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

2011/0160(NLE) - 14/05/2012 - Final act

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

NON-LEGISLATIVE ACT: Council Decision 2012/373/EU on the conclusion of the Voluntary Partnership Agreement between the European Union and the Republic of Liberia on forest law enforcement, governance and trade in timber products to the European Union.

BACKGROUND: in May 2003, the Commission adopted a Communication entitled "Forest Law Enforcement, Governance and Trade (FLEGT): Proposal for an EU Action Plan" which called for measures to address illegal logging by developing voluntary partnership agreements with timber-producing countries. Council conclusions on that Action Plan were adopted in October 2003 and the European 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)..

In accordance with Council Decision 2011/475/EU, the Voluntary Partnership Agreement between the European Union and the Republic of Liberia on forest law enforcement, governance and trade in timber products to the European Union was signed on 27 July 2011, subject to its conclusion. The Agreement should now be concluded on behalf of the European Union.

CONTENT: under this Decision, the Voluntary Partnership Agreement between the European Union and the Republic of Liberia on forest law enforcement, governance and trade in timber products to the European Union is hereby approved on behalf of the Union.

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.

Implementation time frame: the Agreement sets out a time frame and the procedures for entry into force of the Agreement and for applying the licensing scheme. 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.

Institutional process: the European Union shall be represented by representatives of the Commission in the Joint Agreement Implementation Committee. The Member States may participate in meetings of the Joint Agreement Implementation Committee as members of the European Union delegation.

Amending annexes: for the purpose of amending the annexes to the Agreement, the Commission is authorised, in accordance with the procedure laid down in the FLEGT Regulation on licensing scheme for imports of timber into the European Community, to approve any such amendments on behalf of the European Union.

ENTRY INTO FORCE: the Decision shall enter into force on 14.05.2012. The Agreement shall enter into force as soon as the necessary procedures have been completed.