need for coordination among different implementing agen-





cies in each country;

- Examine customs and import regulations in light of due diligence requirements under the EU Timber Regulation.

### Outcomes

Participants recommended that:

- There should be increased harmonisation of data management systems, terms, formats and traceability requirements among ASEAN member states;
- ASEAN should identify Country Focal Points on Timber Legality for improved coordination;
- Regular regional knowledge exchange and capacity building on TLAS should take place within ASEAN/the Mekong Region; and
- Neighbouring countries should promote bilateral mechanisms to exchange information, and to strengthen cross-border law enforcement.

### Third TLA Workshop, Kuala Lumpur, Malaysia, April 2013

The Forest Administration of Peninsular Malaysia, ASEAN and the EU FLEGT Asia Regional Support Programme co-organised the third Training Workshop on Timber Legality Assurance. The eight participating ASEAN member states and Ghana identified a number of common features, including: a strong commitment to their VPA processes or dialogues; a common understanding that VPAs would have to build upon existing national legislation; a preference not to have the process driven by outsiders/consultants; a general will to

address the new requirements of the EU market on timber legality; and an openness to greater transparency.

### Objectives

Participants in the workshop aimed to:

- Enhance the capacity of ASEAN member states to develop and implement TLAS based on the ASEAN framework and FLEGT VPA initiatives;
- Exchange practical experience on VPAs and timber legality assurance within ASEAN, in particular concerning stakeholder involvement, imports and licensing;
- Exchange lessons learned among African and Asian VPA countries; and
- Increase collaboration among customs and enforcement agencies within ASEAN and discuss and elaborate further steps for regional coordination.

### Outcomes

- Participants made the following suggestions for action at regional level:
- ASEAN member states should initiate discussions among forestry and customs officials working on trade facilitation and timber legality assurance;
- ASEAN member states should initiate more regional exchange of country developments and experiences on timber legality assurance;
- Forestry, customs and business practitioners should call for greater regional integration of national timber legality assurance efforts; and
- ASEAN itself should recognise the need for capacity building on timber legality assurance at national and regional levels.

### Fourth TLA Workshop, Vientiane, Lao PDR, October 2014

The Government of Laos, ASEAN and the EU FLEGT Facility co-organised the fourth Training Workshop on Timber Legality Assurance. Participants from Brunei, Cambodia, India, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Thailand and Vietnam attended this workshop. The participants exchanged experiences, especially regarding negotiating and implementing VPAs, and increased collaboration among agencies and stakeholder groups. They suggested that an ASEAN network of civil society engaged in FLEGT should be established and should hold a regular forum.

#### Objectives

The workshop aimed to:

- Continue to enhance the capacity of ASEAN member states to develop and implement TLAS;
- Exchange practical experience on VPAs and timber legality assurance between ASEAN member states;
- Increase multi-stakeholder collaboration amongst ASEAN member states on forestry issues;
- Contribute to the development of an ASEAN position.

#### Outcomes

Participants made recommendations on:

- How to ensure that small and medium enterprises can deliver legal timber;
- How to assure legality of imports, based on approaches under development in ASEAN member states like Indonesia and Vietnam;
- How to address communication chal-

lenges related to illegal logging and trade;

- How to create and maintain civil society engagement in timber legality assurance processes.

#### Looking to the future

The TLA workshops have built, and continue to build, forest stakeholders' capacity with regard to timber legality assurance, giving them the opportunity to exchange experiences, especially regarding negotiating and implementing VPAs, and increasing collaboration among agencies and stakeholder groups.

The workshops aimed at contributing to the development of an ASEAN position on timber legality and the associated trade. ASEAN envisages economic integration and has set itself the objective of becoming a single production base. Timber is one of the priority integration areas identified and the ambitious target year for integration is 2015. The Facility has helped increase collaboration among ASEAN's trade facilitation (including customs) experts and ASEAN's senior experts on forestry. Timber legality is not only discussed at the regional TLA workshops but also at several ASEAN expert working groups that reflect on the recommendations developed in the TLA workshops.

Multi-stakeholder dialogues such as the TLA workshops are an essential component of effective forest governance reform. They are also helping to create

regional ownership. A FAO policy brief, for example, found that by involving a wide range of stakeholders, multi-stakeholder dialogues give forest policies greater legitimacy and help build the trust needed for the development of timber verification systems.

The TLA workshops will continue to play a key role in underpinning regional efforts to increase legality in the forest-

ry sector. By encouraging agencies with broad multi-sectoral oversight from across the region to co-organise these events, and by providing opportunities for capacity building, inter-sectoral cooperation and stakeholder participation, they will continue to help develop the legality assurance and regional enforcement mechanisms needed to deliver robust and sustainable timber legality verification.





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