

# EU/Liberia Voluntary Partnership Agreement: forest law enforcement, governance and trade in timber products to the EU (FLEGT)

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**PURPOSE:** the conclusion of the Voluntary Partnership Agreement between the European Union and the Republic of Liberia on forest law enforcement, governance and trade (FLEGT) in timber products to the European Union.

**PROPOSED ACT:** Council Decision.

**BACKGROUND:** in May 2003 the Commission published an [EU Action Plan](#) which called for measures to address illegal logging through the development of voluntary partnership agreements with timber-producing countries. Council conclusions on that Action Plan were adopted in October 2003 and Parliament adopted a [resolution](#) on the subject on 11 July 2005.

The Action Plan proposes a set of measures that include support for timber-producing countries, multilateral collaboration to tackle trade in illegal timber, support for private-sector initiatives and also measures to discourage investment in activities that encourage illegal logging. The cornerstone of the Action Plan is the **establishment of FLEGT partnerships between the EU and timber-producing countries aimed at stopping illegal logging.**

In 2005 the Council adopted [Regulation \(EC\) No 2173/2005](#) which establishes a licensing scheme and a mechanism to verify the legality of timber imports into the EU. Against this background, the Voluntary Partnership Agreement between the European Union and Liberia on forest law enforcement, governance and trade in timber and derived products to the European Union needs to be concluded (after similar agreements with Ghana, [the Republic of the Congo](#), [Cameroon](#), the [Central African Republic](#) and Indonesia)..

**IMPACT ASSESSMENT:** no impact assessment was undertaken.

**LEGAL BASIS:** Article 207(3) and (4), in conjunction with Article 218(6)(a)(v) and Article 218(7) of the Treaty on the Functioning of the EU.

**CONTENT:** the proposal aims to conclude the Agreement between the European Union and the Central African Republic on forest law enforcement, governance and trade in timber and derived products to the European Union (FLEGT).

The agreement sets out in particularly **the framework, the institutions and the system for issuing FLEGT licenses.** It also sets out:

- the supply chain controls;
- legal compliance framework;
- independent audit requirements for the system.

These elements are set out in the annexes to the Agreement and provide a detailed description of the structures that will underpin the assurance of legality afforded by the issuing of a FLEGT licence.

**Governance:** the Voluntary Partnership Agreement (VPA) focuses on governance and law enforcement and, by means of the licensing system, provides the assurance that Liberia's timber is legally produced. It exemplifies Liberia's commitment to improving accountability and transparency. As a legacy of past malpractice, Liberian timber does not have a good reputation on international markets. The FLEGT licence will reassure international markets that Liberian timber products are from verified legal sources. The VPA will support on-going regulatory reforms that will strengthen the legal framework, in order to promote sustainable management of forests and to strengthen the **involvement of local communities in decision-making processes**. The Agreement clearly indicates the areas where reforms are needed and sets out a time frame for these.

**Legal compliance:** Liberia has developed a comprehensive framework for monitoring legal compliance for all types of title holdings, whether trees from community forests, large concessions or privately owned trees on farms, and embracing all aspects of timber production, including allocation of harvesting rights, application of forest management and environmental standards, sharing of benefits, workers' rights and taxes.

**Control:** compliance will be monitored by the new legality assurance system, which builds on and expands an existing chain of custody system. In addition, Liberia will work with an independent auditor, who will provide regular, public reports on the effectiveness of the system. Civil society will monitor the VPA as a whole, sharing findings with the government, national stakeholders and the Joint Implementation Committee responsible for oversight.

The Agreement goes beyond the limited product coverage proposed in Annex II to Regulation (EC) No 2173/2005 on the FLEGT scheme: it covers all exported timber products, including wood chips, a common by-product of commercial agriculture concessions. **Liberia is committed to establishing a system that will provide assurance to the EU that all timber products from Liberia are legally produced.** It covers all exported timber products, including wood chips, a common by-product of commercial agriculture concessions. Liberia is committed to establishing a system that will provide assurance to the EU that all timber products from Liberia are legally produced and so contribute positively to Liberia's growth.

The Agreement makes provision for:

- import controls at the EU's borders as provided for in Regulation (EC) No 2173/2005 on the FLEGT scheme and Regulation (EC) No 1024/2008 laying down detailed measures for its implementation;
- a description of Liberia's FLEGT licence, which uses the format prescribed in the above-mentioned Implementing Regulation;
- FLEGT licenses for timber exports destined to other international markets and an **EU-specific numbering system** will be introduced to distinguish readily timber exports destined for the EU
- a mechanism for dialogue and cooperation with the EU on the FLEGT scheme, by means of the Joint Agreement Implementation Committee;
- principles of stakeholder participation, social safeguards and transparency, and the monitoring of and reporting on the Agreement's implementation.

The Agreement sets out a time frame and the procedures for entry into force of the Agreement and for applying the licensing scheme. Since Liberia will further revise and complete its regulations governing the sector, strengthen its regulatory and information management system, upgrade supply chain controls to cover processing facilities and establish independent verification of legal compliance, it will take several years to develop and test the new systems and to build capacity on the part of the government, civil society and the private sector for the tasks envisaged. The FLEGT licensing scheme is expected to be fully operational **by 2014**. The licensing scheme will be assessed against the criteria laid down in the Agreement before the EU begins accepting FLEGT licences.

**BUDGETARY IMPACT:** the proposal has no impact on the EU's budget.